

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 554 OF THE BANKRUPTCY CODE  
AND BANKRUPTCY RULE 6007 AUTHORIZING THE ABANDONMENT  
OF PERSONAL PROPERTY LOCATED AT CERTAIN COLLOCATION SITES**

Upon the motion dated February 6, 2004 (the “Motion”), 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 554 of the Bankruptcy Code,<sup>1</sup> authorizing the abandonment of certain Personal Property located at the Collocation Sites, 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 upon the hearing held on February 25, 2004 (the “Hearing”) to consider the Motion; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates and creditors; and the Debtors having represented that: (a) the Debtors own, rather than lease, the Personal Property and the Debtors do not believe that any party, other than their prepetition senior secured lenders (the “Prepetition Lenders”), has any liens, interest or claims against the Personal Property, (b) the Prepetition Lenders do not object to the relief requested in the Motion,

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

and (c) the Prepetition Lenders have agreed not to assert any interest they may have in the Personal Property; and due and proper notice of the Motion having been given; and good and sufficient cause appearing therefor; it is

ORDERED that, subject to the terms of this Order, the Motion is granted; and it is further

ORDERED that, pursuant to section 554 of the Bankruptcy Code, the Personal Property at the Collocation Sites listed in the Motion shall be deemed abandoned by the Debtors effective as of February 25, 2004; and it is further

ORDERED that Verizon, BellSouth and SBC Communications, as owners of the Collocation Sites, are authorized to remove from the Collocation Sites, use and/or dispose of the Personal Property without the need of any further order of this Court; and it is further

ORDERED that Verizon, BellSouth and SBC Communications may file a claim or assert an administrative expense claim arising from the abandonment of the Personal Property at the Collocation Sites, which claim or administrative expense claim must be filed or asserted on or before sixty (60) days after the date of this Order (the "Claims Bar Date"), and any claims resulting from the abandonment of the Personal Property not filed prior to the Claims Bar Date shall be forever barred from participating in the Debtors' chapter 11 cases and receiving any dividend or distribution thereon; and it is further

ORDERED that, except as expressly provided herein, pursuant to section 554 of the Bankruptcy Code, the Debtor's obligations and requirements related to or

connected with the Personal Property shall cease effective as of February 25, 2004; and it is further

ORDERED that, except as expressly provided herein, nothing herein shall constitute a waiver or release by the Debtors, on the one hand, and Verizon, BellSouth and SBC Communications, as owners of the Collocation Sites, on the other hand, of any rights, claims, causes of actions or defenses that they may have against each other, whether or not directly related to the Collocation Sites or the Debtors' abandonment of the Personal Property; 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  
\_\_\_\_\_, 2004

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UNITED STATES BANKRUPTCY JUDGE