UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., et al.,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered

STIPULATION AND ORDER ADJOURNING THE HEARING ON MOTION OF BP COMMERCE, LLC FOR RELIEF FROM AUTOMATIC STAY TO EXERCISE SETOFF RIGHTS AGAINST SECURITY DEPOSIT AND TO COMPEL PAYMENT OF POST-PETITION RENT

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), and BP Commerce, LLC ("BP Commerce"), by and through their respective undersigned attorneys, hereby stipulate and agree, subject to Court approval, as follows:

WHEREAS, on May 14, 2003, the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and

WHEREAS, the Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, on June 9, 2003, the Debtors filed that certain Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Case Authorizing the Debtors to Reject Certain Unexpired Leases of Nonresidential Real Property (the "Rejection Motion"); and

WHEREAS, by the Rejection Motion, the Debtors sought authorization to reject, among others, that certain Office Building Lease, dated June 22, 2000, between BP Commerce (as successor in interest to CC II Realty, Inc.) and ALGX Business Internet, Inc. (as successor in

interest to Intermedia Communications, Inc.) (the "Rejected Lease") for the premises at 7601 Ora Glen Drive, Greenbelt, Maryland 20770 (the "Premises"); and

WHEREAS, on June 20, 2003, BP Commerce filed a limited objection to the Rejection Motion, which objection has been resolved; and

WHEREAS, under the Rejected Lease, prior to the Commencement Date, the Debtors posted a cash security deposit (the "Security Deposit") in the amount of $1,158,000.10; and

WHEREAS, on June 26, 2003, BP Commerce filed that certain Motion for Relief from the Automatic Stay to Exercise Setoff Rights Against Security Deposit and to Compel Payment of Post-Petition Rent (the "Lift Stay Motion"); and

WHEREAS, on July 15, 2003, this Court entered the Order granting the Rejection Motion; and

WHEREAS, on July 24, 2003, BP Commerce filed a proof of claim on account of the alleged rejection damages under the Rejected Lease in accordance with section 502(b)(6) of the Bankruptcy Code in the amount of $1,811,575.30;[1] and

WHEREAS, the Lift Stay Motion was set for a hearing before this Court on July 29, 2003 (the "Hearing"); and

WHEREAS, on August 5, 2003, this Court entered the Stipulation and Order Adjourning the Hearing On Motion of BP Commerce, LLC for Relief from Automatic Stay to Exercise Setoff Rights Against Security Deposit and to Compel Payment of Post-Petition Rent (the "August 5th Stipulation"); and

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1 This amount was reflected incorrectly in the proof of claim filed by BP Commerce. The correct amount is $1,811,575.35.

WHEREAS, pursuant to the August 5th Stipulation, among other things, (a) the Hearing was adjourned to August 19, 2003, at 10:00 a.m., prevailing Eastern Time, and (b) BP Commerce was authorized to deduct from the Security Deposit an amount of $186,596.17, thereby reducing its alleged claim for rejection damages to $1,624,979.18; and

WHEREAS, on August 7, 2003, BP Commerce filed an amended proof of claim on account of the alleged rejection damages under the Rejected Lease in the amount of $1,624,979.92[2]; and

WHEREAS, subsequently, the Debtors and BP Commerce have mutually agreed to further adjourn the Hearing to September 4, 2003, at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on September 10, 2003, this Court entered the Stipulation and Order Adjourning the Hearing On Motion of BP Commerce, LLC for Relief from Automatic Stay to Exercise Setoff Rights Against Security Deposit and to Compel Payment of Post-Petition Rent (the "September 10th Stipulation"); and

WHEREAS, pursuant to the September 10th Stipulation, among other things, (a) the Hearing was adjourned to September 15, 2003, at 10:00 a.m., prevailing Eastern Time, and (b) BP Commerce was authorized to deduct from the Security Deposit an amount of $249,357.21, thereby reducing its alleged claim for rejection damages to $1,375,621.97; and

WHEREAS, the Debtors and BP Commerce have been continuing to negotiate a mutual resolution of the matter; and

WHEREAS, the Debtors and BP Commerce have mutually agreed to further adjourn the Hearing to September 25, 2003, at 2:00 p.m., prevailing Eastern Time; and

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

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[2] This amount was reflected incorrectly in the proof of claim filed by BP Commerce. The correct amount is $1,624,979.18.

1. The hearing with respect to Lift Stay Motion shall 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, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408, on September 25, 2003, at 2:00 p.m., prevailing Eastern Time (the "Adjourned Hearing Date").

2. If the Debtors and BP Commerce are unable to resolve the issues presented by the Lift Stay Motion, the Debtors reserve their rights to object to the relief requested in the Lift Stay Motion and BP Commerce reserves its right to respond to any such objection.

3. The deadline to object to the relief requested in the Lift Stay Motion is extended until September 22, 2003 at 5:00 p.m., prevailing Eastern Time.

4. Other than as otherwise agreed to herein, BP Commerce is stayed, pursuant to section 362 of the Bankruptcy Code, from taking any action in respect of the Security Deposit.

5. Any and all rights that BP Commerce may assert with respect to relief under section 362(e) of the Bankruptcy Code shall commence no earlier than thirty (30) days after the Adjourned Hearing Date.

6. This Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation and Order.

7. The undersigned on behalf of the Debtors and BP Commerce each warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Order on behalf of such party.

8. This Stipulation and Order shall have no force or effect and shall not be binding upon either the Debtors or BP Commerce until it is approved by the Court.

Dated: New York, New York
September 16, 2003

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ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION

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By: /s/Brent C. Strickland
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ATTORNEYS FOR BP COMMERCE

SO ORDERED, this 18th day of September 2003

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE