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UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re	:	
	:	chapter 11 Case No.
Allegiance Telecom, Inc., et al.,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered
_____	X	
Allegiance Telecom, Inc., Hosting.com, Inc.,	:	
	:	
Plaintiffs,	:	Adversary Proceeding
	:	
v.	:	No. 03-04911 (RDD)
	:	
CI Host, Inc., et al.,	:	
	:	
Defendants.	:	
_____	X	

**STIPULATION AND ORDER OF DISMISSAL WITH PREJUDICE**

WHEREAS both Plaintiffs and Defendants have agreed to a resolution of the above-captioned dispute pursuant to a settlement agreement;

NOW THEREFORE, IT IS STIPULATED AND AGREED, by and between the Plaintiffs and Defendants, and their undersigned counsel, as follows:

1. The parties agree to be permanently bound by the terms and conditions of the Stipulated Order Regarding Plaintiff's Motion for Temporary Restraining Order and Preliminary Injunction, dated July 24, 2003; and
2. Defendants' Motion for Leave to File Counter Complaint and Amended Answer is withdrawn; and

3. Pursuant to Fed. R. Civ. P. 41(a)(1)(ii) and with approval of the Court, the above-captioned action be, and the same hereby is, dismissed with prejudice and without costs to any party.

Dated: March \_\_, 2004

KIRKLAND & ELLIS, LLP

CI HOST, INC. (on behalf of itself and all Defendants)

By: /s/Robert Cohen  
Robert Cohen (RC-1090)

By: /s/Carole Faulkner  
Carole Faulkner, Esq.

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and Plaintiffs Allegiance Telecom, Inc.,  
Hosting.com, Inc.

Attorney for Defendants CI Host, Inc., CI  
Host Corporation (Illinois), CI Host  
Corporation (California), Hosting Services  
International, Inc.

SO ORDERED  
March 3, 2004

/s/Robert D. Drain  
Hon. Robert D. Drain  
United States Bankruptcy Judge