SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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COOLSAVINGS COM INC

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: July 30, 2001

(Date of earliest event reported)

Commission File No. 000-30199

coolsavings.com inc.
(Exact name of registrant as specified in its charter)

State of Michigan	38-3216102
State of Incorporation	I.R.S. Employer I.D. No.

360 N. Michigan Avenue, 19th Floor
Chicago, Illinois 60601
(312) 224-5000
(Address of principal executive offices and telephone number)

Item 5. Other Events.

On July 30, 2001, coolsavings.com inc. (the "Company") entered into a series of agreements with Landmark Communications, Inc. and Landmark Ventures VII, LLC (together, "Landmark") pursuant to which Landmark has provided to the Company a senior secured loan of $5.0 million ($1.75 million of which had been previously funded in an interim basis) (the "Loan") and agreed to purchase up to $10.0 million of the Company's series B cumulative convertible preferred stock ("Series B Preferred Stock") in two separate tranches.

The following description of the Landmark transaction does not purport to be complete and is qualified in its entirety by reference to the documents which are filed as Exhibits to this report and incorporated by reference herein.

The Loan was funded pursuant to an Amended and Restated Loan Agreement with

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Landmark (the "Loan Agreement"). The Loan:

- bears interest at 12% per annum, paid quarterly in arrears in the form of additional notes;

- matures on January 26, 2002 (unless extended upon the closing of the first tranche of the sale of the Series B Preferred Stock (the "Primary Funding")); and

- is secured by a second lien on all of our tangible and intangible property.

If the Primary Funding closes, the Loan will be modified as follows:

- the interest rate will be reduced to 8% per annum, paid quarterly in arrears in the form of additional notes and warrants to purchase shares of common stock;

- the maturity date will be extended to June 30, 2006; and

- the Company will have the right to prepay the Loan on or after the third anniversary if certain conditions are met.

The Loan Agreement also contains financial covenants and negative and affirmative covenants that, among other things, restrict the Company's ability to incur additional indebtedness and take other actions without the consent of Landmark.

In connection with the Loan, the Company issued warrants to Landmark (the "Warrants"). The Warrants:

- have a term of 8 years;

- may be exercised in whole or in part immediately (except that Landmark has agreed not exercise the Warrants prior to the closing of the Primary Funding unless certain events occur);

- contain a net exercise feature;

- are exercisable for:

  (a) 7,818,731 shares (equal to 19.99% of the Company's issued and outstanding shares of common stock at the time of issuance) at an exercise

price of $0.001 per share until the earlier of the closing of the Primary Funding or the termination of the Purchase Agreement (as defined below);

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(b) 19.99% of the Company's issued and outstanding common stock, calculated on a fully diluted basis (including all then outstanding options and warrants) at an exercise price of $0.01 per share in the event that the Purchase Agreement is terminated; and

(c) 10.0 million shares at an exercise price of $0.50 per share (increasing to $0.75 per share on July 30, 2005 if not previously exercised) upon the closing of the Primary Funding.

In addition to the payment of "in-kind" interest on the Loan, after the closing of the Primary Funding, the Company will issue to Landmark additional Warrants to purchase two shares of common stock for one each dollar of interest accrued on the Loan.

Subject to the conditions in a Securities Purchase Agreement with Landmark dated July 30, 2001 (the "Purchase Agreement"), the Company has agreed to sell to Landmark up to 64,360,810 shares of Series B Preferred Stock. The Series B Preferred Stock will be initially convertible into common stock equal to 49% of the total, fully-diluted common stock of the Company (subject to adjustments) and has an 8% quarterly dividend payable in additional shares of preferred stock. Upon the closing of the first tranche of the Series B Preferred Stock (the "Primary Funding"), Landmark will have the right to elect a majority of the Company's board of directors.

Assuming the Company has satisfied (or Landmark has waived) the conditions to each of the closings, Landmark will purchase 32,180,405 shares of Series B Preferred Stock promptly after the Company's shareholders have approved the transaction and purchase the balance of the Series B Preferred Stock on October 25, 2001. Landmark will pay an aggregate of $10.0 million for the shares of Series B Preferred Stock ($0.1554 per share). Landmark also has an option to purchase additional shares of Series B Preferred Stock at the same price per share upon the occurrence of certain events.

In connection with the Landmark transaction certain of the Company's shareholders owning 63.09% of the Company's outstanding common stock have entered into a voting agreement pursuant to which such shareholders have agreed to vote the shares owned by them for approval of the Landmark transaction and related transactions.

Also, as a condition to the consummation of the Landmark transaction, the Company will issue to three individuals (two of who are directors of the Company) 13.0 million shares of the Company's Series C Preferred Stock in exchange for $2.1 million of the Company's 8% senior convertible notes and accompanying warrants to purchase 1,050,000 shares of common stock previously issued to such individuals.

The Company will request that its shareholders approve the Landmark transaction as well as a reincorporation merger that will change the Company's state of incorporation from Michigan to Delaware. The Company has filed with

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the Securities and Exchange Commission a preliminary proxy statement relating to the Landmark transaction and reincorporation merger.

On July 31, 2001, the Company issued a press release announcing the execution of the Purchase Agreement.

Item 7. Financial Statements and Exhibits

(a) Financial Statements

Not applicable.

(b) Pro Forma Financial Statements

Not applicable.

(c) Exhibits

See Exhibit Index appearing elsewhere herein, which is incorporated by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COOLSAVINGS.COM INC.
a Michigan corporation

Date: August 2, 2001

By: /s/ Matthew Moog

Matthew Moog
Its: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Description
2.1	Securities Purchase Agreement dated as of July 30, 2001 between

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coolsavings.com inc., CoolSavings, Inc., Landmark Communications, Inc., and Landmark Ventures VII, LLC

2.2 Agreement and Plan of Merger dated as of July 30, 2001 by and between coolsavings.com inc. and CoolSavings, Inc.

3.1 Bylaws of coolsavings.com inc., as amended, as of July 30, 2001

3.2 Certificate of Designations, Number, Voting Powers, Preferences and Rights Of Series B Convertible Preferred Stock

3.3 Certificate Of Designations, Number, Voting Powers, Preferences and Rights Of Series C Convertible Preferred Stock

4.1 Warrant between coolsavings.com inc. and Landmark Communications, Inc. dated July 30, 2001

4.2 Registration Rights Agreement between coolsavings.com inc., Landmark Ventures VII, LLC and certain coolsavings.com inc. shareholders dated July 30, 2001

9.1 Voting Agreement between Landmark Communications, Inc., Landmark Ventures VII, LLC and certain coolsavings.com inc. shareholders dated July 30, 2001

10.1 Amended and Restated Senior Secured Loan and Security Agreement dated July 30, 2001 between coolsavings.com inc. and Landmark Communications, Inc.

10.2 Commercial Demand Grid Note dated July 30, 2001 between coolsavings.com inc. and Landmark Communications, Inc.

10.3 2001 Stock Option Plan

10.4 Form of Shareholders Agreement between CoolSavings, Inc., Landmark Ventures VII, LLC and certain shareholders of coolsavings.com inc.

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Exhibit 2.1

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SECURITIES PURCHASE AGREEMENT

between

LANDMARK COMMUNICATIONS, INC.,

LANDMARK VENTURES VII, LLC

COOLSAVINGS, INC.

and

COOLSAVINGS.COM INC.

July 30, 2001

==

COOLSAVINGS.COM INC.

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT dated as of July 30, 2001 (the "Agreement") between and among COOLSAVINGS.COM INC., a Michigan corporation (the "Company"), COOLSAVINGS, INC., a Delaware corporation ("Newco"), LANDMARK COMMUNICATIONS, INC., a Virginia corporation ("LCI"), and LANDMARK VENTURES VII, LLC, a Delaware limited liability company ("LV") (LCI and LV are each a "Landmark Party" and collectively the "Landmark Parties").

WHEREAS, the Company and LCI entered into a non-binding Term Sheet dated June 5, 2001 (the "Term Sheet") which stated the general terms and conditions upon which LCI or certain of its affiliates would lend to and invest in the Company up to Fifteen Million Dollars

($15,000,000) in exchange for a Senior Secured Note, certain Warrants and shares of Series B Preferred Stock (each as defined below); and

WHEREAS, in anticipation of this Agreement, the Company and LCI entered into a Loan and Security Agreement dated June 14, 2001, as amended on June 27, 2001 and July 26, 2001 (the "Bridge Loan Agreement"), pursuant to which LCI has advanced to the Company One Million Seven Hundred Fifty Thousand Dollars ($1,750,000) (the "Bridge Loan Amount") which was borrowed pursuant to a Master Note for such amount (the "Bridge Note"); and

WHEREAS, the Company and LCI are contemporaneously herewith amending and restating the Bridge Loan Agreement with the Amended and Restated Loan Agreement attached hereto as Exhibit A (the "Amended Loan Agreement") pursuant

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to which the amount advanced to the Company is being increased to an aggregate total of Five Million Dollars ($5,000,000) (the "Senior Secured Loan"); and

WHEREAS, contemporaneously herewith, LCI is delivering to the Company the Bridge Note and Three Million Two Hundred Fifty Thousand Dollars ($3,250,000) in cash (less all interest that has accrued under the Bridge Note) in consideration for the execution, delivery and issuance by the Company of a 12% Senior Secured Note (together with any amendments thereto, the "Senior Secured Note"), which shall evidence the Senior Secured Loan and amend and restate the Bridge Note in its entirety; and

WHEREAS, the Senior Secured Note shall initially be due six months from the date hereof and have the rights and privileges set forth in the form of Exhibit B attached hereto; and

WHEREAS, under the Amended Loan Agreement, the Company has also made a Grid Note (the "Grid Note") attached hereto as Exhibit C pursuant to which LCI may at its option record additional advances requested by and made to the Company or obligations incurred by the Company pursuant to the Amended Loan Agreement; and

WHEREAS, from and after the consummation of the First Tranche Closing (defined below) contemplated hereby, the terms of the Senior Secured Note provide that the maturity date shall be adjusted to June 30, 2006, and the interest rate shall be adjusted to 8% per annum (all subject to the express terms of the Senior Secured Note); and

WHEREAS, in connection with the issuance of the Senior Secured Note, the Company has agreed to issue to LCI warrants substantially in the form attached as Exhibit D hereto (the "Warrants"), which are exercisable through July 30, 2009, for shares of common stock of the Company ("Common Stock"); and

WHEREAS, from issuance through the First Tranche Closing, the Warrants shall (subject to the terms of the Warrants) be exercisable at $0.01 per share into that number of shares of Common Stock (the "Warrant Shares") equal to 19.9% of all shares of Common Stock outstanding (calculated as provided under the Warrants) and, from and after the First Tranche Closing, the terms of the Warrants provide that the exercise price shall be adjusted to $0.50 per

share and the number of Warrant Shares shall be adjusted to 10,000,000 shares, subject to adjustments required to be made pursuant to the terms of the Warrants, including without limitation, (i) a re-set in the price to $0.75 per share after the fourth anniversary of the issuance of the Warrants, (ii) adjustments in connection with the antidilution provisions of the Warrants, and (iii) increases in the number of Warrant Shares required to reflect the issuance of additional Warrants (the "PIK Warrants") issued in connection with the payment in kind of interest accrued after the First Tranche Closing under the Senior Secured Note (the shares of Common Stock issuable upon exercise of the PIK Warrants are "PIK Warrant Shares" and also "Warrant Shares"); and

WHEREAS, the Company desires to sell and issue to LV and LV wishes to purchase from the Company up to Ten Million Dollars ($10,000,000.00) of the Company's shares of Preferred Stock, designated as "Series B Convertible

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Preferred Stock" (the "Series B Preferred Stock"); and

WHEREAS, based on the business judgment of the Board of Directors of the Company and in furtherance of the transactions contemplated hereby, the Board of Directors has authorized and approved, and is recommending to the shareholders of the Company for their approval, the merger of the Company pursuant to the Agreement and Plan of Merger substantially in the form attached hereto as Exhibit E ("Agreement and Plan of Merger") with Newco, a newly-formed, wholly-owned subsidiary of the Company organized in the State of Delaware, prior to LV's purchase of the Series B Preferred Stock (the "Merger"); and

WHEREAS, in connection with and prior to such Merger, the Company shall cause Newco to be duly organized through the filing of the Certificate of Incorporation attached hereto as Exhibit F (the "Restated Charter") with the State of Delaware and the adoption of the organizational actions (including, without limitation, the adoption of Newco's bylaws) attached hereto as Exhibit G; and

WHEREAS, pursuant to the Agreement and Plan of Merger, Newco shall assume all of the rights, liabilities and obligations of the Company including, without limitation, all obligations of the Company under this Agreement and the Transaction Documents; and

WHEREAS, if the requisite number of shareholders of the Company fail to approve the Merger, the Board of Directors of the Company has authorized and approved the Series B Preferred Stock pursuant to the Certificate of Designation attached hereto as Exhibit H (the "Series B Certificate of Designation") which has been filed with the Department of Commerce and Industry Services of the State of Michigan (the "DCIS"); and

WHEREAS, the shares of Series B Preferred Stock to be purchased hereunder, whether from the Company or Newco as its successor (in each case and including the Option Shares, defined below, hereinafter the "Series B Preferred Stock") shall accrue dividends on a quarterly basis payable solely in kind (the "PIK Shares") and shall be (together with accrued and cumulated dividends thereon) convertible, pursuant to the terms of the Company's articles of incorporation or Newco's certificate of incorporation, as applicable, into shares (the "Converted Shares") of Common Stock of the Company or Newco, as applicable; and

WHEREAS, the Landmark Parties will have registration rights with respect to the Converted Shares and the Warrant Shares, pursuant to the terms of that certain Registration Rights Agreement to be entered into between the Company and the Landmark Parties, substantially in the form attached as Exhibit I hereto ("Registration Rights Agreement"); and

WHEREAS, the Landmark Parties wish to purchase the Senior Secured Note, the Warrants and the Series B Preferred Stock (collectively with the Warrant Shares and the PIK Shares, the "Securities") on all of the other terms

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and subject to the conditions set forth in this Agreement; and

WHEREAS, capitalized terms used herein but not defined shall have the respective meanings given to such terms under Section 10.1 below.

NOW THEREFORE, in consideration of the foregoing premises and the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with the Landmark Parties as follows:

SECTION 1. AUTHORIZATION OF SERIES B PREFERRED STOCK

The Company has authorized and designated shares of Series B Preferred Stock. The terms, powers, preferences, qualifications, limitations and relative rights of the Series B Preferred Stock are set forth in the Series B Certificate of Designation. Upon and subject to shareholder approval of the Merger, the Company shall cause the Merger to be consummated pursuant to the Agreement and Plan of Merger, whereupon Newco will assume all of the Company's obligations hereunder and all representations, warranties and covenants shall be made and performed by Newco. The terms, powers, preferences, qualifications, limitations and relative rights of the Series B Preferred Stock to be sold by Newco hereunder are set forth in the Restated Charter.

SECTION 2. PURCHASE AND SALE OF SECURITIES

2.1. Issuance of Senior Secured Note

Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties set forth below (and upon the satisfactory completion of the conditions listed on Schedule 2.1 hereto), as of the date hereof the Company shall sell to LCI, and LCI shall purchase from the Company, the Senior Secured Note and the Warrants for an aggregate purchase price of Five Million Dollars ($5,000,000.00) (the "Note Purchase Price"). Such sale and purchase shall be effected on the date hereof by the Company executing and delivering to LCI the duly executed Amended Loan Agreement, Senior Secured Note and Warrants, against delivery by LCI to the Company of (a) the Note Purchase Price (less the outstanding balance under the Bridge Note and any accrued and unpaid interest thereon) by wire transfer of immediately available funds to such account as the Company shall designate prior to the date hereof and (b) the Bridge Note.

2.2. Issuance of First Tranche of Series B Preferred Stock

(a) Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties set forth below, on the First Tranche Closing Date (defined below) the Company shall sell to LV, and LV shall purchase from the Company 32,180,405 shares of Series B Preferred Stock (the "First Tranche of Purchased Preferred Stock"), for a cash purchase price of Five Million Dollars ($5,000,000.00) (the "First Tranche Purchase Price"). Such sale and purchase shall be effected on the First Tranche Closing Date by the Company executing and delivering to LV, duly registered in its name, a duly executed stock certificate evidencing the Series B Preferred Stock being purchased by it, against delivery by LV to the Company of the First Tranche Purchase Price (less any debt under the Grid Note that LCI requests be applied

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to the Purchase Price) by wire transfer of immediately available funds to such account as the Company shall designate prior to the First Tranche Closing Date.

(b) The closing of such sale and purchase (the "First Tranche Closing") shall take place at 10:00 A.M., New York City time, on the second business day after the satisfaction or waiver of the conditions set forth in Sections 6 and 8 hereof at the offices of Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (the "Willkie Offices"), or at such other place and time as may be mutually agreed to by the parties hereto (the "First Tranche Closing Date").

2.3. Issuance of Second Tranche of Series B Preferred Stock

(a) At any time after the First Tranche Closing Date but not later than December 31, 2001 (such date to be October 25, 2001, in the event all of the conditions to closing under Section 2.3(c) below have been satisfied or waived by such date), LV, in its sole discretion (and in reliance upon the representations and warranties set forth below), shall have the option to purchase from the Company (the "Second Tranche Purchase Option"), and the Company shall be obligated to sell to LV, 32,180,405 shares of Series B Preferred Stock (the "Second Tranche of Purchased Preferred Stock"), for a cash purchase price of Five Million Dollars ($5,000,000.00) (the "Second Tranche Purchase Price"). Such sale and purchase shall be effected on the Second Tranche Closing Date by the Company executing and delivering to LV, duly registered in its name, a duly executed stock certificate evidencing the Series B Preferred Stock being purchased by it (together with the certificates and opinion contemplated under Sections 7.3 and 7.5 below, respectively), against delivery by LV to the Company of the Second Tranche Purchase Price (less any debt under the Grid Note that LCI requests be applied to the Purchase Price) by wire transfer of immediately available funds to such account as the Company shall designate prior to the Second Tranche Closing Date. None of the Landmark Parties shall have any obligation hereunder to exercise the Second Tranche Purchase Option.

(b) Except as otherwise provided in Section 2.3(c) below, the closing of such sale and purchase (the "Second Tranche Closing", and together with the First Tranche Closing, the "Closings") shall take place at 10:00 A.M., New York City time, on the fifth business day after LV provides the Company with written notice that LV has elected to exercise the Purchase Option, at the Willkie Offices, or at such other place and time as may be mutually agreed to by the parties hereto (the "Second Tranche Closing Date", and together with the First Tranche Closing Date, the "Closing Dates").

(c) If after the First Tranche Closing the Second Tranche Purchase Option has not been exercised, and the conditions set forth in Sections 7 and 8 below have been satisfied or waived, then the Second Tranche Closing shall take place at 10:00 A.M., New York City time, on October 25, 2001 (in such event, such date shall be the "Second Tranche Closing Date"). On the Second Tranche

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Closing Date, in reliance upon the representations and warranties set forth below, the Company shall sell to LV, and LV shall purchase from the Company the Second Tranche of Purchased Preferred Stock for the Second Tranche Purchase Price (less any debt under the Grid Note that LCI requests be applied to the Purchase Price). Such sale and purchase shall be effected in the same manner described in the penultimate sentence of Section 2.3(a) above.

2.4. Issuance of Additional Tranches of Series B Preferred Stock

(a) At any time and from time to time after the Second Tranche Closing Date but not later than December 31, 2002 (the "Additional Option Period"), if a Shortfall Event (defined below) occurs, LV, in its sole discretion (and in reliance upon the Special Officer's Certificate, defined below), shall have the option to purchase from the Company (each option related to a Shortfall Event, a "Shortfall Purchase Option"), and the Company shall be obligated to sell to LV, for a cash purchase price of $0.1554 per share (the "Share Price") up to that number of shares of Series B Preferred Stock (the "Available Option Shares") determined by dividing the Shortfall Amount (defined below) by the Share Price.

(b) If a Shortfall Event occurs and LV elects to exercise the corresponding Shortfall Purchase Option, LV shall provide the Company with written notice of election specifying the number of Available Option Shares that LV will purchase and, on the third day after the Company's receipt of such notice (or at such other time as may be mutually agreed to by the parties hereto), the closing of such sale and purchase shall be effected at 10:00 a.m., New York City time at the Willkie Offices (or at such other place as may be mutually agreed to by the parties hereto). Each such closing (an "Additional Option Closing") shall be effected by the Company executing and delivering to LV, duly registered in its name, a duly executed stock certificate evidencing the Series B Preferred Stock being purchased by it (together with the Special Officer's Certificate and the Special Opinion, defined below), against delivery by LV to the Company of the aggregate Share Price by wire transfer of immediately available funds to such account as the Company shall designate prior to the applicable closing.

(c) As used in this Section 2.4:

(i) "Shortfall Event" means any of:

(A) The occurrence of an event which with or without notice or the passage of time or both would constitute a Forbearance Termination Event (as defined under the applicable Forbearance Agreement) under any of the Forbearance Agreements (defined

below) that is curable by the payment of cash to the applicable forbearing party or through the infusion of cash into the Company;

(B) the occurrence of an event which with or without notice or the passage of time or both would constitute a breach or event of default under (1) any of the Key Agreements and Instruments (defined below) (including, without limitation, the Amended Loan Agreement) or any of the Material Contracts (defined below), (2) any material agreement by which the Company has received a license with respect to Intellectual Property, or (3) any real property lease,

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provided, such breach or event of default is curable by the payment of cash to the other party under the applicable agreement, license or lease;

(C) the failure by the Company to pay any account payable which is due and owing within ninety (90) days of its applicable due date, except as to any account payable being disputed by the Company in good faith and as to which the Company's chief financial officer or principal accounting officer has delivered to LV a certificate certifying to the dispute and the facts giving rise to the dispute;

(D) any litigation against the Company exists in which the adverse party may attach a lien against a material part of the Company's assets or is seeking to enjoin the Company from using any material asset, excluding any litigation listed on Schedule 3.13 or in which the Company has received an opinion from its counsel that a judgment in favor of the Company is more likely than not;

(E) the failure by the Company during the Additional Option Period to maintain an excess of Current Assets over Current Liabilities at or above the amount shown (or derived/1/) for the corresponding week or quarter, as applicable, on the "coolsavings.com BASE CASE Cash Source & Use Forecast 2001 (Jun 18 to Dec 31) 7/27/01 12:00 AM" delivered by the Company to the Landmark Parties by e-mail dated July 27, 2001 (the "Base Forecast");/2/

(F) the failure by the Company during the Additional Option Period to maintain an excess of Current Assets over Total Liabilities at or above the amount shown for the corresponding week or quarter, as applicable, on the Base Forecast; or

(G) the reduction by the Company during the Additional Option Period of its expenditures in any expense category shown on the Base Forecast by more than 10% or in all expense categories by more than 2% in the aggregate.

/1/ With respect to the calculation of "Current Liabilities" and "Total Liabilities", it is understood and agreed that to the extent balances are not explicitly set forth on the Base Forecast, the Base Forecast assumes that each capital lease and bank obligation and liability of the Company is being paid when due in accordance with the terms agreed upon at the closing of the Senior Secured Loan, including the terms of all applicable forebearance agreements, and that no additional obligation or liability to any lessor or lender has been incurred.

/2/ For purposes of identification, the Base Forecast indicates Projected Cash (Requirement) of $1,565,494.43 at 31-Dec-01 and $102,921.99 at 4th quarter 2002.

(ii) "Shortfall Amount" means the cash amount required to cure an applicable Shortfall Event.

(iii) "Special Officer's Certificate" means a duly executed officer's certificate which shall be delivered to LV at each Additional Option Closing and which shall be substantially similar in form to the certificate described in Section 6.3 below and certify the same matters required under Section 6.3, provided the certifications (and the representations and warranties that reference a "Closing Date") shall be made as of the actual date of the Additional Option Closing and may be qualified by an updated disclosure schedule attached to the certificate.

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(iv) "Special Opinion" means a duly executed opinion of counsel which shall be delivered to LV at each Additional Option Closing and which shall be substantially similar in form to the opinion described in Section 6.6 below, conformed to delete those opinions unrelated to the issuance of shares and to reflect changes resulting from the passage of time.

(d) The aggregate Purchase Price paid by LV in connection with the exercise of each Shortfall Purchase Option shall be used exclusively by the Company to cure the applicable Shortfall Event and, in connection therewith, LV may require that such Purchase Price be placed in escrow pending such application or otherwise transferred and applied in a manner satisfactory to LV.

(e) None of the Landmark Parties shall have any obligation hereunder to exercise any Shortfall Purchase Option or any implied duty in connection therewith; each such option being exercisable at LV's option and in its sole and absolute discretion. No waiver by LV of its right to exercise a Shortfall Purchase Option upon the occurrence of any Shortfall Event shall be deemed to preclude the occurrence of any subsequent Shortfall Event or a further or continuing waiver of any Shortfall Purchase Option related to any subsequent Shortfall Event.

(f) With respect to all shares of Series B Preferred Stock purchased after the First Tranche Closing, LV shall be entitled to all anti-dilution protections applicable to the shares of Series B Preferred Stock under the Articles of Incorporation or Restated Charter, as applicable, on the same basis as if LV had been issued such shares at the First Tranche Closing and would consequently be entitled to protection for below market issuances on and after that date.

2.5. Equitable Adjustment.

The number of shares of Series B Preferred Stock to be purchased pursuant to this Section 2 assumes the filing of the Restated Charter with the Secretary of State of Delaware and the consummation of the Merger. If such Merger is consummated, Newco shall succeed to all obligations under this Purchase Agreement including without limitation the obligation to issue and deliver the Securities under the same terms and conditions as set forth in this Section 2. In the event that prior to the First Tranche Closing the Restated Charter is not filed with the Secretary of State of Delaware and the Merger is not consummated, and LV, in its sole

discretion, elects to proceed with the First Tranche Closing, then the Series B Preferred Stock purchased at the First Tranche Closing shall be issued pursuant to the Series B Certificate of Designation and the number of shares of Series B Preferred Stock issued at such closing shall be 3,218,040.50.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Landmark Parties that, except as set forth on the correspondingly numbered section of the Disclosure Schedule attached hereto and delivered to the Landmark Parties in connection herewith, the statements contained in this Section 3 are true, complete and correct and will be true, complete and correct as of each Closing Date:

3.1. Corporate Organization and Authority

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan. Attached hereto as Exhibits J and K, respectively, are true and complete copies of the articles of

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incorporation (the "Articles of Incorporation") and the bylaws (the "Bylaws") of the Company, each as amended through July 30, 2001 (collectively, the "Michigan Organizational Documents").

(b) Upon the filing of the Restated Charter and the consummation of the Merger, Newco will be a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Attached hereto at Exhibits F and G, respectively, are true and complete copies of the Restated Charter and the bylaws of Newco, each as amended through the date of the Merger (collectively, the "Delaware Organizational Documents" and together with the Michigan Organizational Documents, the "Organizational Documents").

(c) The Company has all requisite power and authority and has all necessary approvals, licenses, permits and authorization to own its properties and to carry on its business as now conducted except where the failure to so qualify would not, individually or in the aggregate, have a material adverse effect on the business, properties, assets, liabilities, prospects, profits, results of operations or condition (financial or otherwise) of the Company or the ability of the Company to consummate the transactions contemplated hereby (a "Material Adverse Effect"). The Company has all requisite power and authority to execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder.

(d) The Company has filed all necessary documents to qualify to do business as a foreign corporation in, and the Company is in good standing under the laws of, each jurisdiction in which the conduct of the Company's business or the nature of the property owned, operated or leased requires such qualification, except where the failure to so qualify would not, individually or in the aggregate, have a Material Adverse Effect.

3.2. Subsidiaries

Other than Newco, the Company has no subsidiaries and no interests or investments in any partnership, trust or other entity or organization.

3.3. Capitalization

(a) As of July 30, 2001, the authorized capital stock of the Company consists of (i) 100,000,000 shares of its Common Stock, and (ii) 10,000,000 shares of preferred stock, of which (A) 8,695,000 shares are designated as Series B Preferred Stock and (B) 1,300,000 shares are designated Series C Preferred Stock. Upon filing of the Restated Charter with the Secretary of State of Delaware prior to the First Tranche Closing, the authorized capital stock of the Company will consist of a total of six hundred fifty (650,000,000) million shares of Newco stock which shall consist of: (i) three hundred seventy nine (379,000,000) million shares of its Common Stock, $0.001 par value per share, and (ii) two hundred seventy one (271,000,000) million shares of preferred stock, $0.001 par value per share, of which (A) two hundred fifty eight (258,000,000) million shares will be designated as Series B Preferred Stock, and (B) thirteen (13,000,000) million shares will be designated as "Series C Convertible Preferred Stock" (the "Series C Preferred Stock"). The Company's

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Board of Directors has adopted a resolution dated July 12, 2001, authorizing and directing the organization of Newco and the filing of the Restated Charter in connection therewith and recommending to the shareholders that the Merger be approved. As of July 30, 2001, the issued and outstanding shares of capital stock of the Company consist of 39,093,660 shares of Common Stock, and at each Closing the issued and outstanding shares of capital stock of the Company will be the same, except to the extent that additional shares of Common Stock are issued upon valid exercise of warrants, options and convertible securities that are issued and outstanding as of July 30, 2001 as reflected on Schedule 3.3(a), to the extent that shares of Series B Preferred Stock are issued pursuant to this Agreement and to the extent that shares of Series C Preferred Stock are issued pursuant to Section 6.15 below. There are no shares of preferred stock designated as "Series A Preferred Stock" other than shares already issued, converted and retired none of which is held in treasury or otherwise available for re-issuance.

(b) All the outstanding shares of capital stock of the Company have been duly and validly issued and are fully paid and non-assessable, 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 Series B Preferred Stock will be duly authorized, validly issued, fully paid and non-assessable shares of the Company, free of all preemptive or similar rights, and entitled to the rights therein described. Upon their issuance in accordance with the terms of the Series B Preferred Stock and Warrants, and in the case of the Warrants, upon and against payment therefor, the PIK Shares and the shares of Common Stock issuable upon conversion of the Series B Preferred Stock or upon exercise of the Warrants, as applicable, will be duly authorized, validly issued, fully paid and non-assessable shares of Common Stock of the Company, free of all preemptive or similar rights except as contemplated by the Transaction Documents.

(c) Except for the exercise and conversion rights which attach to the warrants, options and convertible securities which are listed on Schedule 3.3(a) hereto and to the Series B Preferred Stock, Series C Preferred Stock and the Warrants, on the Closing Dates there will be no shares of Common Stock or any other equity security of the Company issuable upon conversion or exchange of any security of the Company nor will there be any rights, options or warrants outstanding or other agreements to acquire shares of Common Stock nor will the Company be contractually obligated to purchase, redeem or otherwise acquire any of its outstanding shares. No shareholder of the Company is entitled to any preemptive or similar rights to subscribe for shares of capital stock of the Company. The Company's Series C Preferred Stock is, and will be, in all respects junior to the Series B Preferred Stock with the designations set forth in the Certificate of Designation with respect to the Series C Preferred Stock attached hereto as Exhibit L (the "Series C Certificate of Designation" and, collectively with the Series B Certificate of Designation, the "Certificates of Designation") or the Restated Charter, as applicable. Except as set forth on Schedule 3.3(a), there are no other scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights exchangeable for or convertible into, any shares of capital stock of the Company, or contracts, commitments, understandings, or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company or options, warrants, scrip, rights to subscribe to, or commitments

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to purchase or acquire, any shares, or securities or rights convertible or exchangeable into shares, of capital stock of the Company. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company.

(d) Except as set forth in Schedule 3.3(d), there are no outstanding securities issued by the Company that are entitled to registration rights under the Securities Act. Except as set forth in Schedule 3.3(d), there are no outstanding securities issued by the Company that are directly or indirectly convertible into, exercisable into, or exchangeable for, shares of Common Stock of the Company, or that have anti-dilution or similar rights that would be affected by the issuance of the Securities, the Converted Shares or the Warrant Shares.

(e) As of each Closing Date, the designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized capital stock of the Company and Newco will be set forth in the Articles of Incorporation (as amended by the Certificates of Designation) or the Restated Charter, as applicable, and all such designations, powers, preferences, rights, qualifications, limitations and restrictions will upon filing be valid, binding and enforceable and in accordance with all applicable laws.

(f) Upon consummation of the Merger, all outstanding shares of capital stock of Newco shall have been duly and validly issued and fully paid and non-assessable, and shall have been 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 consummation of the Merger, all securities of the Company shall become securities of Newco in accordance with the terms of the Agreement and Plan of Merger.

3.4. Issuance of Common Stock

The Converted Shares and the Warrant Shares are duly authorized and reserved for issuance and, upon issuance, the Converted Shares and the Warrant Shares will be validly issued, fully paid and non-assessable, free and clear of any and all liens, claims and encumbrances, and, if the Common Stock is then listed and traded on the Nasdaq National Market, the Converted Shares and Warrant Shares will be entitled to be traded on the Nasdaq

National Market (or on any market that the outstanding stock is traded on, the "Approved Markets"), and the holders of such Converted Shares and Warrant Shares shall be entitled to all rights and preferences accorded to a holder of Common Stock.

3.5. Corporate Proceedings, etc.

The Company has authorized the execution, delivery, and performance of the Transaction Documents to be executed by it and each of the transactions and agreements contemplated hereby and thereby. No other corporate action is necessary to authorize such execution, delivery of the Transaction Documents and no other corporate action is necessary to authorize the performance of the Transaction Documents (excluding shareholder approval for the Merger). Upon such execution and delivery, each of the Transaction Documents shall constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or

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hereafter in effect relating to creditors' rights and general principles of equity. The Company has authorized the issuance and delivery of the Securities in accordance with this Agreement and, subject to the issuance of the Series B Preferred Stock and Warrants, the Company will have a sufficient number of shares of Common Stock reserved for initial issuance upon conversion of the Series B Preferred Stock (including PIK Shares) and the exercise of the Warrants (including the PIK Warrants).

3.6. Consents and Approvals

Except as set forth on Schedule 3.6 and except for the shareholder approval for the Merger, the execution and delivery by the Company of the Transaction Documents, the performance by the Company of its obligations hereunder and thereunder and the consummation by the Company of the transactions contemplated hereby and thereby do not require the Company to obtain any consent, approval or action of, or make any filing with or give any notice to, any corporation, person or firm or any public, governmental or judicial authority.

3.7. Absence of Defaults, Conflicts, etc.

Except as set forth on Schedule 3.7, the execution and delivery of the Transaction Documents and the approval of the Board of Directors of the Company and the submission to the shareholders of the Company for approval of the Merger do not, and the fulfillment of the terms hereof and thereof by the Company, and the issuance of the Series B Preferred Stock, PIK Shares, the Warrants and the PIK Warrants (and the Common Stock issuable upon conversion or exercise thereof) and the execution of the Senior Secured Note will not, result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or permit the acceleration of rights under or termination of, any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or other material agreement of the Company (collectively the "Key Agreements and Instruments"), or the Organizational Documents (except to the extent the Merger will require shareholder approval), or any rule or regulation of any court or federal, state or foreign regulatory board or body, or administrative agency having jurisdiction over the Company or over its properties or businesses. Except as set forth on Schedule 3.7, no event has occurred and no condition exists which, upon notice or the passage of time (or both), would

constitute a default under any such Key Agreements and Instruments or under any license, permit or authorization to which the Company is a party or by which it may be bound. There is not a pending Takeover Proposal and the Company is in compliance with the terms of that certain exclusivity letter with LCI dated June 5, 2001.

3.8. Absence of Certain Developments

Except as disclosed in the Public Filings and except as set forth on Schedule 3.8, since May 15, 2001 there has been no (i) material adverse change in the condition, financial or otherwise, of the Company or in its assets, liabilities, properties, or business or prospects, (ii) declaration, setting aside or payment of, or any agreement by the Company to declare, set aside or pay, any dividend or other distribution with respect to the capital stock of the

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Company (or repurchase or redemption of any capital stock), (iii) issuance of, or any agreement by the Company to issue, capital stock (other than pursuant to the exercise of options, warrants, or convertible securities outstanding at such date) or options, warrants or rights to acquire capital stock (other than the rights granted to the Landmark Parties hereunder), (iv) material loss, destruction or damage to any property of the Company, whether or not insured, (v) acceleration or prepayment of any indebtedness for borrowed money or the refunding of any such indebtedness, (vi) labor trouble involving the Company or any material change in its personnel or the terms and conditions of employment, (vii) waiver of any valuable right, (viii) increase in, or any agreement by the Company to increase, salary and benefits of any officer or employee or loan or extension of credit to any officer or employee of the Company except in the ordinary course of business consistent with past practice, or (ix) acquisition or disposition of any material assets (or any contract or arrangement therefor), or any other material transaction by the Company otherwise than for fair value in the ordinary course of business.

3.9. Securities Law Issues

(a) SEC Documents; No Non-Public Information; Financial Statements. The Common Stock of the Company is registered pursuant to Section 12(g) of the Exchange Act and the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act, including material filed pursuant to Section 13(a) or 15(d), in addition to one or more registration statements and amendments thereto heretofore filed by the Company with the SEC (all of the foregoing including filings incorporated by reference therein being referred to herein as the "SEC Documents"). The Company has delivered or made available to the Landmark Parties true and complete copies of all SEC Documents (including, without limitation, proxy information and solicitation materials and registration statements) filed with the SEC since May 15, 2000. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder and other federal, state and local laws, rules and regulations applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred which would require the Company to disclose such event or circumstance in order to make the statements in the SEC Documents not misleading on the

date hereof or on the Closing Dates but which has not been so disclosed. The financial statements of the Company included in the SEC Documents, the Company's unaudited financial statements attached hereto as Schedule 3.9(a) and the Company's unaudited financial statements for the period ending March 31, 2001 (the "Filed Financial Statements") comply as to form and substance in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. The Filed Financial Statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will

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not, individually or in the aggregate, be material).

(b) Receivables. All receivables of the Company (including accounts receivable, loans receivable and advances) which are reflected in the Balance Sheet, and all such receivables which will have arisen from the date thereof (as stated from time to time in the financial information delivered pursuant to Section 5.8 below), shall have arisen only from bona fide transactions in the ordinary course of the Company's business and shall be (or have been) fully collected when due, or in the case of each account receivable within 90 days after it arose, without resort to litigation and without offset or counterclaim, in the aggregated face amounts thereof, except to the extent of the doubtful accounts reserve reflected on the Balance Sheet or the delivered financial information, as applicable.

(c) Principal Exchange/Market. The principal market on which the Common Stock is currently traded is the Nasdaq National Market. The Company has received notice from Nasdaq notifying the Company that its Common Stock may be subject to delisting from the National Market due to recent failure of the Company to meet the continued listing standards required by Nasdaq.

(d) No General Solicitation. Neither the Company, nor any of its Affiliates, or, to the Company's knowledge, any person acting on its or their behalf has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Securities, the Converted Shares or the Warrant Shares.

(e) No Integrated Offering. Neither the Company, nor any of its Affiliates, nor to its knowledge 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 would require registration of the Securities (or the underlying Common Stock convertible or exercisable pursuant to the Series B Preferred Stock or the Warrants) under the Securities Act. The issuance of the Securities (or the underlying common stock convertible or exercisable pursuant to the Series B Preferred Stock or the Warrants) to the Landmark Parties and the Series C Preferred Stock to the Subordinated Debt Holders will not be integrated with any other issuance of the Company's securities (past, current or future) which will require any shareholder

approval under the rules of the Nasdaq National Market other than the shareholder approval to be obtained in connection herewith.

(f) Shareholder Rights Plan. Neither the acquisition of the Securities (or the underlying Common Stock convertible or exercisable pursuant to the Series B Preferred Stock or the Warrants) nor the deemed beneficial ownership of shares of Common Stock prior to, or the acquisition of such shares pursuant to, the conversion of the Series B Preferred Stock, PIK Shares or the exercise of the Warrants or PIK Warrants will in any event under any circumstance trigger the poison pill provisions of any shareholders' rights or similar agreements, or a substantially similar occurrence under any successor or similar plan.

(g) Michigan Law Issues. The Company has complied with any and all procedures required under Chapter 7A or Chapter 7B of the Michigan Business Corporation Act, and all such required procedures are by law effective as of the date hereof and irrevocable, to prevent the application of the provisions of such Chapters to, and such provisions shall not be applied to, this Agreement or

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the Transaction Documents, or any of the transactions contemplated hereby and thereby.

3.10. Acknowledgement of Dilution

In accordance with the terms of the Series B Preferred Stock and the Warrants, the number of shares of Common Stock constituting Converted Shares or Warrant Shares may increase substantially in certain circumstances. The Company acknowledges that its obligation to issue the Converted Shares, upon conversion of the Series B Preferred Stock and PIK Shares (and the accrued and cumulated dividends thereon), and the Warrant Shares, upon exercise of the Warrants and PIK Warrants, is absolute and unconditional, regardless of the dilution that such issuance may have on other shareholders of the Company.

3.11. No Bankruptcy

The Company is not subject to any bankruptcy, insolvency or similar proceeding. Based on the financial condition of the Company as of the Closing Dates, the Company's assets do not constitute unreasonably small capital to carry out its business as now conducted and as proposed to be conducted including the Company's capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof.

3.12. Compliance with Law

(a) The Company is in compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including without limitation laws or regulations relating to the environment or to occupational health and safety, except where the failure to be in compliance would not have a Material Adverse Effect, and no material expenditures are or will be required in order to cause its current operations or properties to comply with any such law, ordinances, governmental rules or regulations.

(b) The Company has all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business, except where the failure to possess such licenses, permits, franchises or authorizations would not have a Material Adverse Effect. The Company has not finally been denied any application for any such licenses, permits, franchises or other governmental authorizations necessary to its business.

3.13. Litigation

Except as set forth in Schedule 3.13, there is no legal action, suit, arbitration or other legal, administrative or other governmental investigation, inquiry or proceeding (whether federal, state, local or foreign) pending or, to the best of the Company's knowledge, threatened against or affecting the Company, the Company's properties, assets or business or the transactions contemplated by the Transaction Documents. After reasonable inquiry of its management employees, the Company is not aware of any fact which might result in or form a reasonable basis for any such action, suit, arbitration, investigation, inquiry or other proceeding. Except as set forth in Schedule 3.13, the Company is not subject to any order, writ, judgment, injunction, decree, determination or award of any court or of any governmental agency or instrumentality (whether federal, state, local or foreign).

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3.14. Absence of Undisclosed Liabilities

Except (a) as set forth or reserved against in the most recent balance sheet included in the Filed Financial Statements ("Balance Sheet"), (b) for obligations incurred in the ordinary course of business since the date of the Balance Sheet, which are, except as set forth on Schedule 3.14, not individually or in the aggregate material in amount, or (c) as set forth on Schedule 3.14, the Company does not have any debt, obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due, whether or not known to the Company) arising out of any transaction entered into, or any state of facts existing at or prior to the date hereof, including taxes with respect to or based upon the transactions or events occurring at or prior to the date hereof, and including, without limitation, unfunded past service liabilities under any pension, profit sharing or similar plan.

3.15. Tax Matters

There are no foreign, federal, state, county or local taxes due and payable by the Company which have not been paid. Any liability of the Company for taxes not yet due and payable, or which are being contested in good faith, has been provided for on the Balance Sheet in accordance with GAAP. The Company has duly filed all federal, state, county and local tax returns required to have been filed by the Company and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year. Except for a sales and use tax audit in 2001, all amounts owing as a result of which have been paid as of the date hereof, the Company has not been subject to a federal or state tax audit of any kind. Since January 1, 1998, no claim has been made by any tax authority in a jurisdiction where the Company does not currently file a tax return that the Company is or may be subject to tax by such jurisdiction. There is no action, suit, proceeding, investigation, audit or claim now pending against, or with respect to, the Company in respect of any tax or assessment, nor is any claim for additional tax or

assessment asserted by any tax authority. The Company has withheld and paid all material taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party. Any amount that could be received (whether in cash or property or the vesting of property) as a result of any of the transactions contemplated by this Agreement by any employee, officer or director of the Company who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation Section 1.280G-1) under any employment, severance or termination agreement, other compensation arrangement or benefit plan currently in effect would not be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code). The Company has delivered in writing pursuant to Landmark's due diligence request list a report that accurately sets forth the regular and alternative minimum tax net operating loss and other carryovers available to the Company. As of the Closing Dates, and except for giving effect to the transactions contemplated hereby, the ability of the Company or any subsidiary to use such carryovers will not have been affected by Sections 382, 383 or 384 of the Code or by the SRLY limitations of the consolidated return regulations under Section 1502 of the Code. The Company has not made any election under Section 341(f) of the Code.

3.16. Intellectual Property

(a) Except as set forth on Schedule 3.16(a), the Company owns all

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right, title and interest in and to, or has a valid and enforceable license to use all the Intellectual Property used by it in connection with the Company's business, which represents, subject to Section 3.17 below, all intellectual property rights necessary to the conduct of the Company's business as now conducted. Except as set forth on Schedule 3.16(a), the Company has performed all obligations required to be performed by the Company to date under, and is not in default or delinquent in performance, status or any other respect (claimed or actual) in connection with, any license or other agreement pursuant to which the Company has the right to use any Intellectual Property. Except as set forth on Schedule 3.16(a), to the best of the Company's knowledge the other party to such license or agreement has no current basis to terminate such license or agreement and no event has occurred which would constitute such a default of such license or agreement. Except as set forth on Schedule 3.16(a), the conduct of the Company's business as currently conducted does not conflict with or infringe any Intellectual Property or other proprietary right of any third party. Except as set forth on Schedule 3.16(a), there is no claim, suit, action or proceeding pending or, to the knowledge of the Company, threatened against the Company: (i) alleging any such conflict or infringement with any third party's Intellectual Property or other proprietary rights; or (ii) challenging the Company's ownership or use of, or the validity or enforceability of any Intellectual Property. Except as disclosed on Schedule 3.16 and to the best of the Company's knowledge, there are no conflicts with or infringements of any Intellectual Property owned by the Company by any third party, except infringements which, individually and in the aggregate, would not have a Material Adverse Effect.

(b) Schedule 3.16(b) sets forth a complete and current list of registrations (including registrations for intention to use a trademark)/patents pertaining to the Intellectual Property owned by the Company ("Listed Intellectual Property"), all pending applications for registrations/patents and the owner of record, date of application or issuance and relevant jurisdiction as to each. All Listed Intellectual Property is owned by the Company, free and clear

of security interests, liens, encumbrances or claims of any nature other than Permitted Liens or as otherwise set forth in Schedule 3.16(b). Except as set forth in Schedule 3.16(b), all Listed Intellectual Property is valid, subsisting, unexpired, in proper form and enforceable and all renewal fees and other maintenance fees that have fallen due on or prior to the effective date of this Agreement have been paid. Except as set forth in Schedule 3.16 (b), no Listed Intellectual Property is the subject of any proceeding before any governmental, registration or other authority in any jurisdiction, including any office action or other form of preliminary or final refusal of registration.

(c) Schedule 3.16(c) sets forth a complete list of licenses and all agreements relating to the Intellectual Property (excluding any Software) or to the right of the Company to use of the proprietary rights of any third party, excluding intellectual property or other proprietary rights owned by customers, vendors, advertisers and other third parties that are licensed to the Company on an incidental basis in the ordinary course of the Company's business with such

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parties (and none of which is necessary for the Company operations generally). Except as set forth in Schedule 3.16(c), the Company is not under any obligation to pay royalties or other payments in connection with any agreement pursuant to which it licenses the rights to use any Intellectual Property (excluding royalties or other payments that are not material in amount and are payable with respect to any Software), nor restricted from assigning its rights respecting Intellectual Property owned by the Company (other than as contemplated by the Permitted Liens) nor will the Company otherwise be, as a result of the execution and delivery of this Agreement or the performance of its obligations under this Agreement or the Transaction Documents, in breach of any agreement relating to the Intellectual Property or required to pay any fee or royalty.

(d) No present or former employee, officer or director of the Company, or agent or outside contractor of the Company, holds any right, title or interest, directly or indirectly, in whole or in part, in or to any Intellectual Property.

(e) To the Company's knowledge: (i) none of the Intellectual Property has been used, disclosed or appropriated to the detriment of the Company for the benefit of any Person other than the Company; and (ii) no employee, independent contractor or agent of the Company has misappropriated any trade secrets or other confidential information of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of the Company.

(f) Except as set forth on Schedule 3.16(f), to the Company's knowledge, the Company's transmission, reproduction, use, display or modification of any content relating to the Company and its operations, software, graphical user interfaces, embedded code or other materials contained in or accessed via any of the Company's Web sites (including framing and linking Web site content) or other practices in connection therewith does not infringe or violate any proprietary or other right of any other Person and no claim relating to such infringement or violation is pending or, to the Company's knowledge, threatened.

(g) Each employee of the Company who has created any copyrightable or protectable programs, modifications, enhancements or other inventions, improvements,

discoveries, methods or works of authorship ("Works") or any employee of the Company who in the regular course of his employment may create Works and all consultants have signed an assignment or similar agreement with the Company confirming the Company's ownership or, in the alternate, transferring and assigning to the Company all right, title and interest in and to such programs, modifications, enhancements or other inventions including copyright and other intellectual property rights therein.

3.17. Software

(a) The operating and applications computer software programs and databases owned or used by the Company (collectively, the "Software") that are material to the conduct of the Company's business as now conducted are listed on Schedule 3.17 hereto; excluding generally available application software used by the Company in connection with the ordinary course of its internal business operations, including, without limitation, word processing software, spreadsheet software, e-mail and internal network tool sets, presentation and graphic arts software, basic PC and network operating systems, database and contact

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management software and other software not used in connection with operation of the Company's web sites. The Company owns or has valid licenses to use all copies of the Software, and the Company has not sold, licensed, leased or otherwise transferred or granted any interest or rights in or to any portion thereof other than the Permitted Liens or as otherwise set forth in Schedule 3.17. Except as set forth on Schedule 3.17, none of the Software owned by the Company (the "Proprietary Software"), and to the Company's knowledge none of the Software owned by third parties and used by the Company, nor any use thereof, conflicts with, infringes upon or violates any intellectual property or other proprietary right of any other Person and, to the knowledge of the Company, no claim, suit, action or other proceeding with respect to any such infringement or violation is threatened or pending. The Company has taken, and will continue to take, all steps reasonably necessary to protect its right, title and interest in and to the Software in accordance with standard industry practice. The Company has not committed, and will not commit, any acts, and has not omitted, and will not omit, to take any actions, which would cause a forfeiture of abandonment of any rights in the Proprietary Software or would cause the Proprietary Software to enter into the public domain.

(b) The Company possesses or has access to the original and all copies of all documentation and all source code or password protected code, as applicable for all the Proprietary Software. Except for the Permitted Liens or as set forth in Schedule 3.17, upon consummation of the transactions contemplated by this Agreement, the Company will continue to own all the Proprietary Software, free and clear of all claims, liens, encumbrances, and liabilities and, with respect to all agreements for the lease or license of Software which require consents or other actions as a result of the consummation of the transactions contemplated by this Agreement in order for the Company to continue to use and operate such Software after the Closing Dates, the Company will use best efforts to obtain such consents or taken such other actions so required.

3.18. Material Contracts

Schedule 3.18 sets forth a true and complete list of each contract, agreement, instrument, commitment and other arrangement to which the Company is a party or otherwise relating to or affecting any of its assets, including without limitation, any employment, severance or consulting agreements; loan, credit or security agreements; joint venture agreements or distribution agreements which cannot be terminated on ninety (90) days' notice without penalty or premium and either (a) has a duration of over 1 year or (b) which involves the expenditure or receipt of revenues by the Company of over $75,000 (each, a "Material Contract"). Except for the breaches disclosed on Schedule 3.18, each Material Contract is valid, binding and enforceable against the parties thereto in accordance with its terms, and in full force and effect. Except as disclosed on Schedule 3.18, the Company has performed all obligations required to be performed by the Company to date under, and is not in default or delinquent in performance, status or any other respect (claimed or actual) in connection with, any Material Contract such that the other party to such Material Contract may obtain damages or terminate such Material Contract, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. Except as disclosed on Schedule 3.18, to the knowledge of the Company, no other party to any Material Contract is in default

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in respect thereof, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. The Company has made available and shall have delivered, as of the Closing Dates, to the Buyer or its representatives true and complete originals or copies of all the Material Contracts. Except as set forth on Schedule 3.18A, within the past 60 days, none of the contracts, agreements, instruments, commitments and other arrangements to which the Company is a party and through which the Company has derived more than $25,000 in annual revenue in the past twelve months (a "Material Revenue Contract") has been terminated prior to its expiration (and no notice has been given or event has occurred which, with due notice or lapse of time or both, would result in such termination), and each such Material Revenue Contract (including Material Revenue Contracts that have expired within the past 60 days) is valid, binding and enforceable against the parties thereto in accordance with its terms, and in full force and effect. Except as set forth on Schedule 3.18, to the knowledge of the Company, no party to a Material Revenue Contract is unwilling to use the Company's services.

3.19. Employees

The Company is in full compliance with all laws regarding employment, wages, hours, equal opportunity, collective bargaining and payment of social security and other taxes except such noncompliance as would not, in the aggregate, have a Material Adverse Effect. The Company is not engaged in any unfair labor practice or discriminatory employment practice and no complaint of any such practice against the Company is filed or, to the best of the Company's knowledge, threatened to be filed with or by the National Labor Relations Board, the Equal Employment Opportunity Commission or any other administrative agency, federal or state, that regulates labor or employment practices, nor is any grievance filed or, to the best of the Company's knowledge, threatened to be filed, against the Company by any employee pursuant to any collective bargaining or other employment agreement to which the Company is a party or is bound. The Company is in compliance with all applicable foreign, federal, state and local laws and regulations regarding occupational safety and health standards except to the extent that

noncompliance will not have a Material Adverse Effect, and has received no complaints from any foreign, federal, state or local agency or regulatory body alleging violations of any such laws and regulations. Except as set forth on Schedule 3.19, each of the employees of the Company has executed without modification the Company's Terms of Employment attached hereto as Schedule 6.16.

3.20. Employee Benefit Plans

(a) Schedule 3.20(a) sets forth a complete and correct list of:

(i) all "employee benefit plans", as defined in Section 3(3) of ERISA, maintained by the Company to which Company has any obligation or liability, contingent or otherwise; and

(ii) all employment or consulting agreements, and all bonus or other incentive compensation, deferred compensation, salary continuation, disability, stock award, stock option, stock purchase, collective bargaining agreement or other employee benefit policies or arrangements which the Company maintains or to which the Company has any obligation or

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liability, contingent or otherwise (collectively referred to as the "Company Plans").

(b) The Company has no material obligation or liability, contingent or otherwise, under Title IV of ERISA or Section 412 of the Code. No Company Plan is a "multiemployer plan," as defined in Section 3(37) of ERISA (a "Multiemployer Plan"), or a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA (a "Multiple Employer Plan"), nor has the Company, any of its Subsidiaries or any of its ERISA Affiliates at any time contributed to or been obligated to contribute to any Multiemployer Plan or Multiple Employer Plan.

(c) The Company Plans intended to qualify under Section 401(a) are qualified under such sections, and each trust maintained pursuant thereto, has been determined to be exempt from federal income taxation under Section 501 of the Code by the IRS, and nothing has occurred with respect to the operation of any such Company Plans that would reasonably be expected to cause the loss of such qualification or exemption or the imposition of any material liability, penalty or tax under ERISA or the Code.

(d) All contributions (including all employer contributions and employee salary reduction contributions) required to have been made under any of the Company Plans to any funds or trusts established thereunder or in connection therewith have been made by the due date thereof and all contributions for any period ending on or before the Closing Date which are not yet due will have been paid or accrued prior to the Closing Date.

(e) True, correct and complete copies of the following documents, with respect to each of the Company Plans, have been delivered to the Landmark Parties by the Company, if applicable: (i) all plan and related trust documents, and amendments thereto; (ii) the most recent Form 5500 (iii) summary plan description; and (iv) and any written agreements, policies or practices.

(f) Except as set forth on Schedule 3.20, the Company Plans have been maintained, in all material respects, in accordance with their express terms and with all provisions of ERISA and the Code (including rules and regulations thereunder) and other applicable federal and state laws and regulations, and the Company has not engaged in, or has knowledge that a "party in interest" or a "disqualified person" has engaged in, a "prohibited transaction", as defined in Section 4975 of the Code or Section 406 of ERISA, or taken any actions, or failed to take any actions, which could reasonably be expected to result in any material liability under ERISA or the Code.

(g) For any "group health plan", as defined in Section 4980B of the Code, the Company has complied in all material respects with the notice and coverage continuation requirements of Section 4980B of the Code and Section 601 of ERISA, and the regulations thereunder ("COBRA"). None of the Company Plans provide retiree health or life insurance benefits except as may be required by COBRA or applicable state continuation coverage law or at the expense of the participant or the participant's beneficiary.

(h) Except as set forth in Schedule 3.20(h), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (a) result in any payment becoming due to any current employee or former employee of the Company, (b) increase any benefits otherwise payable under any of the Company Plans (c) result in any payment that will not be deductible under Section 280G of the Code or (d) result in the acceleration

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of the time of payment or vesting of any benefits provided under any of the Company Plans.

3.21. Title to Tangible Assets

Except as set forth on Schedule 3.21, the Company has good title to its properties and assets and a valid leasehold interest in all its leasehold estates, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than or resulting from taxes which have not yet become delinquent and minor liens and encumbrances which do not in any case materially detract from the value of the property subject thereto or materially impair the operations of the Company and which have not arisen otherwise than in the ordinary course of business. The Company does not own any real property.

3.22. Condition of Properties

All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are suitable for their intended use and in reasonably good operating condition and repair, normal wear and tear excepted.

3.23. Insurance

The Company and its properties are insured in such amounts, against such losses and with such insurers as the Company has determined to be prudent based upon the nature of the properties and businesses of the Company. Schedule 3.23 sets forth a true and complete listing of the insurance policies of the Company (other than insurance policies under any Company Plan) as in effect on the date hereof, including in each case the applicable coverage limits, deductibles and the policy expiration dates. No notice of any termination or threatened termination of any of such policies has been received by the Company and such policies are in full force and effect.

3.24. Membership Base; Demographic Activity

(a) The Company has at least 14 million unique members, representing at least 12 million individual households.

(b) The average of the indicated ages of the Company's members is approximately 34. Of the Company's 14 million plus members, all have fully registered and at least 6.5 million have agreed to accept electronic mail messages from the Company.

(c) Within the past 30 days, at least 1.4 million of the Company's members have accessed the Company's website.

(d) The Company's databases are the exclusive property of the Company, and such databases are adequately protected against, and have not suffered any, loss due to system damage or destruction, data erosion, unwanted or unauthorized access, and theft.

(e) Below is a correct and complete chart which, for each of the calendar quarters in 2000 and 2001, accurately indicates the number of the Company's newly registered households ("New H.H.") in each applicable quarter

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and the number of total meaningful revenue producing actions ("Total actions") taken by the Company's members in each applicable quarter ("M" means million):

	Q1 `00	Q2 `00	Q3 `00	Q4 `00	Q1 `01	Q2 `01
New H.H.	1.6 M	1.6 M	1.8 M	1.9 M	1.8 M	.9 M
Total actions	4.4 M	4.5 M	7.5 M	10.2 M	7.8 M	7.3 M

3.25. Voting Agreements

Each of the Chief Executive Officer, the President/Chief Operating Officer, the Chief Financial Officer, the Chief Technology Officer and the Senior Vice President--Product Management and (the "Management Investors") and the parties listed on Schedule 3.25 (together with the Management Investors, the "Principal Investors") has executed and delivered voting agreements, in the form attached hereto as Exhibit M (the "Voting Agreements"), with respect to the voting of all capital stock owned by such Principal Investors (which in the aggregate represents the necessary percentage of voting power of the Company to effect the shareholder approval to the extent the Company's Board's approval is not withdrawn) in favor of the transactions contemplated hereby, the certain actions specified in the Voting Agreements, and the increase of capital stock of the Company, from time to time, to permit the authorization and issuance of shares underlying the Series B Preferred Stock and the Warrants. Such Voting

Agreements are in full force and effect and have not been rescinded, abrogated or canceled in any manner.

3.26. Certain Interests

Except as set forth in Schedule 3.26 and as disclosed in the Public Filings, neither the Company nor any of its officers or, to the best of its knowledge, directors, has any interest, either by way of contract or by way of investment (other than as holder of not more than 2% of the outstanding capital stock of a publicly traded Person) or otherwise, directly or indirectly, in any Person other than the Company that (i) provides any services or designs, produces or sells any product or product lines or engages in any activity similar to or competitive with any activity currently proposed to be conducted by the Company or any of its subsidiaries, (ii) has any direct or indirect interest in any asset or property, real or personal, tangible or intangible, owned or used by the Company or (iii) any suppliers, vendors or customers of the Company.

3.27. Registration Rights

Except as provided by the Registration Rights Agreement and under the agreements listed on Schedule 3.27, the Company will not, as of the Closing Dates, be under any obligation to register any of its securities under the Securities Act.

3.28. Private Offering

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Based upon the representations of the Landmark Parties set forth in Section 4 and assuming the accuracy thereof as of the date hereof and as of the date of the issuance of the Series B Preferred Stock and Warrants and the issuance of the Converted Shares and the Warrant Shares, the offer, issuance and sale of the Securities and the shares of Common Stock issuable upon conversion of the Series B Preferred Stock and exercise of the Warrants 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.

3.29. Brokerage

There are no claims for brokerage commissions or finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement made by or on behalf of the Company other than those disclosed on Schedule 3.29 which shall be the Company's sole obligation and liability and paid pursuant to Section 6.21. The Company agrees to indemnify and hold the Landmark Parties harmless against any costs or damages incurred as a result of any claim directly against the Landmark Parties arising out of or relating to such brokerage commissions or finder's fees.

3.30. Minute Books

The minute books of the Company have been made available to the Landmark Parties and contain a complete summary of all meetings of directors and shareholders since the time of the Company's incorporation.

3.31. Change of Control

Since May 15, 2001, there has been no event that has resulted or will result in a Change of Control of the Company, excluding the transactions contemplated under this Agreement.

3.32. Material Facts

This Agreement, the Disclosure Schedules, and the other agreements, documents, certificates or written statements furnished or to be furnished to the Landmark Parties through the Closing Dates by or on behalf of the Company in connection with the transactions contemplated hereby taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein, in light of the circumstances in which they were made, not misleading. There is no fact which is known to the Company and which has not been disclosed herein or otherwise by the Company to the Landmark Parties which may materially adversely affect the business, properties, assets, liabilities, prospects, profits, results of operations or condition, financial or otherwise, of the Company.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE LANDMARK PARTIES

The Landmark Parties represent and warrant to the Company as follows:

4.1. Corporate Proceedings, etc.

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LCI is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. LV is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Landmark Party has authorized the execution, delivery, and performance of the Transaction Documents required to be executed by it and each of the transactions and agreements contemplated hereby and thereby. No other corporate action is necessary to authorize such execution, delivery and performance of the Transaction Documents, and upon such execution and delivery each of the Transaction Documents shall constitute the valid and binding obligation of each applicable Landmark Party, enforceable against the applicable Landmark Party in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and general principles of equity. Each of the Landmark Parties has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder.

4.2. Consents and Approvals.

The execution and delivery by each Landmark Party of the Transaction Documents, the performance by each Landmark Party of its obligations hereunder and thereunder, and the consummation by each Landmark Party of the transactions contemplated hereby and thereby do not require either Landmark Party to obtain any consent, approval or

action of, or make any filing with or give any notice to, any corporation, person or firm or any public, governmental or judicial authority.

4.3. Investment Representation.

(a) Each Landmark Party is purchasing the applicable Securities for its own account and not with a view to distribution in violation of any securities laws. Neither Landmark Party has any present intention to sell the Securities, Converted Shares or Warrant Shares in violation of federal or state securities laws and neither Landmark Party has any present arrangement (whether or not legally binding) to sell the Securities, Converted Shares or Warrant Shares to or through any person or entity; provided, however, that by making the representations herein, neither Landmark Party agrees to hold the Securities, Converted Shares or Warrant Shares for any minimum or other specific term and each Landmark Party reserves the right to dispose of the Securities, Common Shares or Warrant Shares at any time in accordance with and not in violation of federal and state securities laws applicable to such disposition and Section 5.5 hereof.

(b) Each Landmark Party is an "accredited" investor as defined in Rule 501(a) promulgated under the Securities Act, and (i) is able to bear the economic risk of its investment in the Series B Preferred Stock and the Warrants, (ii) is able to hold the Series B Preferred Stock and the Warrants for an indefinite period of time, (iii) can afford a complete loss of its investment in the Series B Preferred Stock and the Warrants and (iv) has adequate means of providing for its current needs.

4.4. Access to Other Information.

Each Landmark Party acknowledges that the Company has made available to it the opportunity to examine such additional documents from the Company and to ask questions of, and receive full answers from, the Company concerning, among other things, the Company, its financial condition, its management, its prior activities and any other information which such Landmark Party considers

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relevant or appropriate in connection with entering into this Agreement.

4.5. Risks of Investment.

Each Landmark Party acknowledges that the Securities have not been registered under the Securities Act. Each Landmark Party is familiar with the provisions of Rule 144 and understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act or some other exemption from the registration requirements of the Securities Act will be required in order to dispose of the Securities, and that such Landmark Party may be required to hold its Securities received under this Agreement for a significant period of time prior to reselling them. Each Landmark Party is capable of assessing the risks of an investment in the Securities and is fully aware of the economic risks thereof.

SECTION 5. COVENANTS OF THE PARTIES

5.1. Securities Compliance

The Company shall notify the Nasdaq National Market, in accordance with its requirements, of the transactions contemplated by the Transaction Documents, and shall take all other necessary action and proceedings as may be required and permitted by applicable law, rule and regulation, for the legal and valid issuance of the Series B Preferred Stock, Warrants, Converted Shares and Warrant Shares hereunder, including, without limitation, the preparation and filing with the SEC of a proxy statement for the purposes of soliciting shareholder approval for the transactions contemplated under the Transaction Documents.

5.2. Reservation of Stock Issuable Upon Conversion or Exercise of the Securities

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Series B Preferred Stock (including the PIK Shares) and the exercise of the Warrants (including the PIK Warrants), such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preferred Stock and the exercise of all outstanding Warrants. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion and/or exercise of all the then outstanding Series B Preferred Stock and Warrants, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including without limitation effecting a combination/reverse split of shares or engaging in best efforts to obtain the requisite shareholder approval for a Charter amendment. Without in any way limiting the foregoing, the Company agrees to reserve and at all times keep available solely for purposes of conversion and/or exercise of the Series B Preferred Stock and Warrants such number of authorized but unissued shares of Common Stock that is at least equal to 150% of the aggregate shares issuable upon conversion and/or exercise of the Series B Preferred Stock and Warrants, which number may be reduced by the number of Converted Shares or Warrant Shares actually delivered pursuant to conversion of the Series B Preferred Stock or exercise of the Warrants and shall be appropriately adjusted for any stock split, reverse split, stock dividend or reclassification of the Common Stock.

5.3. Form D; Blue Sky Laws

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The Company agrees to file a Form D with respect to the Securities and the Converted Shares, in accordance with the provisions of Regulation D, and to provide a copy thereof to the Landmark Parties promptly after such filing. The Company shall, on or before the each applicable Closing Date (including the date of each Additional Option Closing), take such action as the Company shall have reasonably determined is necessary to qualify the Securities, the Converted Shares and the Warrant Shares for sale to the Landmark Parties at the respective closings pursuant to this Agreement under applicable securities or "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 Landmark Parties on or prior to the each applicable closing date.

5.4. Best Efforts

The Company will use its best efforts to obtain promptly shareholder approval for the actions contemplated hereby, including shareholder approval to authorize and approve the consummation of the Merger. Without limiting the foregoing, the Chairman of the Board, the Chief Executive Officer, or the President of the Company shall duly call, pursuant to the Organizational Documents, a meeting of the holders of the Company's outstanding voting securities (the "Shareholders' Meeting") and, as soon as permitted under applicable law, the Company shall use its best efforts to obtain additional Voting Agreements from that number of shareholders as may be necessary to ensure that the number of votes to be voted in favor of the transactions contemplated hereby (including the consummation of the Merger) shall not be less than sixty-six and two-thirds percent (66-2/3%) of the outstanding shares of Common Stock entitled to vote at the Shareholders' Meeting.

5.5. Resale of Securities

(a) Each Landmark Party covenants that it will not sell or otherwise transfer the Securities (or any Converted Shares or Warrant Shares) except pursuant to an effective registration under the Securities Act or in a transaction which, in the opinion of counsel, which opinion and which counsel shall be reasonably satisfactory to the Company, qualifies as an exempt transaction under the Securities Act and the rules and regulations promulgated thereunder and any applicable state blue sky laws.

(b) The certificates evidencing the shares of Series B Preferred Stock, the Converted Shares issuable upon conversion of the Securities, and the Warrant Shares issuable upon exercise of the Warrants will bear the following legend reflecting the foregoing restrictions on the transfer of such securities:

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

5.6. Covenants Pending the Closings

From the date hereof through the Second Tranche Closing Date, the Company will not, without LCI's prior written consent, take any action or fail

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or omit to take any action which would result in any of the representations or warranties contained in this Agreement not being true at and as of the time immediately after such action, or in any of the covenants

contained in this Agreement becoming incapable of performance. The Company will promptly advise LCI of any action or event of which it becomes aware which has the effect of making incorrect any of such representations or warranties or which has the effect of rendering any of such covenants incapable of performance. The compliance by the Company with this covenant shall not be deemed or construed to cure or otherwise excuse in any respect the breach of the applicable representation, warranty or covenant.

5.7. Further Assurance; Securities Law Assurances

(a) Each of the parties shall execute such documents and other papers and take such further actions as may be required or desirable to carry out the provisions hereof and the transactions contemplated hereby. Each such party shall use its reasonable best efforts to fulfill or obtain the fulfillment of the conditions to each of the Closings as promptly as practicable.

(b) Until the earlier to occur of the repurchase by the Company of all of the Series B Preferred Stock pursuant to the Restated Charter or July 27, 2003, so long as any Series B Preferred Stock or Warrants remain outstanding, each Landmark Party agrees that it shall not (i) engage in any market manipulation of the Common Stock, (ii) sell short the Common Stock, or (iii) make public negative disclosures about the Company other than in connection with or relating to permitted disclosures regarding a public company pursuant to a proxy statement. Nothing in this Agreement shall prevent the Landmark Party from exercising its rights under the Transaction Documents. Furthermore, nothing contained herein shall restrict the ability of a Landmark Party to sell or purchase Common Stock in the market or otherwise, in compliance with and not in violation of the federal and state securities laws, including, but not limited to, Rule 10b-5 promulgated under the Exchange Act.

5.8. Financial and Business Information

From and after the date hereof and for as long as the Landmark Parties, together with all of their Affiliates, shall own at least 25% of the outstanding Common Stock, the Company shall deliver to the Landmark Parties or any subsequent holder of the Securities:

(a) Monthly and Quarterly Statements - as soon as practicable, and in any event within 15 business days after the close of each month in the case of monthly statements and 40 days after the close of each of the first three fiscal quarters of each fiscal year of the Company in the case of quarterly statements, a consolidated balance sheet, statement of income and statement of cash flows of the Company and any subsidiaries as at the close of such month or quarter and covering operations for such month or quarter, as the case may be, and the portion of the Company's fiscal year ending on the last day of such month or quarter, all in reasonable detail and prepared in accordance with GAAP, subject to audit and year-end adjustments, setting forth in each case in comparative form the figures for the comparable period of the previous fiscal year together with a detailed aging report with respect to receivables and payables. The Company shall also provide comparisons of each pertinent item to the budget referred to in subsection (c) below.

(b) Annual Statements - as soon as practicable after the end of each fiscal year of the Company, and in any event within 90 days thereafter, duplicate copies of:

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(i) consolidated and consolidating balance sheets of the Company and any subsidiaries at the end of such year; and

(ii) consolidated and consolidating statements of income, shareholders' equity and cash flows of the Company and any subsidiaries for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Company, which opinion shall state that such financial statements fairly present the financial position of the Company and any subsidiaries on a consolidated basis and have been prepared in accordance with GAAP (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances, and the Company shall also provide comparisons of each pertinent item to the budget referred to in subsection (c) below.

