

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered

ORDER PURSUANT TO SECTIONS 365(a) AND 554 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6006 AND 6007 AUTHORIZING THE REJECTION OF A CERTAIN UNEXPIRED LEASE OF NONRESIDENTIAL REAL PROPERTY AND THE ABANDONMENT OF PERSONAL PROPERTY LOCATED IN PONTIAC, MICHIGAN

Upon the motion (the “Motion”), dated September 2, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), seeking entry of an order authorizing the (a) rejection of the Pontiac Lease¹ pursuant to section 365 of the Bankruptcy Code and (b) abandonment of certain personal property located at the Pontiac Premises pursuant to section 554 of the Bankruptcy Code, as more fully set forth in the Motion; and it appearing that this Court has jurisdiction to consider and determine the Motion as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates and creditors; and due and proper notice of the Motion having been given; and good and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to section 365 of the Bankruptcy Code, the Pontiac Lease shall be deemed rejected as of September 15, 2003; and it is further

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Motion.

ORDERED that, pursuant to section 554 of the Bankruptcy Code, the Personal Property shall be deemed abandoned as of September 15, 2003; and it is further

ORDERED that nothing herein shall constitute a waiver by the Debtors of any claims they may have against the lessor under the Pontiac Lease, whether or not such claims are directly related to the Pontiac Lease; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: New York, New York
_____, 2003

UNITED STATES BANKRUPTCY JUDGE