

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 THE  
HEARING ON MOTION FOR AN ORDER PURSUANT TO  
SECTION 365(a) OF THE BANKRUPTCY CODE AUTHORIZING  
THE DEBTORS TO REJECT CERTAIN FIBER OPTIC LEASE  
AGREEMENTS WITH METROMEDIA FIBER NETWORK SERVICES, INC.**

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), and Metromedia Fiber Network Services, Inc. (n/k/a AboveNet, Inc.) (“MFN”), 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 October 8, 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 Fiber Optic Lease Agreements with Metromedia Fiber Network Services, Inc. (the “Motion”); and

WHEREAS, the Motion was set for a hearing (the “Hearing”) on October 21, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on October 20, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to November 7, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on November 3, 2003, MFN filed its Limited Objection to the Motion and Request For Payment of Outstanding Amounts Owed by Allegiance Telecom, Inc. (the "MFN Objection"), wherein MFN raised certain procedural issues with regard to the relief sought in the Motion and requested the immediate payment of outstanding amounts owed by the Debtors to MFN; and

WHEREAS, on November 6, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to November 19, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on November 17, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to December 16, 2003 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on December 11, 2003, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With

Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to January 15, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, on January 14, 2004, the Court entered that certain Stipulation and Order Adjourning the Hearing on Motion For an Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing the Debtors to Reject Certain Fiber Optic Lease Agreements With Metromedia Fiber Network Services, Inc., pursuant to which the Hearing was adjourned to February 25, 2004 at 10:00 a.m., prevailing Eastern Time; and

WHEREAS, subsequently, the Debtors and MFN have mutually agreed to further adjourn the Hearing, without prejudice to the MFN Objection or the relief requested in the Motion, to March 18, 2004 at 10:00 a.m., prevailing Eastern Time.

**ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:**

1. The Hearing shall be held on March 18, 2004 at 10:00 a.m., prevailing Eastern Time, at the United States Bankruptcy Court, Room 610, One Bowling Green, New York, New York 10004.
2. The adjournment shall be without prejudice to the MFN Objection or the relief requested in the Motion.
3. This Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation and Order.
4. 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.

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

Dated: New York, New York  
February 23, 2004

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

KRONISH LIEB WEINER & HELLMAN LLP  
Ronald R. Sussman (RS-0641)  
Richard S. Kanowitz (RK-0677)  
Jeffrey L. Cohen (JC-2556)  
1114 Avenue of the Americas  
New York, New York 10036  
(212) 479-6218

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

By: /s/ Jeffrey L. Cohen  
Jeffrey L. Cohen (JC-2556)

ATTORNEYS FOR THE DEBTORS AND  
DEBTORS IN POSSESSION

ATTORNEYS FOR ABOVE NET, INC.

SO ORDERED, this 24th day of February 2004

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE