

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

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In re:	:	Chapter 11
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ALLEGIANCE TELECOM, INC., <u>et al.</u> ,	:	Case No. 03-13057 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	X	

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**STIPULATION AND CONSENT ORDER REGARDING  
EXTENSION OF DEADLINE FOR OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS TO CHALLENGE PREPETITION OBLIGATIONS**

The above captioned debtors and debtors in possession (collectively, the “Debtors”), the Agent<sup>1</sup> and the Official Committee of Unsecured Creditors of Allegiance Telecom, Inc., et al. (the “Committee”), by and through their respective counsel, hereby stipulate and agree that notwithstanding anything contained in that certain Amended Final Order Authorizing Use of Cash Collateral by Consent, dated June 26, 2003 (the “Amended Final Order”) to the contrary, the Committee shall have until **Monday, October 13, 2003, at 4:00 p.m. (Prevailing Eastern Time)** (the “Investigation Termination Date”) to investigate the validity, amount, perfection, priority, and enforceability of the Agent’s liens, claims and security interests held on behalf of the Lenders and the obligations arising under the Prepetition Loan Documents, or to assert any other claims or causes of action against the Agent and the Lenders held by the Debtors’ estates. If the Committee determines that there may be a challenge to the Agent’s prepetition liens, claims or security interest, or the Lenders’ prepetition obligations by the Investigation Termination Date, upon five (5) business days’ written notice to the Debtors, the Agent and the Lenders, the Committee shall be permitted to file and prosecute an objection or claim related

thereto, and shall have only until the Investigation Termination Date to file such objection or otherwise initiate an appropriate action (including a motion to obtain court authority to bring such an action) or adversary proceeding setting forth the basis of any such challenge, claim or cause of action. If such action is not filed on or before the Investigation Termination Date (or such other later date as extended by the written consent of the Debtors and the Agent), the stipulations contained in Paragraph 12 of the Amended Final Order and any consideration granted as adequate protection thereunder shall be irrevocably binding on the Committee and all parties in interest without further action by any party or the Court. Unless the Agent and the Debtors each consents in writing to a further extension, the Investigation Termination Date may not be extended, unless cause therefor is shown and only after notice to the Agent and the Debtors and the filing of a motion and scheduling of a hearing date before the expiration of the Investigation Termination Date.

Dated: New York, New York  
August 28, 2003

**PAUL HASTINGS JANOFSKY & WALKER, LLP**

By: /s/ Leslie A. Plaskon  
Leslie A. Plaskon (LP-1851)  
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Counsel to the Agent

**AKIN GUMP STRAUSS HAUER & FELD LLP**

By: /s/ Ira S. Dizengoff  
Ira S. Dizengoff (ID-9980)

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<sup>1</sup> Terms not otherwise defined herein shall have the meanings ascribed to them in the Amended Final Order.

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New York, New York 10022  
(212) 872-1000

Counsel to the Official Committee of Unsecured  
Creditors of Allegiance Telecom, Inc., et al.

**KIRKLAND & ELLIS**

By: /s/Jonathan Hennes

Jonathan Hennes (JH-1979)

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153 East 53<sup>rd</sup> Street

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Counsel to Debtors and Debtors in Possession

SO ORDERED:

/s/Robert D. Drain

Honorable Robert D. Drain

United States Bankruptcy Judge

Dated: September 2, 2003