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Presentment Date: July 5, 2005 at 12:00 noon

Attorneys for RCN Corporation, et al.,
Reorganized Debtors

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

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

**NOTICE OF PRESENTMENT OF STIPULATION AND
AGREED ORDER UNDER 11 U.S.C. §§ 105(a), 363(b)
AND 365 AUTHORIZING AND APPROVING
ASSUMPTION OF INSURANCE PROGRAM CONTRACTS
WITH ROYAL & SUNALLIANCE USA, INC.**

PLEASE TAKE NOTICE that on July 5, 2005, the undersigned, on behalf of RCN Corporation ("RCN"), reorganized debtor and debtor-in-possession in the above-captioned case, will present the attached Stipulation and Agreed Order Under 11 U.S.C. §§ 105(a), 363(b) and 365 Authorizing and Approving Assumption of Insurance Program Contracts with Royal & Sunalliance Usa, Inc. (the "Stipulation") to the Honorable Robert D. Drain, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 for signature.

PLEASE TAKE FURTHER NOTICE that unless a written objection to the Stipulation, with proof of service, is filed with the Clerk of the Bankruptcy Court, with a courtesy copy delivered to (i) the Bankruptcy Judge's chambers, (ii) the Office of the United States Trustee,

Attn: Paul K. Schwartzberg, 33 Whitehall Street, 21st Floor, New York, New York 10004, and (iii) the undersigned counsel for RCN, in all cases so as to be received no later than 5:00 p.m. on July 1, 2005, there will not be a hearing and the Stipulation may be signed upon presentment to the Bankruptcy Judge.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, a hearing will be held in the United States Bankruptcy Court for the Southern District of New York on July 27, 2005 at 10:00 a.m. (EDT). The moving and objecting parties are required to attend the hearing, and failure to appear may result in relief being granted or denied upon default.

DATED: New York, New York
June 21, 2005

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Lena Mandel
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Attorneys for RCN Corporation, et al.,
Reorganized Debtors

Proposed Stipulation And Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

RCN CORPORATION, *et al*,

Debtors.

Case No. 04-13638 (RDD)
Jointly Administered

-----X

**STIPULATION AND AGREED ORDER
UNDER 11 U.S.C. §§ 105(a), 363(b) AND 365
AUTHORIZING AND APPROVING ASSUMPTION OF
INSURANCE PROGRAM CONTRACTS WITH
ROYAL & SUNALLIANCE USA, INC.**

RECITALS:

A. On May 27, 2004 (the "Petition Date"), RCN Corporation ("RCN") and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions in this Court for relief pursuant to Chapter 11 of Title 11, United States Code (the "Bankruptcy Code").

B. On December 8, 2004, the Court entered an order confirming the "Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries" (as amended, the "Plan"). On December 21, 2004, all the conditions to consummation of the Plan were satisfied and the effective date of the Plan occurred.

C. Prior to and as of the Petition Date, Royal & Sunalliance USA, Inc. (collectively, with its affiliates and/or subsidiaries, "Royal") provided RCN with insurance coverage, including excess umbrella, automotive, commercial general liability, owners and contractors protective liability, railroad protective liability, and workmen's compensation coverage, pursuant to the insurance policies listed on Exhibit "A" hereto (the "Insurance Programs") which are governed

by various payment, indemnity and service agreements between RCN and Royal, as amended from time to time (collectively, the “Service Agreements”), including without limitation that certain “Deductible Program Service and Security Agreement between RCN and Royal dated as of March 1, 2003, as amended.

D. Pursuant to the Insurance Programs and the Service Agreements, among other things, (i) RCN is obligated to pay Royal certain premiums, deductibles, self-insured retention, reimbursement amounts, fees, expenses and related costs, (ii) RCN’s obligations to Royal under the Insurance Programs and the Service Agreements are secured by cash amounts on deposit with Royal (the “Escrow Deposits”), currently in the amount of \$142,000, and by a certain letter of credit, dated April 4, 2003, issued by JPMorgan Chase Bank Global Trade Services (the “L/C Issuer”) in favor of Royal, as beneficiary, number P-236241, currently in the undrawn amount of \$1,656,000 (the “L/C”).

E. Pursuant to the motion dated November 30, 2004 (docket no. 442) (the “Assumption Motion”) of the Debtors for entry of an “Order Under 11 U.S.C. §§ 105(a), 363(b) And 365 Authorizing And Approving (A) The Assumption Of Certain Executory Contracts And (B) The Renewal Of Insurance Programs”, among other things, RCN sought authority from the Court to assume the Insurance Programs and the Service Agreements.

F. Following the filing of the Assumption Motion, RCN and Royal engaged in negotiations with respect to the “cure” amount due and payable by RCN to Royal pursuant to Bankruptcy Code § 365(b)(1)(A) upon assumption of the Insurance Programs and the Service Agreements, and the other terms upon which the Insurance Programs and the Service Agreements could be assumed on a consensual basis.

IT IS HEREBY STIPULATED AND AGREED by and among the parties hereto, by their respective counsel, as follows:

1. Royal consents to the granting of the Assumption Motion and the assumption of the Insurance Programs and the Service Agreements on the terms and conditions set forth in this Stipulation.

2. This Stipulation is subject to the Court's entry of an order approving its terms and conditions (an "Approval Order"). In the event that this Stipulation in its entirety is not so approved, then this Stipulation shall be without force and effect and deemed null and void, and none of the provisions hereof (including the "recitals") shall be used or referred to in any subsequent proceeding or shall prejudice or impair any of the rights or remedies of any of the parties hereto.

3. Within three (3) business days following the date of entry of an Approval Order, RCN shall pay to Royal the amount of US \$165,394.77 by wire transfer (the "Payment") in accordance with the following wire transfer instructions: Wachovia Bank, National Association, 9300 Arrowpoint Boulevard, Charlotte, NC 28273, ABA No. 053000219, for credit to Royal & Sunalliance, Account No. 2079900118720. The Payment shall be in full and complete compliance with, and satisfaction of, RCN's obligations under Bankruptcy Code § 365(b)(1) with respect to the Insurance Programs and the Service Agreements and any and all defaults of RCN that have been, or could be, alleged by Royal to exist thereunder as of the date hereof.

4. Upon Royal's receipt of the Payment in good funds, the Insurance Programs and the Service Agreements shall be deemed assumed in their entireties pursuant to Bankruptcy Code § 365(a).

5. Within three (3) business days following the later to occur of (a) Royal's receipt of the Payment in good funds, and (b) Royal's receipt from the L/C Issuer of an amendment (in form and substance reasonably acceptable to Royal) to the L/C that reduces the undrawn amount of the L/C by \$517,000 to a new undrawn amount of \$1,139,000:

(i) Royal shall reduce the Escrow Deposits by \$94,000 to a new balance of \$48,000 by payment of such \$94,000 to RCN by wire transfer in accordance with the following wire transfer instructions: PNC Bank, N.A., 201 Penn Avenue, Scranton, PA 18503, ABA No. 031000053, for credit to RCN Financial Management, Inc., Account No. 9004953723; and

(ii) Royal shall consent to such amendment to the L/C and shall execute and return to the L/C Issuer such documentation as the L/C Issuer shall reasonably request to confirm such consent.

6. Royal and RCN acknowledge and agree that the foregoing reductions of the Escrow Deposits and the L/C are interim in nature and that all future reductions and/or adjustments to the Escrow Deposits and/or the L/C shall be in accordance with the terms and conditions of the Insurance Programs and the Service Agreements.

7. This Stipulation shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors and assigns.

8. This Stipulation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties, by their respective counsel, have executed this

Stipulation and agree to be bound by the terms and conditions hereof.

Dated: June 21, 2005

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Susheel Kirpalani (SK 8926)
Lena Mandel (LM 3769)

By: /s/ Joshua I. Divack
Joshua I. Divack (JD 7202)
A Member of the Firm

AS STIPULATED, SO ORDERED AND APPROVED
this ____ day of June, 2005:

HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Policy Description	Policy Number
Automobile Liability	P2TS468478
Automobile Liability	P2TW468479
Commercial General Liability	P2tR468475
Owners & Contractors Protective Liability	R2TS468745
Owners & Contractors Protective Liability	R2TS468746
Railroad Protective Liability	R2TS468750
Railroad Protective Liability	R2TS468747
Railroad Protective Liability	R2TS468748
Railroad Protective Liability	R2TS468749
Workers Compensation	R2IJ000178
Workers Compensation	R2TO468476