

Dennis F. Dunne (DD 7543)
Susheel Kirpalani (SK 8926)
Lena Mandel (LM 3769)
MILBANK, TWEED, HADLEY & M^cCLOY LLP
1 Chase Manhattan Plaza
New York, New York 10005
(212) 530-5000

Presentment Date: November 23, 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
CONSENT ORDER BETWEEN RCN CORPORATION AND
MARIE DEWEES RELATING TO PROOF OF CLAIM NO. 395**

PLEASE TAKE NOTICE that on November 23, 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 Consent Order Under (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

November 22, 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 November 30, 2005 at 10:00 a.m. (EST). 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
November 7, 2005

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Lena Mandel
Dennis F. Dunne (DD 7543)
Susheel Kirpalani (SK 8926)
Lena Mandel (LM 3769)
1 Chase Manhattan Plaza
New York, New York 10005
(212) 530-5000

Attorneys for RCN Corporation, et al.,
Reorganized Debtors

Dennis F. Dunne (DD 7543)
Susheel Kirpalani (SK 8926)
MILBANK, TWEED, HADLEY & M^cCLOY LLP
1 Chase Manhattan Plaza
New York, New York 10005-1413
(212) 530-5000

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

**STIPULATION AND CONSENT ORDER BETWEEN RCN
CORPORATION AND MARIE DEWEES RELATING TO
PROOF OF CLAIM NO. 395**

This Stipulation and Consent Order (the "Stipulation")
is entered into by and between RCN Corporation ("RCN"), one of
the reorganized debtors in the above-captioned cases, and Marie
DeWees ("DeWees" and, together with RCN, the "Parties").

WHEREAS, on May 27, 2004 (the "Petition Date"), RCN
filed a voluntary petition for relief under chapter 11 of title
11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended,
the "Bankruptcy Code") in the United States Bankruptcy Court for
the Southern District of New York; and

WHEREAS, prior to the Petition Date, DeWees commenced
an action against RCN and certain of its former officers
("Individual Co-Defendants") in Law Division, State of New

Jersey, County of Mercer (the "State Court Action"), in which DeWees alleged gender and age discrimination, which action is currently pending and is unresolved; and

WHEREAS, neither of the Individual Co-Defendants may assert any claims against RCN in connection with the State Court Action, for indemnification or otherwise, because any such potential claims have been discharged in RCN's bankruptcy case; and

WHEREAS, DeWees timely filed a proof of claim against RCN ("Claim No. 395") in the amount of \$4,525,000 on account of the claims underlying the State Court Action; and

WHEREAS, on or about October 7, 2004, RCN objected to Claim No. 395 in its Second Omnibus Objection Pursuant to 11 U.S.C. §§ 502(b) and 510(b) and Fed. R. Bankr. P. 3003 and 3007; and

WHEREAS, on November 17, 2004, this Court entered the Order With Respect To Debtors' Second Omnibus Objection Pursuant To 11 U.S.C. §§ 502(b) And 510(b) And Fed. R. Bankr. P. 3003 And 3007 To Claims (Docket No. 391), in which, among other things, Claim No. 395 was disallowed in its entirety and expunged (the "Expungement Order"); and

WHEREAS, on December 8, 2004, this Court confirmed the Joint Plan Of Reorganization Of RCN Corporation And Certain Subsidiaries, dated October 12, 2004 (the "Plan"); and

WHEREAS, on or about September 21, 2005, DeWees filed a motion with this Court seeking (a) relief from the Expungement Order with respect to Claim No. 395 and (b) the lifting of the automatic stay to allow her to proceed with the State Court Action; and

WHEREAS, in an effort to avoid expenses and delay of litigation, the Parties agreed to enter into this Stipulation and RCN has undertaken to seek its approval from the Court not later than November 7, 2005.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Stipulation, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the Parties as follows:

1. Claim No. 395. Upon entry of this Stipulation on the docket of this Court, pursuant to F.R.Civ.P. 60(b), made applicable to these cases by Fed. R. Bankr. P. 9024, Claim No. 395 shall be reinstated on RCN's claims docket and deemed allowed as a general unsecured claim in the amount of \$750,000.

2. Plan Treatment. Claim No. 395 shall be classified as a Class 5 Claim under the Plan, entitled, in accordance with the provisions of the Plan, in its full and final satisfaction, to a distribution of its *pro rata* share of RCN's New Common Stock (as defined in the Plan) and shall not be

entitled to any other distributions from RCN's estate or from the reorganized RCN.

3. Distribution. The initial distribution on account of Claim No. 395 (the "Initial Distribution") shall be payable no later than 10 calendar days following the Court's so-ordering this Stipulation (the "Payment Date") as follows: (a) 15,305 shares of New Common Stock to DeWees and (b) 7,653 shares of New Common Stock to Green & Savits, LLC and associated counsel that will be specifically identified to RCN prior to such date, in each case, to the respective accounts designated by each recipient. If a stock split occurs prior to the Payment Date, the Initial Distribution shall be recalculated to reflect such stock split and adjusted accordingly. The Initial Distribution may not represent the total distribution payable on account of Claim No. 395 under the Plan; the final distribution, if any, shall be effected upon the completion of the claims reconciliation process, however, neither the amount nor the timing of such final distribution can be determined as of date of the execution of this Stipulation. [Upon such final distribution, RCN shall provide DeWees with documented support for its final calculation of the number of shares of the New Common Stock that DeWees is entitled to on account of Claim No. 395.] [Jon, have you looked at the 10K and are you satisfied with the info?]

4. Release and Waiver. Upon the entry of this Stipulation on the docket of the Court, DeWees shall be deemed to have released RCN and all of its subsidiaries and affiliates (the "Released Parties"), to the fullest extent allowable by law, from all claims, charges, causes of action and damages existing from the beginning of time, and to have waived any and all right to proceed against the Released Parties at law or in equity in any forum, other than to enforce the terms of this Stipulation in this Court. Nothing in this Stipulation shall be construed as a waiver or release of any claims that DeWees may have against any of the Individual Co-Defendants.

5. No Admission of Liability. Neither this Stipulation nor the allowance of Claim No. 395 shall in any way represent admission of liability with respect to any allegations asserted by DeWees in the State Court Action or otherwise.

6. State Court Action. Upon the entry of this Stipulation of the docket of the Court, DeWees shall take any and all actions necessary to have the State Court Action dismissed with prejudice with respect to RCN only.

7. No Discovery. DeWees and her counsel agree that they will not initiate any formal discovery against any of the Released Parties in the State Court Action or any other court or arbitration proceedings related to the subject matter of the State Court Action. Notwithstanding the foregoing, RCN agrees,

upon reasonable request, to cooperate with DeWees by informally responding to questions relevant to the State Court Action and by authenticating documents, to the extent able to do so, that may need authentication.

8. Authority and Representations. The Parties represent and warrant to each other that: (i) the signatories to this Stipulation are authorized to execute this Stipulation; (ii) each has full power and authority to enter into this Stipulation; and (iii) this Stipulation is duly executed and delivered, and constitutes a valid, binding agreement in accordance with its terms.

9. Binding Nature. This Stipulation (i) shall inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns and (ii) shall be binding upon and enforceable against the Parties and their respective successors and assigns upon the entry of this Stipulation on the docket of this Court.

10. Non-Severability. The provisions of this Stipulation are mutually interdependent, indivisible and non-severable.


11. Effective Date. This Stipulation may be executed in one or more counterparts and by facsimile, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by

each of the Parties and delivered to all Parties, and the Court has entered the Stipulation on its docket.

12. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to interpret, implement and enforce the provisions of this Stipulation.

IN WITNESS WHEREOF, the Parties have executed this Stipulation on November 4, 2005.

MILBANK, TWEED, HADLEY & McCLOY LLP

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

One Chase Manhattan Plaza
New York, New York 10005-1413
(212) 530-5000

Attorneys for RCN Corporation,
Reorganized Debtor.

GREEN & SAVITS, LLC

By: /s/ DRAFT
Jon W. Green
35 Airport Road, Suite 350
Morristown, New Jersey 07960
(973) 695-7777

Attorneys for Marie DeWees.

So Ordered on _____, 2005

ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE

effective when one or more such counterparts have been signed by each of the Parties and delivered to all Parties, and the Court has entered the Stipulation on its docket.

12. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to interpret, implement and enforce the provisions of this Stipulation.

IN WITNESS WHEREOF, the Parties have executed this Stipulation on November __, 2005.

MILBANK, TWEED, HADLEY & McCLOY LLP

By: /s/ DRAFT
Susheel Kirpalani (SK 8926)
Lena Mandel (LM 3769)

One Chase Manhattan Plaza
New York, New York 10005-1413
(212) 530-5000

Attorneys for RCN Corporation,
Reorganized Debtor.

MARIE DEWEES, CREDITOR

Marie DeWees ul4los

GREEN & SAVITS, LLC

By: ~~/s/ DRAFT~~ Jon W. Green ul4los
Jon W. Green
35 Airport Road, Suite 350
Morristown, New Jersey 07960
(973) 695-7777

Attorneys for Marie DeWees.