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Hearing Date: March 18, 2004  
at 10:00 a.m.

— and —

Thomas E. Biron  
Michael B. Schaedle  
Blank Rome LLP  
A Pennsylvania Limited Liability Partnership  
One Logan Square  
Philadelphia, PA 19103  
(215) 569-5500

Attorneys for Level 3 Communications, LLC

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re :  
ALLEGIANCE TELECOM, INC., et al., : Chapter 11  
Debtors. : Case No. 03-13057 (RDD)  
: (Jointly Administered)  
: :  
-----X


**NOTICE OF MOTION OF LEVEL 3 COMMUNICATIONS, LLC SEEKING AN ORDER PERMITTING RECOUPMENT AND RELIEF FROM THE AUTOMATIC STAY, AS MAY BE NECESSARY: (i) TO PERMIT RECOUPMENT AND/OR SETOFF OF CERTAIN CLAIMS; (ii) TO REQUIRE THE PARTIES TO PROCEED WITH THE DISPUTE RESOLUTION PROCEDURES SET FORTH IN THE PARTIES' AGREEMENT; AND (iii) FOR CERTAIN OTHER ANCILLARY RELIEF**

PLEASE TAKE NOTICE, that Level 3 Communications, LLC ("Level 3") will move before the Honorable Robert D. Drain, United States Bankruptcy Judge, on March 18, 2004 at 10:00 a.m. (the "Hearing"), or as soon thereafter as counsel can be heard, at a hearing to be held in Courtroom 610 of the United States Bankruptcy Court, One Bowling Green, New

York, New York 10004, for an Order pursuant to §§ 105, 361, 362(d), 363(e), 507(b) and 553 of Title 11 of the United States Bankruptcy Code, 11 U.S.C. §101 et seq., permitting recoupment and relief from the automatic stay, as may be necessary: (i) to permit recoupment and/or setoff of certain claims; (ii) to require the parties to proceed with the dispute resolution procedures set forth in the parties' agreement; and (iii) for certain other ancillary relief. Level 3 has requested leave to file the Motion under seal and an in camera hearing thereon.

**PLEASE TAKE FURTHER NOTICE**, that objections, if any, to the relief requested by the Motion must be set forth in writing containing the name of the objecting party and its interest in this matter and describing the basis therefor which shall be filed with the Court electronically in accordance with General Order M-182 by registered users of the Court's electronic case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to chambers) and served in accordance with General Order M-182 or by first-class mail so as to be received by (i) Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174, Attn: Harris N. Cogan, Esq. and Edward J. LoBello, Esq., (ii) Blank Rome LLP, One Logan Square, Philadelphia, PA 19103, Attn: Thomas E. Biron, Esq. and Michael B. Schaedle, Esq., and (iii) the Office of the United States Trustee, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004, Attn: Pamela J. Lustrin, Esq., no later than three (3) business days prior to the Hearing.

Dated: February 4, 2004

**BLANK ROME LLP**  
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