

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**STIPULATION AND ORDER ADJOURNING THE HEARING  
ON SECOND MOTION OF THE DEBTORS FOR AN ORDER  
PURSUANT TO SECTION 1121(d) OF THE BANKRUPTCY  
CODE EXTENDING THE EXCLUSIVE PERIODS DURING  
WHICH THE DEBTORS MAY FILE A CHAPTER 11 PLAN OF  
REORGANIZATION AND SOLICIT ACCEPTANCES THEREOF**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), the Debtors’ prepetition senior lenders (the “Prepetition Lenders”) and the statutory creditors’ committee appointed in these chapter 11 cases (the “Creditors Committee”), by and through their respective undersigned attorneys, hereby stipulate and agree, subject to Court approval, as follows:

WHEREAS, on May 14, 2003 (the “Commencement Date”), the Debtors commenced the above-captioned cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”); and

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

WHEREAS, pursuant to section 1121(b) of the Bankruptcy Code, the Debtors have 120 days after the Commencement Date during which only the Debtors may file a chapter 11 plan of reorganization (the “Exclusive Filing Period”); and

WHEREAS, the Exclusive Filing Period was set to expire on September 11, 2003;  
and

WHEREAS, on August 22, 2003, prior to the expiration of the Exclusive Filing Period, the Debtors filed that certain Motion of Debtors for an Order Pursuant to Section 1121(d) of the Bankruptcy Code Extending the Exclusive Periods During Which the Debtors May File a Chapter 11 Plan of Reorganization and Solicit Acceptance Thereof (the “First Exclusivity Motion”), pursuant to which the Debtors, among other things, sought to extend the Exclusive Filing Period through and including December 15, 2003; and

WHEREAS, on December 9, 2003, the Debtors filed that certain Supplement to Motion of the Debtors for an Order Pursuant to Section 1121(d) of the Bankruptcy Code Extending the Exclusive Periods During Which the Debtors May File a Chapter 11 Plan of Reorganization and Solicit Acceptance Thereof (the “Supplement to the First Exclusivity Motion”), pursuant to which the Debtors sought, among other things, to modify their request to extend the Exclusive Filing Period through and including March 15, 2004; and

WHEREAS, on January 15, 2004, the Court granted the First Exclusivity Motion, as modified by the Supplement to the First Exclusivity Motion, and entered an order extending the Exclusive Filing Period to March 15, 2004 (the “Exclusive Period”); and

WHEREAS, on March 1, 2004, the Court entered a bridge order (the “Bridge Order”) extending the Exclusive Period through and including the later of (a) March 18, 2004 or (b) the date the Court makes a final determination on the Second Exclusivity Motion (as defined below); and

WHEREAS, on March 5, 2004, the Debtors filed the Second Motion of the Debtors for an Order Pursuant to Section 1121(d) of the Bankruptcy Code Extending the

Exclusive Periods During Which the Debtors May File a Chapter 11 Plan of Reorganization and Solicit Acceptances Thereof (the “Second Exclusivity Motion”); and

WHEREAS, the Second Exclusivity Motion was set for a hearing (the “Hearing”) on March 18, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, the Debtors, the Prepetition Lenders and the Creditors Committee have mutually agreed to adjourn the Hearing to March 25, 2004 at 10:00 a.m., prevailing Eastern Time.

**ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:**

1. The Hearing shall be held on March 25, 2004 at 10:00 a.m., prevailing Eastern Time, at the United States Bankruptcy Court, Room 610, One Bowling Green, New York, New York 10004.

2. The deadline to object to the relief requested in the Second Exclusivity Motion is extended, solely for the Prepetition Lenders and the Creditors Committee, until March 23, 2004 at noon, prevailing Eastern Time.

3. In accordance with the Bridge Order, the Exclusive Period remains extended through and including the later of (a) March 18, 2004 or (b) the date the Court makes a final determination on the Second Exclusivity Motion.

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

5. The undersigned on behalf of each respective party 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.

6. This Stipulation and Order shall have no force or effect and shall not be binding upon either the Debtors, the Creditors Committee and the Prepetition Lenders unless and until it is approved by the Court.

Dated: New York, New York  
March 17, 2004

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ATTORNEYS FOR THE DEBTORS AND  
DEBTORS IN POSSESSION

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ATTORNEYS FOR THE CREDITORS  
COMMITTEE

SO ORDERED, this 17<sup>th</sup> day of March 2004

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE