

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 MOTION FOR AN ORDER PURSUANT TO
SECTION 365(a) OF THE BANKRUPTCY CODE AUTHORIZING
THE DEBTORS TO REJECT CERTAIN FIBER OPTIC LEASE
AGREEMENTS WITH METROMEDIA FIBER NETWORK SERVICES, INC.**

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), and Metromedia Fiber Network Services, Inc. (n/k/a AboveNet, Inc.) (“MFN”), by and through their respective undersigned attorneys, hereby stipulate and agree, subject to Court approval, as follows:

WHEREAS, on May 14, 2003, each of the Debtors 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 businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, on October 8, 2003, the Debtors filed that certain Motion for an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements with Metromedia Fiber Network Services, Inc. (the “Motion”); and

WHEREAS, the Motion was set for a hearing (the “Hearing”) on October 21, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on October 20, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to November 7, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on November 3, 2003, MFN filed its Limited Objection to the Motion and Request For Payment of Outstanding Amounts Owed by Allegiance Telecom, Inc. (the "MFN Objection"), wherein MFN raised certain procedural issues with regard to the relief sought in the Motion and requested the immediate payment of outstanding amounts owed by the Debtors to MFN; and

WHEREAS, on November 6, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to November 19, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on November 17, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to December 16, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on December 11, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With

Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to January 15, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on January 14, 2004, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to February 25, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on February 24, 2004, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to March 18, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on March 15, 2004, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to April 20, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on April 19, 2004, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to May 20, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, subsequently, the Debtors and MFN have mutually agreed to further adjourn the Hearing, without prejudice to the MFN Objection or the relief requested in the Motion, to June 2, 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 June 2, 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 adjournment shall be without prejudice to the MFN Objection or the relief requested in the Motion.
3. This Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation and Order.
4. 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.

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

Dated: New York, New York
May 19, 2004

KIRKLAND & ELLIS LLP
Matthew A. Cantor (MC-7727)
Jonathan S. Henes (JH-1979)
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675
(212) 446-4800

KRONISH LIEB WEINER & HELLMAN LLP
Ronald R. Sussman (RS-0641)
Richard S. Kanowitz (RK-0677)
Jeffrey L. Cohen (JC-2556)
1114 Avenue of the Americas
New York, New York 10036
(212) 479-6218

By: /s/ Jonathan S. Henes
Jonathan S. Henes (JH-1979)

By: /s/ Jeffrey L. Cohen
Jeffrey L. Cohen (JC-2556)

ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

ATTORNEYS FOR ABOVE NET, INC.

SO ORDERED, this 19th day of May 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE