

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**ORDER PURSUANT TO SECTION  
365(a) OF THE BANKRUPTCY CODE AUTHORIZING  
THE DEBTORS TO REJECT CERTAIN FIBER OPTIC LEASE  
AGREEMENTS WITH METROMEDIA FIBER NETWORK SERVICES, INC.**

Upon consideration of the motion (the “Motion”), dated October 8, 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, pursuant to section 365(a) of the Bankruptcy Code,<sup>1</sup> authorizing the Debtors to reject the Rejected Leases, 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 the Rejected Leases shall be deemed rejected effective as of the earlier of (a) one hundred eighty (180) days from the entry of an order authorizing and approving the rejection of the Rejected Leases and (b) the date on which the Debtors provide MFN with

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

written notice that the transition of the Debtors' network has been completed and the Debtors no longer need to lease optical fibers from MFN under the Rejected Leases; and it is further

ORDERED that the Debtors do not waive or release any rights, claims, causes of action, or defenses, including rights of set-off or recoupment with respect to such Rejected Leases; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; 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

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UNITED STATES BANKRUPTCY JUDGE