

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11  
 :  
RCN CORPORATION, et al., : Case No. 04-13638 (RDD)  
 :  
Debtors. : (Jointly Administered)  
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**ORDER, UNDER 11 U.S.C. §§ 328 AND 1103(a) AND FED. R.  
BANKR. P. 2014 AND 5002, AUTHORIZING AND APPROVING  
RETENTION AND EMPLOYMENT OF MILBANK, TWEED,  
HADLEY & M<sup>c</sup>CLOY LLP, EFFECTIVE AS OF JUNE 10, 2004, AS  
LEGAL COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF RCN CORPORATION ET AL.**

Upon the Application, dated July 2, 2004 (the "Application"), of the Official Committee of Unsecured Creditors of RCN Corporation, et al. (the "Committee"), for an order authorizing the Committee to retain and employ Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP ("Milbank"), effective as of June 10, 2004, as legal counsel for the Committee in the above-captioned cases, pursuant to sections 328 and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code") and rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"); and upon the affidavit of Dennis F. Dunne, sworn to July 2, 2004 (the "Dunne Affidavit") in connection with the Application; and no objections having been filed with the Court or received by Counsel for the Committee; and the Court finding that (a) the Court had jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2) and (c) notice of the Application and this Order was sufficient under the circumstances; and the Court having determined that the legal and factual basis set forth in the Application and the Dunne Affidavit establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:

A. The Application and the Dunne Affidavit are in full compliance with all applicable provisions of the Bankruptcy Code; the Bankruptcy Rules; the Local Rules of this Court (the "Local Rules"); and the United States Trustee Guidelines (the "Guidelines").

B. Milbank does not hold or represent any interest adverse to the Committee as required by section 1103 of the Bankruptcy Code.

C. The Committee's retention of Milbank in accordance with the Application is in the best interests of the Debtors and their estates and creditors and it appearing that notice of the Application has been given to the Office of the United States Trustee, counsel to the Debtors, the Debtors' pre-petition senior secured lender, the Debtors' pre-petition junior secured lender, the indenture trustee of the RCN Senior Notes, other parties-in-interest and those entities filing notices of appearance pursuant to Bankruptcy Rule 2002 and that no further notice need be given; and the Court being satisfied based upon the representations made in the Application and Dunne Affidavit that (a) the employment of Milbank is necessary and in the best interest of the Debtors' estate and creditors; (b) Milbank serves no interest adverse to the Debtors and their estate or the Committee and (c) Milbank is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code as modified by Bankruptcy Code § 1107(b).

D. No objections to the Application were filed with the Court or received by counsel for the Committee.

After due deliberation, and sufficient cause appearing therefore IT IS HEREBY ORDERED THAT:

ORDERED, that the Application is granted; and it is further

ORDERED, that Milbank shall be compensated in accordance with the

Application and subject to applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court, and pursuant to any additional procedures that have already been or may be established by this Court; and it is further

ORDERED, that Milbank is authorized to apply the amounts presently held as a retainer to pay any fees, charges and disbursements relating to services rendered to the ad hoc committee of holders of certain notes of RCN Corporation prior to the Petition Date that remain unpaid as of such date and to hold the balance as a post-petition retainer to be applied towards unpaid fees, expenses and disbursements approved by the Court in connection with Milbank's final fee application in these cases, and it is further

ORDERED, that the Committee is authorized to retain and employ Milbank to serve as legal counsel to the Committee pursuant to sections 328 and 1103(a) of the Bankruptcy Code and rules 2014 and 5002 of the Bankruptcy Rules, effective as of June 10, 2004.

Dated: New York, New York  
July 26, 2004

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE