

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 11
RCN CORPORATION, et al., :
: Case No. 04-13638 (RDD)
Debtors. :
: (Jointly Administered)
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**ORDER UNDER 11 U.S.C. §§ 105, 363(b)(1) AND 503(b)
AUTHORIZING THE CONTINUATION OF AN EXISTING
EMPLOYEE RETENTION AND SEVERANCE BENEFITS PLAN**

Upon the motion (the "Motion")¹ of the Debtors for entry of an order under 11 U.S.C. §§ 105 and 363(b)(1) authorizing the Debtors' continuation of an existing employee retention and severance benefits plan; and upon the objection (the "Objection") to the Motion filed by Wells Fargo & Company and Vulcan Ventures Inc., and the Court having held a hearing (the "Hearing") on the Motion on July 1, 2004; and the Court having determined, based on the record established at the Hearing, including the representations made by counsel and the testimony of John S. Dubel, and for the reasons set forth by the Court on the record at the Hearing, that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that notice of the Motion was good and sufficient under the particular circumstances, and no other and further

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

notice need be given; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Objection is DENIED, and the Motion is GRANTED.
2. Pursuant to 11 U.S.C. §§ 105(a), 363(b)(1) and 503(b) the Key Employee Retention and Severance Plan, a copy of which is attached hereto as Exhibit A, is hereby approved, and all payments thereunder are hereby authorized, ratified and approved.
3. The requirement of Local Bankr. R. 9013-1(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Motion.

Dated: New York, New York
July 2, 2004

/s/ ROBERT D. DRAIN
Judge Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

Exhibit A