

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF  
AFFILIATES OF BOSTON PROPERTIES, INC.**

This STIPULATION AND AGREED ORDER is by and between (i) the Allegiance Telecom Liquidating Trust (the "ATLT"), as successor to the Debtors (as defined below), and (ii) three affiliates of Boston Properties, Inc. ("Boston Properties"): (a) Tracer Lane Trust II ("Tracer Lane"), (b) The Metropolitan Square Associates LLC ("Metropolitan"), and (c) BP Prucenter Acquisition, LLC ("BP Prucenter"). The parties hereby stipulate and agree as follows:

WHEREAS, on or about November 5, 1997, Debtor Allegiance Internet, Inc. and Metropolitan entered into a telecommunications license agreement (the "License Agreement"); and

WHEREAS, on or about April 13, 2001, Debtor Allegiance Telecom Company Worldwide ("ATCW") entered into a lease with Tracer Lane for office space at 170 Tracer Lane, Waltham, Massachusetts (the "Lease"); and

WHEREAS, the Lease did not require ATCW to pay a security deposit to Tracer Lane; and

WHEREAS, on May 14, 2003, Allegiance Telecom, Inc. and its direct and indirect subsidiaries (collectively, the "Debtors") commenced voluntary cases (the "Chapter 11 Cases") under

*claims 2007, 2008,  
2009 and 2501*

*Docket # 2030  
eod 1/21/05*

Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court for the Southern District of New York, Case No. 03-13057 (RDD) (the "Bankruptcy Court"); and

WHEREAS, the Chapter 11 Cases were consolidated for procedural purposes only and were jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure; and

WHEREAS, on or about June 13, 2003, the Bankruptcy Court entered an order pursuant to section 365(a) of the Bankruptcy Code authorizing the Debtors to reject certain unexpired leases of nonresidential real property, including the Lease; and

WHEREAS, the Debtors filed their Third Amended Joint Plan of Reorganization dated June 8, 2004 (the "Plan") with the Bankruptcy Court and the Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Third Amended Joint Plan of Reorganization on June 10, 2004 (the "Confirmation Order"); and

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date, the ATLT was created; and

WHEREAS, pursuant to the Plan, Eugene I. Davis was appointed as the plan administrator (the "Plan Administrator") for the ATLT; and

WHEREAS, among other things, the purpose of the ATLT is to (i) wind-down the Debtors' affairs, including making distributions as contemplated in the Plan, (ii) investigate, enforce and prosecute avoidance and other causes of action, (iii) object to, settle, compromise, dispute and/or prosecute disputed claims, and (iv) administer the Plan and take such actions as are necessary to effectuate the terms of the Plan; and

WHEREAS, the ATLT, as the successor to the rights of the Debtors, and the Plan Administrator has the authority to, *inter alia*, perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code; and

WHEREAS, on or about November 21, 2003, Tracer Lane filed a timely proof of claim numbered 2007 (the "Tracer Lane Proof of Claim") for Claims (as such term is defined in the Plan) against ATCW in the amount of \$292,381.73 (the "Rejection Claim"); and

WHEREAS, Tracer Lane has not filed any proofs of claim in the Chapter 11 Cases other than the Tracer Lane Proof of Claim; and

WHEREAS, on or about November 19, 2003, Metropolitan filed a timely proof of claim numbered 2008 (the "First Metropolitan Proof of Claim") relating to prepetition damages with respect to the License Agreement in the amount of \$2,762.64 against Allegiance Telecom, Inc. (the "First License Agreement Claim"); and

WHEREAS, on or about November 19, 2003, Metropolitan filed a timely proof of claim numbered 2009 (the "Second Metropolitan Proof of Claim") relating to prepetition damages with respect to the License Agreement in the amount of \$2,762.64 against Allegiance Internet, Inc. (the "Second License Agreement Claim," and, together with the First License Agreement Claim, the "License Agreement Claim"); and

WHEREAS, on or about November 19, 2003, BP Prucenter filed a timely proof of claim numbered 2501 (the "BP Proof of Claim," and, together with the Tracer Lane Proof of Claim, the First Metropolitan Proof of Claim, and the Second Metropolitan Proof of Claim, the "Proofs of Claim") relating to prepetition damages against ATCW with respect to a master telecommunications license

agreement dated October 14, 1998 and a license agreement dated October 14, 1998 as the same may have been amended in an unspecified, unliquidated amount (the "Unliquidated Claim"); and

WHEREAS, on or about April 6, 2004, the Debtors filed their First Omnibus Objection to Certain Proofs of Claims, which included an objection to the First Metropolitan Proof of Claim and the First License Agreement Claim; and

WHEREAS, the Court entered an order regarding the First Omnibus Objection to Certain Proofs of Claims on or about May 19, 2004 (the "First Omnibus Order") disallowing the First License Agreement Claim and expunging the First Metropolitan Proof of Claim; and

WHEREAS, on or about September 2, 2004, the ATLT filed its Eleventh Omnibus Objection to Certain Lease Rejection Damages Claims, which included an objection to the Tracer Lane Proof of Claim and the Rejection Claim; and

WHEREAS, Boston Properties and BP Prucenter have agreed to withdraw the Unliquidated Claim; and

WHEREAS, the ATLT, Boston Properties, Tracer Lane, Metropolitan, and BP Prucenter have negotiated in good faith at arm's length and have reached a consensual resolution, as set forth below, with respect to the Proofs of Claim to avoid incurring significant additional litigation expenses that would necessarily be incurred in litigating this matter to an uncertain conclusion.

**NOW, THEREFORE, BASED UPON THE FOREGOING AND FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED BY THE PARTIES, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:**

1. Upon the entry of a Final Order (as defined below) approving this Stipulation, the ATLT is hereby authorized and directed to grant Tracer Lane an allowed ATCW Unsecured Claim (as such term is defined in section 1.9 of the Plan) of \$292,381.73 (the "Allowed ATCW Unsecured Claim") in full and complete satisfaction of all Claims held by Tracer Lane with respect to the Debtors, the Debtors' estates, and/or the ATLT, including, but not limited to, the Rejection Claim.

2. Tracer Lane hereby stipulates and agrees to elect the Cash Recovery (as defined in section 1.33 of the Plan) on account of the Allowed ATCW Unsecured Claim, regardless of any prior election to the contrary.

3. Upon the entry of a Final Order approving this Stipulation, the ATLT is hereby authorized and directed to allow the Rejection Claim as the Allowed ATCW Unsecured Claim and include the Tracer Lane Proof of Claim in the ATLT's claims register.

4. Upon the entry of a Final Order (as defined below) approving this Stipulation, the ATLT is hereby authorized and directed to grant Metropolitan an allowed ATI Unsecured Claim (as such term is defined in section 1.15 of the Plan) of \$1,412.64 (the "Allowed ATI Unsecured Claim") in full and complete satisfaction of all Claims held by Metropolitan with respect to the Debtors, the Debtors' estates, and/or the ATLT, including, but not limited to, the License Agreement Claim.

5. Metropolitan hereby stipulates and agrees to elect the Cash Recovery (as defined in section 1.33 of the Plan) on account of the Allowed ATI Unsecured Claim, regardless of any prior election to the contrary.

6. Upon the entry of a Final Order approving this Stipulation, the ATLT is hereby authorized and directed to (i) allow the Second License Agreement Claim as the Allowed ATI Unsecured

Claim, (ii) include the Second Metropolitan Proof of Claim in the ATLT's claims register, (iii) disallow the First License Agreement Claim if this has not already occurred pursuant to the First Omnibus Order, and (iv) expunge the First Metropolitan Proof of Claim in the ATLT's claims register if this has not already occurred pursuant to the First Omnibus Order.

7. Upon the entry of a Final Order approving this Stipulation, the ATLT is hereby authorized and directed to disallow the Unliquidated Claim and expunge the BP Proof of Claim in the ATLT's claims register.

8. Tracer Lane hereby stipulates and agrees that it will not file any proofs of claim or requests for the payment of administrative expenses against the ATLT, the Debtors, or the Debtors' estates, whether in the Chapter 11 Cases or otherwise.

9. Metropolitan hereby stipulates and agrees that it will not file any proofs of claim or requests for the payment of administrative expenses against the ATLT, the Debtors, or the Debtors' estates, whether in the Chapter 11 Cases or otherwise.

10. BP Prucenter hereby stipulates and agrees that it will not file any proofs of claim or requests for the payment of administrative expenses against the ATLT, the Debtors, or the Debtors' estates, whether in the Chapter 11 Cases or otherwise.

11. Upon entry of a Final Order approving this Stipulation, Tracer Lane hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the ATLT, the Debtors, and the Debtors' estates, and their respective parent firms and affiliates, and their officers, directors, employees, attorneys, professionals, and agents (collectively, the "Estate Parties") from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts,

judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Tracer Lane has, had, or may have in the future against the Estate Parties; provided, however, that this paragraph does not affect either party's right to enforce the terms of this Stipulation or Tracer Lane's right to receive one or more distributions on account of its Allowed ATCW Unsecured Claim.

12. Upon entry of a Final Order approving this Stipulation, Metropolitan hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the Estate Parties from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Metropolitan has, had, or may have in the future against the Estate Parties; provided, however, that this paragraph does not affect either party's right to enforce the terms of this Stipulation or Metropolitan's right to receive one or more distributions on account of its Allowed ATI Unsecured Claim.

13. Upon entry of a Final Order approving this Stipulation, BP Prucenter hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the Estate Parties from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Metropolitan has, had, or may have in

the future against the Estate Parties; provided, however, that this paragraph does not affect either party's right to enforce the terms of this Stipulation.

14. Upon entry of a Final Order approving this Stipulation, the Estate Parties hereby irrevocably, unconditionally and without reservation of any kind waive, release and forever discharge Tracer Lane, Metropolitan, BP Prucenter and their respective officers, directors, employees, attorneys, professionals, and agents (collectively, the "Claimant Parties") from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which the Estate Parties have, had, or may have in the future against the Claimant Parties; provided, however, that this paragraph does not affect either party's right to enforce the terms of this Stipulation.

15. This Stipulation shall be governed by the law of the State of New York, excluding its conflicts of laws principles and this Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation.

16. The undersigned on behalf of the ATLT, Tracer Lane, Metropolitan, and BP Prucenter each warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such party.

17. Tracer Lane represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of the Rejection Claim against the Debtors, the Debtors' estates, and the ATLT, and that



Tracer Lane has not assigned, sold, hypothecated or otherwise transferred any Claims against the Debtors, the Debtors' estates, or the ATLT.

18. Metropolitan represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of the License Agreement Claim against the Debtors, the Debtors' estates, and the ATLT, and that Metropolitan has not assigned, sold, hypothecated or otherwise transferred any Claims against the Debtors, the Debtors' estates, or the ATLT.

19. BP Prucenter represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of the Unliquidated Claim against the Debtors, the Debtors' estates, and the ATLT, and that BP Prucenter has not assigned, sold, hypothecated or otherwise transferred any Claims against the Debtors, the Debtors' estates, or the ATLT.

20. This Stipulation is subject to approval by the Court and the entry of a Final Order by the Court approving this Stipulation; provided, however, that the parties shall support such Court approval and comply with this Stipulation pending the Court's entry of a Final Order approving or disapproving this Stipulation. For the purposes of this Stipulation, the term "Final Order" shall mean an order approving this Stipulation that has not been stayed, reversed or amended and the time, as computed under the Bankruptcy Rules, to appeal or seek review or rehearing of such order (or any revision, modification or amendment thereof) has expired and no appeal or petition for review or rehearing of such order was filed, or if filed, remains pending.

21. Nothing contained in this Stipulation nor any negotiations or proceedings in connection herewith shall constitute or be deemed to be evidence of an admission by any party hereto of any liability or wrongdoing whatsoever, or the truth or untruth, or merit or lack of merit, of any claim or

defense of any party. Neither this Stipulation nor any negotiations or proceedings in connection herewith may be used in any proceeding against any party for any purpose whatsoever except with respect to effectuation and enforcement of this Stipulation.

22. This Stipulation contains the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous oral or written agreements. The parties acknowledge that no promise, inducement, or agreement not stated herein has been made to them in connection with this Stipulation. The parties understand and agree that this Stipulation may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by both parties and approved by the Bankruptcy Court. The parties agree and acknowledge that they will make no claim at any time or place that this Stipulation has been orally altered or modified or otherwise changed by oral communication of any kind or character. Each party hereto agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation, construction, or enforcement of this Stipulation.

23. This Stipulation may be executed simultaneously or in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. A facsimile copy or portable document format (".pdf") of a signature page is the equivalent of an original signature page.

24. This Stipulation shall be binding upon (i) the ATLT, as successor to the Debtors, (ii) Tracer Lane, (iii) Metropolitan, (iv) BP Prucenter, (v) Boston Properties, and (vi) their predecessors, successors, heirs, subsidiaries, affiliates, assignees, agents, directors, officers, employees, the Plan Administrator, and any trustee appointed under Chapter 7 of the Bankruptcy Code.

Dated: New York, New York  
January 20, 2005

**ALLEGIANCE TELECOM LIQUIDATING  
TRUST**

By: /s/ Mark Stachiw  
Mark Stachiw  
Allegiance Telecom Liquidating Trust  
1405 S. Beltline Road, Suite 100  
Coppell, Texas 75019

and

**AKIN GUMP STRAUSS HAUER & FELD  
LLP**

By: /s/ Jeffrey M. Anapolsky  
Ira S. Dizengoff, Esq. (ID-9980)  
Phil C. Dublin, Esq. (PD-4919)  
Kenneth A. Davis, Esq. (KD-9070)  
Jeffrey M. Anapolsky, Esq. (JA-8867)  
590 Madison Avenue  
New York, New York 10022  
Telephone: (212) 872-1000

Counsel to the Allegiance Telecom  
Liquidating Trust

**TRACER LANE TRUST II**

By: **Boston Properties Limited Partnership, as agent**  
By: **Boston Properties, Inc., its general partner**

By: /s/ Madeleine C. Timin  
Madeleine C. Timin  
Vice President, Counsel

**THE METROPOLITAN SQUARE  
ASSOCIATES LLC**

By: **Boston Properties Limited Partnership, its  
managing member**  
By: **Boston Properties, Inc., its general partner**

By: /s/ Madeleine C. Timin  
Madeleine C. Timin  
Vice President, Counsel

**BP PRUCENTER ACQUISITION, LLC**

By: **Boston Properties Limited Partnership, its sole  
member**  
By: **Boston Properties, Inc., its general partner**

By: /s/ Madeleine C. Timin  
Madeleine C. Timin  
Vice President, Counsel

and

**GOULSTON & STORRS, P.C.**

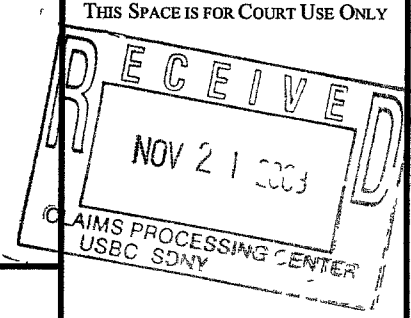

By: /s/ Douglas B. Rosner  
Douglas B. Rosner, Esq.  
400 Atlantic Avenue  
Boston, Massachusetts 02110-3333  
Telephone: (617) 482-1776

Counsel to Tracer Lane Trust II,  
The Metropolitan Square Associates LLC, and  
BP Prucenter Acquisition LLC

SO ORDERED, this 21st day of January 2005

/s/Robert D. Drain

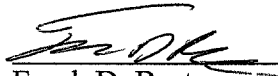
UNITED STATES BANKRUPTCY JUDGE

<b>UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF <u>New York</u></b>		<b>PROOF OF CLAIM</b>
Name of Debtor <b>Allegiance Telecom, Inc</b>		Case Number <b>03-013057</b>
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case A "request" for payment of an administrative expense may be filed pursuant to 11 USC § 503		
Name of Creditor (The person or other entity to whom the debtor owes money or property) <b>The Metropolitan Square Associates LLC</b>		FILED <b>USBC SOUTHERN DISTRICT OF NEW YORK</b> <b>ALLEGIANTELECOM, INC</b> <b>03-13057 (RRD)</b> <hr style="border-top: 1px dashed black;"/> <b>1622</b>  THIS SPACE IS FOR COURT USE ONLY
Name and address where notices should be sent <b>c/o Douglas B Rosner, Esq Goulston &amp; Storrs, P C 400 Atlantic Avenue Boston, MA 02110-3333</b>		
Telephone number <b>617-482-1776</b>		
Account or other number by which creditor identifies debtor	Check here if this claim <input type="checkbox"/> replaces a previously filed claim, dated _____ <input type="checkbox"/> amends	
<b>1 Basis for Claim</b> <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <b>License Agreement</b> <input type="checkbox"/> Retiree benefits as defined in 11 USC § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Your SS # _____ Unpaid compensations for services performed from _____ (date) to _____ (date)		
<b>2 Date debt was incurred See Attached</b>		<b>3 If court judgment, date obtained</b>
<b>4 Total Amount of Claim at Time Case Filed \$2,762.64</b> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim Attach itemized statement of all interest or additional charges		<b>RECD</b> <b>DEC 03 2003</b> <b>BMC</b>
<b>5 Secured Claim</b> <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff) Brief Description of Collateral <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____  Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____		<b>6 Unsecured Priority Claim</b> <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim <input type="checkbox"/> Wages salaries or commissions (up to \$4 300) * earned within 90 days before filing of the bankruptcy petition or cessation of the debtor s business whichever is earlier 11 USC § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan 11 USC § 507(a)(4) <input type="checkbox"/> Up to \$1 950* of deposits toward purchase lease or rental of property or services for personal family or household use - 11 USC § 507(a)(6) <input type="checkbox"/> Alimony maintenance or support owed to a spouse former spouse or child 11 USC § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units 11 USC § 507(a)(8) <input type="checkbox"/> Other - Specify applicable paragraph of 11 USC § 507(a) (_____)
<b>7 Credits</b> The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim <b>8 Supporting Documents</b> Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien DO NOT SEND ORIGINAL DOCUMENTS If the documents are not available, explain If the documents are voluminous, attach a summary <b>9 Date-Stamped Copy:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim		THIS SPACE IS FOR COURT USE ONLY    Allegiance Claim  02008
Date <b>November 19, 2003</b>	Sign and print the name and title if any of the creditor or other person authorized to file this claim (attach copy of power of attorney if any)  By <u>(see attached)</u>	
Penalty for presenting fraudulent claim Fine of up to \$500,000 or imprisonment for up to 5 years, or both		

THE METROPOLITAN SQUARE ASSOCIATES LLC,  
a District of Columbia limited liability company

By Boston Properties Limited Partnership,  
its managing member

By Boston Properties, Inc ,  
its general partner



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Frank D Burt  
Senior Vice President, General Counsel

EXHIBIT A TO THE  
PROOF OF CLAIM OF  
THE METROPOLITAN SQUARE ASSOCIATES LLC  
AGAINST ALLEGIANCE TELECOM, INC

**Claim for Pre-Petition Damages<sup>1</sup>**

Rental Income- Licenses (January, 2001- September, 2001)	\$1,350 00
Rental Income- Licenses (January, 2002- September, 2002)	\$1,350 00
Rental Income- Licenses (May, 2003)	\$62 64
<b>Total Amount of Claim<sup>2</sup></b>	<b><u>\$2,762.64</u></b>

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<sup>1</sup> The Metropolitan Square Associates LLC (the "Licensor") and Allegiance Telecom, Inc (the "Debtor") are parties to a telecommunications license agreement ("License Agreement") dated as of November 5, 1997. A true and correct copy of the Agreement is available upon request to Landlord's counsel.

<sup>2</sup> The Landlord expressly reserves the right to amend this claim, including, without limitation, to add year-end reconciliation.