

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	

**STIPULATION AND AGREED UPON ORDER RESOLVING  
(I) THE DEBTORS' MOTION PURSUANT TO SECTION 365  
OF THE BANKRUPTCY CODE FOR APPROVAL OF THE REJECTION OF  
THE PHILADELPHIA LEASE WITH COMMERCE SQUARE PARTNERS -  
PHILADELPHIA PLAZA, L.P. AND (II) THE MOTION OF COMMERCE SQUARE  
PARTNERS - PHILADELPHIA PLAZA, L.P. FOR AN ORDER REQUIRING  
THE IMMEDIATE ASSUMPTION OR REJECTION OF THE PHILADELPHIA  
LEASE AND REQUEST FOR IMMEDIATE PAYMENT OF ADMINISTRATIVE  
EXPENSES PURSUANT TO SECTION 503(a) OF THE BANKRUPTCY CODE**

Shared Technologies Allegiance, Inc. ("ST"), as debtor and debtor in possession, 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 "Commencement Date"), ST commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

WHEREAS, ST continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, on or about June 17, 2002, ST acquired certain unexpired leases of nonresidential real property from RealCom Communications Corporation ("RealCom"), an affiliate of WorldCom, Inc., pursuant to that certain Asset Purchase Agreement, dated as of June 17, 2002, including that certain lease, dated July 1, 1987, as amended, between Philadelphia

Plaza, as landlord, and RealCom, as tenant, which governs certain premises (the “Philadelphia Premises”) located at 2005 Market Street, Philadelphia, Pennsylvania 19103 (the “Philadelphia Lease”); and

WHEREAS, on June 19, 2003, ST, together with other affiliated debtors-in-possession, filed a motion for an order pursuant to section 365(d)(4) of the Bankruptcy Code to extend the time within which to assume or reject, *inter alia*, the Philadelphia Lease;

WHEREAS, on August 4, 2003, Philadelphia Plaza filed a motion pursuant to section 365 of the Bankruptcy Code for an order requiring ST to immediately assume or reject the Philadelphia Lease, together with a request for immediate payment of administrative expense pursuant to section 503(a) of the Bankruptcy Code (the “Philadelphia Plaza Motion”); and

WHEREAS, on August 6, 2003, ST and other affiliated debtors filed a motion for an order pursuant to section 365(a) of the Bankruptcy Code authorizing debtors to reject certain unexpired leases of nonresidential real property, which included a request that ST be authorized to reject the Philadelphia Lease, to be effective as of the Commencement Date (the “Rejection Motion”);

WHEREAS, Philadelphia Plaza and ST dispute the amount of rent owed to Philadelphia Plaza and the validity of the Philadelphia Lease, and the parties desire to compromise, resolve and settle fully all disputes or differences that may exist between them, both asserted and not asserted, arising out of, in connection with, or relating to the Philadelphia Lease;

WHEREAS, on or about November 25, 2003, Philadelphia Plaza filed a proof of claim in the amount of \$134,148.28 (the “Philadelphia Plaza Proof of Claim”); and

**NOW, THEREFORE**, for good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. The Philadelphia Lease shall be deemed rejected, pursuant to section 365 of the Bankruptcy Code, effective as of August 6, 2003.

2. Within ten (10) business days of the Court entering an order approving this Stipulation, ST shall pay to Philadelphia Plaza the sum of twenty thousand dollars (\$20,000) in full and final satisfaction of any and all of Philadelphia Plaza's postpetition claims (the "Settlement Payment").

3. ST, on its own behalf and on behalf of its past, present, and future shareholders, agents, directors, officers, employees, attorneys, general partners, limited partners, members, successors, and assigns (the "ST Releasers") does hereby release and forever discharge all claims arising from or relating to the Philadelphia Lease, including but not limited to, all claims and defenses that were asserted or that could have been asserted in the Rejection Motion or in opposition to the Philadelphia Plaza Motion, that the ST Releasers have or may have against Philadelphia Plaza, its past, present, and future agents, directors, officers, employees, attorneys, general partners, limited partners, members, successors, and assigns.

4. Philadelphia Plaza, on its own behalf and on behalf of its past, present, and future agents, directors, officers, employees, attorneys, general partners, limited partners, members, successors, and assigns (the "Philadelphia Plaza Releasers") does hereby release and forever discharge all claims arising from or relating to the Philadelphia Lease, other than the Philadelphia Plaza Proof of Claim, arising from or relating to the Philadelphia Lease, including but not limited to, all claims and defenses that were asserted or that could have been asserted in

the Philadelphia Plaza Motion or in opposition to the Rejection Motion, that the Philadelphia Plaza Releasers have or may have against ST, its past, present, and future agents, directors, officers, employees, attorneys, general partners, limited partners, members, successors, and assigns.

5. The Philadelphia Plaza Proof of Claim is deemed an allowed general unsecured claim in the amount of \$75,000.

6. This Court shall retain jurisdiction to resolve any disputes between ST and Philadelphia Plaza arising with respect to this Stipulation and Agreed Upon Order.

7. Any motion or application brought before this Court to resolve any dispute arising under or related to this Stipulation and Agreed Upon Order shall be brought on proper notice in accordance with the relevant Federal Rules of Bankruptcy Procedure and the Local Rules of this Court.

8. The undersigned, on behalf of ST and Philadelphia Plaza, each warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Agreed Upon Order on behalf of such party.

9. This Stipulation and Agreed Upon Order constitutes the complete and exclusive statement of the terms and conditions between ST and Philadelphia Plaza with respect to the subject matter hereof and supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter hereof.

10. This Stipulation and Agreed Upon Order shall have no force or effect and shall not be binding upon either ST or Philadelphia Plaza until it is approved by the Court.

Dated: December 15, 2003

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By: /s/ Jonathan S. Henes  
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By: Robert L. Ebby  
Robert L. Ebby

ATTORNEYS FOR THE DEBTORS AND  
DEBTORS IN POSSESSION

ATTORNEYS FOR PHILADELPHIA  
PLAZA

SO ORDERED, this 23rd day of December, 2003

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE