

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

Allegiance Telecom, Inc., et al.,  
Debtors.

**Chapter 11  
Case No. 02-130507 (RDD)**

**(Jointly Administered)**

**ORDER (A) FIXING TIME, DATE AND PLACE OF  
HEARING ON DEBTORS' MOTION FOR APPROVAL  
OF BIDDING PROCEDURES AND BID PROTECTIONS  
IN CONNECTION WITH THE SALE OF SUBSTANTIALLY  
ALL OF THE ASSETS OF THE DEBTORS AND (B)  
AUTHORIZING AND APPROVING DEBTORS' AGREEMENT  
TO NO-SHOP PROVISIONS SET FORTH IN SECTION 6.17(a)  
OF THE ASSET PURCHASE AGREEMENT BETWEEN THE  
DEBTORS AND QWEST COMMUNICATIONS INTERNATIONAL INC.**

Upon the motion, dated December 18, 2003 (the "Motion"), of Allegiance Telecom, Inc. ("Allegiance") and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), for orders (i) establishing bidding procedures and certain protections payable to the Buyer including a break-up fee and expense reimbursement in connection with the sale of substantially all of the assets of the Debtors (the "Sale Assets"); (ii) approving the form and manner of notice related to the sale of the Sale Assets; (iii) approving the Purchase Agreement,<sup>1</sup> subject to higher and better offers; (iv) setting a hearing date to consider approval of the sale of the Sale Assets; (v) approving the sale to the Buyer, subject to higher and better offers, free and clear of (a) all liens, claims and encumbrances and (b) certain transfer taxes; (vi) authorizing the assumption and assignment of certain executory contracts and

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

unexpired leases; and (vii) granting certain related relief; and a hearing to consider certain relief requested in the Motion having been held on December 18, 2003; and it appearing that an order scheduling the Procedures Hearing (as defined below) is in the best interest of the Debtors and parties in interest; and approving Section 6.17(a) of the Purchase Agreement is in the best interest of the Debtors and parties in interest; and it appearing that the Court has jurisdiction over this matter; and after due deliberation and sufficient cause appearing therefore; it is hereby

ORDERED that the hearing (the "Procedures Hearing") in respect of the relief requested in the Motion (as described in clauses (i) – (iv) above (the "Preliminary Relief")) will be held before the Hon. Robert D. Drain, United States Bankruptcy Judge, in Room 610 of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), Alexander Hamilton Custom House, One Bowling Green, New York, New York, 10004-1408, on January 8, 2004, at 10:00 a.m., (prevailing Eastern Time), or as soon thereafter as the Debtors are heard; and it is further

ORDERED that objections, if any, to the Preliminary Relief requested in the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of the Southern District of New York, shall set forth the name of the objectant, the nature and amount of claims or interests held or asserted by the objectant against the Debtors' estates or property, the basis for the objection, and the specific grounds therefore, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document

Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-242, and shall further be served upon (a) Kirkland & Ellis LLP, Citigroup Center, 153 East 53rd Street, New York, New York 10022 (Attn. Jonathan S. Henes, Esq.); (b) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn. Pamela J. Lustrin, Esq.); (c) Paul, Hastings, Janofsky & Walker LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, Georgia 30308 (Attn. Jesse Austin, III, Esq.); (d) Akin Gump Strauss Hauer Feld LLP, 590 Madison Avenue, New York, New York 10022 (Attn. Ira S. Dizengoff, Esq.); and (e) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Paul M. Basta, Esq.), so as to be actually received no later than January 5, 2004, at 12:00 p.m. (prevailing Eastern Time).

ORDERED that Section 6.17(a) of the Purchase Agreement which, among other things, prevents the Debtors from soliciting, negotiating or entering into a Competing Transaction from the date of execution of the Purchase Agreement through the date this Court approves or denies the Bidding Procedures Order, hereby is approved and authorized pending the adjudication of the Preliminary Relief at the Procedures Hearing; 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  
December 18, 2003

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE