SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036-6522
(212) 735-3000
D. J. Baker (DB 0085)
(Member of the Firm)
Frederick D. Morris (FM 6564)

Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	Jointly Administered

AFFIDAVIT OF SERVICE

PLEASE NOTE that on December 6, 2004, I caused true copies of:

- "Memorandum Of Law In Support Of Confirmation Of The Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries," a copy of which is attached hereto as Exhibit A;
- "Declaration Of John S. Dubel In Support Of Confirmation Of The Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries," a copy of which is attached hereto as Exhibit B;
- "Declaration Of Timothy Coleman In Support Of Confirmation Of The Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries," a copy of which is attached hereto as Exhibit C;

- "Findings Of Fact And Conclusions Of Law Relating To And Order Under 11 U.S.C. Section 1129(a) And (b) And Fed. R. Bankr. P. 3020 Confirming The Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries," a copy of which is attached hereto as Exhibit D;

to be served by hand delivery to the parties on the list attached hereto as Exhibit E.

On December 7, 2004 I caused true copies of the documents attached hereto as Exhibits A through D to be served by hand delivery to the parties indicated on Exhibit F.

Executed in: New York, New York
On: December 8, 2004

/s/ Adriana G. Salazar
Adriana G. Salazar

/s/ Luisa Bonachea
Notary Public

EXHIBIT A

Hearing Date: December 8, 2004
Hearing Time: 10:00 a.m.

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036-6522
(212) 735-3000
D. J. Baker (DB 0082)
Thomas J. Matz (TM 5986)
Frederick D. Morris (FM 6564)

Attorneys for RCN Corporation, et al.
Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	(Jointly Administered)

MEMORANDUM OF LAW IN SUPPORT OF CONFIRMATION OF THE JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

Dated: New York, New York
December 6, 2004

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	(Jointly Administered)

MEMORANDUM OF LAW IN SUPPORT OF CONFIRMATION OF THE JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession (collectively, the "Debtors"), submit this memorandum of law in support of confirmation of the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries (as it may be further amended, supplemented, or modified, the "Plan")[1] pursuant to section 1129 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). In support thereof, the Debtors respectfully represent as follows:

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Plan.

PRELIMINARY STATEMENT

Beginning on May 27, 2004, the Debtors[2] sought relief under Chapter 11 of the Bankruptcy Code to effectuate the restructuring of their businesses. The Debtors are now poised to seek confirmation of their consensual Plan. The Plan represents the culmination of extraordinary efforts by the Debtors, the Creditors' Committee, and other parties in interest to reach a fair, equitable and value-maximizing restructuring of the Debtors and their non-Debtor subsidiaries. As a result of those efforts, the Debtors are in a position to confirm the Plan and emerge from Chapter 11 by year-end 2004.

The Plan is supported by each of the Debtors' major creditor groups, including the Senior Secured Lenders, Evergreen, and the Creditors' Committee, all of whom had substantial input into the development and negotiation of the Plan. Moreover, the Plan has received overwhelming acceptance measured in both amount and number of Claims and Interests in all voting Classes, with every voting Class casting their Ballots in favor of the Plan. Despite distributing the Plan and other solicitation materials to tens of thousands of parties-in-interest, only six objections to Plan confirmation have been filed.

---

[2] On May 27, 2004, RCN Corporation, TEC Air, Inc., RLH Property Corporation, RCN Finance, LLC and Hot Spots Productions, Inc. filed their Chapter 11 Cases. On August 5, 2004 RCN Cable TV of Chicago, Inc., filed its Chapter 11 Case, and on August 20, 2004, 21st Century Telecom Services, Inc., RCN Telecom Services of Virginia, Inc., RCN Entertainment, Inc. and ON TV, Inc., filed their Chapter 11 Cases. The bankruptcy cases of the Debtors are jointly administered under case number 04-13638 (RDD).

Three of these objections pertain to contract assumption matters and therefore do not contest confirmation of the Plan. The other three objections have been resolved.[3]

The Debtors submit this memorandum of law in support of confirmation of the Plan. In further support of confirmation, the Debtors rely on the declaration of John Dubel, the Debtors' Chief Restructuring Officer, and the declaration of Timothy Coleman of the Blackstone Group L.P., the Debtors' financial advisors and investment banker (the "Dubel Declaration" and the "Coleman Declaration," respectively). These declarations have been filed concurrently with this memorandum. Additionally, the Debtors rely on the certification and declaration of Jane Sullivan of Financial Balloting Group LLC, the Debtors' solicitation and vote tabulation agent (the "Sullivan Solicitation Certification" and the "Sullivan Tabulation Declaration"), in support of confirmation of the Plan.

This memorandum addresses each of the confirmation requirements contained in sections 1123 and 1129 of the Bankruptcy Code. It also summarizes, where appropriate, certain provisions of the Plan and the declarations. This memorandum of law, however, does not simply repeat all of the provisions of the Plan, the Disclosure Statement, or the declarations. Rather, as each element of sections 1123 and 1129 of the Bankruptcy Code is addressed, the reader is directed to the pertinent provisions of the

---

[3] A brief chart summarizing the objections and the Debtors' responses is attached hereto as Exhibit A.

declarations and other materials for relevant factual support. As evidenced by these materials, along with the voting results and the lack of significant objections to the Plan, the Debtors believe that the Plan is in the best interest of the Debtors, their Estates, their creditors, and all parties-in-interest. Accordingly, the Debtors respectfully request that the Plan be confirmed.

OVERVIEW OF THE PLAN

The Debtors formulated the Plan through extensive negotiations with various constituencies both prior to and after the Petition Dates. These negotiations yielded overwhelming support for the Plan. As indicated in the Sullivan Tabulation Declaration, and as noted below, all Classes of Claims and Interests that voted on the Plan voted to accept it. The salient features of the Plan are as follows:

- Holders of Class 1 Other Priority Claims, Class 2 Bank Claims, Class 4 Other Secured Claims, and Class 6 Subsidiary General Unsecured Claims are all Unimpaired under the Plan and will receive distributions equal to 100% of their Allowed Claims.

- Holders of Class 8 Equity Interests, Class 9 Subordinated Claims, and Class 10 Warrant Interests are Impaired and are not entitled to receive any distributions under the Plan on account of their Claims or Interests. However, because holders of Class 5 RCN General Unsecured Claims voted to accept the Plan, the holders of Class 8 Equity Interests will receive their Pro Rata share of New Warrants to purchase .25% of the New Common Stock of Reorganized RCN, subject to dilution by (a) exercise of the Management Incentive Options and (b) conversion of the Convertible Second-Lien Notes.

- Holders of Class 3 Evergreen Claims are Impaired and each holder of an Evergreen Claim will have its Claim reinstated, subject to the modifications set forth in the New Evergreen Credit Agreement. **Creditors holding 100% in number and 100% in amount of Claims in this Class voted to ACCEPT the Plan.**

- Holders of Class 5 RCN General Unsecured Claims are Impaired and will receive Cash equal to no more than $12,500,000 (for those making the Cash Election) and 100% of the New Common Stock of Reorganized RCN, subject to dilution by (a) the exercise of the Management Incentive Options and the New Warrants and (b) the conversion of the Convertible Second-Lien Notes. **Creditors holding 99.72% in number and 99.98% in amount of Claims in this Class voted to ACCEPT the Plan.**

- Holders of Class 7 Preferred Interests are Impaired and are not entitled to receive any property or interests on account of such Interests. However, holders of Preferred Interests that voted to accept the Plan are entitled to receive their Pro Rata share of New Warrants to purchase 1.75% of the New Common Stock of Reorganized RCN, subject to dilution by (a) the exercise of the Management Incentive Options and (b) the conversion of the Convertible Second-Lien Notes, because holders of Class 5 RCN General Unsecured Claims voted to accept the Plan. **Holders of 100% in number of Interests in this Class that voted, voted to ACCEPT the Plan.**

- The Plan also provides for, among other things: (a) the Reorganized Debtors' entry into the Exit Facility, (b) the Reorganized Debtors' issuance of the Convertible Second-Lien Notes, (c) the cancellation of all Existing Securities, (d) assumption or rejection of executory contracts and unexpired leases to which any Debtor is a party based upon the Debtors' business judgment with respect to each executory contract and lease, and (e) receipt of limited releases by various parties who made substantial contributions in connection with the Debtors' reorganization.

THE PLAN CAN AND SHOULD BE CONFIRMED

To confirm the Plan, the Court must find that both the Plan and the Debtors are in compliance with each of the requirements of section 1129(a) of the Bankruptcy Code. See Kane v. Johns-Manville Corp., 843 F.2d 636, 648 (2d Cir. 1988); WHBA Real Estate Ltd. P'ship v. Lafayette Hotel P'ship (In re Lafayette Hotel P'ship), 227 B.R. 445, 450 (S.D.N.Y. 1998), aff'd, 198 F.3d 234 (2d Cir. 1999). Both the Plan and the Debtors meet all of the requirements of section 1129(a) of the Bankruptcy Code. Accordingly, the Plan should be confirmed.

A. The Plan Complies With The Applicable Provisions Of Title 11 (Section 1129(a)(1))

Section 1129(a)(1) of the Bankruptcy Code provides that a plan of reorganization may be confirmed only if "[t]he plan complies with the applicable provisions of this title." 11 U.S.C. § 1129(a)(1); see also In re Toy & Sports Warehouse, Inc., 37 B.R. 141, 149 (Bankr. S.D.N.Y. 1984); In re Friese, 103 B.R. 90, 91 (Bankr. S.D.N.Y. 1989). The legislative history of section 1129(a)(1) of the Bankruptcy Code explains that this provision encompasses the requirements of sections 1122 and 1123 of the Bankruptcy Code,[4] which govern classification of claims and interests and the

---

[4] The Plan also complies with section 1145(a)(1) of the Bankruptcy Code, which exempts from federal and state securities laws the offer or sale under a plan of a security of a successor to the debtor principally in exchange for a claim or interest in the debtor. Specifically, pursuant to the Plan, the distribution of the New Common Stock of Reorganized RCN and the New Warrants will be in exchange (continued...)

contents of the plan. See S. Rep. No. 95-989, at 126 (1978), reprinted in 1978 U.S.C.C.A.N. 5787, 5912; H.R. Rep. No. 95-595, at 412 (1977), reprinted in 1978 U.S.C.C.A.N. 5963, 6368; see also In re Johns-Manville Corp., 68 B.R. 618, 629-30 (Bankr. S.D.N.Y. 1986), aff'd in relevant part, 78 B.R. 407 (S.D.N.Y. 1987).

1. Classification Of Claims And Interests (Section 1122)

Section 1122 of the Bankruptcy Code provides that: "a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class." 11 U.S.C. § 1122. Although this provision prohibits the inclusion of dissimilar claims in the same class, it does not require that all similar claims necessarily be placed in one class. See In re Drexel Burnham Lambert Group, Inc., 138 B.R. 723, 757 (Bankr. S.D.N.Y. 1992) ("Courts have found that the Bankruptcy Code only prohibits the identical classification of dissimilar claims. It does not require that similar classes be grouped together . . . .").

Moreover, courts have repeatedly held that a debtor has enormous flexibility and "considerable discretion to classify claims and interests in a chapter 11 reorganization plan." In re Wabash Valley Power Ass'n., Inc., 72 F.3d 1305, 1321 (7th Cir. 1996), (citing In re Woodbrook Assocs., 19 F.3d 312 (7th Cir. 1994)); see also In re Bloomingdale Partners, 170 B.R. 984, 996 (Bankr. N.D. Ill. 1994) ("If the plan propo-

---

[4] (...continued)
for Claims against, and Interests in, the Debtors.

nent can articulate differences among the claims–that is, if the plan proponent can demonstrate the lack of 'substantial similarity' – then separate classification is proper.").

The Plan's classification scheme meets these requirements. In addition to Administrative Claims and Priority Tax Claims, which are not required to be classified, the Plan designates seven Classes of Claims and three Classes of Interests. As explained in the Dubel Declaration, the Plan provides for the separate classification of Claims and Interests with respect to each Debtor based upon differences in their legal nature or priority. See Dubel Declaration at ¶¶ 15-16. Thus, valid factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan. Moreover, the Claims or Interests within a particular Class are substantially similar to the other Claims or Interests in that Class. See Dubel Declaration at ¶¶ 15-16. The Plan therefore satisfies section 1122 of the Bankruptcy Code.

2. Mandatory Contents Of The Plan (Section 1123(a))

Section 1123(a) of the Bankruptcy Code identifies the requirements for the contents of a plan of reorganization. The Plan fully complies with each of these requirements.

a. The Plan Properly Designates, Classifies, And Specifies The Treatment Of Claims And Interests (Sections 1123(a)(1), 1123(a)(2), 1123(a)(3), And 1123(a)(4))

The Plan designates Classes of Claims and Interests as required by section 1123(a)(1) of the Bankruptcy Code. The Plan designates which Classes of Claims and

Interests are Unimpaired, as well as the proposed treatment of each Impaired Class, in accordance with sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code, respectively. As required by section 1123(a)(4) of the Bankruptcy Code, the Plan treats each Claim or Interest within a Class the same as each other Claim or Interest in that Class. See Plan, Article III.

b. The Plan Provides Adequate Means For Its Implementation (Section 1123(a)(5))

The Plan contains provisions that provide adequate means for its implementation in accordance with section 1123(a)(5) of the Bankruptcy Code. Such provisions relate to, among other things, (a) the continued corporate existence of each of the Debtors; (b) the execution and delivery of the corporate documents that will govern the Debtors, including, but not limited to, the Reorganized RCN Certificate of Incorporation and By-laws; (c) the termination of the current board of directors of RCN and the selection of a new board by the Creditors' Committee and D.E. Shaw Laminar Lending 2, Inc. ("Laminar"); (d) the anticipated entry by Reorganized RCN into the Exit Facility; (e) the issuance and distribution of the New Common Stock, New Warrants, and the Convertible-Second Lien Notes; and (f) the cancellation of the Existing Securities.[5]

---

[5] In addition, the Debtors will issue the Convertible Second-Lien Notes pursuant to an indenture that will be subject to, and governed by, the provisions of the Trust Indenture Act. See 15 U.S.C. §§ 77aaa, et al. A copy of the indenture was filed as part of the Plan Supplement. As previously described to this Court, the Convertible Second-Lien Notes also are being offered to "qualified institutional (continued...)

Moreover, as explained in the Dubel Declaration, the anticipated availability of the Exit Facility, including the Convertible Second-Lien Notes, will provide the Debtors with sufficient Cash to make all payments required to be made on the Effective Date pursuant to the terms of the Plan, including the payment in full of the Bank Claims, Administrative Claims, Priority Tax Claims, Other Priority Claims, and Subsidiary Debtor Claims. See Dubel Declaration at ¶¶ 17-19. Accordingly, the Plan contains adequate means for its implementation.

c. The Plan Prohibits The Issuance Of Non-Voting Securities (Section 1123(a)(6))

Section 1123(a)(6) of the Bankruptcy Code requires that a debtor's corporate constituent documents prohibit the issuance of nonvoting equity securities. In accordance with this requirement, the Plan provides that the certificate of incorporation and the by-laws or similar constituent documents of Reorganized RCN will prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. See Plan, Article IV.B.1. The Reorganized RCN Certificate Of Incorporation And By-Laws, filed as part of the Plan Supplement, includes a provision

---

[5] (...continued)
buyers" in a "private placement" transaction exempt from registration under the Securities Act pursuant to section 4(2) of the Securities Act. Accordingly, the Convertible Second-Lien Notes will be issued in compliance with applicable law, including, but not limited to, the Trust Indenture Act and section 4(2) of the Securities Act.

prohibiting the issuance of nonvoting equity securities. See Plan Supplement, Exhibit A ¶3.

d. The Selection Of Officers And Directors Is Consistent With The Interests Of Claim And Interest Holders And With Public Policy (Sections 1123(a)(7), 1129(a)(5))

The Bankruptcy Code requires that a plan of reorganization "contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan." See 11 U.S.C. § 1123(a)(7). This provision is supplemented by section 1129(a)(5) of the Bankruptcy Code, which directs the court to scrutinize the methods by which the management of the reorganized corporation is to be chosen to provide adequate representation of those whose investments are involved in the reorganization – i.e., creditors and equity holders. See 7 Collier, Bankruptcy ¶ 1123.01[7], at 1123-15 (15th rev. ed. 2004); see also Acequia Inc. v. Clinton (In re Acequia), 787 F.2d at 1352, 1361-62 (9th Cir. 1986).

The Plan's provisions for selection of the new officers and directors of Reorganized RCN is consistent with the requirements of sections 1123(a)(7) and 1129(a)(5) of the Bankruptcy Code. The initial board of directors of Reorganized RCN will consist of seven members as selected by the Creditors' Committee; *provided*, *however*, that Laminar will have the right, but not the obligation, to nominate one qualified candidate for election as a director of Reorganized RCN so long as Laminar

holds at least $25 million principal amount of Convertible Second-Lien Notes. See Plan, Article IV.E; Plan Supplement, Exhibit G.

Creditors represented by the Creditors' Committee and Laminar collectively will receive under the Plan 100% of the New Common Stock of Reorganized RCN. The board selection process embodied in the Plan, therefore, ensures that creditor interests will be adequately represented and that the members will be independent and highly qualified. Moreover, by vesting the Creditors' Committee and Laminar with the right to appoint the new board of directors, the Plan ensures that the compensation and indemnification arrangements for the board are consistent with the interests of creditors, equity security holders, and public policy. Accordingly, the Plan satisfies the requirements of sections 1123(a)(7) and 1129(a)(5) of the Bankruptcy Code.

3. Discretionary Contents Of The Plan (Section 1123(b))

Section 1123(b) of the Bankruptcy Code identifies various discretionary provisions that may be included in a plan of reorganization. For example, a plan may impair or leave unimpaired any class of claims or interests and provide for the assumption or rejection of executory contracts and unexpired leases. See 11 U.S.C. § 1123(b)(1), (2). A plan also may provide for "the retention and enforcement by the debtor, by the trustee, or by a representative of the estate appointed for such purpose, of any . . . claim or interest." 11 U.S.C. § 1123(b)(3)(A)-(B); see also § 1123(b)(4). Finally, a plan may "modify the rights of holders of secured claims . . . or . . . unsecured

claims, or leave unaffected the rights of holders of any class of claims," and may "include any other appropriate provision not inconsistent with the applicable provisions of [title 11]." 11 U.S.C. § 1123(b)(5)-(6).

The Plan contains a number of these discretionary provisions. Article III of the Plan Impairs certain Classes of Claims and Interests while leaving others Unimpaired. The Plan also provides for the retention and enforcement of Estate Claims and causes of action. See Plan, Article G. Finally, in accordance with section 1123(b)(6) of the Bankruptcy Code, the Plan includes additional appropriate provisions that are not inconsistent with applicable provisions of the Bankruptcy Code, including provisions for assumption and rejection of executory contracts and unexpired leases. See Plan, Articles IV and VII.

B. Section 1129(a)(2) – The Proponents Of The Plan Have Complied With The Applicable Provisions Of Title 11

Section 1129(a)(2) of the Bankruptcy Code requires that the proponent of a plan comply with the applicable provisions of the Bankruptcy Code. The legislative history of section 1129(a)(2) reveals that the principal purpose of this section is to ensure compliance with the disclosure and solicitation requirements set forth in section 1125 of the Bankruptcy Code. See In re Texaco Inc., 84 B.R. 893, 906-07 (Bankr. S.D.N.Y. 1988), appeal dismissed, 82 B.R. 38 (S.D.N.Y. 1988); Toy & Sports Warehouse, 37 B.R. at 149; S. Rep. No. 95-989, at 126 (1978), reprinted in 1978 U.S.C.C.A.N. 5787, 5912 ("Paragraph (2) [of section 1129(a)] requires that the proponent of the plan comply with

the applicable provisions of Chapter 11, such as section 1125 regarding disclosure."); H.R. Rep. No. 95-595, at 412 (1977), reprinted in 1978 U.S.C.C.A.N. 5963, 6368.

By order dated October 12, 2004, the Court approved the Debtors' Disclosure Statement and found that it contained adequate information within the meaning of section 1125 of the Bankruptcy Code. In addition, on October 12, 2004, the Court entered an order (the "Solicitation Procedures Order") approving (a) all materials to be transmitted to those creditors entitled to vote on the Plan, (b) the timing and method of delivery of the solicitation packages and non-voting packages, (c) the rules for tabulating votes to accept or reject the Plan, and (d) the timing and method of publication of a notice of the confirmation hearing and related matters. As described in detail in the Sullivan Solicitation Certification, on October 15, 2004, the Debtors' solicitation agent mailed solicitation materials, including a notice of hearing on confirmation of the Plan and the Disclosure Statement and all the appendices attached thereto, to all parties specified in the Solicitation Procedures Order. See Sullivan Solicitation Certification at ¶6. The Debtors also caused the confirmation hearing notice to be published on October 15, 2004 in the Wall Street Journal, as evidenced by the Certificate of Publication filed by the Debtors on November 23, 2004 (Docket No. 417).

Based upon the foregoing, the Debtors and the Creditors' Committee have complied with the applicable provisions of section 1125 of the Bankruptcy Code. The Plan therefore meets the requirements of section 1129(a)(2) of the Bankruptcy Code.

C. Section 1129(a)(3) – The Plan Has Been Proposed In Good Faith

Section 1129(a)(3) of the Bankruptcy Code requires that a plan of reorganization be "proposed in good faith and not by any means forbidden by law." 11 U.S.C. § 1129(a)(3). "Although the term 'good faith' is not further defined in the [Bankruptcy] Code, in the context of a Chapter 11 plan, courts have held a plan is to be considered in good faith 'if there is a reasonable likelihood that the plan will achieve a result consistent with the standards prescribed under the [Bankruptcy] Code.'" In re PPI Enters. (U.S.), Inc., 228 B.R. 339, 347 (Bankr. D. Del. 1998) (quoting Toy & Sports Warehouse, 37 B.R. at 149) subsequently aff'd 324 F.3d 197 (3d Cir. 2003); Kane v. Johns-Manville Corp., 843 F.2d 636,649 (2d Cir. 1988); In re Texaco, 84 B.R. at 907; In re Zenith Elecs. Corp., 241 B.R. 92, 107 (Bankr. D. Del. 1999) ("The good faith standard requires that the plan be 'proposed with honesty, good intentions and a basis for expecting that a reorganization can be effected with results consistent with the objectives and purposes of the Bankruptcy Code.'") (citations omitted).

As explained in detail in the Dubel Declaration, the Plan has been proposed by the Debtors and the Creditors' Committee in good faith, with the legitimate and honest purpose of reorganizing the Debtors' ongoing businesses as a means of maximizing the value of each of the Debtors and the recoveries to Claim and Interest holders. See Dubel Declaration at ¶¶ 8-13. The development of the Plan involved the active participation of, and arms' length negotiations among, the Debtors, the Senior

Secured Lenders (through the Administrative Agent), the Ad Hoc Committee of Senior Noteholders, and the Creditors' Committee (whose members previously served on the Ad Hoc Committee of Senior Noteholders). See Dubel Declaration ¶¶ 8-13; see also In re Eagle-Picher, Inc., 203 B.R. 256, 274 (S.D. Ohio 1996) (plan proposed in good faith when, among other things, it was based on extensive arms' length negotiations among plan proponents).

Moreover, the estimated recovery for all Classes of Claims and Interests under the Plan is significantly greater than any value that would be distributed following a liquidation of the Debtors' assets. See Disclosure Statement, Exhibit C; Coleman Declaration ¶¶ 15-19. This further evidences the good faith belief of the Debtors that the Plan is being proposed for the honest purpose of reorganizing the Debtors' businesses. Based upon all of the foregoing, the Debtors believe that the good faith requirements of section 1129(a)(3) of the Bankruptcy Code have been fully satisfied.

D. Section 1129(a)(4) – All Payments To Be Made By The Debtors For Services In Connection With These Cases Are Subject To The Approval Of The Court

The Bankruptcy Code requires that any payment made or to be made for services or for costs and expenses in connection with the case has been approved by, or is subject to the approval of, the court as reasonable. See 11 U.S.C. § 1129(a)(4). All payments made or to be made by the Debtors for services or costs in connection with these Chapter 11 Cases, including all Claims for Professionals Fees and expenses, have

been approved by or are subject to approval by this Court pursuant to, among other things, sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code. See Plan, Articles II and XIV. Accordingly, the Plan fully complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

E. Section 1129(a)(5) – The Proponents Will Have Disclosed All Required Information Regarding Postconfirmation Directors, Management And Insiders

Section 1129(a)(5) of the Bankruptcy Code requires the disclosure of the identity of those individuals who will serve as directors and management of the reorganized debtor; the identity of any insider to be employed or retained by the reorganized debtor; and the compensation proposed to be paid to such insider. In addition, the appointment or continuation in office of such persons must be consistent with the interests of creditors, equity security holders, and public policy. See 11 U.S.C. § 1129(a)(5). In determining whether the postconfirmation management of a debtor is consistent with the interests of creditors, equity security holders, and public policy, a court must consider proposed management's competence, discretion, experience, and affiliation with entities having interests adverse to the debtor. See In re Sherwood Square Assocs., 107 B.R. 872, 878 (Bankr. D. Md. 1989); see also In re W.E. Parks Lumber Co., 19 B.R. 285, 292 (Bankr. W.D. La. 1982).

The manner of selection of Reorganized RCN's board is described above and, in the Debtors' view, complies with § 1129(a)(5). The Debtors have been advised

that the individuals to be selected by the Creditors' Committee to serve on the initial board will be disclosed at the Confirmation Hearing. Laminar has selected Daniel Kar Keung Tseung as its nominee to the initial board of Reorganized RCN. As explained above, the appointment of directors and officers by the Creditors' Committee and Laminar is consistent with the interests of all Classes of Claims and Interests and with public policy inasmuch as they are being selected, in accordance with the Plan, by representatives of the constituents who will receive 100% of the New Common Stock of Reorganized RCN and hence should be sufficiently independent and free of conflicts to serve adequately the interests of all parties. Accordingly, the Plan fully satisfies the requirements of section 1129(a)(5) of the Bankruptcy Code.

F. Section 1129(a)(6) – The Plan Does Not Provide For Any Rate Change Subject To Regulatory Approval

Section 1129(a)(6) of the Bankruptcy Code requires that "[a]ny governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval." 11 U.S.C. § 1129(a)(6). Section 1129(a)(6) of the Bankruptcy Code is inapplicable to these cases because the Debtors' Plan does not provide for any rate change that requires regulatory approval.

G. Section 1129(a)(7) – The Plan Is In The Best Interest Of Creditors

The "best interests of creditors" test, set forth in section 1129(a)(7) of the Bankruptcy Code, requires that, with respect to each impaired class of claims or interests, each holder of a claim or interest has accepted the plan or will receive property of a value not less than what such holder would receive if the debtor were liquidated. See Kane v. Johns-Manville Corp., 843 F.2d 636, 649 (2d Cir. 1988); In re The Leslie Fay Cos., 207 B.R. 764, 787 (Bankr. S.D.N.Y. 1997). In considering whether a plan is in the "best interests" of creditors, a court is not required to consider any alternative to the plan other than the dividend projected in a liquidation of all of the debtor's assets under Chapter 7 of the Bankruptcy Code. See generally In re The Leslie Fay Cos., 207 B.R. at 787; See generally In re Crowthers McCall Pattern, Inc., 120 B.R. 279, 297 (Bankr. S.D.N.Y. 1990).

One objector suggested in a footnote in its objection that the Plan may not satisfy the best interests test.[6] While this objection has now been withdrawn, as explained in the Liquidation Analysis attached to the Disclosure Statement as Exhibit C, and as further explained in the Coleman Declaration, the Debtors estimate that creditors would receive the estimated percentage distributions identified in the table below in a Chapter 7 liquidation and under the Plan.

---

[6] This objection was filed by Edward T. Joyce (Docket No. 438).

Class	Chapter 7 Estimated Percentage Distribution	Plan Estimated Percentage Distribution
1 - Other Priority Claims	100%	100%
2 - Bank Claims	100%	100%
3 - Evergreen Claims	100%	100%
4 - Other Secured Claims	100%	100%
5 - RCN General Unsecured Claims	**9.4%**	**60.5%**
6 - Subsidiary General Unsecured Claims	**9.4%**	**100%**
7 - Preferred Interests	n.a	n.a.
8 - Equity Interests	n.a.	n.a.
9 - Subordinated Claims	n.a.	n.a.
10 - Warrant Interests	n.a.	n.a.

It is clear from this summary that each holder of a Claim or Interest in an Impaired Class will receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive in a Chapter 7 liquidation of the Debtors' assets on such date. As a result, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

H. Section 1129(a)(8) – Acceptance By Classes Of Creditors And Interest Holders

Section 1129(a)(8) of the Bankruptcy Code requires that each class of claims or interests under a plan has either accepted the plan or is not impaired under the plan. Even if certain impaired classes of claims or interests do not accept a plan, the plan

nevertheless may be confirmed pursuant to the "cramdown" provision of section 1129(b)(1) of the Bankruptcy Code. As a result, the confirmation requirement contained in section 1129(a)(8) is not absolutely necessary for confirmation of a plan of reorganization if the standards set forth in 11 U.S.C. § 1129(b) can be met.

Here, Classes 1, 2, 4 and 6 are Unimpaired under the Plan and therefore are conclusively presumed to have accepted the Plan. See 11 U.S.C. § 1126(f). Holders of Claims and Interests in Classes 8, 9, and 10 are not entitled to receive any distributions under the Plan and therefore are conclusively presumed to have rejected the Plan. See 11 U.S.C. § 1126(g). As discussed below, however, the Plan nonetheless satisfies the cramdown requirements of § 1129(b). The remaining Classes - Classes 3, 5, and 7 - are Impaired under the Plan; were entitled to vote on the Plan; and voted overwhelmingly in favor of the Plan in satisfaction of the acceptance requirements of section 1126 of the Bankruptcy Code. See Sullivan Tabulation Declaration ¶17.

I. Section 1129(a)(9) – The Plan Provides For The Payment Of Priority Claims

Section 1129(a)(9) of the Bankruptcy Code requires that certain priority claims be paid in full on the effective date of a plan and that the holders of certain other priority claims receive deferred cash payments. In particular, under section 1129(a)(9)(A) of the Bankruptcy Code, holders of claims of a kind specified in section 507(a)(1) of the Bankruptcy Code – administrative claims allowed under 11 U.S.C. § 503(b) – must receive cash equal to the allowed amount of such claims. Article II.A.1 of

the Plan satisfies this requirement by generally requiring payment of all Administrative Claims in Cash.

Section 1129(a)(9)(B) of the Bankruptcy Code requires that each holder of a claim of a kind specified in sections 507(a)(3) through (7) of the Bankruptcy Code – generally, wage, employee benefit, and deposit claims entitled to priority – must receive deferred cash payments of a value equal to the allowed amount of such claim or cash equal to the allowed amount of such claim on the effective date of the plan, depending upon whether the class has accepted the plan. Article III.c.1 of the Plan satisfies this requirement by generally requiring payment of all Other Priority Claims in Cash.

Finally, section 1129(a)(9)(C) provides that the holder of claims of the kind specified in section 507(a)(8) of the Bankruptcy Code – priority tax claims – must receive deferred cash payments over a period not to exceed six years, the present value of which equals the allowed amount of the claim. Article III.A.2 of the Plan satisfies this requirement by providing for payment of Priority Tax Claims in Cash pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

J. Section 1129(a)(l0) – The Plan Has Been Accepted By At Least One Impaired, Non-Insider Class

The Bankruptcy Code provides that "[i]f a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider."

11 U.S.C. § 1129(a)(10). As described above and as indicated in the Sullivan Tabulation Declaration, the Debtors have satisfied this requirement.

K. Section 1129(a)(11) – The Plan Is Feasible

A plan of reorganization may be confirmed only if "[c]onfirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan." See 11 U.S.C. § 1129(a)(11). This section "requires courts to scrutinize carefully the plan to determine whether it offers a reasonable prospect of success and is workable." 7 Collier, Bankruptcy ¶ 1129.03[11], at 1129-69 (15th rev. ed. 2004); see also In re Cellular Info. Sys., Inc., 171 B.R. 926, 945 (Bankr. S.D.N.Y. 1994); In re Rivers End Apartments, Ltd., 167 B.R. 470, 476 (Bankr. S.D. Ohio 1994); In re Johns-Manville Corp., 68 B.R. 618, 635 (Bankr. S.D.N.Y. 1986), aff'd in relevant part, 78 B.R. 407 (S.D.N.Y. 1987).

Section 1129(a)(11) does not require a guarantee of the plan's success. Rather, the proper standard is whether the plan offers a "reasonable assurance" of success. See Kane, 843 F.2d at 649 (a plan may be feasible although its success is not guaranteed); Texaco, 84 B.R. at 910 ("All that is required is that there be reasonable assurance of commercial viability."); In re Prudential Energy Co., 58 B.R. 857, 862 (Bankr. S.D.N.Y. 1986) ("Guaranteed success in the stiff winds of commerce without the protection of the Code is not the standard under § 1129(a)(11)"); In re Drexel Burnham

Lambert Group, Inc., 138 B.R. at 723, 762 (Bankr. S.D.N.Y. 1992) ("Feasibility does not, nor can it, require the certainty that a reorganized company will succeed") (citation omitted).

The Debtors believe that the Plan is feasible, and that confirmation of the Plan is not likely to be followed by the liquidation or further financial reorganization of the Reorganized Debtors. The Debtors base this conclusion upon the Projections attached to the Disclosure Statement as Exhibit D, the Dubel Declaration, and the Coleman Declaration. The declarations and the Projections contain significant detail concerning the efforts underlying preparation of the Debtors' go-forward business plan, including the Projections, and the reasons for the conclusion of Messrs. Dubel and Coleman that the Plan is feasible and not likely to be followed by another financial restructuring.

While their testimony will not be repeated here, the Debtors emphasize (i) that the Plan will eliminate approximately $2.8 billion in RCN General Unsecured Claims and Preferred Interests, thereby significantly reducing Reorganized RCN's interest and related obligations; (ii) that the Debtors will have ample cash resources to satisfy all Claims under the Plan and projected operating and capital expenditures through the 2009 projection period; and (iii) that the individuals managing the Reorganized Debtors are well qualified to lead them in achieving the estimated financial results

set forth in the Projections because they possess many years of experience in the cable and telecommunications industry.

Based on the foregoing, the Debtors submit that (a) the Plan provides a feasible means of completing a reorganization of the Debtors' businesses and (b) subject to the risks described in the Disclosure Statement, there is reasonable assurance that the Debtors will be able to satisfy all of their obligations under the Plan. As a result, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

L. Section 1129(a)(12) – The Plan Provides For The Payment Of Fees

The Bankruptcy Code requires that, as a condition precedent to the confirmation of a plan of reorganization, "[a]ll fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan." 11 U.S.C. § 1129(a)(12). All fees payable pursuant to 28 U.S.C. § 1930 have been paid or will be paid in Cash on or before the Effective Date.

M. Section 1129(a)(13) – Continuation Of Retiree Benefits

Section 1129(a)(13) of the Bankruptcy Code requires that a plan of reorganization provide for the continuation, after the plan's effective date, of all retiree benefits at the levels established by agreement or by court order pursuant to section 1114 of the Bankruptcy Code for the duration of the period that the debtor has obligated itself

to provide such benefits. The Debtors maintain no retiree benefit plans. Accordingly, section 1129(a)(13) of the Bankruptcy Code is satisfied.

N. Section 1129(b) – The Plan Satisfies The "Cramdown" Requirements

Holders of Class 7 Preferred Interests stand to receive a recovery under the Plan (New Warrants to purchase 1.75% of the New Common Stock of Reorganized RCN) despite the fact that Claim holders of higher priority - Class 5 RCN General Unsecured Claims - will not be paid in full under the Plan. Similarly, holders of Class 8 Equity Interests stand to receive a recovery under the Plan (New Warrants to purchase .25% of the New Common Stock of Reorganized RCN) despite the fact that holders of Class 5 RCN General Unsecured Claims and holders of Class 7 Preferred Interests will not be paid in full under the Plan. Finally, holders of Class 9 Subordinated Claims and Class 10 Warrant Interests will not receive any distributions under the Plan.

Notwithstanding these provisions and the deemed rejection of the Plan by Classes 8, 9, and 10, the Plan nonetheless may be confirmed pursuant to the cramdown provisions of section 1129(b) of the Code. Section 1129(b) provides, in part, that

> the court, on request of the proponent of the plan, shall confirm the plan notwithstanding [the fact that classes have rejected the plan] if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

11 U.S.C. § 1129(b)(1). As an initial matter, the Plan does not "discriminate unfairly" among holders of Claims and Interests of equal rank and, to the extent holders in lower

priority classes receive distributions, such distributions have been voluntarily allocated to such classes out of the recoveries that creditors of higher rank otherwise would have been entitled to receive. Moreover, the Plan is "fair and equitable" because it satisfies the absolute priority rule of section 1129(b)(2). Each of these points is discussed in turn.

1. Voluntary Reallocation Of Distributions

The Bankruptcy Code provides that "[w]ith respect to a class of unsecured claims. . . the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property." See 11 U.S.C. § 1129(b)(2)(B)(ii). Thus, junior claims or interests may not receive any distribution unless and until each class senior in priority receives payment in full of their claims or interests. As indicated above, however, certain junior holders are to receive distributions even though senior classes are receiving only a percentage of their claims. The basis of this treatment in the Debtors' Plan is a voluntary transfer of value by the members of Class 5 RCN General Unsecured Claims to Class 7 Preferred Interests and Class 8 Equity Interests.

Specifically, while holders of RCN General Unsecured Claims are entitled to 100% of the shares of New Common Stock of Reorganized RCN yet are receiving a distribution with an estimated value of only 60.5%, such holders, through their acceptance of the Plan, agreed to a voluntary allocation of a portion of such value (a "gift") to the holders of Class 7 Preferred Interests and Class 8 Equity Interests. Absent

the willingness of such holders to make a voluntary allocation of value in this fashion, the holders of Preferred Interests and Equity Interests would not be entitled to, and would not receive, any distribution from the Debtors under the Plan on account of their Interests in the Debtors.

Similarly, holders of Class 8 Equity Interests will be receiving a distribution under the Plan despite being of lesser priority than holders of Class 7 Preferred Interests. This also does not result in any unfair discrimination against Class 7, and is fair and equitable with respect to such Class, because, as described above, the distribution to Class 8 is based on the agreement of holders of RCN General Unsecured Claims to voluntarily allocate a portion of the value that they would otherwise receive to Class 8.

Finally, the foregoing treatment does not discriminate unfairly, and is fair and equitable, with respect to Class 9 Subordinated Claims, the holders of which will not receive any distributions under the Plan. The separate classification and disparate treatment of such Claims recognizes the difference between Claims based on debt or equity and their respective instruments and those based on the rescission of such instruments. Claims related to the rescission of a purchase or sale of a security are subordinated by virtue of 11 U.S.C. § 510(b). The fact that holders of Class 8 Equity Interests will receive a distribution does not affect this analysis insofar as such distribu-

tion is the result of the voluntary reallocation of a portion of the recovery of Class 5 RCN General Unsecured Claims discussed above.[7]

Courts have held that senior classes may forgo a portion of their allowed recovery to enable junior classes of creditors to receive a distribution from a debtor's estate. Official Unsecured Creditors' Comm. v. Stern (In re SPM Mfg. Corp.), 984 F.2d 1305 (1st Cir. 1993). In SPM, the secured creditor possessed liens on all of the debtor's assets. After the debtor's assets were sold, the secured creditor's liens remained unsatisfied. The secured lender nonetheless entered into an agreement with the debtor's unsecured creditors' committee to share the sale proceeds with the unsecured creditors. At the same time, however, the secured lender refused to enter into a similar agreement with the holders of certain priority tax claims. The First Circuit found that although the debtor and the trustee may not violate the distribution scheme developed by the Bankruptcy Code, creditors are free to do whatever they wish with the estate assets they receive, including sharing such assets with other creditors. As a result, the "gift" was allowed and certain junior classes received distributions even though other priority claimants did not.

---

[7] Edward T. Joyce filed an objection to these provisions of the Plan, asserting that the disparate treatment of Class 8 Equity Interests and Class 9 Subordinated Claims violates the Bankruptcy Code. (Docket No. 438). This objection has been withdrawn.

Similarly, in In re Genesis Health Ventures, Inc., 266 B.R. 591 (Bankr. D. Del. 2001), the debtor possessed insufficient assets to satisfy the senior lenders in full. Nevertheless, the senior lenders agreed to share a portion of their distributions with certain junior classes of claimants with the exception of a class of punitive damage claimants. The punitive damage claimants objected to confirmation of the plan, alleging that the proposed classification and treatment of those punitive damage claimants violated sections 502 and 510(c) of the Bankruptcy Code. The Genesis court overruled the objection, finding that there was no impediment to the discriminatory sharing agreement proposed in the plan, because creditors are free to do whatever they wish with their dividends, including sharing them in ways that conflict with the distribution and priority scheme established by the Bankruptcy Code.[8]

In sum, because there is a legally acceptable rationale for the difference in treatment between Claims and Interests in the various Classes, there is no showing of unfair discrimination against, or unfair or inequitable treatment of, such Classes. Therefore, the Plan satisfies the provisions of section 1129(b) of the Bankruptcy Code.

---

[8] Other courts, including courts in this District, have followed this precedent. See, e.g., In re MCorp Fin., Inc., 160 B.R. 941 (S.D. Tex. 1993) (approving settlement of litigation between secured lender and FDIC enabling FDIC to receive distributions to which it was not otherwise entitled under the absolute priority rule); In re XO Communications, Inc., No. 02-12947 (AJG) (Bankr. S.D.N.Y. Aug. 26, 2002) (confirming plan of reorganization in which senior lenders secured by substantially all of debtor's assets voluntarily gave a portion of their recovery to equity holders).

2. The Plan Otherwise Complies With The Absolute Priority Rule

Classes 9 and 10 will receive no distributions under the Plan. However, the Subordinated Claims and Warrant Interests in these Classes are the lowest priority in the Debtors' capital structure. The treatment of these Classes therefore complies with the absolute priority rule of section 1129(b) of the Bankruptcy Code.

THE RELEASES, INJUNCTIONS, AND EXCULPATIONS IN THE PLAN ARE PROPER

Article XIV of the Plan contains relatively standard provisions with respect to the discharge of the Debtors and an injunction against the assertion of prepetition claims against the Reorganized Debtors, in each case consistent with sections 524 and 1141 of the Bankruptcy Code. Article XIV also contains relatively standard releases by the Debtors of claims against third-parties, including the Debtors' officers, directors, and employees, as well as exculpation, limitation of liability, and indemnification provisions in favor of persons integral to the Plan formulation process. Finally, Article XIV.H of the Plan releases certain non-Debtor third-parties, including the Debtors' directors, officers, and employees, from all other pre-petition claims other than those arising out of willful misconduct, intentional breach of fiduciary duty, or fraud.

There are no known government actions or investigations that would otherwise be affected by the third-party releases. Neither the Securities and Exchange Commission, the Department of Labor, nor any other government agency filed a proof of

claim based on any such actions. Additionally, there are no suits or other claims against board members or officers alleging violations of any federal or state securities laws. The only known suits against such persons recently were filed by several claimants alleging breaches of the Employee Retirement Income Security Act of 1974, *as amended* ("ERISA"), in connection with RCN's 401(k) savings plan.[9]

Representatives of five parties in interest have requested, either formally or informally, modifications to the third-party releases. The Department of Justice informally requested that the third-party releases be modified to exclude any claims of the United States. Newport Associates Development Company ("NADC") informally requested inclusion of language clarifying that certain matters relating to litigation against a non-Debtor subsidiary will not be discharged. And three formal objections were filed to the scope of the third-party releases, one each by (i) Debra Craig, lead plaintiff in one of the ERISA actions; (ii) Merrill Lynch Trust Company FSB, who served as ERISA plan co-fiduciary and wants to preserve possible cross-claims for contribution and indemnity in the ERISA litigation; and (iii) Edward Joyce, who alleges

---

[9] A total of four ERISA-related actions have been filed in non-bankruptcy courts, although Debra Craig is the only plaintiff to appear in these Chapter 11 Cases. See Craig v. Filipowicz, et al., Case No. 1:04-CV-07875 (JSR) (S.D.N.Y.); Thomas v. McCourt, et al., Case No. 3:04-CV-05068 (SRC) (D.N.J.); Maguire v. Filipowicz, et al., Case No. 1:04-CV-08454 (JSR) (S.D.N.Y.); Hill v. McCourt, et al., Case No. 3:04-CV-05368 (SRC) (D.N.J.). All such actions are being consolidated in New Jersey.

in a proof of claim, among other things, breach of fiduciary duty on account of RCN's acquisition of 21st Century Telecom Group, Inc.

The Debtors have agreed with each of the foregoing parties to modify the Plan to include requested carve-outs to the third-party releases that preserve each of the parties' claims. Such modification will take the form of a new Article XIV.I, quoted below. The first paragraph of new Article XIV.I resolves the informal objections of the Department of Justice and NADC; the second paragraph resolves the formal objections of Debra Craig, Merrill Lynch,[10] and Edward Joyce:

> **I. Limitations on Scope of Director, Officer, Employee and Other Third Party Releases**
>
> Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, (i) nothing in the Plan and the transactions approved hereby is intended to, or shall release any non-Debtor from any liabilities or obligations to the United States of America or its agencies or subdivisions (the "United States"), nor shall it enjoin or bar any claim by the United States against any non-Debtor, and (ii) solely as to non-Debtors, the Plan shall in no way affect (a) the agreement reached between RCN Telecom Services, Inc. and Newport Associates Development Company in settlement of certain litigation in the New Jersey Superior Court, Hudson County, Law Division, captioned Newport Associates Development Company v. RCN Telecom Services, Inc., et al., Docket No. HUD-L-4407-02, and consolidated with Docket No. HUD-L-4810-02, as such settlement agreement was read into the record of the trial court on July 22, 2004, (b) the License Agreement dated as of July 30, 2004, by and

---

[10] As of the filing of this memorandum, the Debtors have not received final confirmation that Merrill agreed to the carve-out. However, Merrill has advised the Debtors that it anticipates that final agreement on the insert will be obtained. In the event Merrill does not accept this language, the Debtors reserve all of their rights. Indeed, the Debtors believe that the proposed language completely addresses all matters raised in Merrill's objection.

between RCN Telecom Services, Inc. and Newport Associates Development Company, and/or (c) the rights and obligations of the parties (other than the Debtors), or any successor parties, to (a) and (b) above.

Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, no current or former directors, officers, employees, partners, members, or managers of the Debtors (collectively, the "Third-Party Releasees") shall be released from, and there shall be no injunction with respect to, (i) any Claim arising from such Third-Party Releasees' alleged breach of fiduciary duty or Claims arising under, or as a consequence of, the Employee Retirement Income Security Act of 1974, *as amended*, ("ERISA"), and asserted by the claimants in each of those actions captioned Craig v. Filipowicz, et al., Case No. 1:04-CV-07875 (JSR) (S.D.N.Y.), Thomas v. McCourt, et al., Case No. 3:04-CV-05068 (SRC) (D.N.J.), Maguire v. Filipowicz, et al., Case No. 1:04-CV-08454 (JSR) (S.D.N.Y.), and Hill v. McCourt, et al., Case No. 3:04-CV-05368 (SRC) (D.N.J.), in each case relating to the RCN Savings and Stock Ownership Plan (the "ESOP"); (ii) any Claim asserted by any ERISA fiduciaries of the ESOP for indemnity or contribution, including, but not limited to, Merrill Lynch Trust Company FSB; or (iii) any Claim asserted by Edward T. Joyce relating in any way to the acquisition of 21st Century Telecom Group, Inc. Notwithstanding any provisions of the Plan, nothing in the Plan shall in any way limit or abrogate any available insurance coverage or rights to recover insurance proceeds available to pay any Claims for the settlement or satisfaction of a judgment.

The Debtors believe that the third-party releases, as modified, are proper under the Bankruptcy Code. The Debtors also believe that the releases by the Debtors, the exculpation provisions, the indemnification provisions, and the other limitations on liability contained in Article XIV are proper under the Bankruptcy Code. The Second Circuit has held that bankruptcy courts are empowered under section 105(a) of the Bankruptcy Code to grant releases and issue permanent injunctions where such relief plays an important role in the success of a workable reorganization plan. See SEC v. Drexel Burnham Lambert Group, Inc. (In re Drexel

Burnham Lambert Group, Inc.), 960 F.2d 285 (2d Cir. 1992), cert. dismissed, 505 U.S. 1088 (1993); MacArthur Co. v. Johns-Manville Corp. (In re Johns-Manville Corp.), 837 F.2d 89, 93-94 (2d Cir. 1988), cert. denied, 488 U.S. 868 (1988); LTV Corp. v. Aetna Cas. And Surety Co. (In re Chateaugay Corp.), 167 Bankr. 776, 780-781 (S.D.N.Y. 1994).

Releases also are permissible in corporate reorganizations in this Circuit when supported by consideration and if they advance a debtor's successful reorganization. See Drexel Burnham Lambert Group, Inc., 960 F.2d at 293 ("In bankruptcy cases, a court may enjoin a creditor from suing a third party, provided the injunction plays an important part in the debtor's reorganization plan."); Abel v. Shugrue (In re Ionosphere Clubs, Inc.), 184 B.R. 648, 655 (S.D.N.Y. 1995) (bankruptcy courts may issue injunctions enjoining creditors from suing third parties "in order to resolve finally all claims in connection with the estate and to give finality to a reorganization plan"); LTV Corp. v. Miller (In re Chateaugay Corp.), 109 B.R. 613, 621 (S.D.N.Y. 1990), appeal dismissed, 924 F.2d 480 (2d Cir. 1991).

The releases, injunctions, and related relief contained in Article XIV of the Plan are an important part of the restructuring of the RCN corporate family. For example, if the third-party releases are not approved as modified, then the directors, officers, and employees of the Debtors may have indemnification claims against significant non-Debtor operating subsidiaries. A claim against the directors,

officers, and employees of the Debtors therefore will be, in effect, a claim directly against the operating subsidiaries from which the value of the Debtors is derived. This is an example of the "identity of interest" between debtors and non-debtors that Courts have held warrant injunctions against the filing of claims against non-debtors. See, e.g., In re Zenith Electronics Corp., 241 B.R. 92 (Bankr. D. Del. 1999) (identity of interests between debtor and released party exists where suit against released party is in essence a suit against the debtor's estate); see also Class Five Nev. Claimants v. Dow Corning Corp. (In re Dow Corning Corp.), 280 F.3d 648 (6th Cir. 2002), cert. denied, 537 U.S. 816 (2002); In re Master Mortgage Inv. Fund, Inc., 168 B.R. 930 (Bankr. W.D. Mo. 1994).

Moreover, courts have held that the potential for indirect indemnity and contribution claims against non-debtor subsidiaries that could undermine the restructuring of the corporate group as a whole warrant releases with respect to such claims. See, e.g., Menard-DSanford v. Mabey (In re A.H. Robins Co., Inc.), 880 F.2d 694 (4th Cir. 1989), cert. denied, 493 U.S. 959 (1989) (reorganization depended upon release of all claims, including claims against non-debtors with indemnity or contribution claims); In re Combustion Eng'g, Inc., 295 B.R. 459 (Bankr. D. Del. 2003) (enjoining claims against non-debtor affiliates in order to avoid litigation among corporate entities); see also In re Dow Corning, 280 F.3d at 648 (key aspect

of reorganization was avoidance of suits by non-debtors for indemnity or contribution).

The releases, injunctions, and related relief also are warranted here in light of the overwhelming acceptance of the Plan by Class 5 RCN General Unsecured Creditors, which clearly evidences their endorsement of the Plan as a whole. A total of 711 holders of Claims in this Class voted to accept the Plan, whereas only 2 holders voted against it. The total amount of Claims that voted in favor of the Plan is $661 million; the total amount that voted against is only $115,000. This is clearly the sort of overwhelming acceptance by the class affected by the releases that courts have considered significant in approving third-party releases. See, e.g., In re Dow Corning, 280 F.3d at 648; In re Zenith Electronics Corp., 241 B.R. at 111; In re Master Mortgage Inv. Fund, Inc., 168 B.R. at 930.[11]

Finally, the third-party releases are supported by consideration that is adequate and reasonable under the circumstances. Holders of Class 5 RCN General Unsecured Claims will receive 100% of the New Common Stock in Reorganized RCN in satisfaction of their Claims. The estimated value of this consideration is predicted to afford a recovery to Class 5 Creditors of 60.5%.[12] This consideration

---

[11] The overwhelming vote in this case distinguishes this case from others where third-party releases were not approved due to rejections of the plan by affected classes. See, e.g., In re Exide Technologies, 303 B.R. 48 (Bankr. D. Del. 2003); In re Genesis Health Ventures, Inc., 266 B.R. 591 (Bankr. D. Del. 2001).

[12] This consideration is vastly in excess of that afforded to creditors in other cases (continued...)

was negotiated with representatives of the Creditors' Committee, who in turn represented the interests of all holders of Class 5 RCN General Unsecured Claims. Indeed, the Creditors' Committee is a co-proponent of the Plan and supports its confirmation. Accordingly, holders of Class 5 RCN General Unsecured Claims are receiving adequate and reasonable consideration in exchange for the releases. See Dubel Declaration ¶¶ 23-35.

The releases are also justified because the beneficiaries of the releases have contributed substantially to the Debtors' reorganization. Indeed, much of the value to be distributed under the Plan will be the result of their efforts to date. It has required untold hours of hard work by all parties to the releases to reach the point of confirmation of the Debtors' Plan. Many of the Debtors' officers and employees will continue to dedicate their efforts to ensuring the success of the Debtors' Plan. These efforts constitute additional consideration to all constituencies in support of the releases. See Dubel Declaration ¶¶ 23-35.

---

[12] (...continued)
where the courts sustained objections to the third-party releases. See, e.g., In re Exide Technologies, 303 B.R. at 71 (recovery of only 1.4%); In re Genesis Health Ventures, 266 B.R. at 608 (recovery of only 7.34%).

For all of the reasons outlined above, the releases, injunctions, and exculpations are fair, reasonable, advance the Plan, and should be approved as modified above.

PLAN MODIFICATIONS

The Debtors intend to make three, non-material modifications to the Plan designed to take into account settlements resolving certain formal and informal objections and to clarify other aspects of the Plan. Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 together allow plan proponents to make modifications to a plan after solicitation that bind all creditors if the modifications do not adversely affect creditors or interest holders. In accordance with this authority, courts have allowed plan proponents to make non-material changes without any special procedures or vote resolicitation. See, e.g., In re Am. Solar King Corp., 90 B.R. 808, 826 (Bankr. W.D. Tex. 1988) ("if a modification does not 'materially' impact a claimant's treatment, the change is not adverse") (citation omitted); In re Mount Vernon Plaza Cmty Urban Redevelopment Corp., 79 B.R. 305, 306 (Bankr. S.D. Ohio 1987) (all creditors were deemed to have accepted plan as modified because "[n]one of the changes negatively affects the repayment of creditors, the length of the Plan, or the protected property interests of parties in interest").

As indicated above, the Debtors intend to make only three changes to the Plan. First, the Debtors propose to modify Article III.F of the Plan to allow the

Debtors, to the extent not already authorized, to set-off Claims among Debtors or between Debtors and non-Debtor affiliates. Second, the Debtors propose to modify Article IV.E of the Plan to clarify that Laminar will have the right to select one board member so long as certain conditions are satisfied. Third, the Debtors propose to add a new Article XIV.I to the Plan, as described above, to modify the scope of certain third-party releases. Each of these three changes is reflected in the proposed confirmation order at paragraph 45. Because none of these changes materially affects the treatment of any holders of Claims or Interests, the Debtors respectfully request that the proposed modifications be approved without requiring the resolicitation of votes.

CONCLUSION

For all of the forgoing reasons, the Plan fully satisfies all applicable requirements of the Bankruptcy Code and the Plan should be confirmed.

WAIVER OF RULE 3020(e)

Rule 3020(e) of the Federal Rules of Bankruptcy Procedure provides that the effectiveness of an order confirming a plan is stayed until 10 days after its entry "unless the court orders otherwise." The Debtors are requesting that the order confirming the Debtors' Plan be deemed effective immediately upon its entry, and that the 10 day stay be deemed waived and inapplicable. The Debtors have an exceptionally short window within which to consummate the Plan. They are

endeavoring to do so on or before December 21, 2004. This date is only three days after expiration of the 10 day period referenced in Rule 3020(e), assuming, of course, that the confirmation order is entered by the Clerk's Office immediately at the conclusion of the confirmation hearing.

The Debtors and their exit lenders need the protection of a final, unstayed order while they undertake the final efforts -- which will be significant in the amount of time and resources that will be required -- to consummate the Plan. The December 21, 2004, date is imperative so that, among other things, funding from syndication lenders under the First-Lien Credit Facility will be consummated by year end, a process that can be fraught with delays during the holiday season and as financial institutions endeavor to close transactions before year end. The Debtors therefore must undertake every effort possible to close on the Plan and fund the

transactions within 13 calendar days after the confirmation hearing. There are no objecting parties that will be prejudiced by the Debtors' request. Accordingly, the Debtors request that the confirmation order provide that the 10 day stay of Rule 3020(e) be deemed inapplicable here.

Dated: New York, New York
December 6, 2004

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ D. J. Baker
D. J. Baker (DB 9362)
Thomas J. Matz (TM 5986)
Frederick D. Morris (FM 6564)

Four Times Square
New York, New York 10036-6522
(212) 735-3000

Attorneys for Debtors and
Debtors-in-Possession

Exhibit A

SUMMARY OF OBJECTIONS TO JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

SUMMARY OF OBJECTIONS TO JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES[1]

ORGANIZED BY NATURE OF OBJECTION

	OBJECTION ASSERTED	OBJECTING PARTY	RESPONSE
1.	The Plan impermissibly provides for disparate treatment of Class 8 Equity Interests and Class 9 Subordinated Claims. Holders of Class 8 Equity Interests are entitled to receive New Warrants to acquire .25% of the New Common Stock of Reorganized RCN, whereas holders of Class 9 Subordinated Claims will receive no recovery under the Plan. This improper treatment violates sections 510(b) and 1129(a)(1) of the Bankruptcy Code.	Edward T. Joyce (No. 438)	This objection has been withdrawn in light of the agreed modification to certain third-party release provisions described below. The Debtors also emphasize that the Plan afforded holders of Class 5 RCN General Unsecured Claims the option to elect, through their votes in favor of the Plan, to allocate a portion of the value to which they otherwise are entitled to classes of lower priority, including Class 7 Preferred Interests and Class 8 Equity Interests. While holders of Class 5 RCN General Unsecured Claims are entitled, under the absolute priority rule, to 100% of the value of Reorganized RCN after payment of secured and priority claims, the estimated value of their distributions under the Plan is approximately 60.5%. Courts consistently have held that a creditors in a senior class may forego a portion of their recovery so that creditors and interest holders in junior classes may receive a distribution, even if such allocation would otherwise be contrary to the Code's priority scheme. In re SPM Mfg. Corp., 984 F.2d 1305 (1st Cir. 1993); In re Genesis Health Ventures, Inc., 266 B.R. 591 (Bankr. D. Del. 2001); In re MCorp Fin., Inc., 160 B.R. 941 (S.D. Tex. 1993); In re XO Communications, Inc., No. 02-12947 (AJG) (Bankr. S.D.N.Y. Aug. 26, 2002).

[1] Terms used but not defined herein shall have the meanings ascribed to them in the Plan.

	OBJECTION ASSERTED	OBJECTING PARTY	RESPONSE
2.	The Plan arguably does not satisfy the "best interests" test set forth in section 1129(a)(7) of the Bankruptcy Code.	Edward T. Joyce (No. 438)	This objection has been withdrawn in light of the agreed modification to certain third-party release provisions described below. The Debtors also emphasize that, as indicated in the liquidation analysis attached to the Disclosure Statement as Exhibit C and as further explained in the declaration of Timothy Coleman, the Debtors' investment banker, creditors and holders of interests in the Debtors will receive at least as much under the Plan as they would in a liquidation. Significantly, holders of secured and priority claims would receive 100% of their claims in either scenario, and holders of Class 5 RCN General Unsecured Claims will receive an estimated recovery equal to approximately 60.5% under the Plan compared to only 9.4% in a liquidation.
3.	The Plan discharge, release, injunction, and exculpation provisions impermissibly release and enjoin prosecution of claims against certain non-Debtor third parties, including the Debtors' officers, directors, and 401(k) plan fiduciaries, in contravention of sections 524 and 1141 of the Bankruptcy Code. Such releases are not necessary to confirmation of the Plan, are not supported by adequate consideration, and therefore should not be approved.	Debra Craig (No. 431), Edward T. Joyce (No. 438), Merrill Lynch (No. 440), DOJ, NADC	The Second Circuit has specifically held that such releases are permissible under the Bankruptcy Code when the circumstances warrant. SEC v. Drexel Burnham Lambert Group, Inc. (In re Drexel Burnham Lambert Group, Inc.), 960 F.2d 285 (2d Cir. 1992); MacArthur Co. v. Johns-Manville Corp., 837 F.2d 89 (2d Cir. 1988). The circumstances so warrant here. As explained in the declaration of John Dubel, the Debtors' chief restructuring officer, such releases are necessary to the restructuring of the entire RCN corporate family in order to avoid indemnification claims by the releasees against non-debtor subsidiaries, and there otherwise is substantial consideration under the Plan supporting the releases. As a compromise and settlement of these objections, however, the Debtors have agreed to modify the releases in accordance with the language attached hereto as Exhibit 1, which fully preserves the claims of such objectors against individual third-parties.

	OBJECTION ASSERTED	OBJECTING PARTY	RESPONSE
4.	Certain non-debtor parties to executory contracts have filed limited objections pertaining to the Debtors' proposed assumption of their contracts, including E! Entertainment Television, Inc., Scripps Networks, Inc., and the National Cable Television Cooperative ("NCTC"), asserting (i) that assumption of one particular agreement requires assumption of certain other agreements (E! Entertainment) and (ii) that the cure amount for assumption is not 0$, as proposed by the Debtors, but $32,460 (Scripps) and approximately $440,000 (NCTC). None of these parties parties otherwise objects to the proposed assumption of the agreements.	E! Entertainment (No. 434), Scripps Networks (No. 436), NCTC	These objections are not objections to confirmation of the Plan as such and therefore should not delay entry of an order confirming the Plan. The Debtors have reached an agreement in principal with E! Entertainment whereby the Debtors will assume an agreement with the Style Network upon modified terms. This agreement will be reflected in a stipulation and order to be file at or before the confirmation hearing. The Debtors also have reached an agreement in principal with Scripps Network whereby the Debtors will assume the Scripps agreement, but preserve all of Scripps' rights to assert a cure claim. Language will be added to the proposed confirmation order to address this issues. Absent settlement of any remaining matters by the hearing on confirmation of the Plan, the Debtors will request that they be continued to a future date for a status hearing pending further discussions between the parties.

PLAN OBJECTORS
BY DOCKET NUMBER

	Docket No.	Objecting Party
1	431	Debra K. Craig
2	434	E! Entertainment Television, Inc.
3	436	Scripps Networks, Inc.
4	438	Edward T. Joyce
5	440	Merrill Lynch Trust Company FSB
6	n.a.	Department of Justice (DOJ)
7	n.a.	Newport Assoc. Dev. Co. (NADC)
8	n.a.	National Cable Television Coop (NCTC)

Exhibit 1

I. Limitations on Scope of Director, Officer, Employee and Other Third Party Releases

Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, (i) nothing in the Plan and the transactions approved hereby is intended to, or shall release any non-Debtor from any liabilities or obligations to the United States of America or its agencies or subdivisions (the "United States"), nor shall it enjoin or bar any claim by the United States against any non-Debtor, and (ii) solely as to non-Debtors, the Plan shall in no way affect (a) the agreement reached between RCN Telecom Services, Inc. and Newport Associates Development Company in settlement of certain litigation in the New Jersey Superior Court, Hudson County, Law Division, captioned Newport Associates Development Company v. RCN Telecom Services, Inc., et al., Docket No. HUD-L-4407-02, and consolidated with Docket No. HUD-L-4810-02, as such settlement agreement was read into the record of the trial court on July 22, 2004, (b) the License Agreement dated as of July 30, 2004, by and between RCN Telecom Services, Inc. and Newport Associates Development Company, and/or (c) the rights and obligations of the parties (other than the Debtors), or any successor parties, to (a) and (b) above.

Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, no current or former directors, officers, employees, partners, members, or managers of the Debtors (collectively, the "Third-Party Releasees") shall be released from, and there shall be no injunction with respect to, (i) any Claim arising from such Third-Party Releasees' alleged breach of fiduciary duty or Claims arising under, or as a consequence of, the Employee Retirement Income Security Act of 1974, *as amended*, ("ERISA"), and asserted by the claimants in each of those actions captioned Craig v. Filipowicz, et al., Case No. 1:04-CV-07875 (JSR) (S.D.N.Y.), Thomas v. McCourt, et al., Case No. 3:04-CV-05068 (SRC) (D.N.J.), Maguire v. Filipowicz, et al., Case No. 1:04-CV-08454 (JSR) (S.D.N.Y.), and Hill v. McCourt, et al., Case No. 3:04-CV-05368 (SRC) (D.N.J.), in each case relating to the RCN Savings and Stock Ownership Plan (the "ESOP"); (ii) any Claim asserted by any ERISA fiduciaries of the ESOP for indemnity or contribution, including, but not limited to, Merrill Lynch Trust Company FSB; or (iii) any Claim asserted by Edward T. Joyce relating in any way to the acquisition of 21st Century Telecom Group, Inc. Notwithstanding any provisions of the Plan, nothing in the Plan shall in any way limit or abrogate any available insurance coverage or rights to recover insurance proceeds available to pay any Claims for the settlement or satisfaction of a judgment.

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	(Jointly Administered)

DECLARATION OF JOHN S. DUBEL IN SUPPORT OF CONFIRMATION OF THE JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

JOHN S. DUBEL, being duly sworn, deposes and says:

I. BACKGROUND

1. I am the Chief Restructuring Officer of RCN Corporation ("RCN") and its nine debtor affiliates, debtors and debtors in possession in the above captioned Chapter 11 Cases (collectively, the "Debtors"). Prior to being named as Chief Restructuring Officer on September 15, 2004, I had served as President and Chief Operating Officer of RCN since February 12, 2004.

2. I am also a principal of AP Services, LLC ("AlixPartners"). AlixPartners is a nationally recognized restructuring and turnaround advisory and consulting firm. AlixPartners professionals have extensive experience working with financially troubled companies and serving as crisis managers in large and complex restructurings out of court and in chapter 11 cases.

3. I have over 20 years of experience providing turnaround, crisis management and restructuring services to troubled companies. I have significant restructuring experience working with large and mid-size corporations. I have assisted companies in operational reorganizations and cost reductions, financial department restructurings, strategic repositionings and divestitures. My industry experience includes telecom and high tech, travel, retail and apparel, manufacturing, publishing, financial services, and oil and gas.

4. Prior to joining AlixPartners, I ran my own turnaround firm where my roles included Chief Operating Officer and Chief Restructuring Officer at CellNet Data Systems, Inc., Chief Financial Officer and Executive Committee member of Barney's New York, and Chief Financial Officer of The Leslie Fay Companies. Prior to the formation of my own company, I was a partner at a Big Five firm where I was a founding member of their Corporate Recovery Services practice. After joining AlixPartners, but prior to working with the Debtors, I served as Chief Executive Officer of Cable & Wireless America and, prior to that assignment, served

as Chief Restructuring Officer of Acterna Corporation and as Chief Financial Officer of WorldCom, Inc. during its restructuring.

5. Through the services provided during these chapter 11 cases, I have become intimately familiar with the Debtors' capital structure, businesses, operations and affairs. I and other persons employed by AlixPartners under my supervision have given advice on most of the financial and restructuring issues that arose during these cases. Our involvement has included assisting the Debtors with, among other things, (a) developing a business plan, including preparing related financial analyses and projections; (b) formulating a plan of reorganization and accompanying disclosure statement; (c) assisting in the review and preparation of a liquidation analysis; and (d) providing such other financial and business consulting services as required by the Debtors and their legal counsel.

6. I submit this declaration in support of confirmation of the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, dated October 12, 2004, as modified (the "Plan")[1]. In this declaration, I testify to certain aspects of the Plan that I understand are necessary to confirmation of the Plan, as explained to me by counsel to the Debtors. In particular, I testify regarding (i) the good faith the

---

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Disclosure Statement With Respect To The Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries, dated October 12, 2004 (the "Disclosure Statement").

Debtors, the Creditors' Committee, and other parties in interest with respect to the development and proposal of the Plan; (ii) the Debtors' compliance with the Bankruptcy Code and the bases for the Plan's separate classification of different claims and interests; (iii) the feasibility of the Plan; (iv) the Debtors' assumption and rejection of certain executory contracts and unexpired leases under the Plan; and (v) the consideration and necessity for the limited releases and exculpations of certain parties in interest under the Plan.

7. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized by the Debtors to submit this declaration.

II. GOOD FAITH DEVELOPMENT OF THE RESTRUCTURING PLAN

8. Upon the engagement of AlixPartners effective February 11, 2004, and continuing thereafter over the course of several months under my direction, the Debtors undertook a comprehensive review of their businesses, assets, and capital needs. Also under my direction, the Debtors initiated restructuring negotiations with their principal stakeholders, including the Administrative Agent to the Senior Secured Lenders and the Ad Hoc Committee of RCN Noteholders represent-

ing the interests of holders of RCN's senior notes. During the pre-petition period after the engagement of AlixPartners on February 11, 2004, through the commencement of the cases and filing of the Plan dated October 12, 2004, the Debtors, under my direction, provided substantial information to these constituencies, which included numerous meetings between the Debtors' top management and the subsequently-formed Creditors' Committee.

9. During these meetings, a number of strategic alternatives were considered and negotiated. Discussions about these matters were very protracted and, at times, difficult. There were many occasions when the parties were in serious disagreement with one another about the approach that these cases should take. However, after careful review and consideration of the Debtors' alternatives, detailed discussions and analyses of the parties' various concerns, and numerous negotiating sessions, the parties have agreed on the terms of the Plan, which in turn represents the culmination of extraordinary efforts by all parties in interest to reach a fair, equitable, and expeditious resolution of the complex business and legal issues presented by the Debtors' chapter 11 cases.

10. The essential terms of the Plan were finalized by the parties in connection with the commencement of RCN's Chapter 11 Case on or about May 27, 2004. Indeed, the first-day papers filed in connection with such case outlined in detail the structure of the plan as agreed to by the parties. The Plan being proposed

for confirmation is premised on this agreement. The discussions that culminated in this agreement were undertaken predominantly under my direction on behalf of the Debtors.

11. Based upon this history, I strongly believe that the Plan is the product of vigorous, arms' length negotiations conducted in good faith. The Plan has been proposed in good faith and not by any means forbidden by law. The primary purpose of the Plan is not the avoidance of taxes or the avoidance of the requirements of federal and state securities laws. Rather, the Plan was filed with the legitimate and honest purpose of preserving the going concern value of the Debtors' businesses and reorganizing their business affairs and finances while maximizing value for the Debtors' creditors and interestholders.

12. The Plan is designed to allow the Debtors to reorganize by providing the Reorganized Debtors with capital structures that will allow them sufficient liquidity and capital resources to satisfy their obligations, to fund necessary capital expenditures, and to otherwise conduct their businesses as viable businesses in the geographic areas in which they operate. As a general matter, the Plan - jointly proposed by the Debtors and the Creditors' Committee - allows for the Debtors' prompt emergence from bankruptcy and contemplates, among other things, that (i) the Bank Claims will be repaid in full in Cash, (ii) the Evergreen Claims will be reinstated, as modified pursuant to the New Evergreen Credit Agreement, and (iii)

RCN General Unsecured Claims will receive Cash equal to no more than $12,500,000 (for those making the Cash Election) and 100% of the New Common Stock of Reorganized RCN, subject to dilution by (a) the exercise of the Management Incentive Options and the New Warrants and (b) the conversion of the Convertible Second-Lien Notes.

13. In addition, the Plan contemplates that (i) Subsidiary General Unsecured Claims will receive Cash equal to 100% of the amount of each Allowed Subsidiary General Unsecured Claim and (ii) if the holders of RCN General Unsecured Claims as a class vote to accept the Plan, there shall be a distribution of (a) New Warrants to purchase common stock of Reorganized RCN in an amount equal to 1.75% of the New Common Stock to holders of Preferred Interests who vote to accept the Plan, provided the class votes to accept the Plan, and (b) New Warrants to purchase common stock of Reorganized RCN in an amount equal to 0.25% of the New Common Stock to holders of Equity Interests. Thus, the New Warrants would be exercisable into two percent of the New Common Stock of Reorganized RCN (before giving effect to the Management Incentive Options and conversion of the Convertible Second-Lien Notes).

III. COMPLIANCE WITH BANKRUPTCY CODE AND CLASSIFICATION SCHEME

14. Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(2)).

The Debtors have operated as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code since their respective Petition Dates and, to the best of my knowledge, have complied in all material respects with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and all orders of this Court, including with respect to their postpetition disclosure and solicitation of acceptances of the Plan. The Debtors have appeared at the statutory meetings of creditors under section 341 of the Bankruptcy Code, and have generally filed timely operating reports with the Office of the United States Trustee. Indeed, to the best of my knowledge and belief, the Debtors have not violated any provision of the Bankruptcy Code.

15. Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)).

The Plan designates seven Classes of Claims and three Classes of Interests. The Plan divides Claims against, and Interests in, the Debtors into these ten Classes on the basis of their security position, if any, and their legal ranking (i.e., debt is classified separately from equity), as follows: Class 1 (Other Priority Claims); Class 2 (Bank Claims); Class 3 (Evergreen Claims); Class 4 (Other Secured Claims); Class 5 (RCN General Unsecured claims); Class 6 (Subsidiary General Unsecured claims); Class 7 (Preferred Interests); Class 8 (Equity Interests); Class 9 (Subordinated Claims); and Class 10 (Warrant Interests). Valid factual and legal reasons exist for the various

Classes of Claims and Interests created under the Plan; the classification scheme was not proposed for the purpose of creating a consenting impaired class.

16. For example, secured Claims are classified into three separate classes (and various sub-classes) because such Claims arise from different secured obligations, each of which have a different priority. General Unsecured Claims are classified into two classes because certain claims are against RCN, the parent corporation, while other Claims are against RCN's debtor subsidiaries. Interests are classified into three separate classes because such Interests relate to three different types of equity securities, each with a different priority. Finally, Claims and Interests are treated separately because the legal rights of such classes are distinct. I believe that such Classes do not unfairly discriminate between or among holders of Claims or Interests, and that all Claims or Interests within each Class are substantially similar to the other Claims or Interests in such Class.

IV. PLAN FEASIBILITY AND FINANCIAL PROJECTIONS

17. As part of the process of confirming a plan and emerging from chapter 11, the Debtors undertook a thorough and detailed initiative to develop a go-forward business plan. The business plan underwent a detailed review by corporate personnel and management. The Projections attached to the Disclosure Statement as Exhibit D form the basis of the business plan. Business plans are, of course, subject to a variety of risks. Like all business plans, the plan that the Debtors have devel-

oped may be affected by a series of factors internal and external to the Debtors. Those factors, which are more generally described in Section III of the Disclosure Statement, include the competitive nature of the telecommunications industry, the ability of the company to procure programming services, and extensive regulatory matters. Subject to these uncertainties, however, the Debtors project that the reorganized company's liquidity will remain strong subsequent to emergence from chapter 11.

18. Indeed, I worked closely and in conjunction with the Debtors' other senior management to develop the Projections. I also worked with the Debtors' investment banker in examining the assumptions underlying the company's business strategy. Certain of the initiatives and other undertakings that I have either reviewed or participated in formulating and that inform my views of the feasibility of the company's go-forward business include the Debtors' and certain non-debtor subsidiaries' rationalization of their real estate portfolio through the termination of a number of significant lease obligations. As a result of this analysis, I believe that the business strategies and assumptions embodied in the Projections are reasonable and appropriate to provide the foundation for the Plan. Indeed, the Projections indicate that the Reorganized Debtors will have sufficient cash flow to fund their operations through 2009.

19. Based upon the foregoing and my other work with the Debtors' senior management throughout these Chapter 11 Cases, I believe that the Plan will maximize value for those stakeholders receiving distributions under the Plan. Moreover, based upon my review of the Projections, I believe that, as of the occurrence of the Effective Date and after taking into account the transactions contemplated by the Plan, the Reorganized Debtors will, on a consolidated basis, (i) be able to meet their debts as such debts mature, including the payments required to be made on the Effective Date pursuant to the Plan, (ii) not be left with unreasonably small capital to operate their businesses as a result of the Plan or any transactions contemplated by the Plan, and (iii) be solvent. Finally, based on my 20 years of experience and my analysis of, among other things, the business plan, the Projections, and the executory contracts and unexpired leases being assumed under the Plan, I am of the opinion, to a reasonable degree of certainty, that the Plan is feasible – that is, confirmation of the Plan is not likely to be followed by the liquidation of the Reorganized Debtors or by the need for a further reorganization of the Reorganized Debtors under chapter 7 of the Bankruptcy Code.

V. ASSUMPTION OF EXECUTORY CONTRACTS

20. The Debtors, with significant input and assistance from the Creditors' Committee and its advisors, have engaged in an exhaustive and thorough review of their executory contracts and unexpired leases. This review was under-

taken by numerous employees of the Debtors under the supervision of temporary employees of the Debtors provided by AlixPartners. This review entailed not only analysis of each contract and lease, but also numerous meetings and discussions about such contracts and leases and whether each one fit into the Debtors' restructuring strategy. The Creditors' Committee's financial advisor, Capital & Technology Advisors LLC, was intimately involved in the review of these matters.

21. As a general matter, the Plan provides for the rejection of all executory contracts and unexpired leases not otherwise identified for assumption in Exhibit D to the Plan. Exhibit D identifies numerous contracts and unexpired leases that the Debtors have determined to assume. The Debtors engaged in a lengthy process of reviewing each executory contract and unexpired lease to determine which contracts and leases are desirable and beneficial going forward and which are not. In particular, the Debtors considered which executory contracts and unexpired leases were consistent with their business plan and necessary for the operations of the Reorganized Debtors. I believe that the Debtors' decision regarding the assumption or rejection of their executory contracts is based on, and is within, the sound business judgment of the Debtors, and is in the best interests of the Debtors, their Estates, and their Claim and Interest holders.

22. The Plan provides for any and all monetary defaults with respect to all assumed contracts and leases to be cured. Based upon my understand-

ing of the estimated amount of all cure obligations, as determined by numerous employees of the Debtors under the supervision of temporary employees of the Debtors provided by AlixPartners, in relation to the cash resources that the Reorganized Debtors are projected to have upon consummation of its Plan, I believe that the Reorganized Debtors will have sufficient liquidity to cure or promptly cure any monetary defaults under assumed contracts and leases. Moreover, I believe that the Reorganized Debtors' streamlined capital structure and go-forward liquidity, as indicated in the Projections, afford adequate assurance to each non-debtor party of future performance by the Reorganized Debtors under each assumed contract and lease.

VI. THE RELEASES AND INDEMNIFICATION OBLIGATIONS ARE FAIR AND REASONABLE

23. Pursuant to Article XIV.G of the Plan, the Debtors shall, as of the Effective Date, be deemed to have released any claim against, among others, all directors, officers, and employees serving in such capacity as of the effective date with respect to any claim arising out of willful misconduct, intentional breach of fiduciary duty, or fraud. Article XIV.G. contains similar releases by the Debtors with respect to claims against the Administrative Agent, the Senior Secured Lenders, and the Indenture Trustees.

24. Pursuant to Article XIV.H of the Plan, all holders of Claims against or Interests in the Debtors shall, as of the Effective Date, be deemed to have

released any claim against, among others, all directors, officers, and employees serving in such capacity as of the effective date, except with respect to any claim arising out of willful misconduct, intentional breach of fiduciary duty, or fraud. As explained below, the Debtors have agreed to modify this release to preserve the claims of certain objectors to the Plan.

25. Article XIV.I of the Plan provides that neither the Debtors, the Reorganized Debtors, the Creditors' Committee, the Indenture Trustees, the Administrative Agent, the Senior Secured Lenders, nor the Ad Hoc Committee of RCN Noteholders shall have any liability to the holders of any Claims or Interests on account of any acts or omissions in connection with, among other things, the administration of the chapter 11 cases or pursuit of confirmation of the Plan, except with respect to any claim arising out of willful misconduct, intentional breach of fiduciary duty, or fraud. Article XIV.J of the Plan obligates the Reorganized Debtors to indemnify any party against any loss arising out of the foregoing.

26. I am not aware of any government actions or investigations into the Debtors' affairs that could be adversely affected by the third-party releases contained in Article XIV.H. I have been advised that neither the Securities and Exchange Commission, the Department of Labor, nor any other government agency filed a proof of claim in the Debtors' cases based on any such actions. Additionally, I am not aware of any suits or other claims against board members or officers alleging

violations of any federal or state securities laws. The only suits against such persons of which I am aware were filed by several claimants alleging breaches of the Employee Retirement Income Security Act of 1974, *as amended* ("ERISA"), in connection with RCN's 401(k) savings plan. I am also aware of a claim of breach of fiduciary duty filed by Edward Joyce in these Chapter 11 Cases.

27. I have been told by counsel to the Debtors that representatives of five parties in interest, including the ERISA claimants, have requested, either formally or informally, limited modifications to the third-party releases. In particular, I understand that the Department of Justice informally requested that the third-party releases be modified to exclude any claims of the United States. I also understand that Newport Associates Development Company ("NADC") informally requested inclusion of language clarifying that certain matters relating to litigation against a non-Debtor subsidiary will not be discharged. Finally, I have been advised that three objections were filed to the releases, one each by (i) Debra Craig, lead plaintiff in one of the ERISA actions; (ii) Merrill Lynch Trust Company FSB, who served as ERISA plan co-fiduciary and wants to preserve possible cross-claims for contribution and indemnity in the ERISA litigation; and (iii) Edward Joyce, who alleges in a proof of claim, among other things, breach of fiduciary duty on account of RCN's acquisition of 21st Century Telecom Group, Inc.

28. The Debtors have agreed with each of the foregoing parties to modify the Plan to include requested carve-outs to the third-party releases that preserve each of the parties' formal and informal objections. Such modification will take the form of a new paragraph XIV.I that is quoted in the brief in support of confirmation of the Plan.

29. I believe that the releases, injunctions, and related relief contained in Article XIV of the Plan, including the third-party releases as modified, are an important part of the restructuring of the RCN corporate family. They were heavily negotiated with the Creditors' Committee and other parties. Indeed, I have been advised that if the third-party releases are not approved as modified, then the directors, officers, and employees of the Debtors may assert indemnification claims against significant non-Debtor operating subsidiaries. I believe that it is important to the go-forward prospects of the RCN corporate group, including both Debtors and non-Debtors, that the potential for such claims be limited as provided for in the Plan, as modified.

30. I also believe that the releases, injunctions, and related relief also are warranted here in light of the overwhelming acceptance of the Plan by Class 5 RCN General Unsecured Creditors, which clearly evidences their endorsement of

the Plan as a whole. I have been told by the Debtors' vote tabulation agent that a total of 711 holders of Claims in Class 5 (RCN General Unsecured Claism) voted to accept the Plan, whereas only 2 holders voted against it. I have been further told that the total amount of Claims that voted in favor of the Plan is $661 million; the total amount that voted against is only $115 thousand.

31. I also believe that the third-party releases, plus limitations on liability and indemnification obligations, are supported by consideration that is adequate and reasonable under the circumstances. For instance, holders of Class 5 RCN General Unsecured Claims will receive 100% of the New Common Stock in Reorganized RCN in satisfaction of their Claims. This consideration was negotiated with representatives of the Creditors' Committee, who in turn represented the interests of all holders of Class 5 RCN General Unsecured Claims. Indeed, the Creditors' Committee is a co-proponent of the Plan and supports its confirmation.

32. I believe that similar considerations apply to holders of Class 2 Bank Claims and Class 3 Evergreen Claims. Class 2 Bank Claims are being paid in full in Cash under the Plan, and the Class 3 Evergreen Claims will be reinstated, as modified pursuant to an agreement entered into between the parties. Holders of Claims in both Class 2 and Class 3 support their proposed treatment under, and confirmation of, the Plan. Accordingly, they are receiving adequate and reasonable

consideration in exchange for the releases, limitations on liability, and indemnification obligations of the Plan.

33. Holders of Class 1 Other Priority Claims, Class 4 Other Secured Claims, and Class 6 Subsidiary General Unsecured Claims are Unimpaired under the Plan, so they also are receiving adequate consideration. Holders of Class 7 Preferred Interests and Class 8 Equity Interests qualify for a distribution under the Plan that they otherwise would not be entitled to receive absent the affirmative vote of holders of Class 5 RCN General Unsecured Claims; accordingly, there is consideration for such holders in support of the releases, limitations on liability, and indemnification obligations of the Plan.

34. In addition to the foregoing, the beneficiaries of the releases have contributed substantially to the Debtors' reorganization. Indeed, much of the value to be distributed under the Plan will be the result of their efforts to date. It has required untold hours of hard work by all parties to the releases to reach the point of confirmation of the Debtors' Plan. Also, many of the Debtors' officers and employees will continue to dedicate their efforts to ensuring the success of the Debtors' Plan. These efforts constitute additional consideration to all constituencies in support of the releases, limitations on liability, and indemnification obligations of the Plan.

35. For these reasons and those outlined above, I believe that the releases, limitations of liability, and indemnification obligations are fair, reasonable, important to the advancement of the Plan, and should be approved.

VII. CONCLUSION

36. In light of the foregoing, I believe that Debtors have developed a plan of reorganization that treats all Classes fairly, equitably, and reasonably, and effectively accomplishes the restructuring of the Debtors' business operations in accordance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. As a result, I believe the Plan is in the best interests of the Debtors' Estates and will position the Debtors to emerge successfully from their Chapter 11 Cases and maximize the returns available to creditors. Accordingly, I respectfully request that the Plan be confirmed.

Dated: December 5, 2004

/s/ John S. Dubel
JOHN S. DUBEL

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	(Jointly Administered)

DECLARATION OF TIMOTHY COLEMAN IN SUPPORT OF CONFIRMATION OF THE JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

TIMOTHY COLEMAN, being duly sworn, deposes and says:

I. BACKGROUND

1. I am a Senior Managing Director in the Restructuring & Reorganization Advisory Group of The Blackstone Group L.P. ("Blackstone") in New York City. Blackstone has been advising the Debtors since March 10, 2004. On August 3, 2004, the Court issued an order approving, on a final basis, Blackstone's retention as financial advisors to the Debtors.

2. Blackstone's Restructuring & Reorganization Advisory Group was established in 1991. Blackstone has advised both companies and creditors in

over 145 distressed situations, involving over $315 billion of total liabilities. I have been employed by Blackstone since 1992. Before joining Blackstone, I was a Vice President at Citibank, N.A. for twelve years. I received a B.A. from the University of California at Santa Barbara, and an MBA from the University of Southern California. I have personally been involved in a variety of restructuring and reorganization roles throughout my career. I have been involved in the preparation and review of liquidation and reorganization valuation analyses in many chapter 11 cases.

3. The Debtors seek to confirm the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, dated October 12, 2004 (the "Plan").[1] I submit this affidavit in support of confirmation of the Plan. In this affidavit, I testify to certain aspects of the Plan that I understand are necessary to confirmation of the Plan, as explained to me by counsel to the Debtors. In particular, I testify regarding (i) the feasibility of the Plan; (ii) the valuation of the Reorganized Debtors; (iii) the estimated liquidation value of the Debtors; and (iv) the estimated recoveries to holders of Claims and Interests under the Plan and under a liquidation pursuant to Chapter 7 of the Bankruptcy Code. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, my review of relevant

---

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or in the Disclosure Statement With Respect To The Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, dated October 12, 2004 (the "Disclosure Statement").

documents, or my observations, based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized by the Debtors to submit this affidavit.

4. In connection with the financial advisory services provided by Blackstone to the Debtors, Blackstone reviewed the Plan, the Disclosure Statement, and certain related documents, as well as certain publicly available business and financial information relating to the Debtors. Blackstone also reviewed other information, including the Projections with respect to the future consolidated financial performance of the Reorganized Debtors attached as Exhibit D to the Disclosure Statement. In addition, Blackstone met with management to discuss the businesses and prospects of the Reorganized Debtors.

II. FEASIBILITY OF THE PLAN

5. The Debtors prepared the Projections for the five-year period ending December 31, 2009. Blackstone is familiar with the Projections and Debtors' business plan underlying the Projections, and has discussed the key assumptions underlying Projections with the Debtors' senior management. Blackstone has assumed and relied upon the accuracy and completeness of the Projections and other financial information provided to and available to Blackstone. Although the Debtors' business plan and the Debtors' Projections are the work product of the

Debtors, and although Blackstone has assumed the reasonableness and accuracy of the Projections, nothing has come to Blackstone's attention to lead it to conclude that such Projections and information are not (i) reasonable or (ii) an appropriate basis upon which to base a reorganization plan.

6. Based upon the foregoing Blackstone's work with the Debtors' senior management throughout these Chapter 11 cases, and based upon its review of the Debtors' Projections, if the assumptions contained therein are materially correct, Blackstone believes that, as of an assumed Effective Date of September 30, 2004,[2] and after taking into account the transactions contemplated by the Plan, the Reorganized Debtors will, on a consolidated basis, (i) be able to meet their debts as such debts mature, including the payments required under the Plan, (ii) not be left with unreasonably small capital to operate their businesses as a result of the Plan or any transactions contemplated by the Plan, and (iii) be solvent. As a result, Blackstone believes that the Plan is feasible – that is, confirmation of the Plan is not likely to be followed by the liquidation of the Reorganized Debtors or by the need for a further reorganization of the Reorganized Debtors under Chapter 7 of the Bankruptcy Code.

---

[2] Although such analysis assumed an Effective Date of September 30, 2004, I am not aware of any events that would materially alter this analysis.

IV. VALUATION ANALYSIS

7. In conjunction with the Plan, the Debtors determined that it was necessary to estimate the post-Effective Date enterprise value of the Reorganized Debtors on a going concern basis, as well as the Debtors' value in a liquidation scenario under Chapter 7 of the Bankruptcy Code. Accordingly, the Debtors directed Blackstone, as the Debtors' investment banker and financial advisor, to prepare such a valuation analysis of the likely range of reorganization and equity values of the Debtors upon emergence from Chapter 11. Specifically, the valuation analysis was developed for purposes of (i) determining value available for distribution to creditors under the Plan; (ii) evaluating whether the Plan met the "best interests test" under Section 1129(a)(7) of the Bankruptcy Code; and (iii) establishing a reasonable estimate of the initial stockholders' equity value for fresh-start accounting reporting purposes.

8. In preparing the valuation analysis, Blackstone (a) reviewed certain historical financial information of the Debtors for recent years and interim periods; (b) reviewed the Projections; (c) reviewed the Debtors' assumptions underlying the Projections; (d) reviewed certain internal financial and operating data of the Debtors; (e) met with certain members of the Debtors' management to discuss the Debtors' operations and future prospects, including contemplated operational changes; (f) reviewed publicly available financial data; (g) considered certain

economic and industry information relevant to the Debtors' operating businesses; and (h) made such other examinations and performed such other analyses as Blackstone deemed necessary or appropriate.

9. In preparing its analysis, Blackstone assumed and relied upon the accuracy and completeness of all of the financial and other information that was available to it from outside sources and that was provided to Blackstone by the Debtors, and has not assumed any responsibility for independent verification of any such information. However, the information relied upon is typical with respect to such matters in other restructuring transactions. Nothing has come to Blackstone's attention that has led it to conclude that its reliance on these sources is not reasonable. With respect to the Projections, Blackstone assumed the accuracy thereof and assumed that the Projections were prepared in good faith and on a basis reflecting the best currently available estimates and judgments of the Debtors as to the future operating and financial performance of the Debtors.

10. Three methodologies were used to derive the reorganization value of the Reorganized Debtors based upon the Projections: (i) a comparison of the Reorganized Debtors and their projected performance to how the market values comparable companies; (ii) a comparison of the Reorganized Debtors and their projected performance to values of comparable companies in precedent private market acquisitions; and (iii) a calculation of the present value of the free cash flows

under the Projections, including an assumption for the value of the Reorganized Debtors at the end of the projection period.

11. The market-based approaches involve identifying (i) a group of publicly traded companies whose businesses or product lines are comparable to those of the Reorganized Debtors as a whole or significant portions of the Reorganized Debtors' operations and (ii) comparable precedent private market acquisitions, and then calculating ratios of various financial results or statistics to the market/acquisition values of these companies or transactions. The ranges of ratios derived are then applied to the Reorganized Debtors' historical and projected financial results or statistics to derive a range of implied values.

12. The discounted cash flow approach involves deriving the unlevered free cash flows that the Reorganized Debtors would generate assuming the Projections were realized. In addition, a valuation is assumed for the Reorganized Debtors at the end of the Projection period using a methodology consistent with the market-based approaches described above (known as a terminal value). These cash flows and the terminal value are discounted to the present at the Reorganized Debtors' estimated post-restructuring weighted average cost of capital to determine the enterprise value of the Reorganized Debtors.

13. In addition, a value was determined for the Reorganized Debtors' prepetition net operating losses based upon the expected utilization of such

net operating losses during and subsequent to the Projection period. The value determined for the Reorganized Debtors' prepetition net operating loses was discounted to the present at the Reorganized Debtors' estimated post-restructuring weighted average cost of capital and such value was added to the value determined from the market-based and discounted cash flow approaches. Finally, a value was determined for the Reorganized Debtors' joint venture equity ownership positions (i.e., Megacable, S.A. de. C.V., Megacable Comunicaciones de Mexico S.A., and Starpower Communications, LLC ("Starpower")) based upon the valuation techniques described above. Such value was added to the value determined from the market-based and discounted cash flow approaches.

14. Based upon the methods described above, the estimated enterprise value for the Reorganized Debtors at the Effective Date, including cash in excess of amounts needed to fund the Debtors' business plan, is between $1.1 billion and $1.3 billion, with a value of $1.2 billion used as the midpoint. The long-term funded indebtedness is projected to be $480 million. After deducting this amount from the Reorganized Debtors' estimated enterprise value, the estimated total equity value of the Reorganized Debtors is estimated to be between $620 million and $820 million. The estimated per share value is expected to between $17.22 and $22.78 subject to dilution due to the issuance of the Management Incentive Options, the New Warrants, and the Convertible Second-Lien Notes. The valuation does not give

effect to any possible dilution of the equity value due to the issuance of the Management Incentive Options or the New Warrants. This valuation also does not give effect to any possible dilution due to conversion of any Convertible Second-Lien Notes that are issued under the Plan or the effect of the possible exercise of the right of first refusal to acquire Pepco Communication LLC's interest in Starpower.

V. BEST INTERESTS ANALYSIS

15. Blackstone also prepared the Liquidation Analysis attached to the Disclosure Statement as Exhibit C. The Liquidation Analysis projects the estimated values that would be realized if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code. Blackstone estimated the Liquidation Value of RCN, the ultimate parent company, to be approximately $646 million. Based upon my experience and discussions with management regarding the unique business-related elements of a potential liquidation of the Debtors' assets, I believe the Liquidation Analysis is reasonable.

16. Blackstone examined the estimated recoveries for the Classes and Claims or Interests under the Plan based upon a going-concern valuation of Reorganized RCN prepared by Blackstone, and compared those estimated recoveries to the estimated recoveries for each Class of Claims or Interests in the Liquidation Analysis. The purpose of such examination and comparison was to determine whether each holder of an Impaired Claim or Interest would receive or retain, under

the Plan, value on account of such Claim or Interest that is not less than the amount such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

17. The Liquidation Analysis summarizes the estimated recoveries by all Classes of Claims or Interests. The Liquidation Analysis shows that holders of Class 1, 2, 3, 4, 5 and 6 Claims will receive or retain under the Plan property of a value that is equal to or greater than the amount such holders would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Liquidation Analysis also shows that holders of Class 7, 8, 9, and 10 Claims and Interests, who are deemed to have rejected the Plan, would receive or retain no property under a liquidation under chapter 7 of the Bankruptcy Code.

18. Reproduced below is a table, taken from Exhibit C to the Disclosure Statement, that compares the estimated recoveries to creditors and interestholders under the Plan and in a liquidation. Based upon this comparison, I believe the Plan satisfies the "best interests" test of the Bankruptcy Code.

Class	Chapter 7 Estimated Percentage Distribution	Plan Estimated Percentage Distribution
1 - Other Priority Claims	100%	100%
2 - Bank Claims	100%	100%
3 - Evergreen Claims	100%	100%
4 - Other Secured Claims	100%	100%
5 - RCN General Unsecured Claims	9.4%	60.5%

6 - Subsidiary General Unsecured Claims	9.4%	100%
7 - Preferred Interests	n.a	n.a.
8 - Equity Interests	n.a.	n.a.
9 - Subordinated Claims	n.a.	n.a.
10 - Warrant Interests	n.a.	n.a.

19. The foregoing estimated recoveries under the Plan do not take account of the potential impact upon such recoveries arising from exercise of the New Warrants or issuance of the Convertible Second-Lien Notes, nor do such estimates take account of issuance of any Management Incentive Options or the exercise of the right of first refusal to acquire Pepco Communication LLC's interest in Starpower.

VI. CONCLUSION

20. In light of the foregoing, I believe that Debtors have developed a plan of reorganization that treats all Classes fairly, equitably, and reasonably, and effectively accomplishes the restructuring of the Debtors' business operations in accordance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. As a result, I believe the Plan is in the best interests of the Debtors' Estates and will position the Debtors to emerge successfully from their Chapter 11 Cases and maximize the returns available to creditors. Accordingly, I respectfully request that the Plan be confirmed.

Dated: December 3, 2004

/s/ Timothy Coleman
TIMOTHY COLEMAN

EXHIBIT D

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
RCN CORPORATION, et al.,	:	Case No. 04-13638 (RDD)
Debtors.	:	(Jointly Administered)

FINDINGS OF FACT AND CONCLUSIONS OF LAW RELATING TO AND ORDER UNDER 11 U.S.C. § 1129(a) AND (b) AND FED. R. BANKR. P. 3020 CONFIRMING THE JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES

RECITALS

A. RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code"). Specifically, RCN, TEC Air, Inc., RLH Property Corporation, RCN Finance, LLC and Hot Spots Productions, Inc. commenced their chapter 11 cases on May 27, 2004. RCN Cable TV of Chicago, Inc. commenced its chapter 11 case on August 5, 2004, and RCN Telecom Services of Virginia, Inc., RCN Entertainment, Inc., 21st Century Telecom Services, Inc. and ON TV, Inc. commenced their chapter

11 cases on August 20, 2004.

B. On October 12, 2004, the Debtors and the official committee of unsecured creditors (the "Creditors' Committee") filed the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries (as subsequently amended, modified, or supplemented, the "Plan") and a related disclosure statement (the "Disclosure Statement") (Docket No. 293).[1]

C. On October 13, 2004, this Court entered an order approving the Disclosure Statement as containing adequate information within the meaning of section 1125(a) of the Bankruptcy Code (Docket No. 296).

D. Following the hearing to approve the Disclosure Statement held on October 12, 2004, the Court entered an order, among other things, (i) establishing solicitation, voting, and tabulation procedures and deadlines, (ii) scheduling the hearing to consider confirmation of the Plan, and (iii) approving the form and manner of notice of the deadline for, and establishing deadlines and procedures for the filing and service of, objections to confirmation of the Plan (the "Solicitation Procedures Order") (Docket No. 297).

---

[1] Unless otherwise defined, capitalized terms used in this order (the "Order") shall have the meanings ascribed to them in the Plan. In addition, in accordance with Article I.A of the Plan, any term used in the Plan or this Order that is not defined in the Plan or this Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

E. A confirmation hearing notice, the Disclosure Statement, the Plan, the Solicitation Procedures Order, and the appropriate ballots (or, in the case of non-voting Classes, the appropriate notice of non-voting status) (collectively, the "Solicitation Package") were transmitted to all holders of Claims and Interests and other parties-in-interest in accordance with Fed. R. Bankr. P. 3017(d) and the Solicitation Procedures Order, as set forth in the certification of Jane Sullivan (the "Sullivan Solicitation Certification"), a Director of Financial Balloting Group LLC ("FBG"), the Debtors' solicitation agent (Docket No. 362).

F. On October 15, 2004, a confirmation hearing notice was published in The Wall Street Journal, as set forth in the affidavit of publication of Mike Herley, the advertising clerk of The Wall Street Journal, (the "Publication Affidavit"). (Docket No. 417).

G. The Debtors filed with the Court the Plan Supplement, dated November 19, 2004, containing certain documents and other information related to the Plan, as specified in the Plan (Docket No. 408).

H. On December 3, 2004, the Debtors filed the declaration of Jane Sullivan (the "Sullivan Tabulation Declaration"), certifying the results of the ballot and master ballot tabulation for the Classes of Claims and Interests voting to accept or reject the Plan. (Docket No. 463).

H. On December [●], 2004, the Debtors filed the declaration of John Dubel (the "Dubel Declaration") (Docket No. [●]), and on December [●], 2004, the Debtors filed the declaration of Timothy Coleman (the "Coleman Declaration") (Docket No. [●]), each in support of confirmation of the Plan (collectively, the "Supporting Declarations").

I. On December [●], 2004, the Debtors filed their Memorandum In Support Of Confirmation Of The Joint Plan of Reorganization Of RCN Corporation And Certain Subsidiaries (the "Confirmation Memorandum") (Docket No. [●]).

J. Pursuant to section 1128(a) of the Bankruptcy Code, the Court held a hearing on December 8, 2004 (the "Confirmation Hearing") to consider confirmation of the Plan.

K. The objections to confirmation of the Plan filed by: (i) [●] (ii) [●] and (iii) [●] have been withdrawn, resolved, or overruled as stated on the record at the Confirmation Hearing.

NOW, THEREFORE, based upon the Court's review of, among other things, the Plan, the Plan Supplement, the Disclosure Statement, the Solicitation Procedures Order, the Sullivan Solicitation Certification, the Publication Affidavit, the Sullivan Tabulation Declaration, the Supporting Declarations, the Confirmation Memorandum, all of the evidence proffered or adduced at, the objections filed in connection with, and the arguments of counsel made at, the Confirmation Hearing;

and upon the record of the Disclosure Statement Hearing, Confirmation Hearing and all prior proceedings in these Chapter 11 Cases; and after due deliberation thereon; and good cause appearing therefor:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY FOUND AND DETERMINED THAT[2]

1. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). This Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

2. Judicial Notice. This Court takes judicial notice of the docket of the Debtors' Chapter 11 Cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and evidence and argument made, proffered or adduced at, the hearings held before the Court during the pendency of the Chapter 11 Cases.

---

[2] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

3. Outline Of Plan. In addition to Administrative Claims and Priority Tax Claims, which need not be designated, the Plan designates ten Classes of Claims and Interests. Under the Plan:

- Holders of Other Priority Claims (Class 1), Bank Claims (Class 2), Other Secured Claims (Class 4), and Subsidiary General Unsecured Claims (Class 6) are Unimpaired, and thus are deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code;

- Holders of Equity Interests (Class 8), Subordinated Claims (Class 9) and Warrants Interests (Class 10) are Impaired and are not entitled to receive any distribution under the Plan on account of their Claims or Interests, and thus are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code;

- Holders of Evergreen Claims (Class 3) and RCN General Unsecured Claims (Class 5) are Impaired and will receive distributions under the Plan, and thus had the right to vote to accept or reject the Plan. Holders of Preferred Interests (Class 7) are Impaired and are not entitled to receive any property or interests on account of such Interests. Holders of Preferred Interests that voted to accept the Plan, however, are entitled to receive their Pro Rata share of New Warrants if holders of RCN General Unsecured Claims voted to accept the Plan. Holders of Preferred Interests, therefore, were allowed to vote to accept or reject the Plan.

4. Transmittal And Mailing Of Materials; Notice. The Solicitation Package was transmitted and served upon all interested parties in substantial compliance with the Solicitation Procedures Order and in compliance with the Bankruptcy Rules, and such transmittal and service were adequate and sufficient. Notice of the Confirmation Hearing and all deadlines in the Solicitation Procedures Order was

given in compliance with the Bankruptcy Rules and the Solicitation Procedures Order and was good and sufficient in accordance with Fed. R. Bankr. P. 2002(b) and 3020(b)(2), and no other or further notice is required.

5. Receipt And Tabulation Of Votes. The procedures employed by FBG to receive and tabulate Ballots from the holders of Claims or Interests in the voting Classes, as set forth in the Sullivan Tabulation Declaration, were proper and appropriate and in compliance with the Solicitation Procedures Order. As described in the Sullivan Tabulation Declaration:

- 100% in amount and 100% in number of the Allowed Claims in Class 3 (Evergreen Claims) that voted on the Plan, accepted the Plan. Class 3 accepted the Plan;
- 99.98% in amount and 99.72% in number of the Allowed Claims in Class 5 (RCN General Unsecured Claims) that voted on the Plan, accepted the Plan. Class 5 accepted the Plan; and
- 100% in number of the Allowed Interests in Class 7 (Preferred Interests) that voted on the Plan, accepted the Plan. Class 7 accepted the Plan.

The Plan was accepted by the three Impaired Classes entitled or authorized to vote. The Debtors therefore obtained the requisite acceptances both in number and amount for confirmation of the Plan.

6. Plan Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, thereby satisfying 11 U.S.C. § 1129(a)(1).

(a) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims, which need not be designated, the Plan designates ten Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class, and such classification is therefore consistent with section 1122 of the Bankruptcy Code. Valid factual and legal reasons exist for the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate between or among holders of Claims or Interests. Specifically, valid factual and legal reasons exist for the separate classification of Claims in Classes 1, 2, 3, 4, 5, 6 and 9 and for the separate classification of Interests in Classes 7, 8 and 10. The Plan thus satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specification Of Unimpaired Classes (11 U.S.C. §1123(a)(2)). The Plan specifies that Classes 1, 2, 4 and 6 are Unimpaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment Of Impaired Classes (11 U.S.C. §1123(a)(3)). Article III.C of the Plan specifies the treatment of Impaired Classes 3, 5, 7, 8, 9 and 10, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Interest in each respective Class

unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation Of The Plan (11 U.S.C. § 1123(a)(5)).

Article IV of the Plan provides adequate and proper means for implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code. Among other things, Article IV includes provisions relating to (i) entry by Reorganized RCN into the Exit Facility, (ii) the continued corporate existence of each of the Debtors, (iii) the execution and delivery of the corporate documents that will govern the Debtors, including, but not limited to, the Reorganized RCN Certificate of Incorporation and By-Laws, (iv) the cancellation of the Existing Securities and related agreements, (v) the authorization and issuance of (a) New Common Stock, (b) New Warrants and (c) the Convertible Second-Lien Notes, (vi) entry into the Convertible Second-Lien Notes Registration Rights Agreement and the New Common Stock Registration Rights Agreement (together, the "Registration Rights Agreements"), (vii) the revesting in the Reorganized Debtors, on the Effective Date, of the property of the Debtors' Estates not disposed of under the Plan, and (viii) the selection of the initial directors and officers for Reorganized RCN and each of the other Debtors. Other Articles of the Plan also set forth adequate means for the implementation of the Plan: Article V includes provisions regarding distributions under the Plan; Article VI

provides the procedures for resolving disputed, contingent, and unliquidated Claims; Article IX includes provisions regarding securities to be issued in connection with the Plan; Article XII provides for the retention of jurisdiction by the Court over certain unresolved matters; and Article XIV provides for, among other things, the discharge of, and certain releases by and of, the Debtors and other parties-in-interest. Further, the Debtors will have sufficient Cash to make all payments required to be made on the Effective Date pursuant to the terms of the Plan.

(f) Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). Pursuant to Article IV.B.1 of the Plan, and subject to such future amendment as is permitted by applicable law, the Reorganized RCN Certificate of Incorporation and By-laws filed with the Court as part of the Debtors' Plan Supplement prohibits the issuance of nonvoting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code.

(g) Selection Of Officers And Directors (11 U.S.C. §1123(a)(7)). The provisions of the Plan and the Reorganized RCN Certificate of Incorporation and By-laws regarding the manner of selection of officers and directors of the Debtors are consistent with the interests of Claim and Interest holders and with public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code. Specifically, Article IV.E of the Plan provides that the initial board of directors of Reorganized RCN will consist of seven members, as selected by the Creditors'

Committee; *provided, however*, D.E. Shaw Laminar Lending 2, Inc. ("Laminar") will have the right, but not the obligation, to nominate one qualified candidate for election as a director of Reorganized RCN so long as Laminar holds at least $25 million principal amount of outstanding Convertible Second-Lien Notes. The Creditors' Committee and Laminar identified, prior to the Confirmation Hearing, the members of the initial board of directors of Reorganized RCN. The members of the initial board of directors will serve until the expiration of their terms or their earlier resignation or removal in accordance with the Reorganized RCN Certificate of Incorporation and By-laws, as each may be amended from time to time.

(h) Impairment Of Classes (11 U.S.C. § 1123(b)(1)). In accordance with section 1123(b)(1) of the Bankruptcy Code, Articles II and III of the Plan impair and leave Unimpaired, as the case may be, each Class of Claims and Interests under the Plan.

(i) Assumption Of Executory Contracts And Unexpired Leases (11 U.S.C. § 1123(b)(2)). In accordance with section 1123(b)(2) of the Bankruptcy Code, Article VII.A of the Plan provides that, except as otherwise provided therein or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each of the Debtors will be deemed to have rejected each executory contract and unexpired lease to which it is a party, unless such contract or lease (i) was previously

assumed or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms, (iii) was listed on the schedule of contracts to be assumed attached as Exhibit D to the Plan, or (iv) was the subject of a motion to assume filed on or before the deadline for voting to accept or reject the Plan. The Debtors' decision regarding the assumption or rejection of their executory contracts is based on, and is within, the sound business judgment of the Debtors, and is in the best interests of the Debtors, their Estates, and their Claim and Interest holders.

(j) Retention, Enforcement, And Settlement Of Claims Held By The Debtors (11 U.S.C. § 1123(b)(3)). Pursuant to section 1123(b)(3) of the Bankruptcy Code, Article IV.G of the Plan provides that, except as otherwise provided in the Plan or this Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, the Reorganized Debtors shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all claims, right or causes of action, suits, and proceedings, whether in law or equity, whether known or unknown, that the Debtors or their Estates may hold against any Person or entity. The Reorganized Debtors or their successor(s) may pursue such retained claims, rights or causes of action, suits, or other proceedings as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

(k) Other Provisions Not Inconsistent With Title 11 (11 U.S.C. § 1123(b)(6)). In accordance with section 1123(b)(6) of the Bankruptcy Code, the Plan includes additional appropriate provisions that are not inconsistent with the applicable provisions of the Bankruptcy Code.

7. Identification Of Plan Proponents (Fed. R. Bankr. P. 3016(a)). As required by Fed. R. Bankr. P. 3016(a), the Plan is dated and identifies the Plan proponents.

8. Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors and Creditors' Committee have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

(a) Each of the Debtors filed a Chapter 11 petition pursuant to section 301 of the Bankruptcy Code. Each of the Debtors is a proper debtor under section 109 of the Bankruptcy Code.

(b) The Debtors and the Creditors' Committee are proper proponents of the Plan under section 1121(a) of the Bankruptcy Code.

(c) The Debtors complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Solicitation Procedures Order in transmitting the Solicitation Package and related documents and notices, and in soliciting and tabulating votes on the Plan.

(d) The Debtors, the Creditors' Committee and its members in their capacity as such, and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys, and other professionals have participated in "good faith" and in compliance with all applicable provisions of the Bankruptcy Code.

(e) The Debtors have acted in accordance with all orders of the Court entered during these Chapter 11 Cases.

9. Plan Proposed In Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors and the Creditors' Committee have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Court has examined the totality of the circumstances surrounding the formulation of the Plan. Based on the evidence proffered or adduced at or prior to, or in declarations filed in connection with, the Confirmation Hearing, the Plan has been proposed with the legitimate and honest purpose of reorganizing the business affairs of the Debtors and maximizing the returns available to Claim and Interest holders. Consistent with the overriding purpose of Chapter 11 of the Bankruptcy Code, the Plan is designed to allow the Debtors to reorganize by providing the Reorganized Debtors with capital structures that will allow them sufficient liquidity and capital resources to satisfy their obligations, to fund necessary capital expenditures, and to otherwise conduct their businesses. Further, the Plan itself and the arms'

length negotiations among the Debtors, the Creditors' Committee, and the Debtors' other constituencies, and their respective legal and financial advisors, leading to the Plan's formulation, as well as the overwhelming support of holders of Claims and Interests entitled or authorized to vote, provide independent evidence of the Debtors' and the Creditors' Committee's good faith in proposing the Plan.

10. Payments For Services Or Costs And Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code. For example, all fees and expenses incurred by Professionals appointed in the Chapter 11 Cases will be subject to the Court's final approval following the filing of final fee applications.

11. Directors, Officers, And Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. Specifically:

(a) The Debtors have disclosed the identity and affiliations of the individuals proposed to serve, after confirmation of the Plan, as directors or officers of Reorganized RCN. The appointment or continuance of the proposed

directors and officers is consistent with the interests of holders of Claims and Interests and public policy.

(b) The Debtors have disclosed the identity of any insiders who will be employed or retained by Reorganized RCN, and the nature of such persons' compensation.

12. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Debtors' Plan does not provide for any rate change that requires regulatory approval. Thus, Bankruptcy Code section 1129(a)(6) is not applicable to these Chapter 11 Cases.

13. Best Interests Of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. Specifically:

(a) The Liquidation Analysis annexed to the Disclosure Statement as Exhibit C and the other evidence related thereto that was proffered or adduced at or prior to, or in declarations filed in connection with, the Confirmation Hearing have not been controverted by other evidence. The methodology used and assumptions made in the Liquidation Analysis, as supplemented by the evidence proffered or adduced at or prior to, or in declarations filed in connection with, the Confirmation Hearing, are reasonable.

(b) Each holder of a Claim or Interest in each Impaired Class either has accepted the Plan or will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less

than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date. No Class has made an election under section 1111(b)(2) of the Bankruptcy Code.

14. Acceptance By Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1, 2, 4, and 6 are Classes of Unimpaired Claims that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Classes 3, 5 and 7 are Classes of Claims or Interests that have voted to accept the Plan in accordance with the Plan and sections 1126(c) and (d) of the Bankruptcy Code. Classes 8 through 10 are not entitled to receive or retain any property or interests under the Plan on account of their Claims or Interests and, accordingly, are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. The Debtors and the Creditors' Committee, as co-proponents of the Plan, have thus requested that the Court confirm the Plan notwithstanding that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been satisfied.

15. Treatment Of Administrative And Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims under Article II.A of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code, the treatment of Other Priority Claims under Article III.C.1 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code, and the treatment of

Priority Tax Claims under Article II.B of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

16. Acceptance By Impaired Classes (11 U.S.C. § 1129(a)(10)). As set forth in the Sullivan Tabulation Declaration and as reflected in the record of the Confirmation Hearing, at least one Class of Claims or Interests that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider of the Debtors holding a Claim or Interest in such Class, thereby satisfying section 1129(a)(10) of the Bankruptcy Code.

17. Feasibility (11 U.S.C. § 1129(a)(11)). Based upon the evidence proffered or adduced at or prior to, or in declarations filed in connection with, the Confirmation Hearing, confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors or any successor to the Reorganized Debtors, thereby satisfying section 1129(a)(11) of the Bankruptcy Code.

18. Payment Of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under 28 U.S.C. § 1930 have been paid or will be paid as Administrative Claims on or prior to the Effective Date pursuant to Article XIV.A.1 of the Plan, thereby satisfying section 1129(a)(12) of the Bankruptcy Code.

19. Continuation of Retiree Benefits (11 U.S.C. § 1129 (a)(13). The Debtors maintain no retiree benefit plans. Accordingly, section 1129(a)(13) of the

Bankruptcy Code, which requires, among other things, continuation of any such benefits, is satisfied.

20. No Unfair Discrimination; Fair And Equitable (11 U.S.C. § 1129(b)). The Plan may be confirmed notwithstanding the failure of the Plan to satisfy section 1129(a)(8) of the Bankruptcy Code due to the deemed rejection of the Plan by Classes 8, 9 and 10.

(a) The Plan is predicated on, among other things, agreement to the terms of the Debtors' restructuring between and among the Debtors, the Creditors' Committee and the holders of RCN General Unsecured Claims (Class 5). Holders of RCN General Unsecured Claims are entitled to 100% of the value of Reorganized RCN. Since holders of RCN General Unsecured Claims will not be paid in full under the Plan, absent the willingness of the holders of RCN General Unsecured Claims to make a voluntary allocation of value to the holders of Preferred Interests (Class 7) and Equity Interest (Class 8), the holders of Preferred Interests and Equity Interests would not be entitled to, and would not receive, any distribution from the Debtors under the Plan on account of their Interests in the Debtors. Nevertheless, by voting to accept the Plan, the holders of RCN General Unsecured Claims have agreed to provide to the holders of Preferred Interests (if such holders of Preferred Interests vote in favor of the Plan) and Equity Interests, a portion of the

Debtors' and Reorganized Debtors' enterprise value that the holders of RCN General Unsecured Claims otherwise would be entitled to receive.

(b) As a result of the foregoing, holders of Class 7 Preferred Interests and Class 8 Equity Interests will be receiving a distribution under the Plan despite being of lesser priority than holders of Class 5 RCN General Unsecured Claims and despite the fact that the holders of Class 5 RCN General Unsecured Claims are receiving less than 100% of their Allowed Claims. Nevertheless, the Plan does not unfairly discriminate against any other Class, including Class 9 Subordinated Claims which will receive no distributions under the Plan, and is "fair and equitable" with respect to all such Classes because, as described above, the distributions to Class 7 and Class 8 are based on the agreement of holders of RCN General Unsecured Claims to voluntarily allocate a portion of the value that they would otherwise receive to Class 7 and Class 8. The distribution to Class 7 and Class 8 is a permissible allocation of value by the holders of RCN General Unsecured Claims of a portion of the distribution to which they would otherwise be entitled.

(c) In addition, holders of Class 8 Equity Interests will be receiving a distribution under the Plan despite being of lesser priority than holders of Class 7 Preferred Interests. Nevertheless, the Plan does not unfairly discriminate against Class 7 and is "fair and equitable" with respect to such Class because, as described above, the distribution to Class 8 is based on the agreement of holders of

RCN General Unsecured Claims to voluntarily allocate a portion of the value that they would otherwise receive to Class 8. The distribution to Class 8 is a permissible allocation of value by the holders of RCN General Unsecured Claims of a portion of the distribution to which they would otherwise be entitled.

(d) Classes 9 and 10 will receive no distributions under the Plan. The Subordinated Claims and Warrant Interests in these Classes, however, are the lowest priority in the Debtors' capital structure. The treatment of these Classes therefore complies with the absolute priority rule of section 1129(b) of the Bankruptcy Code.

21. Principal Purpose Of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933 (15 U.S.C. § 77e), and no governmental entity has filed any objection asserting such avoidance.

22. Good Faith Solicitation; Good Faith Sale Of Securities (11 U.S.C. § 1125(e)). The Debtors, the Creditors' Committee, and its members in their capacity as such, and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys, and other professionals, through their participation in the negotiation and preparation of the Plan and the Disclosure Statement and their efforts to confirm the Plan, have solicited acceptances of the Plan in good faith and in compliance with applicable provisions of the Bankruptcy Code.

The Debtors, the Creditors' Committee, and the holders of Claims or Interests receiving any of the New Common Stock, New Warrants, and Convertible Second-Lien Notes (collectively, the "New Securities") and their respective agents, representatives, attorneys, and other advisors, have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, sale, issuance, and purchase of the New Securities and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Article XIV.I of the Plan.

23. Objections. All objections to confirmation filed with the Court have been withdrawn, settled, or are overruled on their merits pursuant to this Order.

24. Exemption From Securities Laws and Registration and Related Matters (11 U.S.C. § 1145(a)).

(a) The issuance and distribution of the New Securities have been duly authorized, and when issued as provided in the Plan, will be validly issued, fully paid, and nonassessable. The offer and sale of the New Common Stock and New Warrants are in exchange for Claims against or Interests in the Debtors, or principally in such exchange and partly for cash or property, within the meaning of section 1145(a)(1) of the Bankruptcy Code. In addition, under section 1145 of the Bankruptcy Code, to the extent, if any, that the above-listed items constitute "securities," (a) the offering of such items is exempt, and the issuance and distribution of

such items will be exempt, from Section 5 of the Securities Act and any state or local law requiring registration prior to the offering, issuance, distribution, or sale of securities and (b) all of the above-described items will be freely tradeable by the recipients thereof, subject to (i) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in Section 2(11) of the Securities Act, and compliance with any rules and regulations of the SEC, if any, applicable at the time of any future transfer of such securities or instruments, and (ii) the restrictions, if any, on the transferability set forth in such securities and instruments.

(b) Pursuant to Section 4(2) of the Securities Act, the issuance of the Convertible Second-Lien Notes will be exempt from registration under the Securities Act. The distribution of the Convertible Second-Lien Notes pursuant to the Convertible Second-Lien Notes Documents (as defined below), complies with applicable law, including, but not limited to, the Trust Indenture Act. 15 U.S.C. §§ 77aaa, et al.

25. Transfers Of Property. The revesting, on the Effective Date, of all of the property of the Debtors' Estates in the Reorganized Debtors (a) is a legal, valid, and effective transfer of property, (b) vests the Reorganized Debtors with good title to such property free and clear of all Claims and Interests, except as expressly provided in the Plan or this Order, (c) does not constitute an avoidable transfer under the Bankruptcy Code or under applicable nonbankruptcy law, and (d) does not and

shall not subject the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law. No property of the Debtors' Estates is being, or should be deemed to be, abandoned pursuant to section 554 of the Bankruptcy Code or otherwise. The transfers of property to holders of Claims and Interests under the Plan are for good consideration and value.

26. Injunctions; Releases. (a) The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the injunctions and releases set forth in Articles XIV.F, XIV.G and XIV.H of the Plan. In addition, sections 105, 524, and 1141 of the Bankruptcy Code permit issuance of the injunction and approval of the releases set forth in Articles XIV.F, XIV.G and XIV.H of the Plan, as modified. Such provisions are essential to the formulation and implementation of the Plan and the restructuring of the RCN corporate group as provided in section 1123(a)(5) of the Bankruptcy Code, confer material benefits on the Debtors' Estates, and are in the best interests of the Debtors, their Estates, their Claim and Interest holders, and the Reorganized Debtors.

(b) Based upon the record of these Chapter 11 Cases and the evidence proffered or adduced at or prior to, or in declarations filed in connection with, the Confirmation Hearing, the Court finds that the injunction and releases set forth in Articles XIV.F, XIV.G and XIV.H of the Plan, as modified, are consistent with sections 105, 524, 1123, 1129, and 1141 of the Bankruptcy Code. The Court

also finds and concludes that all parties released under the Plan have provided valuable consideration to the Debtors' Estates in exchange for such releases and would not have provided such consideration absent such releases.

27. Modifications. Prior to or at the Confirmation Hearing, in accordance with section 1127 of the Bankruptcy Code and Fed. R. Bankr. P. 3019, the Debtors proposed certain modifications to the Plan, as described in paragraph 45 below (collectively, the "Plan Modifications"). The Debtors' form and manner of notice of the Plan Modifications was good and sufficient under the particular circumstances and no other or further notice of the Plan Modifications is or shall be required. The Plan Modifications do not (a) adversely affect the classification or treatment of holders of Claims and Interests, (b) constitute material modifications of the Plan under section 1127 of the Bankruptcy Code, (c) cause the Plan to fail to satisfy the requirements of sections 1122, 1123, and 1129 of the Bankruptcy Code, or (d) require the resolicitation of acceptances or rejections of the Plan from any party or require that any party be afforded an opportunity to change its previously cast acceptance or rejection of the Plan.

28. No Liquidation. The Plan does not provide for the liquidation of all or substantially all of the property of the Debtors.

29. Condition To Confirmation. The condition to Confirmation of the Plan set forth in Article X.A of the Plan has been satisfied before the Confirmation Date.

30. Retention Of Jurisdiction. The Court will retain jurisdiction over the matters set forth in Article XII of the Plan.

31. Waiver Of Fed. R. Bankr. P. 3020(e). The stay contemplated by Fed. R. Bankr. P. 3020(e) shall not apply to this Order.

DECREES

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT,

32. Confirmation. The Plan, a copy of which is annexed hereto as Exhibit A, is hereby confirmed under section 1129 of the Bankruptcy Code and all parties-in-interest are authorized and empowered, or enjoined, as the case may be, to act in accordance with its terms. All acceptances and rejections previously cast for or against the Plan are hereby deemed to constitute acceptances or rejections of the Plan as modified hereby. The terms of the Plan and the exhibits thereto, including, without limitation, the exhibits contained in the Plan Supplement (including any non-material amendments, modifications, or supplements thereof at any time prior to the Effective Date as may be agreed upon by the Debtors and the Creditors' Committee), are incorporated by reference into and are an integral part of the Plan and this Order.

33. Objections. Each of the objections to Confirmation of the Plan either has been withdrawn, waived, or settled. To the extent, if any, that pleadings or letters filed by individuals or entities constitute objections to Confirmation of the Plan, they also have been withdrawn, waived, or settled.

34. Provisions Of Plan And Confirmation Order Nonseverable And Mutually Dependent. The provisions of the Plan and this Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

35. Good Faith Solicitation And Distribution. The Debtors, the Creditors' Committee, and its members in their capacity as such, and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys and other professionals, have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. In addition, the Debtors, each member of the Creditors' Committee, and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys and other professionals, have, and upon confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with respect to the distribution of the New Securities under the Plan, and, accordingly, are not, and on account of such

distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

36. Plan Classification Controlling. The classification of Claims and Interests for purposes of the distributions to be made under the Plan is governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by holders of Claims and Interest of the Debtors in connection with voting on the Plan (a) were set forth thereon solely for purposes of voting on the acceptance or rejection of the Plan and tabulation of such votes, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Interests under the terms of the Plan for distribution purposes, and (c) may not be relied upon by any holder of Claims or Interests as actually representing the actual classification of such Claims and Interests under the terms of the Plan for distribution purposes.

37. Executory Contracts. As of the Effective Date, all executory contracts or unexpired leases assumed by the Debtors during these Chapter 11 Cases or under the Plan shall be assigned and transferred to, and remain in full force and effect for the benefit of, the Reorganized Debtors notwithstanding any provision in such contract or lease (including those described in sections 365(b)(2) and (f) of the

Bankruptcy Code) that prohibits such assignment or transfer or that enables or requires termination of such contract or lease.

38. Binding Effect; Discharge. (a) Pursuant to section 1141 of the Bankruptcy Code, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and except as expressly provided in the Plan or this Order, the provisions of the Plan (including the exhibits to, and all documents and agreements executed pursuant to, the Plan) and the Confirmation Order shall be binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) all holders of Claims against and Interests in any of the Debtors, whether or not Impaired under the Plan and whether or not, if Impaired, such holders accepted, rejected, or are deemed to have accepted or rejected the Plan, (iv) each Person acquiring property under the Plan, (v) all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, (vi) all entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan or herein, and (vii) each of the foregoing's respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any (the Persons and entities described in clauses (i) through (vii), collectively, the "Bound Parties").

(b) Except as otherwise expressly provided in the Plan or this Order and subject only to the occurrence of the Effective Date, the Debtors are

hereby discharged and released from all Claims against, liens on (including, without limitation, all liens held by the holders of the Evergreen Claims) (collectively, the "Liens"), and Interests in each of the Debtors, their assets, and their properties, arising at any time before the entry of this Order, regardless of whether a proof of Claim or proof of Interest therefor was filed, whether the Claim or Interest is Allowed, or whether the holder thereof voted to accept the Plan or is entitled to receive a distribution thereunder. Subject to the occurrence of the Effective Date, any holder of such a discharged Claim, Liens, or Interest shall be precluded from asserting against the Debtors or Reorganized Debtors or any of their assets or properties, any other or further Claim or Interest based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the date of this Order.

39. Injunctions; Stays. (a) The commencement or continuation of any action or the employment of process with respect to any Claim, Interest, Lien or debt discharged under the Plan, or any act to collect, recover, or offset any Claim or Interest discharged under the Plan as a personal liability of the Debtors, or from properties of the Debtors, shall be, and hereby are, forever enjoined. Except as otherwise expressly provided in the Plan or this Order, all entities who have held, hold, or may hold Claims against or Interests or Liens in the Debtors shall be permanently enjoined, on and after the date of this Order, subject to the occurrence of

the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors or their property with respect to any such Claim, Lien, or Interest, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtors on account of any such Claim, Lien, or Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors on account of any such Claim, Lien, or Interest, and (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors on account of any such Claim, Lien, or Interest. The foregoing injunction shall extend to successors of the Debtors (including, but not limited to, the Reorganized Debtors) and their respective properties and interests in property.

(b) In accordance with Article XIV.L of the Plan, unless otherwise provided in the Plan or in this Order, all injunctions or stays in effect in the Debtors' Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or any order of this Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Order), shall remain in full force and effect until the Effective Date. From and after the Effective Date, all injunctions or stays contained in the Plan or this Order shall remain in full force and effect in accordance with their terms.

40. Releases. All discharges, releases, injunctions, and exculpations provided for in the Plan, including those described in Articles XIV.F, XIV.G, and XIV.H of the Plan, as modified, are fair, equitable, reasonable, and in the best interests of the Debtors, their Estates, their Claim and Interest holders, and the Reorganized Debtors, and are hereby approved as an essential part of the Plan. Except as otherwise expressly provided in the Plan or in this Order, subject to the occurrence of the Effective Date, such discharges, releases, injunctions, and exculpations shall be, and they hereby are, effective and binding on the Bound Parties.

41. Revesting Of Property. In accordance with Article IV.F of the Plan, and except as otherwise expressly provided in the Plan, including, but not limited to, Article III thereof, or this Order, the property of each Debtor's Estate, together with any property of each Debtor that is not property of its Estate and that is not specifically disposed of pursuant to the Plan, shall revest in the applicable Reorganized Debtor on the Effective Date. No property of the Debtors' Estate is being, or should be deemed to be, abandoned pursuant to section 554 of the Bankruptcy Code or otherwise. Thereafter, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and this Court. As of the Effective Date, all property of the Reorganized Debtors shall be free and clear of all Claims, encumbrances, Interests, charges, and Liens except as specifically provided in the

Plan or this Order. Without limiting the generality of the foregoing, the Reorganized Debtors may, without application to or approval by the Court, pay professional fees and expenses incurred after the Confirmation Date.

42. Intercompany Claims and Interests. The treatment of Intercompany Claims and Interests in non-Debtor affiliates as set forth in the Plan and the Plan Supplement, and as modified hereby, is approved in its entirety.

43. Approval Of Initial Officers, Directors. (a) Pursuant to section 1129(a)(5)(A)(ii) of the Bankruptcy Code, the Court approves as consistent with the interests of holders of Claims and Interest and with public policy the selection, election, and/or continuance, as the case may be, of the individuals designated by the Creditors' Committee and Laminar and identified by the Debtors as officers or directors of Reorganized RCN; *provided, however,* that nothing set forth herein shall prevent any of the foregoing individuals from resigning as an officer or director without further order of the Court.

(b) Without further event or action by any Person (other than the occurrence of the Effective Date), each of the individuals referred to above may become or continue as a director of Reorganized RCN. On the Effective Date (a) the terms of the current members of the board of directors of RCN shall expire and the members thereof who are not continuing as directors of Reorganized RCN shall cease to serve in such capacity and (b) the operation of Reorganized RCN shall

become the general responsibility of the board of directors of Reorganized RCN, subject to, and in accordance with, the Reorganized RCN Certificate of Incorporation and By-Laws, which are hereby approved.

44. Securities Distribution Date. The Securities Distribution Date for purposes of all distributions to be made under the Plan shall be the first date distributions are made to holders of Senior Notes, Preferred Stock and Common Stock under the Plan.

45. Plan Modifications. At the request of the Debtors, the Plan is hereby modified pursuant to 11 U.S.C. § 1127(a) as follows:

(a) Article III is modified by deleting Article III.F in its entirety and inserting in its place the following (new language is underlined):

> **F. Intercompany Claims**
>
> On the Effective Date, all net Claims (taking into account any setoffs) between and among the Debtors or between one or more Debtors and a non-Debtor affiliate shall, at the election of the applicable Debtor-obligor, with the consent of the Creditors' Committee, be either (i) reinstated, (ii) released, waived and discharged or (iii) contributed to, or dividended to, the capital of the obligor corporation. Any such Claims to be reinstated are set forth in a schedule of Intercompany Claims contained in the Plan Supplement. The Debtors are authorized to set off any Claims between and among the Debtors or between and among one or more Debtors and a non-Debtor affiliate.

(b) Article IV.E is modified by deleting the third sentence of the paragraph and inserting the following at the end of the second sentence:

provided, however, that as long as D. E. Shaw Laminar Lending 2, Inc. ("Laminar") beneficially owns at least $25,000,000 of the outstanding aggregate principal amount of the Convertible Second-Lien Notes, Reorganized RCN will nominate, and use its best efforts to have elected to the board of Reorganized RCN, one individual designated by Laminar. In addition, as long as Laminar is entitled to elect a board member, Laminar shall be entitled to fill any vacancy created by the death, disability, retirement or removal (with or without cause) of the Laminar board member.

(c) Article XIV of Plan is modified by inserting the following Article XIV.I immediately following Article XIV.H:

I. Limitations on Scope of Director, Officer, Employee and Other Third Party Releases

Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, (i) nothing in the Plan and the transactions approved hereby is intended to, or shall release any non-Debtor from any liabilities or obligations to the United States of America or its agencies or subdivisions (the "United States"), nor shall it enjoin or bar any claim by the United States against any non-Debtor, and (ii) solely as to non-Debtors, the Plan shall in no way affect (a) the agreement reached between RCN Telecom Services, Inc. and Newport Associates Development Company in settlement of certain litigation in the New Jersey Superior Court, Hudson County, Law Division, captioned Newport Associates Development Company v. RCN Telecom Services, Inc., et al., Docket No. HUD-L-4407-02, and consolidated with Docket No. HUD-L-4810-02, as such settlement agreement was read into the record of the trial court on July 22, 2004, (b) the License Agreement dated as of July 30, 2004, by and between RCN Telecom Services, Inc. and Newport Associates Development Company, and/or (c) the rights and obligations of the parties (other than the Debtors), or any successor parties, to (a) and (b) above.

Notwithstanding any provision in the Plan or any provision in any documents incorporating or implementing in any manner the Plan to the contrary, no current or former directors, officers, employees, partners, members, or managers of the Debtors (collectively, the "Third-Party Releasees") shall be released from, and there shall be no injunction with respect to, (i) any Claim arising from such Third-Party Releasees' alleged breach of fiduciary

duty or Claims arising under, or as a consequence of, the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), and asserted by the claimants in each of those actions captioned Craig v. Filipowicz, et al., Case No. 1:04-CV-07875 (JSR) (S.D.N.Y.), Thomas v. McCourt, et al., Case No. 3:04-CV-05068 (SRC) (D.N.J.), Maguire v. Filipowicz, et al., Case No. 1:04-CV-08454 (JSR) (S.D.N.Y.), and Hill v. McCourt, et al., Case No. 3:04-CV-05368 (SRC) (D.N.J.), in each case relating to the RCN Savings and Stock Ownership Plan (the "ESOP"); (ii) any Claim asserted by any ERISA fiduciaries of the ESOP for indemnity or contribution, including, but not limited to, Merrill Lynch Trust Company FSB; or (iii) any Claim asserted by Edward T. Joyce relating in any way to the acquisition of 21st Century Telecom Group, Inc. Notwithstanding any provisions of the Plan, nothing in the Plan shall in any way limit or abrogate any available insurance coverage or rights to recover insurance proceeds available to pay any Claims for the settlement or satisfaction of a judgment.

46. Additional Modifications. Without the need for a further order or authorization of this Court, but subject to the express provisions of this Order, the Debtors, with the prior written consent of the Creditors' Committee, shall be authorized and empowered to make non-material modifications to the documents filed with the Court, including the documents included in the Plan Supplement or forming part of the evidentiary record at the Confirmation Hearing, in their reasonable business judgment as may be necessary. Further, following entry of this Order, the Debtors shall be authorized, with prior written consent of the Creditors' Committee and upon further order of the Bankruptcy Court, to alter, amend, or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code, or to remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

47. General Authorizations. Pursuant to section 1142(b) of the Bankruptcy Code and the terms of the Plan, each of the Debtors and the Reorganized Debtors, as the case may be, and any officer thereof, are authorized without the need for further shareholder or Court approval to execute and deliver, and take such action as is necessary to effectuate the terms of, implement, or further evidence the contracts, instruments, securities, and other agreements and documents contemplated by the Plan and the terms and conditions of the Plan, including, without limitation, to:

(a) issue, execute, deliver, file, and record any documents, Court papers, or pleadings, and to take any and all actions as may be necessary or desirable to implement, effect, or consummate the transactions contemplated by the Plan, whether or not specifically referred to in the Plan or related documents and without further application to or order of the Court;

(b) issue the securities, instruments, and other interests contemplated by the Plan, including, but not limited to, the New Common Stock and New Warrants, all as described in the Plan and the exhibits thereto, which issuance shall be exempt under section 1145 of the Bankruptcy Code from the registration requirements of the Securities Act and any similar state or local law;

(c) issue the Convertible Second-Lien Notes, which issuance shall be exempt under Section 4(2) of the Securities Act from registration under the Securities Act and any similar state or local law.

(d) file with the appropriate Secretar(ies) of State the Reorganized RCN certificate of incorporation, substantially in the form previously filed with the Court in the Plan Supplement; and

(e) ratify the by-laws of Reorganized RCN substantially in the form previously filed with the Court in the Plan Supplement.

48. Authorizations Relating To The First-Lien Credit Facility.

(a) The execution, delivery and performance of the First-Lien Credit Agreement (as defined in Exhibit 6 to the Plan Supplement), and all documents, instruments, and agreements contemplated by the First-Lien Credit Agreement, including, but not limited to, the pledge agreement, the security agreement and the mortgages (collectively, the "First-Lien Credit Facility Documents"), are hereby approved.

(b) The Reorganized Debtors are hereby authorized and directed to execute such other documents as the applicable Reorganized Debtor and the applicable lender may reasonably require in order to effectuate the financing contemplated by the First-Lien Credit Agreement (the "First-Lien Credit Facility").

(c) The Debtors and Reorganized Debtors are hereby authorized and directed to grant to the lenders under the First-Lien Credit Agreement or other appropriate party valid, binding, enforceable and perfected security interests in and liens upon all collateral specified in the First-Lien Credit Facility Documents to

secure all of the obligations under or in connection with the First-Lien Credit Facility. Each document, instrument, and agreement executed in connection with the First-Lien Credit Facility Documents shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms. The security interests and liens granted pursuant to, or in connection with, the First-Lien Credit Facility Documents (and all documents, instruments and agreements related thereto and annexes, exhibits and schedules appended thereto) shall constitute, as of the Effective Date, legal, valid and duly perfected first priority liens and security interests in and to the collateral specified therein, subject only, where applicable, to the pre-existing liens and security interests specified or permitted in the First-Lien Credit Facility Documents.

(d) The Debtors and Reorganized Debtors, and any other persons granting such liens and security interests, are authorized and directed to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of state, provincial, federal, or other law (whether foreign or domestic) that would be applicable in the absence of this Confirmation Order, and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

(e) Based upon the record of these Chapter 11 Cases, the security interests to be granted by the Debtors and/or Reorganized Debtors pursuant to, or in connection with, the First-Lien Credit Facility Documents do not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any federal or state law.

49. Authorizations Relating To The Convertible Second-Lien Notes.

(a) The execution, delivery and performance of all documents and agreements relating to the Convertible Second-Lien Notes, including, but not limited to, the purchase agreement, the indenture, the pledge agreement and the security agreement (collectively, the "Convertible Second-Lien Notes Documents"), are hereby approved.

(b) The Reorganized Debtors are hereby authorized and directed to execute such other documents as the applicable Reorganized Debtor and the purchasers of the Convertible Second-Lien Notes (the "Purchasers") may reasonably require in order to effectuate the issuance thereof.

(c) The Debtors and Reorganized Debtors are hereby authorized and directed to grant the Purchasers of the Convertible Second-Lien Notes or other appropriate party valid, binding, enforceable and perfected security interests in and liens upon all collateral specified in the Convertible Second-Lien Notes Documents to secure all of the obligations under or in connection with the Convertible

Second-Lien Notes. Each document, instrument, and agreement executed in connection with the Convertible Second-Lien Notes Documents shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms. The security interests and liens granted pursuant to, or in connection with, the Convertible Second-Lien Notes Documents (and all documents, instruments and agreements related thereto and annexes, exhibits and schedules appended thereto) shall constitute, as of the Effective Date, legal, valid and duly perfected second priority liens and security interests in and to the collateral specified therein, subject only to (i) the first-priority liens and security interests specified in the First-Lien Credit Facility Documents or the documents, instruments or agreements contemplated thereby, and (ii) the terms and conditions of the intercreditor agreement between RCN and the collateral agents under each of the First-Lien Credit Agreement, the Convertible Second-Lien Notes, and the New Evergreen Credit Agreement (the "Intercreditor Agreement").

(d) The Debtors or Reorganized Debtors, and any other persons granting such liens and security interests, are authorized and directed to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of state, provincial, federal, or other law (whether foreign or domestic) that would be applicable in the absence of this Confirmation Order, and will thereaf-

ter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

(e) Based upon the record of these Chapter 11 Cases, the security interests to be granted by the Debtors and/or Reorganized Debtors pursuant to, or in connection with, the Convertible Second-Lien Notes Documents do not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any federal or state law.

50. Authorizations Relating To The New Evergreen Credit Facility.

(a) The execution, delivery and performance of all documents and agreements relating to the New Evergreen Credit Agreement (as defined in Exhibit 5 to the Plan Supplement), and all documents, instruments and agreements contemplated by the New Evergreen Credit Agreement, including but not limited to, the pledge agreement, security agreement and subsidiary guarantee (collectively, the "New Evergreen Credit Facility Documents"), are hereby approved.

(b) The Reorganized Debtors are hereby authorized and directed to execute such other documents as the applicable Reorganized Debtor and the applicable lender parties may reasonably require in order to effectuate the financing contemplated by the New Evergreen Credit Agreement (the "New Evergreen Credit Facility").

(c) The Debtors and Reorganized Debtors are hereby authorized and directed to grant to the lenders under the New Evergreen Credit Agreement or other appropriate party valid, binding, enforceable and perfected security interests in and liens upon all collateral specified in the New Evergreen Credit Facility Documents to secure all of the obligations under or in connection with the New Evergreen Credit Facility. Each document, instrument, and agreement executed in connection with the New Evergreen Credit Facility Documents shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms. The security interests and liens granted pursuant to, or in connection with, the New Evergreen Credit Facility Documents (and all documents, instruments and agreements related thereto and annexes, exhibits and schedules appended thereto) shall constitute, as of the Effective Date, legal, valid and duly perfected third priority liens and security interests in and to the collateral specified therein, subject only to (i) the first-priority liens and security interests specified in the First-Lien Credit Facility Documents or the documents, instruments or agreements contemplated thereby, (ii) the second-priority liens and security interests specified in the Convertible Second-Lien Notes Documents or the documents, instruments or agreements contemplated thereby and (iii) the terms and conditions of the Intercreditor Agreement.

(d) The Debtors and Reorganized Debtors, and any other persons granting such liens and security interests, are authorized and directed to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of state, provincial, federal, or other law (whether foreign or domestic) that would be applicable in the absence of this Confirmation Order, and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

(e) Based upon the record of these Chapter 11 Cases, the security interests to be granted by the Debtors and/or Reorganized Debtors pursuant to, or in connection with, the New Evergreen Credit Facility Documents do not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any federal or state law.

51. Matters Relating To Cash Collateral. Notwithstanding anything to the contrary contained in the Plan or this Order, the obligations under and as defined in the cash collateral order, dated June 22, 2004, as amended (the "Cash Collateral Order") for the Bank Credit Agreement and the rights, Claims, liens, priorities, and other protections provided to the Senior Secured Lenders under the Bank Credit Agreement and to JPMorgan, as administrative agent for the Senior

Secured Lenders, under the Bank Credit Agreement, as well as the Debtors' rights to use cash collateral in accordance with the terms of the Cash Collateral Order, shall survive the occurrence of the Confirmation Date and continue in full force and effect until the Effective Date, subject to earlier termination in accordance with the terms of the Cash Collateral Order.

52. Creditor's Committee. On the Effective Date, the duties of the Creditors' Committee shall terminate; *provided, however*, that the Creditors' Committee shall continue in existence after the Effective Date to (i) continue in the prosecution (including appeals) of any matter in which the Creditors' Committee has joined issue; (ii) review, and, if necessary, interpose and prosecute objections to Professional Claims; and (iii) file applications for Professional Claims; *and provided, further*, that the Creditors' Committee shall be entitled to obtain reimbursement for the reasonable fees and expenses of its members and Professionals relating to the foregoing.

53. Resolution of Claims. The Debtors and Reorganized Debtors are authorized to resolve disputed, contingent, and unliquidated claims pursuant to, and in accordance with, the provisions of Article VI of the Plan.

54. Exemption from Securities Laws. The provisions of section 1145 of the Bankruptcy Code are applicable to the issuance and distribution of the New Common Stock and the New Warrants in exchange for the recipients' Claims or

Interests in the Debtors. In addition, Section 4(2) of the Securities Act is applicable to the issuance and distribution of the Convertible Second-Lien Notes to the Purchasers. Therefore, to the extent that an "offer or sale" is deemed to have occurred, any such securities are exempt from the requirements of Section 5 of the Securities Act and any state or local registration requirements.

55. Cancellation Of Existing Securities. Except as otherwise provided in the Plan or this Order (a) the Existing Securities and any other note, bond, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of a Debtor shall be cancelled and of no further force and effect and (b) the obligations of the Debtors under any agreements, indentures, or certificates of designations governing the Existing Securities and any other note, bond, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of a Debtor, as the case may be, shall be discharged; *provided, however,* that such discharge and cancellation shall not impair the rights of holders of the Existing Securities to receive distributions on account of such Existing Securities pursuant to the Plan and each indenture or other agreement that governs the rights of a holder of a Claim and that is administered by an Indenture Trustee shall continue in effect for the purposes of allowing the Indenture Trustee to make any distributions on account of such Claims pursuant to the Plan and to perform any other necessary administrative functions with respect thereto.

56. Exemption From Stamp Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of any security, or the making, delivery, filing, or recording of any instrument of transfer under the Plan, shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax, or similar tax. All filing or recording officers, wherever located and by whomever appointed, are hereby directed to accept for filing or recording, and to file or record immediately upon presentation thereof, all instruments of absolute or collateral transfer without payment of any recording tax, stamp tax, transfer tax, or similar tax or governmental assessment (other than standard filing fees) imposed by federal, state, or local law. Notice of entry of this Order in the form approved by the Court (i) shall have the effect of an order of the Court, (ii) shall constitute sufficient notice of the entry of this Order to such filing and recording officers, and (iii) shall be a recordable instrument notwithstanding any contrary provision of applicable nonbankruptcy law. The Court specifically retains jurisdiction to enforce the foregoing direction, by contempt or otherwise.

57. Payment Of United States Trustee Fees. All fees payable by the Debtors under 28 U.S.C. § 1930 shall be paid on or before the Effective Date.

58. Failure To Confirm Or Consummate Plan. In accordance with Article XIV.N of the Plan, if consummation of the Plan does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embod-

ied in the Plan (including the fixing or limiting to an amount of any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or (iii) constitute an admission of any sort by the Debtors or any other Person.

59. Retention Of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Order or the occurrence of the Effective Date, this Court shall retain exclusive jurisdiction (except with respect to the purposes described in Article XII.M of the Plan, with respect to which jurisdiction shall not be exclusive) over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction over those items and matters set forth in Article XII of the Plan.

60. References To Plan. Any document related to the Plan that refers to a plan of reorganization of the Debtors other than the Plan confirmed by this Order shall be, and it hereby is, deemed to be modified such that the reference to a plan of

reorganization of the Debtors in such document shall mean the Plan confirmed by this Order, if appropriate.

61. References To Plan Provisions. The failure specifically to include or reference any particular provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety.

62. Inconsistency. In the event of an inconsistency between the Plan, on the one hand, and any other agreement, instrument, or document intended to implement the provisions of the Plan, on the other, the provisions of the Plan shall govern (unless otherwise expressly provided for in such agreement, instrument, or document). In the event of any inconsistency between the Plan or any agreement, instrument, or document intended to implement the Plan, on the one hand, and this Order, on the other, the provisions of this Order shall govern.

63. Notice Of Entry Of Confirmation Order. In accordance with Fed. R. Bankr. P. 2002 and 3020(c), within five business days of the date of entry of this Confirmation Order, the Reorganized Debtors (or their agents) shall give notice of the entry of this Order, in substantially the form of Exhibit B annexed hereto (the "Notice of Confirmation"), by United States first class mail postage prepaid, by hand, or by overnight courier service to all parties served with the Confirmation Hearing Notice; *provided, however,* that no notice or service of any kind shall be required to

be mailed or made upon any person to whom the Debtors mailed a Confirmation Hearing Notice, but received such notice returned marked "undeliverable as addressed," "moved - left no forwarding address," or "forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such person, or are otherwise aware, of that person's new address. To supplement the notice described in the preceding sentence, within fifteen days of the date of this Order the Debtors shall publish the Notice of Confirmation in the Wall Street Journal. Mailing and publication of the Notice of Confirmation in the time and manner set forth in the preceding paragraph are good and sufficient under the particular circumstances and in accordance with the requirements of Fed. R. Bankr. P. 2002 and 3020(c).

64. Authorization To Consummate. The Debtors are authorized to consummate the Plan at any time after entry of this Order subject to the satisfaction or waiver of the conditions precedent to Consummation set forth in Article X.C of the Plan.

Dated: New York, New York
December , 2004

_____
United States Bankruptcy Judge

Exhibit A

Joint Plan Of Reorganization
Of RCN Corporation And Certain Subsidiaries

EXHIBIT OMITTED

Exhibit B

Form Of Notice Of Entry Of Confirmation Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	Chapter 11
RCN CORPORATION, *et al.*,	:	Case No. 04-13638 (RDD)
	:	(Jointly Administered)
Debtors.	:	

NOTICE OF (I) ENTRY OF ORDER CONFIRMING JOINT PLAN OF REORGANIZATION OF RCN CORPORATION AND CERTAIN SUBSIDIARIES AND (II) DEADLINE FOR FILING ADMINISTRATIVE CLAIMS

TO ALL CREDITORS, EQUITY SECURITY HOLDERS, AND OTHER PARTIES-IN-INTEREST:

PLEASE TAKE NOTICE that on December [●], 2004 (the "Confirmation Date"), the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Confirmation Order") confirming the Joint Plan of Reorganization Of RCN Corporation And Certain Subsidiaries (collectively, the "Debtors"), dated [ ], 2004 (the "Plan"). Unless otherwise defined, capitalized terms used in this notice shall have the meanings ascribed to them in the Plan.

PLEASE TAKE FURTHER NOTICE that pursuant to 11 U.S.C. § 1141(a), the provisions of the Plan (including the exhibits to, and all documents and agreements executed pursuant to, the Plan) and the Confirmation Order shall be binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) all holders of Claims against and Interests in any of the Debtors, whether or not Impaired under the Plan and whether or not, if Impaired, such holders accepted, rejected, or are deemed to have accepted or rejected the Plan, (iv) each Person acquiring property under the Plan, (v) all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, (vi) all entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan or the Confirmation Order, and (vii) each of the foregoing's respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan, 4:00 p.m. (Eastern Time) on [ ] ●, 2005 (the "Administrative Claims Bar Date") has been established as the last date and time for holders of claims (other than Professional Fee Claims and claims for reimbursement of the expenses of the members of the Creditors' Committee) asserted to be entitled to priority as administrative claims under §§ 503(b) or 507(a) of the Bankruptcy Code to submit requests for payment thereof ("Administrative Claim Requests"). Administrative Claim Requests must be filed with the filed with the Bankruptcy Court, together with proof of service, at http://www.nysb.uscourts.gov, in accordance with the Bankruptcy Court's general order setting forth Electronic Filing Procedures, as amended, with a hard copy delivered to the chambers of the Honorable Robert D. Drain, and a copy to counsel for the Debtors at the address listed below, so that they are RECEIVED no later than the Administrative Claims Bar Date. Any person or entity that fails to file an Administrative Claim Request on or before the Administrative Claims Bar Date shall be forever barred, estopped and enjoined from asserting any such claim against the Debtors, their successors, or their property (or filing a proof of claim with respect thereto), and the Debtors and their property shall be forever discharged from any and all indebtedness or liability with respect to such claim.

PLEASE TAKE FURTHER NOTICE that any party-in-interest wishing to obtain copies of the Confirmation Order may request such copies at his or her own expense by contacting Bennett Silverberg, Esq. at Skadden Arps, Slate, Meagher & Flom LLP, (212) 735-3000. Copies of the Confirmation Order may also be reviewed during regular business hours at the Office of the Clerk of the Bankruptcy Court or by accessing the Bankruptcy Court's web site at http://www.nysb.uscourts.gov. A password is necessary to access documents on this website. Information regarding acquisition of a password is available on the website.

Dated: New York, New York
December ●, 2004

BY ORDER OF THE BANKRUPTCY COURT
Robert D. Drain, United States Bankruptcy Judge

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Attorneys for RCN Corporation, et al.
Debtors and Debtors-in-Possession
Four Times Square
New York, New York 10036-6522
(212) 735-3000
D. J. Baker (DB 0085)

EXHIBIT E

Akin Gump Strauss Hauer & Feld LLP
590 Madison Avenue
New York, NY 10022
Att'n: Michael Stamer

Deutsche Bank Securities, Inc.
60 Wall Street
New York, NY 10005
Att'n: Jeff Ogden

Kelley Drye & Warren, L.L.P.
101 Park Avenue
New York, NY 10178
Att'n: David Retter

Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005
Att'n: Dennis Dunne
Deirdre A. Sullivan
Susheel Kirpalani

Paul, Hastings, Janofsky & Walker LLP
75 East 55 Street
New York, NY 10022
Att'n: Harvey Strickon

Simpson, Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Att'n: Peter V. Pantaleo
Elisha Graff

The Office Of The United States Trustee
33 Whitehall Street, 21st floor
New York, NY 10004
Att'n: Paul K. Schwartzberg

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036
Att'n: Andrew DeNatale
Nathalie Munzberg

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Att'n: Steven Wilamowsky

EXHIBIT F

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154
Att'n: Timothy R. Coleman
Shervin Korangy
Bruce Haggerty

Financial Balloting Group LLC
757 Third Avenue, 3rd Floor
New York, NY 10017
Att'n: Jane Sullivan
Kathy Gerber