

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: Case No. 03-13057 (RDD)
: ALLEGIANCE TELECOM, INC., *et al.*, : (Jointly Administered)
: Debtors. :
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**ORDER, PURSUANT TO SECTION 107(b) OF THE BANKRUPTCY CODE AND
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9018, AUTHORIZING THE
DEBTORS TO FILE THE STIPULATION AND ORDER ESTABLISHING
PROCEDURES FOR ADEQUATE ASSURANCE OF FUTURE PAYMENT
TO VERIZON COMMUNICATIONS INC. AND ITS OPERATING
TELEPHONE SUBSIDIARIES SETTLEMENT AGREEMENT UNDER SEAL**

Upon the motion dated October 23, 2003 (the "Motion") of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), by their co-bankruptcy counsel, Togut, Segal & Segal LLP, for (i) approval of the Stipulation and Order (the "Stipulation"), pursuant to section 366 of title 11 of the United States Code (the "Bankruptcy Code"), establishing procedures for adequate assurance of future payment to Verizon Communications Inc. and its Operating Telephone Subsidiaries (collectively, "Verizon") and (ii) an order authorizing the filing of the Stipulation under seal pursuant to section 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and due and sufficient notice of the Motion having been provided; and after due deliberation and good and sufficient cause appearing therefor, it is hereby

ORDERED, that, pursuant to section 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018, the Debtors are authorized to file the Stipulation under seal; and it is further

ORDERED, that the Stipulation shall remain under seal and shall not be disclosed or released to any third party except the Limited Notice Parties (as defined in the Motion), unless and until the Court directs and orders otherwise; and it is further

ORDERED, that the Limited Notice Parties shall maintain the Stipulation in confidence, unless and until the Court orders otherwise; and it is further

ORDERED, that to the extent that a client of, or a person represented by, a Limited Notice Party is (i) a competitor of the Debtors, and/or (ii) a utility service provider, such Limited Notice Party shall not to share or disclose the Stipulation with such client, unless and until the Court instructs otherwise.

Dated: New York, New York
October __, 2003

HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE