

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
_____	X	

**SECOND STIPULATION AND CONSENT
ORDER EXTENDING THE EXPIRATION DATE
OF THE SECOND AMENDED FINAL ORDER
AUTHORIZING USE OF CASH COLLATERAL BY CONSENT**

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”), General Electric Capital Corporation, as the administrative agent for itself and certain lenders under that certain Credit and Guaranty Agreement, dated as of February 15, 2000 (the “Agent”), and the statutory creditors’ committee appointed in these chapter 11 cases, 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 May 15, 2003, the Debtors filed that certain Motion for Entry of (I) Interim and Final Orders Authorizing the Debtors to (A) Use Cash Collateral and (B) Provide

Adequate Protection to Prepetition Lenders and (II) an Order Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001; and

WHEREAS, on May 15, 2003, this Court entered that certain Emergency Interim Order Authorizing Use of Cash Collateral by Consent; and

WHEREAS, on June 26, 2003, this Court entered that certain Amended Final Order Authorizing Use of Cash Collateral by Consent; and

WHEREAS, on December 18, 2003, this Court entered that certain Second Amended Final Order Authorizing Use of Cash Collateral By Consent (the "Second Amended Final Cash Collateral Order"); and

WHEREAS, the Second Amended Final Cash Collateral Order provides, in relevant part, that the Debtors' right to use Cash Collateral (as defined in the Second Amended Final Cash Collateral Order) shall expire on the earlier of (i) the close of business on March 1, 2004, unless mutually extended by the Agent and the Debtors, or (ii) the occurrence of a Termination Event (as defined in the Second Amended Final Cash Collateral Order) (collectively, the "Expiration Date"); and

WHEREAS, on March 1, 2004, this Court entered that certain Stipulation and Consent Order Extending the Expiration Date of the Second Amended Final Order Authorizing Use of Cash Collateral by Consent (the "Extension Stipulation"), pursuant to which the Expiration Date was extended through the earlier of (i) the close of business on April 1, 2004, unless mutually extended by the Agent and the Debtors, or (ii) the occurrence of a Termination Event; and

WHEREAS, on March 18, 2004, the Debtors filed the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (as may be amended, the "Plan"); and

WHEREAS, the Agent and the Debtors have agreed to further extend the Expiration Date as set forth in paragraph 1 below.

ACCORDINGLY, IT IS HEREBY SO ORDERED, THIS 31st DAY OF MARCH 2004 AS FOLLOWS:

1. Notwithstanding anything to the contrary in the Second Amended Final Cash Collateral Order or the Extension Stipulation, the Debtors' right to use Cash Collateral shall expire on the earlier of (a) the close of business on July 14, 2004, unless mutually extended by the Agent and the Debtors, (b) the effective date of the Plan, or (c) the occurrence of a Termination Event.

STIPULATED AND AGREED TO BY:

Dated: New York, New York
March 31, 2004

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ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

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By: /s/ Philip C. Dublin
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ATTORNEYS FOR THE STATUTORY
CREDITORS' COMMITTEE

SO ORDERED:

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE