

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**STIPULATION AND ORDER REGARDING
EXTENSION OF THE BAR DATE FOR THE INDENTURE TRUSTEE**

Allegiance Telecom, Inc. (“Allegiance”) and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”) and The Bank of New York, as Indenture Trustee (as defined herein), by and through their respective counsel, 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, on September 10, 2003, the Debtors filed that certain Application of the Debtors for Order Pursuant to Bankruptcy Rule 3003(c) Fixing Final Date for Filing Certain Proofs of Claim, Approving Proposed Proof of Claim Forms, Approving Proposed Bar Date Notice, and Approving Proposed Notice Procedures (the “Bar Date Application”); and

WHEREAS, on September 23, 2003, the Court entered that certain Order Pursuant to Bankruptcy Rule 3003(c) Fixing Final Date for Filing Certain Proofs of Claim, Approving Proposed Proof of Claim Forms, Approving Proposed Bar Date Notice, and Approving Proposed Notice Procedures (the “Bar Date Order”); and

WHEREAS, in the Bar Date Order, the Court fixed November 26, 2003, at 5:00 p.m., prevailing Eastern Time, as the final date and time by which proofs of claim must be filed in these chapter 11 cases (the “Bar Date”); and

WHEREAS, on November 25, 2003, the Court entered that certain Stipulation and Order Regarding Extension of the Bar Date for the Indenture Trustee until December 8, 2003 (the “First Stipulation”); and

WHEREAS, on December 8, 2003, the Court entered that certain Stipulation and Order Regarding Extension of the Bar Date for the Indenture Trustee until December 15, 2003 (the “Second Stipulation”); and

WHEREAS, on December 12, 2003, the Court entered that certain Stipulation and Order Regarding Extension of the Bar Date for the Indenture Trustee until December 22, 2003 (the “Third Stipulation” and together with the First Stipulation and the Second Stipulation, the “Stipulations”); and

WHEREAS, The Bank of New York is an indenture trustee (the “Indenture Trustee”) under (a) that certain Indenture, dated as of February 3, 1998, between Allegiance and The Bank of New York, pursuant to which Allegiance issued those certain 11 3/4% Senior Discount Notes with a face value of \$445 million, due on February 15, 2008 and (b) that certain Indenture, dated as of July 7, 1998, between Allegiance and The Bank of New York, pursuant to which Allegiance issued those certain 12 7/8% Senior Notes with a face value of \$205 million, due on May 15, 2008 (collectively, the “Indentures”); and

WHEREAS, in accordance with the Bar Date Order and the Stipulations, the Indenture Trustee is required to file a proof of claim, on or before December 22, 2003, on account of all of the Debt Claims (as defined in the Bar Date Order) under each of the Indentures; and

WHEREAS, the Debtors and the Indenture Trustee have agreed that the Bar Date, as modified by the Stipulations, solely for the Indenture Trustee, is extended until January 6, 2004 at 5:00 p.m., prevailing Eastern Time.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. Notwithstanding anything to the contrary in the Bar Date Order and the Stipulations, the Bar Date, as modified by the Stipulations, solely for the Indenture Trustee, is extended until January 6, 2004 at 5:00 p.m., prevailing Eastern Time.

2. 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.

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

Dated: New York, New York
December 18, 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

BAKER & MCKENZIE
Joseph Samet (JS-7692)
805 Third Avenue
New York, New York 10022
(212) 751-5700

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

By: /s/ Joseph Samet
Joseph Samet (JS-7692)

ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

ATTORNEYS FOR THE
INDENTURE TRUSTEE

SO ORDERED, this 18th day of December 2003

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE