

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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: In re: : Chapter 11 Cases
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: ALLEGIANCE TELECOM, INC., et al., : Case No. 03-13057 (RDD)
: :
: Debtors. : (Jointly Administered)
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AGREED ORDER PROVIDING RELIEF IN RESPECT OF MOTION BY SBC TELECOMMUNICATIONS, INC. TO COMPEL THE IMMEDIATE PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM PURSUANT TO 11 U.S.C. §503(b)(1)(A)

Upon consideration of the “Motion by SBC Telecommunications, Inc. to Compel the Immediate Payment of Administrative Expense Claim Pursuant to 11 U.S.C. §503(b)(1)(A)”, dated January 29, 2004 (the “Motion”) and upon all parties in interest having been duly served; and a hearing with respect to the Motion having been held on February 25, 2004 (the “Hearing”), and all parties in interest having had an opportunity to appear and be heard, and this Court having considered the Motion and all other pleadings and papers heretofore filed and all prior proceedings; and upon the record of the Hearing and the Court’s findings and conclusions of law made at the Hearing; and good and sufficient cause appearing therefore; it is

ORDERED, that pending further action by the Court with respect to the currently effective contracts and tariffs that govern the telecommunications services relationships between SBC Telecommunications, Inc. and affiliates (“SBC) and the Debtors (collectively, the “Service Documents”), it is the purpose and intent of the Court’s prior Order Deeming Utilities Adequately Assured of Future Performance and Establishing Procedures for Determining Requests for Additional Adequate Assurance, dated May 15, 2003, that (except as otherwise ordered by the Court) the Debtors timely comply with all the terms and conditions of the Service Documents, and Debtors shall so comply immediately, including but not limited to, the

procedures (if any) set forth in those Service Documents governing billing disputes between the parties; and it is further

ORDERED that in furtherance of the foregoing, where applicable Service Documents require payment or escrow of disputed amounts as a condition of dispute resolution, and pending such resolution, the Debtors shall pay or escrow the applicable amounts as required, except that where the Debtors dispute payment of a billed amount on the basis that such amount should not be paid as an administrative expense because it was billed in respect of a service that conferred no benefit on the estates, including, but not limited to, billed charges that relate to terminated, rejected or abandoned services (“Administrative Claim Dispute”), the Debtors need not pay or escrow such amount, but instead shall, within thirty (30) days after the Debtors’ receipt of any bill date that is dated March 1, 2004 or later, provide SBC with a schedule identifying the amounts and services with sufficient specificity to enable the Administrative Claim Dispute to be brought before this Court for resolution; and it is further

ORDERED that to the extent the applicable Service Documents require payments or an escrow for disputed billings, then all payments and escrows that are required in respect of the billings provided to the Debtors prior to March 1, 2004, and the schedule setting forth any Administrative Claim Dispute amounts, shall be paid, escrowed and otherwise provided to SBC by the later of (a) 15 days from the receipt by the Debtors of a letter setting forth the Service Document citations requiring advance payments and escrows, and the amounts due in respect of each such Service Document, (b) 5 days from the entry of this Order; and (c) the date provided in the applicable Service Document; and it is further

ORDERED that this Court shall retain jurisdiction to hear and finally determine any Administrative Claim Dispute and any disputes in connection with or related to the question

whether advance payment or escrow is required under one or more of the governing Service Documents as a condition of dispute resolution.

SO ORDERED THIS 9th
DAY OF MARCH, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE