

May 20, 2003

Ms. Mary C. Albert  
Allegiance Telecom, Inc.  
1919 M Street N.W.  
Suite 420  
Washington, DC 20036

Dear Ms. Albert

BellSouth Telecommunications, Inc. ("BellSouth") has been notified of your company's Chapter 11 bankruptcy filing. To continue providing service to your company, BellSouth requires a deposit of \$2,300,000.00 or equivalent Irrevocable Letter of Credit. The requested assurance of payment is in accordance with Section 366 of the United States Bankruptcy Code and will cover post-petition services only.

This deposit can be submitted either in cash or in the form of an Irrevocable Letter of Credit (see our attached approved form) to:

BellSouth, Inc.  
Sandra Cetti / 9D24  
1025 Lenox Lake Blvd  
Atlanta, Georgia 30319

If we do not receive your deposit and you do not contact BellSouth by June 5, 2003, your BellSouth service may be disconnected without further notice. Any questions regarding the contents of this letter please contact me as soon as possible.

Sincerely yours,

Sandra Cetti  
Senior Credit Manager  
404-986-1905

cc Clay Meyers