

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11

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RCN CORPORATION, et al., : Case No. 04-13638

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: (Jointly Administered)

: Debtors. :

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**AMENDED AND RESTATED ORDER UNDER 11 U.S.C. §§ 363, 1107 AND
1108 (I) AUTHORIZING THE DEBTORS' CONTINUED USE OF
EXISTING BANK ACCOUNT AND CASH MANAGEMENT SYSTEM
AND (II) AUTHORIZING INTERCOMPANY TRANSACTIONS**

Upon the motion (the "Motion"),¹ of the RCN Debtors for entry of an order under amending the Order Under 11 U.S.C. §§ 363, 1107 and 1108 (i) authorizing their continued use of the existing Authorizing the Debtors' Continued Use of the Existing Bank Account and Cash Management System, and (ii) authorizing Authorizing Intercompany Transactions, entered June 3, 2004, in the chapter 11 cases of RCN Corporation, et al., Case No. 04-13638 (RDD) (Docket No. 11) (the Original Order)"); and the Court having reviewed the Motion and the Horvat Affidavit; and the Court having determined that the relief requested in the Motion is in the best interests of the RCN Debtors, their estates, their creditors and other parties in interest; and it appearing that notice of the Motion was good and sufficient under the

¹ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

particular circumstances and that no other and further notice be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.

2. The term "Debtors" used herein shall include the Initial Debtors and RCN Cable TV of Chicago, Inc.

3. This order shall amend and restate the Original Order.

4. The Debtors are authorized to continue to (i) use the existing Bank Account and the Cash Management System and (ii) engage in Intercompany Transactions, including, but not limited to, transfers to and from Non-Debtor Affiliates in the Debtors' ordinary course of business; provided, however, that the Debtors are directed to maintain strict records of all transfers so that all transactions, including, but not limited to, Intercompany Transactions, may be readily ascertained, traced and recorded properly on applicable accounts, and the Debtors shall refrain from paying any prepetition debts except in compliance with any orders of this Court.

3 5. The Debtors are authorized to (i) designate, maintain and continue to use, with the same numbers, the Bank Account and (ii) treat the Bank Account for all purposes as an account of the Debtors as debtors-in-possession.

4 6. PNC is authorized and directed to continue to service and administer the Bank Account listed in Exhibit A hereto, as an account of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all checks, drafts, wires or automated clearing house transfers ("ACH Transfers") drawn on the Bank Account after the Petition Date by the holders or makers thereof, as the case may be; provided, however, that, in addition to the requirements hereof, any checks, drafts, wires or ACH Transfers drawn or issued by the Debtors before the Petition Date shall be timely honored by PNC only to the extent necessary to comply with order(s) of this Court, if any, authorizing payment of certain prepetition claims, unless PNC is instructed by the Debtors to stop payment on or otherwise dishonor such check, draft, wire or ACH Transfer. The Debtors shall cause any checks issued after the Petition Date to be imprinted with a "debtor-in-possession" legend.

5 7. PNC is authorized and directed to accept and honor all representations from the Debtors as to which checks, drafts, wires or ACH Transfers should be honored or dishonored consistent with any order(s) of this Court, whether the checks, drafts, wires or ACH Transfers are dated prior to, on or subsequent to the Petition Date, and whether or not the Bank believes the payment is or is not authorized by any order(s) of the Court.

6 8. Except for those checks, drafts, wires or ACH Transfers that must be honored and paid in order to comply with any order(s) of this Court authorizing payment of certain prepetition claims, no checks, drafts, wires or ACH Transfers issued on the Bank Account prior to the Petition Date but presented for payment after the Petition Date shall be honored or paid.

7 9. PNC is prohibited from offsetting, freezing or otherwise impeding the use or transfer of, or access to, any funds deposited by the Debtors in the Bank Account before or after the Petition Date on account of or by reason of any claim (as defined in Bankruptcy Code section 101(5)) of PNC against the Debtors that arose before the Petition Date, and any checks drawn or issued by the Debtors on the Bank Account subsequent to the Petition Date shall be timely honored by PNC notwithstanding any such claim it may hold against the Debtors; provided, however, that nothing herein shall (a) prejudice PNC's right or ability to seek relief from the automatic stay to accomplish any of the foregoing or (b) authorize the Debtors' use of any cash collateral of PNC, if any, except as permitted by the Bankruptcy Code or any orders of this Court.

8 10. Nothing contained herein shall prevent the Debtors from opening any bank or investment accounts as they may deem necessary and appropriate; provided, however, that any bank account shall be with a bank that is insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan

Insurance Corporation and that is organized under the laws of the United States or any State therein.

9 11. The requirement of Local Bankr. R. 9013-1(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Motion.

Dated: New York, New York
 , 2004

UNITED STATES BANKRUPTCY JUDGE

----- COMPARISON OF FOOTNOTES -----

-FOOTNOTE 1-

Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

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