

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 HEARINGS ON (I) DEBTORS' MOTION
PURSUANT TO 365 OF THE BANKRUPTCY CODE FOR APPROVAL OF
REJECTION OF UNEXPIRED LEASE OF NONRESIDENTIAL REAL PROPERTY
WITH COMMERCE SQUARE PARTNERS - PHILADELPHIA PLAZA, L.P., AND
(II) MOTION OF COMMERCE SQUARE PARTNERS - PHILADELPHIA PLAZA, L.P.
FOR ORDER REQUIRING IMMEDIATE ASSUMPTION OR REJECTION OF LEASE
AND REQUEST FOR IMMEDIATE PAYMENT OF ADMINISTRATIVE EXPENSE
PURSUANT TO SECTION 503(a) OF THE BANKRUPTCY CODE**

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), and Commerce Square Partners - Philadelphia Plaza, L.P. ("Philadelphia Plaza"), by and through their respective undersigned attorneys, hereby stipulate and agree, subject to Court approval, as follows:

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

WHEREAS, on August 6, 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 unexpired leases of nonresidential real property (the "Rejection Motion"); and

WHEREAS, by the Rejection Motion, the Debtors sought authorization to reject, among others, that certain unexpired lease, dated July 1, 1987, as amended, between Maguire/Thomas Partners-Philadelphia Plaza Associates, a predecessor in interest to Philadelphia Plaza, as landlord, and RealCom Communications Corporation, as tenant, which governs the premises located at 2005 Market Street, Philadelphia, Pennsylvania 19103 (the “Philadelphia Lease”), effective as of the Commencement Date; and

WHEREAS, on August 4, 2003, Philadelphia Plaza filed that certain motion, pursuant to section 365 of the Bankruptcy Code, for an order requiring the immediate assumption and rejection of the Philadelphia Lease and request for immediate payment of administrative expense pursuant to section 503(a) of the Bankruptcy Code (the “Philadelphia Plaza Motion”); and

WHEREAS, the Rejection Motion and the Philadelphia Plaza Motion were set for a hearing before this Court on August 19, 2003 (the “Hearing”); and

WHEREAS, on August 15, 2003, the Debtors and Philadelphia Plaza entered into a Stipulation and Order to adjourn (the “First Adjournment”) the Hearing until September 15, 2003, at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on September 11, 2003, the Debtors and Philadelphia Plaza entered into a Stipulation and Order to adjourn (the “Second Adjournment”) the Hearing until September 25, 2003, at 2:00 p.m., prevailing Eastern Time; and

WHEREAS, the Debtors and Philadelphia Plaza have mutually agreed to further adjourn the Hearing until October 8, 2003, at 10:00 a.m., prevailing Eastern Time.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. The Hearing with respect to the Rejection Motion and the Philadelphia Plaza Motion shall be held before the Hon. Robert D. Drain, United States Bankruptcy Judge, in Room 610 of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408, on October 8, 2003, at 10:00 a.m., prevailing Eastern Time.

2. The Debtors' and Philadelphia Plaza's respective rights regarding the effective date of the rejection of the Philadelphia Lease pursuant to section 365 of the Bankruptcy Code are unaltered and remain preserved, notwithstanding the First Adjournment, the Second Adjournment and/or the adjournment of the Hearing as set forth in this Stipulation and Order.

3. The deadline to object or respond to the Rejection Motion and the Philadelphia Plaza Motion is extended until October 2, 2003, at 5:00 p.m., prevailing Eastern Time.

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 the Debtors and Philadelphia Plaza each 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 or Philadelphia Plaza until it is approved by the Court.

Dated: New York, New York
September 23, 2003

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

HANGLEY ARONCHICK SEGAL &
PUDLIN, P.C.
Perry K. Delay
One Logan Square, 27th Floor
Philadelphia Pennsylvania 19103
(215) 568-6200

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

ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

By: /s/ Perry K. Delay
Perry K. Delay, Esq.

ATTORNEYS FOR PHILADELPHIA
PLAZA

SO ORDERED, this 23rd day of September 2003

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE