

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**BRIDGE ORDER, PURSUANT TO FEDERAL RULE OF  
BANKRUPTCY PROCEDURE 9006(b), EXTENDING THE  
EXCLUSIVE PERIOD DURING WHICH THE DEBTORS  
MAY FILE A CHAPTER 11 PLAN OF REORGANIZATION**

WHEREAS, on May 14, 2003 (the “Commencement Date”), Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, 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 business 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, the Debtors intend to file a motion seeking, among other things, an additional extension of the Exclusive Period (the “Second Exclusivity Motion”); and

WHEREAS, the Debtors intend to set the Second Exclusivity Motion for a hearing in these chapter 11 cases on March 18, 2004; and

WHEREAS, the Debtors, with the consent of the statutory creditors’ committee and the Debtors’ prepetition lenders, have requested that the Court enter an order extending the Exclusive Period (a) through and including March 18, 2004, the proposed hearing date on the Second Exclusivity Motion, or, (b) if such hearing is subsequently adjourned, through and including the date the Court makes a final determination on the Second Exclusivity Motion; and

WHEREAS, this Order is appropriate and in the best interests of the Debtors, their estates and all parties in interests; and

WHEREAS, in light of the limited relief provided herein, entry of this Order without notice and a hearing is proper.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT the Exclusive Period is hereby 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.

Dated: New York, New York  
March 1, 2004

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE