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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re :  
ALLEGIANCE TELECOM, INC., et al., : Chapter 11  
Debtors. : Case No. 03-13057 (RDD)  
: (Jointly Administered)  
: :  
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**ORDER GRANTING LEVEL 3 COMMUNICATIONS, LLC  
RELIEF FROM THE AUTOMATIC STAY**

Upon consideration of the motion (the “Motion”) of Level 3 Communications, LLC (“Level 3”), seeking an Order, as necessary, for relief from the automatic stay to permit Level 3 to credit certain claims and to engage in the dispute resolution procedure set forth in Schedule 13.1 of the INSPA (as that term is defined in the Motion) with respect to any dispute relating to the validity or amount of the credit and for certain other relief, and upon consideration

of any opposition to the Motion, and after hearing, upon due notice, pursuant to §§105(a), 361, 362(d), 363(e), 507(b) and 553 of Title 11 of the United States Code, 11 U.S.C. §101 et seq., for cause, and in order to protect Level 3's claims in connection with the recoupment/setoff of the Subject INSPA Claims (as that term is defined in the Motion), it is hereby ORDERED that:

1. The Motion is GRANTED.

2. Level 3 may credit the Performance Warranty Claims (as defined in the Motion), such that (i) the February 2004 Purchase Price Installment shall be netted against the Performance Warranty Claims; and (ii) pending resolution of the Performance Warranty Claims, Level 3 shall not be required to tender any payment of the February 2004 Installment Debt.

3. In the event that Debtor disputes the validity or extent of the recoupment or setoff by Level 3, Level 3 and the Debtor shall engage in the Dispute Resolution Procedures set forth in Schedule 13.1 of the INSPA.

Dated: New York, New York  
March \_\_\_\_, 2004

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HONORABLE ROBERT D. DRAIN  
United States Bankruptcy Judge