WF&G Draft
11/15/04

RCN CORPORATION,

as the Company,

THE GUARANTORS,

as defined herein,

and

THE PURCHASERS,

as defined herein.

NOTE PURCHASE AGREEMENT

7.5% Convertible Second-Lien Notes due 2012

Dated as of [_____], 2004

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NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (the "Agreement") is dated as of [_____], 2004, and entered into by and among RCN Corporation, a Delaware corporation (the "Company"), each subsidiary of the Company listed on Schedule I hereto that is required to be a guarantor under the Indenture (as defined below) (each a "Guarantor", and collectively, the "Guarantors"), and the institutional investors whose names and addresses are listed on Schedule II hereto (each a "Purchaser", and collectively, the "Purchasers"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Section 9.1 of this Agreement.

WHEREAS, subject to the terms and conditions of this Agreement, the Company has agreed to issue and sell, and the Purchasers have severally agreed to purchase in the aggregate [One Hundred Fifty] Million Dollars ($[150],000,000) principal amount of the Company's 7.5% Convertible Second-Lien Notes due 2012 substantially in the form attached as Exhibit A to the Indenture (as defined below), as such form of note may be amended, modified or supplemented from time to time in accordance with the terms thereof (each a "Note" and collectively, the "Notes"), which shall be convertible into shares of the common stock outstanding after giving effect to the Joint Plan of Reorganization of the Company and certain of its Subsidiaries filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on October 12, 2004, and any amendments or supplements thereto (as so amended or supplemented, the "Plan of Reorganization") and pursuant to Section 1145 of Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), par value [$0.01] per share, of the Company (the "Common Stock"; and the shares of Common Stock into which the Notes are convertible are sometimes referred to herein as the "Conversion Shares"). The Notes will be issued pursuant to an Indenture, dated as of [_____], 2004 (the "Indenture"), by and among the Company, the Guarantors and [_____], as Trustee (the "Trustee");

WHEREAS, Deutsche Bank Securities Inc. has agreed to act as exclusive placement agent with respect to the offering of the Notes;

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the Company and each of the Purchasers are entering into a Registration Rights Agreement substantially in the form attached hereto as Exhibit A (as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof, the "Registration Rights Agreement") pursuant to which the Company will agree to provide the Purchasers with the benefit of certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), and applicable state securities laws, on the terms and subject to the conditions set forth therein;

WHEREAS, to induce the Purchasers to enter into this Agreement, the Company and the Guarantors have agreed to enter into a Pledge Agreement in a form mutually satisfactory to the Company, the Guarantors and the Purchasers (as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof, the "Pledge Agreement"), a Security Agreement in a form mutually satisfactory to the Company, the Guarantors and the Purchasers (as the same may be amended, modified or supplemented from time to time in

accordance with the terms thereof, the "Security Agreement"), an Intercreditor Agreement (as defined in the Indenture) and such other documents required to grant a valid and perfected second-priority lien and security interest in the collateral of the Company and the Guarantors (collectively, with the Pledge Agreement and Security Agreement, the "Security Documents"); and

WHEREAS, the Notes will be secured by the collateral so described in the Security Documents, subject to the limitations specified therein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Guarantors and each of the Purchasers hereby agree as follows:

SECTION 1. AUTHORIZATION; PURCHASE AND SALE OF NOTES.

(a) Authorization of Notes. The Company has duly authorized the issue and sale of (i) $[150],000,000 aggregate principal amount of the Notes and (ii) the Common Stock issuable upon conversion of the Notes in accordance with the terms of the Indenture and the Notes. The Notes are being issued pursuant to the Indenture.

(b) Purchase and Sale of Notes. On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions hereof, including, without limitation, the satisfaction (or waiver, to the extent permitted by this Agreement and applicable law) of the conditions set forth in Section 6 and Section 7 of this Agreement, on the Closing Date the Company shall issue and sell to each Purchaser, and each Purchaser severally and not jointly agrees to purchase from the Company, the respective aggregate principal amount of Notes set forth opposite such Purchaser's name on Schedule II hereto. The Company shall issue to each Purchaser One Thousand United States Dollars ($1,000) principal amount of the Notes for each One Thousand United States Dollars ($1,000) tendered by each such Purchaser.

(c) Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 10:00 a.m., New York City time, on the second Business Day (as defined below) following the date on which the last to be fulfilled or waived of the conditions set forth in Section 6 and Section 7 hereof shall have been fulfilled or waived in accordance with this Agreement, or on such other date as may be mutually agreed to by the Company and the Purchasers (the "Closing Date"), at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York, or such other location as the Purchasers and the Company shall mutually select. As used herein, "Business Day" shall mean any day other than a Saturday, a Sunday or any day on which commercial banks are permitted or required to be closed in New York City.

(d) Form of Payment. On the Closing Date, (i) each Purchaser shall pay the Company for the Notes to be issued and sold to such Purchaser, by wire transfer of immediately available funds in accordance with the Company's wire transfer instructions attached hereto on Exhibit B, (ii) the Company shall reimburse each Purchaser for its expenses to the extent

required by Section 4(f) of this Agreement, and (iii) the Company shall issue [to each Purchaser or in the name of its nominee or other designee properly authenticated Notes (in the denominations of not less than One Thousand United States Dollars ($1,000) as such Purchaser shall request) representing the aggregate principal amount of Notes which such Purchaser is then purchasing hereunder duly executed on behalf of the Company and registered in the name of such Purchaser or, at the request of such Purchaser, the Purchaser's designees.] **[PURCHASERS AND THE COMPANY TO DISCUSS WHETHER THE NOTES WILL INITIALLY BE IN DEFINITIVE OR GLOBAL FORM.]** The parties hereto acknowledge that the Company's agreements with each of the Purchasers are separate agreements and the sale to each of the Purchasers are separate sales.

SECTION 2. PURCHASERS' REPRESENTATIONS AND WARRANTIES.

Each Purchaser severally and not jointly represents and warrants to the Company as follows:

(a) Investment Purpose. Purchaser is acquiring the Notes for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the Securities Act; provided, however, that by making the representations herein, Purchaser does not agree to hold any of the Notes or the Conversion Shares (collectively, the "Securities") for any minimum or other specific term and reserves the right to dispose of the Securities at any time.

(b) Accredited Investor Status. Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

(c) Reliance on Exemptions. Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and such Purchaser's compliance with, the representations and warranties of Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of Purchaser to acquire the Securities.

(d) Information. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Company as contemplated by this Agreement, and is able to bear the economic risk of such investment for an indefinite period of time. Purchaser has been furnished access to such information and documents as it has requested and has been afforded an opportunity to ask questions of and receive answers from representatives of the Company concerning the terms and conditions of this Agreement and the purchase of the Securities contemplated hereby. Neither such inquiries nor any other due diligence investigations conducted by such Purchaser or its advisors, if any, or its representatives shall limit, modify, amend or affect the Company's representations and warranties contained in this Agreement or any other Transaction Document and Purchaser's right to rely thereon.

(e) No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(f) Transfer or Resale. Purchaser understands that the Securities have not been registered under the Securities Act or any state securities laws. Purchaser further understands that, except as and to the extent provided in the Registration Rights Agreement, the Company has not agreed to cause the Securities to be so registered, and that the Securities may not be offered for sale, sold, assigned or transferred without registration under the Securities Act or an exemption therefrom and that, in the absence of an effective registration statement under the Securities Act, such Securities may only be sold under certain circumstances as set forth in the Securities Act .

(g) Authorization; Enforcement; Validity. Purchaser has taken all action necessary for the authorization, execution, delivery and performance of this Agreement and its obligations hereunder, and, upon execution and delivery by the Company and the Guarantors, this Agreement shall constitute the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except that such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and by general principles of equity.

(h) Residency. Purchaser is a resident of that country or state specified in its address on Schedule II attached hereto.

The Purchaser's representations and warranties made in this Section 2 are made solely for the purpose of permitting the Company to make a determination that the offer and sale of the Notes pursuant to this Agreement complies with applicable United States federal and state securities laws and not for any other purpose. Accordingly, the Company shall not rely on such representations and warranties for any other purpose.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE GUARANTORS.

The Company and the Guarantors jointly and severally represent and warrant to each of the Purchasers as follows: **[PURCHASERS WILL CONFORM THE REPRESENTATIONS AND WARRANTIES BELOW TO THOSE GIVEN BY THE COMPANY AND THE GUARANTORS IN THE DEUTSCHE BANK CREDIT AGREEMENT. HOWEVER, PURCHASERS EXPECT REPRESENTATIONS FROM THE COMPANY AND THE GUARANTORS REGARDING, AMONG OTHER THINGS, THE FOLLOWING MATTERS.]**

(a) Organization and Qualification.

(b) Authorization; Enforcement; Validity.

(c) Valid Security Interest.

(d) Capitalization.

(e) Issuance of Securities. All of the (i) shares of capital stock of the Company outstanding after giving effect to the Plan of Reorganization and pursuant to Section 1145 of the Bankruptcy Code and (ii) outstanding shares of capital stock of the Guarantors have, in each case, been duly and validly issued and are fully paid and nonassessable, and were issued in accordance with the registration or qualification requirements of the Securities Act and any relevant state securities laws or pursuant to valid exemptions therefrom. Upon issuance, sale and delivery as contemplated by this Agreement, the Notes will be duly authorized and fully paid and free and clear of any and all security interests, pledges, liens, charges, claims, options, restrictions on transfer, preemptive or similar rights, proxies and voting or other agreements, or other encumbrances of any nature whatsoever ("Encumbrances"), except for those created by the Security Documents and other than restrictions on transfer imposed by United States federal or state securities laws. At the Closing, at least [_____] shares of Common Stock will have been duly authorized and reserved for issuance upon conversion of the Notes. Upon conversion or issuance in accordance with the Notes, the Conversion Shares will be duly authorized, validly issued, fully paid and nonassessable and free and clear of any and all Encumbrances, except for those created by the Security Documents, those created by the documents required to grant a valid and perfected first-priority lien and security interest in the collateral of the Company and the Guarantors and other than restrictions on transfer imposed by United States federal or state securities laws. Upon conversion or issuance in accordance with the Notes, the holders of the Conversion Shares will be entitled to all rights accorded to a holder of Common Stock. Subject to the accuracy of the representations and warranties of the Purchasers, the issuance by the Company of the Securities is exempt from registration under the Securities Act and applicable state securities laws.

(f) Guarantees.

(g) No Conflicts.

(h) SEC Documents.

(i) Financial Statements.

(j) Indebtedness.

(k) Absence of Litigation.

(l) Intellectual Property Rights.

(m) Insurance.

(n) Regulatory Permits.

(o) Tax Matters.

(p) Foreign Corrupt Practices Act.

(q) Transactions With Affiliates.

(r) Absence of Certain Changes.

(s) Bankruptcy Matters.

(t) Disclosure Statement and No Material Non-Public Information.

(u) Government Authorizations.

(v) Employee Relations.

(w) Title.

(x) Environmental Laws.

(y) Placement Agent.

(z) Event of Default. No event has occurred or is continuing which constitutes, or with notice or lapse of time could constitute, an Event of Default (as defined in Indenture and the Note).

(aa) Dilutive Effect. The Company understands and acknowledges that the number of Conversion Shares issuable upon conversion of the Notes will increase in certain circumstances. The Company further acknowledges that its obligation to issue Conversion Shares upon conversion of the Notes in accordance with this Agreement, the Indenture and the Notes is, in each case, absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholders of the Company.

(bb) Insolvency. The Company will not as of the date hereof, after giving effect to the transactions contemplated hereby to occur at the Closing, be Insolvent (as defined below). For purposes of this Section 3(bb), "Insolvent" means (i) the present fair saleable value of the Company's assets is less than the amount required to pay the Company's total debt, (ii) the Company is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, (iii) the Company intends to incur or believes that it will incur debts that could be beyond its ability to pay as such debts mature or (iv) the Company has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(cc) Effect of Transactions. Neither (a) the purchase of the Notes by the Purchasers, (b) the issuance of the Conversion Shares to the Purchasers nor (c) the consummation of the transactions contemplated by this Agreement will result in (i) any Material Adverse Effect, (ii) the acceleration of any rights under any Contract to which the Company or any of its Subsidiaries is a party, the vesting of any outstanding option, warrant, call, conversion right, preemptive right or other right to subscribe for, purchase or otherwise acquire any of the shares of the capital stock of the Company or any Subsidiary or any of the stock of the Company or any of its Subsidiaries, or debt securities of the Company or any of its Subsidiaries (collectively "Commitments", and each individually a "Commitment"), (iii) any obligation of the

Company to grant, extend or enter into any Contract or Commitment, or (iv) any right in favor of any Person to terminate or cancel any Contract to which the Company or any of its Subsidiaries is a party.

(dd) Registration Rights. Except for the Registration Rights Agreement and the registration rights agreement between the Company and [ ], dated [ ], 2004, neither the Company nor any its Subsidiaries will, as of the Closing Date, be under any obligation to register any of its securities under the Securities Act.

(ee) No Integrated Offering. Neither the Company, nor any of its Subsidiaries or Affiliates, nor any person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that could cause this offering of the Securities to be integrated with any other offerings by the Company for purposes of the Securities Act or any applicable shareholder approval provisions, nor will the Company or any of its Affiliates (including the Guarantors) take any action or steps that could cause the offering of the Securities to be integrated with other offerings. Subject to the truth, correctness and completeness of the Purchasers' representations and warranties set forth in Section 2 hereof, the offer, issuance and sale of the Notes and the Conversion Shares are and will be exempt from the registration and prospectus delivery requirements of the Securities Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

(ff) Application of Takeover Protections. The Company and its Board of Directors (the "Board") have taken all necessary action in order to render inapplicable any corporate takeover provision under laws of the State of Delaware or any other state or federal "fair price", "moratorium", "control share acquisition", "business combination" or other similar anti-takeover statute or regulation, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Certificate of Incorporation of the Company or the Bylaws of the Company (each, a "Takeover Provision") which is, or could be, applicable to the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and the Purchasers' ownership, voting (to the extent applicable) or disposition of the Securities.

(gg) Investment Company.

(hh) No Subsidiary Restrictions.

(ii) Internal Accounting Controls.

(jj) Independent Accountants. [_____] have advised the Company that they are, and to the best knowledge of the Company they are, independent accountants as required by the Securities Act.

(kk) Sarbanes-Oxley Act.

(ll) Brokers and Finders.

Any certificate signed by any officer of the Company or any Guarantor and delivered to the Purchasers or counsel for the Purchasers pursuant to the terms of this Agreement shall be deemed a representation and warranty by the Company or Guarantor, as applicable, as to matters covered thereby, to each Purchaser.

SECTION 4. COVENANTS OF THE PARTIES.

(a) Obligations. Each party hereto shall use commercially reasonable efforts to timely satisfy each of the conditions to be satisfied by it as provided in Section 6 and Section 7 of this Agreement.

(b) Form D and Blue Sky. The Company agrees to timely file a Form D with the Securities and Exchange Commission (the "Commission") with respect to the Securities to the extent required under Regulation D of the Securities Act and to provide, upon request, a copy thereof to each Purchaser. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing pursuant to this Agreement under applicable securities and "blue sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Purchasers on or prior to the Closing Date. The Company shall make all timely filings and reports relating to the offer and sale of the Securities required under applicable securities and "blue sky" laws of the states of the United States following the Closing Date. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(b).

(c) Reporting Status. With a view to making available to the Purchasers the benefits of Rule 144 promulgated under the Securities Act or any similar rule or regulation of the Commission that may at any time permit the Purchasers to sell securities of the Company to the public without registration ("Rule 144"), the Company shall: (1) keep adequate current public information available (as required by Rule 144); (2) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"); and (3) furnish to each Purchaser, so long as such Purchaser owns Registrable Securities (as defined in the Registration Rights Agreement) (the "Reporting Period"), promptly upon request, (A) a written statement by the Company, if true, that it has complied with the applicable reporting requirements of Rule 144, the Securities Act and the Exchange Act, (B) a copy of the most recent annual or quarterly report of the Company and copies of such other reports and documents so filed by the Company, (C) the information required by Rule 144A(d)(4) (or any successor rule) under the Securities Act, and (D) such other information as may be reasonably requested to permit the Purchasers to sell such securities pursuant to Rule 144 (without regard to Rule 144(k)) without registration. Notwithstanding the foregoing, the provisions of clauses (1) and (2) shall not apply with respect to the filing by the Company of its annual report on Form 10-K for the year ended December 31, 2004 by [_____] **[DATE TO BE AGREED TO BY COMPANY AND PURCHASERS].**

(d) Use of Proceeds. The Company intends to use the net proceeds from the sale of the Notes to consummate its Plan of Reorganization (as defined herein) and to pay the fees and expenses incurred therewith.

(e) Reservation of Shares. The Company shall take all actions necessary to at all times have authorized, and reserved for the purpose of issuance, no less than one hundred five percent (105%) of the number of shares of Common Stock (the "Reservation Amount") needed to provide for the issuance of the Conversion Shares upon conversion of all of the Notes without regard to any limitations on conversions or exercise.

(f) Fees and Expenses. At the Closing, the Company shall reimburse the Purchasers for the Purchasers' reasonable and documented fees and disbursements of legal counsel (including the fees and expenses of Willkie Farr & Gallagher LLP incurred on or after August 1, 2004) and consultants and such other expenses, including search fees, diligence fees and expenses, documentation fees and filing fees, incurred by the Purchasers or them in connection with (i) the negotiation and execution and delivery of this Agreement and any instrument delivered in connection therewith as well as any amendments, modifications or waivers thereto, (ii) the Purchasers' due diligence investigation and (iii) the transactions contemplated by this Agreement and the other Transaction Documents. Reimbursement of such fees, disbursements and expenses shall be made by wire transfer of immediately available funds to an account or accounts designated by the Purchasers, set forth in a statement delivered to the Company on or prior to the Closing Date, and thereafter the Company will pay, promptly upon receipt of a supplemental statement therefor, such additional reasonable fees, disbursements and expenses, if any, as may be incurred by the Purchasers in connection with such transactions.

(g) Limits on Additional Issuances. Neither the Company, any of its Subsidiaries nor any of their respective Affiliates will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any "security" (as defined in the Securities Act) that could be integrated with the sale of the Securities in a manner that could require the registration of the Securities under the Securities Act.

(h) No Solicitation. The Company will not, and will not permit any of its Subsidiaries or any of their respective Affiliates to, engage in any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) in connection with the offering of the Securities or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act. Except as contemplated by the Registration Rights Agreement, neither the Company, any of its Subsidiaries nor any of their respective Affiliates, nor any authorized person acting on its or their behalf will, directly or indirectly, make offers or sales of any security, or solicit offers to buy any security, under circumstances that could require the registration of the Securities under the Securities Act.

(i) Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement. Subject to all of the terms and conditions of this Agreement, including, without limitation, Section 7, each Purchaser commits to perform its obligations hereunder and to fund the amount set forth opposite such Purchaser's

name on Schedule II attached hereto. Nothing contained herein or in any other document related to the transactions contemplated hereby, including the Indenture, the Security Documents and Registration Rights Agreement (collectively, the "Transaction Documents"), and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by hereby and thereby. Each Purchaser confirms that it has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. Except as provided by this Agreement and Transaction Documents, each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

(j) Board Seat. For as long as D. E. Shaw Laminar Lending 2, Inc., a Delaware corporation ("Laminar"), together with any Affiliates thereof, beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act) at least forty percent (40%) of the outstanding aggregate principal amount of the Notes, the Company will nominate and use its best efforts to have elected to the Board one individual designated by Laminar (the "Laminar Board Member"). The Company's proxy statement for the election of directors shall include the Laminar Board Member and the recommendation of the Board in favor of election of the Laminar Board Member. For so long as Laminar is otherwise entitled under the provisions of this Agreement to nominate a Laminar Board Member, any vacancy created by the death, disability, retirement or removal (with or without cause) of the Laminar Board Member may be filled by Laminar. Subject to applicable law and any rules or regulations of any stock exchange on which the Common Stock is listed, in the event the Board shall at any time create a committee of the Board, the Company shall use its best efforts to cause the Laminar Board Member to be a member of any such committee so created; provided, however, the foregoing shall not apply to any committee formed for the purpose of considering a transaction between the Company and Laminar. The Laminar Board Member shall be given notice of (in the same manner that notice is given to other members of the Board) all meetings (whether in person, telephonic or otherwise) of the Board, including all committee meetings with respect to committees on which the Laminar Board Member serves. The Laminar Board Member shall be provided with the same information, and access thereto, provided to other members of Board. In addition to any other indemnification rights the Laminar Board Member has pursuant to this Agreement, the Transaction Documents, the Certificate of Incorporation of the Company and the Bylaws of the Company, each Laminar Board Member that serves on the Board shall have the right to enter into, and the Company agrees to enter into, the Director and Officer Indemnification Agreement in the form attached hereto as Exhibit C (the "Indemnification Agreement"), with such changes as the Laminar Board Member and the Company may agree to at the time of execution of such Agreement. **[THE COMPANY TO PROVIDE DRAFT OF INDEMNIFICATION AGREEMENT.]**

(k) Listing of Common Stock.

(1) Listing Generally. The Company shall promptly use its best efforts to secure the listing of the Common Stock on either The New York Stock Exchange, Inc.

("NYSE") or the Nasdaq National Market ("NASDAQ"). In the event the Company does not secure the listing of the (i) Common Stock on either NYSE or NASDAQ (an "Initial Listing Default") on or before the date that is ninety (90) days from the Closing Date (the "Initial Listing Deadline") or (ii) Conversion Shares on either NYSE or NASDAQ (a "Subsequent Listing Default") on or before the date that is the 180th day after the date on which the Company files its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and, in no event later than September 30, 2005 (the "Subsequent Listing Deadline"), in each case, the Company and the Purchasers agree that the Purchasers will suffer damages and that it would not be feasible to ascertain the extent of such damages with precision. In the event of any adjustment to the conversion price of the Notes, the Company shall use its best efforts to cause any additional shares of Common Stock that may be issued upon conversion of all of the Notes then outstanding to be reserved for issuance and to be approved for listing on the NYSE or NASDAQ, as applicable.

(2) Initial Listing Default. Upon an Initial Listing Default, commencing on the day after the Initial Listing Deadline, the interest rate on the Notes then in effect shall automatically increase in an amount equal to 0.25% per annum of the principal amount of the Notes and thereafter the interest rate on the Notes shall automatically increase by an additional amount equal to 0.25% per annum each subsequent 90-day period until the Initial Listing Default has been cured, subject to a maximum increase in the interest rate pursuant to this Section 4(l)(2) of 2.0%.

(3) Subsequent Listing Default. Upon a Subsequent Listing Default, commencing on the day after the Subsequent Listing Deadline, the interest rate on the Notes then in effect shall automatically increase in an amount equal to 0.25% per annum of the principal amount of the Notes and thereafter the interest rate on the Notes shall automatically increase by an additional amount equal to 0.25% per annum each subsequent 90-day period until the Subsequent Listing Default has been cured, subject to a maximum increase in the interest rate pursuant to this Section 4(l)(3) of 2.0%.

(4) Listing Default Procedures and Payments. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(l). Additional interest on the Notes as a result of this Section 4(l) shall cease to accrue and the interest rate on the Notes will revert to the original interest rate of the Notes on the date on which the Initial Listing Default or Subsequent Listing Default, as applicable, is cured; provided, however, any additional interest that has accrued as a result of an Initial Listing Default or Subsequent Listing Default, as applicable, and remains unpaid prior to the date on which the Company's obligation to pay additional interest pursuant to this Section 4(l) ceases, shall be payable to the holders of the Notes; provided further, that if additional interest on the Notes is owed pursuant to the Registration Rights Agreement or default interest is owed on the Notes pursuant to the terms of the Indenture, then on the date on which the Initial Listing Default or Subsequent Listing Default, as applicable, is cured, the interest rate on the Notes will revert to the then applicable rate on the Notes. Additional interest shall be computed based on the actual number of days elapsed during which any such Initial Listing Default or Subsequent Listing Default, as applicable, exists. So long as the Notes remain outstanding, the Company shall notify the Trustee

within five Business Days after an Initial Listing Default or Subsequent Listing Default, as applicable. Any amounts of additional interest due pursuant to this Section 4(l) will be payable in cash semi-annually on each January 15 and July 15 (each, an "Additional Interest Payment Date"), commencing with the first such date occurring after any such additional interest commences to accrue, to holders of the Notes to whom regular interest on the Notes is payable on such Additional Interest Payment Date. If there is an Initial Listing Default and Subsequent Listing Default occurring at the same time, then the holders of the Notes shall be entitled to the additional interest contemplated by both Sections 4(k)(2) and 4(k)(3) above. Notwithstanding the foregoing, the maximum increase in the interest rate on the Notes pursuant to Section 3 of the Registration Rights Agreement and this Section 4(k) shall not in the aggregate exceed 2.0% per annum.

(l) Compliance with Laws. So long as any of the Notes remain outstanding, the Company shall comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with the Securities Act and the Exchange Act, subject to the last sentence of Section 4(c) hereof.

(m) Takeover Provisions. If any Takeover Provision shall become applicable to the Purchasers or the transactions contemplated hereby, including, without limitation, as a result of the conversion of the Notes into Common Stock, the Company and the Board shall grant such approvals and take such actions as are necessary so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of such statue or regulation on the Purchasers and the transactions contemplated hereby.

(n) PORTAL Market. The Company will cooperate with the Purchasers and use its commercially reasonable efforts to (i) permit the Notes to be eligible for clearance and settlement through the facilities of the Depository Trust Company ("DTC") and such other clearance and settlement systems that the Purchasers may designate and (ii) arrange to have the Notes be designated as PORTAL-eligible securities in accordance with the rules and regulations of the NASD, Inc. relating to The PORTAL Market operated by The NASDAQ Stock Market, Inc. (or any successor thereto, including any successor PORTAL market).

SECTION 5. TRANSFER AGENT INSTRUCTIONS.

The Company shall issue irrevocable instructions to its transfer agent, and any subsequent transfer agent, to issue certificates or credit shares to the applicable balance accounts at DTC, registered in the name of each Purchaser or their respective nominee(s), for the Conversion Shares in such amounts as specified from time to time by a Purchaser to the Company upon conversion of the Notes and in accordance with their respective terms, substantially in the form attached hereto as Exhibit D (the "Irrevocable Transfer Agent Instructions"). The Company represents and warrants that no instruction inconsistent with the Irrevocable Transfer Agent Instructions referred to in this Section 5 will be given by the Company to its transfer agent and that, subject to applicable law, the Securities shall be freely transferable on the books and records of the Company as and to the extent provided in this Agreement, the Notes, the Indenture, the Pledge Agreement, the Security Agreement, the

Intercreditor Agreement and the Registration Rights Agreement. If a Purchaser provides the Company with an opinion of counsel, in form reasonably acceptable to the Company, to the effect that a public sale, assignment or transfer of the Securities has been made without registration under the Securities Act or that the Securities can be sold pursuant to Rule 144, the Company shall permit the transfer, and, in the case of the Conversion Shares, promptly instruct its transfer agent to issue one or more certificates, or credit shares to one or more balance accounts at DTC, in such name and in such denominations as specified by such Purchaser and without any restrictive legend. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Purchasers by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5, that the Purchasers shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

SECTION 6. CONDITIONS TO THE COMPANY'S OBLIGATION TO CLOSE.

The obligation of the Company to issue and sell the Notes to each respective Purchaser at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of each Purchaser shall be true and correct on the date hereof and on and as of the Closing Date as though made at that time; and each Purchaser shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by such Purchaser at or prior to the Closing Date.

(b) Payment of Purchase Price. Each Purchaser shall have delivered to the Company the aggregate purchase price for the Notes being purchased by such Purchaser at the Closing, by wire transfer of immediately available funds pursuant to the wire instructions attached hereto as Exhibit B.

SECTION 7. CONDITIONS TO EACH PURCHASER'S OBLIGATION TO PURCHASE THE NOTES. **[THE CLOSING CONDITIONS IN THIS SECTION RELATING TO SECURITY DOCUMENTS, LIEN SEARCHES, LEGAL OPINIONS, TITLE INSURANCE, ETC. WILL MIRROR THOSE CONTAINED IN THE DEUTSCHE BANK CREDIT AGREEMENT WITH APPROPRIATE CHANGES REFLECTING THE SECOND LIEN PRIORITY OF THE SECOND-LIEN NOTES.]**

The obligation of each Purchaser to purchase the Notes from the Company at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of the Company and each Guarantor shall be true and correct on the date hereof and on and as of the Closing Date as though made at that time; and the Company and each Guarantor

shall have performed, satisfied and complied with the covenants, agreements and conditions required by this Agreement and the Transaction Documents to be performed, satisfied or complied with by the Company and each Guarantor at or prior to the Closing Date.

(b) Indebtedness. On the Closing Date, the Company and its Subsidiaries shall have no outstanding Indebtedness except Indebtedness resulting from (i) the issuance of the Notes, (ii) the initial draw under the First-Lien Credit Facility (as defined below) and (iii) certain Indebtedness in an aggregate amount not in excess of $50,000,000 assumed by the Company and its Subsidiaries pursuant to the Plan of Reorganization (as defined below).

(c) Plan of Reorganization. The Plan of Reorganization shall have been delivered to the Purchasers and shall expressly provide for and describe the issuance of the Notes pursuant to this Agreement. The Purchasers shall be given reasonable notice of and opportunity to review any amendment or supplement to the Plan of Reorganization. The Plan of Reorganization shall have been approved by the Bankruptcy Court. The Plan of Reorganization shall have become effective in accordance with its terms without waiver of any condition to such effectiveness that, in the Purchaser's reasonable judgment, is material. The effective date of the Plan of Reorganization shall have occurred on or prior to the Closing Date.

(d) Confirmation Order. The Plan of Reorganization shall have been confirmed pursuant to a confirmation order (the "Confirmation Order") in accordance with Sections 1128 and 1129 of the Bankruptcy Code. The Confirmation Order shall have been delivered to the Purchasers, shall address the granting of all liens required under the Indenture and the Security Documents and shall be in form and substance reasonably satisfactory to the Purchasers. The Confirmation Order shall be in full force and effect and shall not have been stayed pending appeal, no appeal or petition for review or rehearing shall have been taken or shall be pending. The Confirmation Order shall be final and not be subject to appeal and not less than eleven (11) days shall have elapsed since entry of the Confirmation Order and the Purchasers shall have received evidence satisfactory to it demonstrating such facts.

(e) First-Lien Credit Facility. The Company and the Guarantors shall have, simultaneously with the Closing Date, executed the $[355] million first-lien credit facility with a syndicate of lenders led by Deutsche Bank AG Cayman Islands Branch and Deutsche Bank Securities Inc. containing the terms set forth in that certain Commitment Letter, dated May 24, 2004, among the Company, Deutsche Bank AG Cayman Islands Branch and Deutsche Bank Securities Inc. (but excluding the terms with respect to the Second-Lien Credit Facility, as defined therein), which terms shall be satisfactory to the Purchasers (the "First-Lien Credit Facility"). The Company shall have, simultaneously with the Closing Date, received aggregate proceeds of $[330] million from its initial draw under the First-Lien Credit Facility.

(f) Purchase of Notes. The Company shall have confirmed in writing to the Purchasers that it will be issuing an aggregate of $[150],000,000 principal amount of Notes to the Purchasers on the Closing Date.

(g) No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred a Material Adverse Effect.

(h) No Legal Impediment to Issuance. There shall exist no action, suit, investigation, litigation or proceeding affecting the Company, any Subsidiary or any of their respective Affiliates pending or threatened before any court, governmental agency or arbitrator that (i) has had, or will have, a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Transaction Document or the consummation of the transactions contemplated hereby and thereby. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that could, as of the Closing Date, prevent the issuance or sale of the Securities and no injunction or order of any federal, state or foreign court shall have been issued that could, as of the Closing Date, prevent the issuance or sale of the Securities.

(i) Laminar Board Member. [Daniel Tseung] shall have been elected to the Board to serve as the Laminar Board Member. The Indemnification Agreement shall have been duly executed and delivered by the Company.

(j) Payment of Fees. The Company shall have paid all fees that are due and payable pursuant to Section 4(f) of this Agreement.

(k) Registration Rights Agreement. The Purchasers shall have received the Registration Rights Agreement duly executed and delivered by the Company.

(l) Indenture. The Purchasers shall have received the Indenture duly executed and delivered by the Company, the Guarantors and the Trustee, and the Notes shall have been duly (i) executed by the Company and (ii) authenticated by the Trustee.

(m) Intercreditor Agreement. The Purchasers shall have received the Intercreditor Agreement duly executed and delivered by the Company, the Guarantors and the other parties thereto.

(n) Security Documents. The Purchasers shall have received the Security Documents duly executed and delivered by the Company, the Guarantors and the other parties thereto.

(o) Delivery of Notes. The Company shall have executed and delivered to each Purchaser the Notes being purchased by such Purchaser at the Closing.

(p) Reservation of Common Stock. As of the Closing Date, the Company shall have reserved out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Notes, the number of shares of Common Stock equal to the Reservation Amount.

(q) Opinion of Counsel for the Company and the Guarantors. The Purchasers shall have received from (i) Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Company and the Guarantors, an opinion addressed to each Purchaser and dated the Closing Date substantially in the form of Annex A-1, (ii) [Deborah M. Royster], general counsel to the Company and the Guarantors, an opinion addressed to each Purchaser and dated the Closing Date substantially in the form of Annex A-2 and (iii) from local counsel to the Company and the

Guarantors reasonably satisfactory to the Purchasers practicing in those jurisdictions in which [Mortgaged Properties] **[WILL CONFORM TO DEUTSCHE BANK DEFINITION]** are located and/or the Company and the Guarantors are organized (if organized other than under the laws of Delaware or New York), which opinions shall be addressed to each of the Purchasers and dated the Closing Date and shall cover the perfection of the security interests and/or liens granted pursuant to the relevant Security Documents (and matters relating to the organization, good standing and due authorization, execution and delivery of this Agreement and the various Transaction Documents in the case of any Guarantor organized in that jurisdiction) and such other opinions as the Purchasers may reasonably request and shall be in form and substance reasonably satisfactory to the Purchasers.

(r) Good Standings. The Purchasers shall have received a copy of a certificate of the Secretary of State (or equivalent authority) of the jurisdiction of incorporation, organization or formation of the Company and each Guarantor, dated on or about the Closing Date, certifying, if and to the extent such certification is generally available for entities of the type of Guarantor (i) that the Company and each Guarantor has paid all franchise taxes to the date of such certificate and (ii) that the Company and each Guarantor is duly incorporated, organized or formed and in good standing or presently subsisting under the laws of the jurisdiction of its incorporation, organization or formation

(s) Secretary's Certificates. The Purchasers shall have received a certificate, dated the Closing Date, from the Company and each Guarantor, signed on behalf of the Company and each Guarantor, by its President and its Secretary or any Assistant Secretary (or those of its general partner or managing member, if applicable), certifying as to (A) a true and correct copy of the bylaws, operating agreement, partnership agreement or other governing document of the Company and each Guarantor as in effect on the date on which the resolutions referred to in Section 3 were adopted and on the Closing Date, (B) the due incorporation, organization or formation and good standing or valid existence of the Company and each Guarantor as a corporation, limited liability company or partnership organized under the laws of the jurisdiction of its incorporation, organization or formation and the absence of any proceeding for the dissolution or liquidation of the Company and each Guarantor, (C) (i) a true and correct copy of the charter, certificate of limited partnership, limited liability company agreement or other organizational document of the Company and each Guarantor and each amendment thereto on file in the office of Secretary of State (or equivalent authority) of the jurisdiction of incorporation, organization or formation of the Company and each Guarantor and (ii) such amendments are the only amendments to the charter, certificate of limited partnership, limited liability company agreement or other organizational document, as applicable, of the Company and each Guarantor, (D) the truth of the representations and warranties contained in this Agreement as though made on and as of the Closing Date, (E) the names and true signatures of the officers of the Company and each Guarantor authorized to sign this Agreement and each Transaction Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder and (F) resolutions of the Board of Directors, general partner or managing member, as applicable, of the Company and each Guarantor and of each Board of Directors, general partner or managing member (if any) of each Guarantor approving the transactions contemplated by this Agreement and each Transaction Document to which it is or is to be a party, and of all documents evidencing other necessary corporate action and governmental and other third party approvals and consents, if any, with respect to the

transactions under this Agreement and each Transaction Document to which it is or is to be a party.

(t) Filings; Authorizations. The Company shall have made all filings under all applicable federal and state securities laws necessary to consummate the issuance of the Securities pursuant to this Agreement in compliance with such laws, and shall have obtained all authorizations, approvals and permits necessary to consummate the transactions contemplated by this Agreement and the Transaction Documents and such authorizations, approvals and permits shall be effective as of the Closing Date.

(u) Irrevocable Transfer Agent Instructions. The Company shall have delivered the Irrevocable Transfer Agent Instructions to the Company's transfer agent.

(v) Financing Statements. [_____], as collateral agent (the "Collateral Agent"), shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions, including, without limitation, the filing of duly executed financing statements on Form UCC-1, necessary or, in the reasonable opinion of the Collateral Agent, advisable to perfect the liens created by the Security Documents shall have been completed or shall be ready to be completed promptly following the Closing Date, and all agreements, statements and other documents relating thereto shall be in form and substance reasonably satisfactory to the Collateral Agent.

(w) Company Certificate. The Purchasers shall have received a certificate, dated the Closing Date, signed by each of the President and the Chief Restructuring Officer of the Company certifying that the conditions in Sections 7(a), (b), (e), (g), (h), (i), (j), (p), (t) and (u) above have been satisfied.

(x) Guarantors' Certificate. The Purchasers shall have received a certificate, dated the Closing Date, signed by the President and the Chief Financial Officer (or those of its general partner or managing member, as applicable) of each Guarantor certifying that the conditions in Sections 7(a), (e) and (h) above have been satisfied.

(y) Approval of Proceedings. All proceedings to be taken in connection with the transactions contemplated by this Agreement, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Purchasers and to Willkie Farr & Gallagher LLP, counsel to Laminar; and the Purchasers shall have received copies of all documents or other evidence which they and Willkie Farr & Gallagher LLP may reasonably request in connection with such transactions and of all records of corporate proceedings in connection therewith in form and substance reasonably satisfactory to the Purchasers and Willkie Farr & Gallagher LLP.

SECTION 8. INDEMNIFICATION.

(a) Indemnification by the Company and the Guarantors. Notwithstanding the Closing or the delivery of the Notes and regardless of any investigation at any time made by or on behalf of an Indemnified Party (as defined below) or of any knowledge or information that the Indemnified Party may have, the Company and each Guarantor (the "Indemnifying Parties") jointly and severally agrees, to the fullest extent permitted by law, to indemnify, defend and save

and hold harmless each Purchaser, its members and its Affiliates and each of their respective officers, directors, trustees, partners, members, employees, representatives, agents and advisors, and each person who controls the Purchaser or any of its members (each, an "Indemnified Party" and collectively, the "Indemnified Parties") from and against, and shall pay on demand, against any and all claims, actions, judgments, suits, losses, liabilities, damages, expenses and other costs (including, without limitation, fees and expenses of counsel to the Indemnified Parties) (collectively, "Losses") incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation, action or other proceeding (including any governmental action or proceeding) (whether or not any Indemnified Party is a party thereto) related to the entering into and/or performance of this Agreement or the use of any proceeds of any Notes hereunder or the consummation of any transactions contemplated herein or any other legal, administrative or other proceeding arising out of the transactions contemplated hereby, other than such Losses which are judicially determined in a final and non-appealable decision to have resulted from the gross negligence or willful misconduct of the Indemnified Party, (b) the exercise of any of the Indemnified Parties rights or remedies provided herein or in the other Transaction Documents, (c) any untruth or inaccuracy in any representation by the Indemnifying Parties or the breach of any warranty by the Indemnifying Parties contained in this Agreement, the Transaction Documents or any certificate, schedule, exhibit or annex or other document furnished to the Purchasers pursuant to this Agreement or in connection with the Closing, and (d) any failure by the Indemnifying Parties duly to perform or observe any term, provision, covenant, agreement or condition on the part of the Indemnifying Parties to be performed or observed under this Agreement or the Transaction Documents.

(b) No Liability. The Indemnifying Parties hereby agree that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Indemnifying Parties or any of their respective Affiliates or their respective officers, directors, trustees, partners, members, employees, representatives, agents and advisors, and the Indemnifying Parties hereby agree not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Note, the actual or proposed use of the proceeds from the Notes, this Agreement or any of the transactions contemplated by the Transaction Documents.

(c) Procedures for Indemnification. Promptly after an Indemnified Party has actual knowledge of any Loss as to which such Indemnified Party reasonably believes indemnification may be sought or promptly after such Indemnified Party receives notice of the commencement of any investigation, litigation, action or other proceeding (including any governmental action or proceeding) involving a Loss, such Indemnified Party shall, if a Loss in respect thereof is to be made against the Indemnifying Parties under this Section 8, deliver to the Indemnifying Parties a written notice of such Loss, and the Indemnifying Parties shall have the right to participate in, and, to the extent the Indemnifying Parties so desire, to assume control of the defense thereof with counsel mutually satisfactory to Indemnifying Parties and the Indemnified Party; provided, however, that an Indemnified Party shall have the right to retain its own counsel (the fees and expenses of which shall be borne by the Indemnifying Parties) if, in the reasonable opinion of counsel retained by the Indemnifying Parties, the representation by such counsel of the Indemnified Party and the Indemnifying Parties would be inappropriate due to actual or potential differing interests between such Indemnified Party and the Indemnifying

Parties. In the case of an Indemnified Party, the legal counsel referred to in the immediately preceding sentence shall be selected by the Purchasers holding at least a majority in interest of the Securities to which the Loss relates. The Indemnified Party shall cooperate with the Indemnifying Parties in connection with any negotiation or defense of any such action or Loss by the Indemnifying Parties and shall furnish to the Indemnifying Parties information reasonably available to the Indemnified Party which relates to such action or Loss. The Indemnifying Parties shall keep the Indemnified Party fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Indemnifying Parties shall not be liable for any settlement of any Claim effected without its prior written consent; provided, however, that the Indemnifying Parties shall not unreasonably withhold, delay or condition its consent. The Indemnifying Parties shall not, without the prior written consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a full release from all liability in respect to such Loss, action and proceeding. The failure to deliver written notice to the Indemnifying Parties as provided in this Agreement shall not relieve the Indemnifying Parties of any liability to the Indemnified Parties under this Section 8, except to the extent that the Indemnifying Parties are materially prejudiced in their ability to defend such action.

(d) Contribution. To the extent that the undertaking to indemnify, pay or hold harmless the Indemnified Parties set forth in Section 8(a) above may be unenforceable because it is violative of any law or public policy, the Indemnifying Parties shall jointly and severally make the maximum contribution to the payment and satisfaction of each of the Losses which is permissible under applicable law.

(e) Survival of Representations and Warranties; Indemnification Obligations. The representations and warranties of the Purchasers, the Company and the Guarantors set forth herein and the obligations of the Company and the Guarantors under Sections 4, 5, 8 and 9 shall survive the execution, delivery and termination of this Agreement, the transfer of the Securities by the Purchasers and the repayment, cancellation or conversion of the Notes.

SECTION 9. MISCELLANEOUS.

(a) Terms Defined. As used in this Agreement, the following terms have the respective meanings set forth below:

"Affiliate" means any Person or entity, directly or indirectly, controlling, controlled by or under common control with such Person or entity.

"Contract" means agreements, contracts, instruments, arrangements, guarantees, licenses, commitments, undertakings or understandings, in each case, whether written or oral.

"Indebtedness" shall mean **[WILL CONFORM TO INDENTURE DEFINITION].**

"Material Adverse Effect" shall mean any change, circumstance or effect that has had, or could reasonably be expected to have, a material adverse effect on (i) the assets,

nature of assets, property, liabilities, business, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole or (ii) the ability of the Company or Guarantors, in a timely manner, to perform their respective obligations under this Agreement or consummate the transactions contemplated by this Agreement or (iii) the rights and remedies of the Purchasers pursuant to this Agreement.

"Person" shall mean an individual, partnership, joint-stock company, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Subsidiary" shall mean a partnership, joint-stock company, corporation, limited liability company, trust or unincorporated organization of which a Person owns, directly or indirectly, more than 50% of the stock or other interests the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such entity. All references herein to the Company's Subsidiaries shall include the Guarantors.

(b) Governing Law; Jurisdiction; Waiver of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

(c) Counterparts. This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other parties hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(d) Headings. The headings of this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(e) Entire Agreement. This Agreement, the Registration Rights Agreement, the Indenture, the Notes, the Security Documents, the Transactions Documents and the documents referenced herein and therein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. This Agreement, the Registration Rights

Agreement, the Indenture, the Notes and the Transaction Documents and the documents referenced herein and therein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof.

(f) Consents. All consents and other determinations required to be made by the Purchasers pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by Purchasers holding at least a majority of the Conversion Shares, determined as if all of the Notes held by Purchasers then outstanding have been converted into Conversion Shares without regard to any limitations on conversion of the Notes (the "Majority Purchasers").

(g) Amendments, Modifications and Waivers. No provision of this Agreement may be amended, modified or waived other than by an instrument in writing signed by the Company, the Guarantors and the Majority Purchasers; provided, however, Section 4(j) may only be amended, modified or waived with an instrument in writing signed by the Company and Laminar and the consent of the other Purchasers shall not be required to amend, modify or waive such provision. The Company shall pay for all reasonable fees and expenses incurred by the Purchasers in connection with any amendment, waiver or consent relating hereto (whether or not such amendment, waiver or consent shall become effective).

(h) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile; or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

RCN Corporation
105 Carnegie Center
Princeton, New Jersey 08540
Facsimile No.: ( )
Attention:

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Facsimile No.: (212) 735-2000
Attention: Alan G. Straus, Esq.

If to a Purchaser, to its address and facsimile number set forth on Schedule II attached hereto, with copies to such Purchaser's representatives as set forth on Schedule II attached hereto,

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party. Written

confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(i) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns.

(k) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(l) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any successor purchasers of the Securities. Neither the Company nor any Guarantor shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the Majority Purchasers, including by merger, consolidation, sale of all or substantially all of its assets, or others, except pursuant to a Change of Control (as defined in the Indenture) with respect to which the Company is in compliance with all of the terms of the Indenture and the Notes. A Purchaser and any successor Purchaser may assign some or all of its rights and obligations hereunder without the consent of the Company or the Guarantors; provided, however, Laminar shall not have the right to assign its rights pursuant to Section 4(j) unless the prior written consent of the Company is obtained; provided further, however, that Laminar shall have the right to assign its rights pursuant to Section 4(j) to any corporation, limited liability company, partnership or other entity resulting from the reorganization, merger or consolidation of Laminar with or into any other corporation, limited liability company, partnership or other entity or any corporation, limited liability company, partnership or other entity to or with which all or substantially all of Laminar's assets may be sold, exchanged or transferred.

(m) Publicity. Laminar shall have the right to approve prior to issuance (which approval shall not be unreasonably withheld or delayed), any press releases or any other public statements with respect to the transactions contemplated by the this Agreement and the Transaction Documents that refer to Laminar.

(n) Termination. In the event that the Closing shall not have occurred with respect to a Purchaser on or before five (5) Business Days from the date hereof due to the Company's, a Guarantor's or such Purchaser's failure to satisfy the conditions set forth in

Sections 6 and 7 of this Agreement (and the nonbreaching party's failure to waive such unsatisfied conditions), the nonbreaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date without liability of any party to any other party; provided, however, that if this Agreement is terminated pursuant to this Section 9(n), the Company shall remain obligated to reimburse any nonbreaching Purchaser for the expenses described in Section 4(f) of this Agreement.

(o) Payment Set Aside. To the extent that the Company or any Guarantor makes a payment or payments to any Purchaser hereunder or pursuant to any of the other Transaction Documents, or the Purchasers enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a Guarantor a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

(p) Taxes. The Company shall pay and hold the Purchasers harmless from and against any and all present and future stamp, excise and other similar taxes with respect to the Notes or the Conversion Shares and save the Purchasers harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Note Purchase Agreement as of the date first written above.

RCN CORPORATION

By: _____
Name:
Title:

D.E. SHAW LAMINAR LENDING 2, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Note Purchase Agreement as of the date first written above.

RCN CORPORATION

By: _____
Name:
Title:

[NAME OF PURCHASER]

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Note Purchase Agreement as of the date first written above.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

[NAME OF GUARANTOR]

By: _____
Name:
Title:

SCHEDULE I

Guarantors

SCHEDULE II

Purchasers

Name and Address	**Aggregate Principal Amount of Notes to Be Purchased by the Purchaser**
D.E. Shaw Laminar Lending 2, Inc. 120 West 45th Street New York, New York 10036 Facsimile: (212) 845-0100 Attention: Max Holmes (with a copy of the same to attn: General Counsel) Residency: Delaware with copies to (which shall not constitute notice): Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, New York 10019 Facsimile No.: (212) 728-9512 Attention: Holly K. Youngwood, Esq.	$
[_____] [_____] Facsimile: ( ) Attention: Residency: with copies to (which shall not constitute notice): **[_____]** [_____] Facsimile: ( ) Attention:	**$**
[_____] [_____] Facsimile: ( ) Attention: Residency: with copies to (which shall not constitute notice): **[_____]** [_____] Facsimile: ( ) Attention:	**$**

[_____] **$**
[_____]
Facsimile: ( )
Attention:

with copies to (which shall not constitute notice):
[_____]
[_____]
Facsimile: ( )
Attention:

EXHIBIT A

Registration Rights Agreement

EXHIBIT B

Wire Transfer Instructions

EXHIBIT C

Indemnification Agreement

EXHIBIT D

Irrevocable Transfer Agent Instructions

FORM OF IRREVOCABLE TRANSFER AGENT INSTRUCTIONS

[_____], 2004

[TRANSFER AGENT]
[_____]
[_____]
Attn:

Re: Reservation of Shares of Common Stock Pursuant to Sale by RCN Corporation of $[150],000,000 in Aggregate Principal Amount of 7.5% Convertible Second-Lien Notes due 2012

Ladies and Gentlemen:

RCN Corporation, a Delaware corporation (the "Company"), has agreed to sell to the institutional investors listed on Schedule A hereto (the "Purchasers"), on the date hereof, [One Hundred Fifty] Million Dollars ($[150],000,000) in aggregate principal amount of 7.5% Convertible Second-Lien Notes due 2012 (the "Notes") that are convertible into shares of the common stock, par value $[0.01] per share (the "Common Stock"), of the Company pursuant to that certain Note Purchase Agreement, dated as of [_____], 2004, by and among the Company, certain subsidiary guarantors of the Company and each Purchaser (the "Note Purchase Agreement"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Note Purchase Agreement.

You are hereby irrevocably instructed to establish, as of the date of this letter, a reserve of [_____] shares of Common Stock for issuance to holders of the Notes upon conversion of the Notes (the "Conversion Share Reserve"). The Conversion Share Reserve shall be adjusted to appropriately reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Common Stock), reorganization, recapitalization, reclassification, exchange or other like change with respect to the Common Stock occurring on or after the date hereof.

The Company expects that a registration statement on Form S-1 to register the Notes and the Common Stock issuable out of the Conversion Share Reserve (the "Registration Statement") will be filed with the Securities and Exchange Commission (the "Commission") and declared effective by the Commission on or before September 30, 2005. We will forward to you copies of the filing promptly after it is declared or deemed effective by the Commission.

Until the Registration Statement is declared effective by the Commission, the certificates evidencing the shares of Common Stock issued out of the Conversion Share Reserve will bear the restrictive legend set forth below:

> THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE ACT OR SUCH LAWS OR IN A TRANSACTION WHICH QUALIFIES AS AN EXEMPT TRANSACTION UNDER THE ACT AND SUCH LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

So long as you have previously received (i) an opinion of the Company's outside counsel (which the Company shall direct be delivered to you by such outside counsel upon the effectiveness of the Registration Statement covering the resales of the Common Stock) stating that a Registration Statement covering the resales of the Common Stock has been declared effective by the Commission under the Securities Act, (ii) a copy of the Registration Statement and (iii) confirmation from the Company that sales are permitted under the Registration Statement at that time, the certificates representing the Common Stock sold pursuant to the Registration Statement shall not bear any legend restricting transfer of the Common Stock thereby and should not be subject to any stop-transfer restriction.

We have enclosed for you review and files a copy of the Note Purchase Agreement.

Please be advised that the Purchasers have relied upon this instruction letter as an inducement to enter into the Note Purchase Agreement and, accordingly, each of the Purchasers is a third party beneficiary to these instructions.

Please sign in the space provided below to evidence your acceptance and acknowledgment of your responsibilities under this letter. Please contact the undersigned at ( ) if you require any further information.

Very truly yours,

RCN CORPORATION

By:_____
Name:
Title:

Acknowledged and Agreed:

[TRANSFER AGENT]

By:_____
Name:
Title:

Enclosure

ANNEX A-1

Opinion of Skadden, Arps, Slate, Meagher & Flom LLP

ANNEX A-2

Opinion of General Counsel