(c) Business Plan; Projections - no later than 30 days prior to the commencement of each fiscal quarter of the Company, an updated Business Plan of the Company and projections of operating results, prepared on a monthly basis, and a three year business plan of the Company and projections of operating results. Within 45 days of the close of each fiscal quarter of the Company, the Company shall provide the Landmark Parties with an update of such monthly projections. Such business plans, projections and updates shall contain such substance and detail and shall be in such form as will be reasonably acceptable to the Landmark Parties. By email dated July 6, 2001, the Company has delivered to the Landmark Parties a business plan amended with interlineations that reflect the current status of the business and the projected course for the balance of the year (the "Business Plan").

(d) Audit Reports - promptly upon receipt thereof, one copy of each other financial report and internal control letter submitted to the Company by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company.

(e) Other Reports - simultaneously with mailing to shareholders or public issuance, one copy of each financial statement, report, notice or proxy statement sent by the Company to shareholders generally, of each financial statement, report, notice or proxy statement sent by the Company or any of its subsidiaries to the SEC or any successor agency, if applicable, of each regular or periodic report and any registration statement, prospectus or written communication (other than transmittal letters) in respect thereof filed by the Company or any subsidiary with, or received by such Person in connection therewith from, any domestic or foreign securities exchange, the SEC or any successor agency or any foreign regulatory authority performing functions similar to the SEC, of any press release issued by the Company or any subsidiary, and of any material of any nature whatsoever prepared by the SEC or any successor

agency thereto or any state blue sky or securities law commission which relates to or affects in any way the Company or any subsidiary.

(f) Progress Reports - when distributed, all reports provided to senior management and all reports listed on Schedule 5.8(f), prior to each

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regularly scheduled meeting of the Board of Directors of the Company, a narrative report describing the Company's activities since the date of the last such report, including a description of business development, operating results and marketing efforts, and weekly, not later than the third day of such week, a sales pipeline report and member activity report for the preceding week.

(g) Requested Information - with reasonable promptness, such other data and information as from time to time may be reasonably requested by the Landmark Parties.

5.9. Inspection

The Company shall permit LCI (or any subsequent holder of the Securities, as applicable), its nominee, assignee, and its representative to visit and inspect any of the properties of the Company, to examine all its books of account, records, reports and other papers not contractually required of the Company to be confidential or secret, to make copies and extracts therefrom, and to discuss its affairs, finances and accounts with its officers, directors, key employees and independent public accountants or any of them (and by this provision the Company authorizes said accountants to discuss with LCI, its nominees, assignees and representatives the finances and affairs of the Company and any subsidiaries), all at such reasonable times and as often as may be reasonably requested.

5.10. Confidentiality

Other than as set forth on Schedule 5.10, as to so much of the information and other material furnished under or in connection with this Agreement (whether furnished before, on or after the date hereof, including without limitation information furnished pursuant to Sections 5.8 and 5.9 hereof) as constitutes or contains confidential business, financial or other information of the Company or any subsidiary, each Landmark Party (or as applicable in this Section 5.10, any holder of the Securities) covenants for itself and its directors, officers and partners that it will use due care to prevent its officers, directors, partners, employees, counsel, accountants and other representatives from disclosing such information to Persons other than their respective authorized employees, counsel, accountants, shareholders, partners, limited partners and other authorized representatives; provided, however, that a Landmark Party may disclose or deliver any information or other material disclosed to or received by it should each Landmark Party be advised by its counsel that such disclosure or delivery is required by law, regulation or judicial or administrative order. In the event of any termination of this Agreement prior to the First Tranche Closing, the Landmark Parties shall return to the Company or destroy or otherwise purge from their records all confidential material previously furnished to them or their officers, directors, partners, employees, counsel, accountants and other representatives in connection with this transaction. For purposes of this Section 5.10, "due care" means the same level of care that a Landmark Party would use to protect the confidentiality of its own sensitive or proprietary information, and this obligation shall survive termination of this Agreement.

5.11. Conduct of Business

(a) The Company will continue to engage in business of the same general type as now conducted by it, and preserve, renew and keep in full force

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and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business. The Company has entered into with its current employees and shall require all of its employees hired or consultants engaged after the date hereof to enter into appropriate confidentiality agreements to protect confidential information relating to the Company and its business, including trade secrets.

(b) The Company acknowledges that excessive e-mail transmissions, while promoting short-term revenue increases, could have detrimental effects on the long term financial prospects of the Company. The Company agrees to monitor the member opt-out rate and to not transmit excessive member e-mails that could cause such opt-out rate to exceed 3.5%.

(c) The Company will comply in all material respects with all applicable laws, rules, regulations and orders except where the failure to comply would not have a Material Adverse Effect.

(d) The Company will maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of similar size and credit standing engaged in similar business and owning similar properties, _provided_ that such insurance is and remains available to the Company at commercially reasonable rates.

(e) The Company will keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company in accordance with GAAP.

5.12. _Lost, etc. Certificates Evidencing Shares (or Shares of Common Stock); Exchange_

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any certificate evidencing any shares of Series B Preferred Stock or Common Stock owned by a Landmark Party, and (in the case of loss, theft or destruction) of an indemnity or bond satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of such certificate, if mutilated, the Company will make and deliver in lieu of such certificate a new certificate of like tenor and for the number of shares evidenced by such certificate which remain outstanding. LCI's agreement of indemnity shall constitute indemnity satisfactory to the Company for purposes of this Section 5.12. Upon surrender of any certificate representing any shares of Series B Preferred Stock or Common Stock for exchange at the office of the Company, the Company at its expense will cause to be issued in exchange therefor new certificates in such denomination or denominations as may be requested for the same aggregate number of shares of Series B Preferred Stock or Common Stock, as the case may be, represented by the certificate so surrendered and registered as such holder may request. The Company will also pay the cost of

all deliveries of certificates for such shares to the office of LCI (including the cost of insurance against loss or theft in an amount satisfactory to the holders) upon any exchange provided for in this Section 5.12.

5.13. _Termination_

The provisions of Sections 5.7 through 5.13 (other than Section 5.10 which shall survive indefinitely) shall survive the Closings and remain in effect until the Landmark Parties or their successors and assigns shall own less

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than 25% of the Company's Common Stock, measured on an as-exercised and as-converted basis.

5.14. Option Plan; Option Repricing

(a) At the Shareholders' Meeting (and in the proxy mailed to shareholders), the Company shall request shareholder approval of the Approved Plan (defined below). During the period between the execution hereof and until the termination of this Agreement, the Company shall not (i) issue additional options or make awards under its 1997 Stock Option Plan other than (A) options to pruchase Common Stock granted to Matt Moog under the terms of his Employment Agreement, (B) options to purchase Common Stock issued in connection with the re-pricing of the options granted to Steven Golden (as contemplated by the terms of Golden's Severance Agreement and General Release), and (C) options to purchase Common Stock granted to new employees in the ordinary course of business (provided, the Company does not grant options to purchase more than 75,000 shares of Common Stock to any single employee or options to purchase more than 300,000 shares of Common Stock, in the aggregate, to all employees), or (ii) issue additional options or make awards under its 1999 Non-Employee Director Stock Option Plan. After the First Tranche Closing, grants and awards shall be made under the Approved Plan.

(b) The Company shall promptly (after it is legally permitted to do so) take such action as may be required to offer each of the persons listed on Schedule 5.14 (to the extent such persons are employees on the date of the offer) the opportunity to re-price their options that have an exercise price at or above $2.00 with an exercise price of the greater of (x) the closing sales price of the Common Stock on the date the exchange occurs and (y) $0.50; provided, however, as a condition to such repricing, each employee accepting the Company's offer must agree, through execution and delivery of a Stock Option Agreement in the form attached as Exhibit N, that such re-priced options shall be subject to vesting in three equal installments on each of the first three annual anniversaries of the re-pricing date; provided, further, that each employee that has not executed and delivered the Company's standard terms of employment agreement shall execute and deliver such agreement as a condition precedent for receiving any repriced options.

5.15. Payment Defaults

The Company shall promptly cure any and all of the breaches, defaults and failures to comply that are disclosed with respect to the agreements set forth on Schedule 3.7, Schedule 3.8, Schedule 3.12, Schedule 3.16(c), Schedule 3.16(f) and Schedule 3.18, to the extent such breach, default or failure to comply, as applicable, relates to the Company's failure to pay an amount owed and the chief executive officer or Board of Directors has not determined that the Company has a bona fide defense with respect to such non-payment; provided, the foregoing notwithstanding, and solely with respect to the breaches, default and failures that relate to unpaid accounts payable to trade creditors (as disclosed on Schedule 3.8 and Schedule 3.18), the Company shall not be in breach of the foregoing covenant so long as it uses its best efforts to cause the maximum aging of such payables to be less than ninety (90) days excluding such account payable that is being disputed by the Company in good faith and as to which the Company's chief financial officer or principal accounting officer has delivered to LV a certificate certifying to the dispute and the facts giving rise to the dispute.

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SECTION 6. LANDMARK CONDITIONS FOR FIRST TRANCHE CLOSING

The obligation of LV to purchase and pay for the First Tranche of Purchased Preferred Stock on the First Tranche Closing Date, as provided in Section 2.2 hereof, and LCI's related obligations hereunder, shall be subject to the performance by the Company of its agreements theretofore to be performed hereunder and to the satisfaction, prior thereto or concurrently therewith, of the following further conditions:

6.1. Representations and Warranties

The representations and warranties of the Company contained in this Agreement shall be true in all material respects on and as of the First Tranche Closing Date as though such representations and warranties were made at and as of such date, except for representations and warranties qualified by reference to materiality which shall be true in all respects on and as of the First Tranche Closing Date as though such representations and warranties were made at and as of such date.

6.2. Compliance with Agreement

The Company shall have performed and complied in all material respects with all agreements, covenants and conditions contained in this Agreement which are required to be performed or complied with by the Company prior to or on the First Tranche Closing Date.

6.3. Officer's Certificate

The Landmark Parties shall have received a certificate, dated the First Tranche Closing Date, signed by each of the President and the Chief Financial Officer of the Company, certifying that the conditions specified in the foregoing Sections 6.1 and 6.2 hereof have been fulfilled.

6.4. Default Under Senior Secured Note, this Agreement or Forbearance Agreements

No event shall have occurred and continue to exist which with or without notice or the passage of time or both would constitute a default or has been declared a default under the Amended Loan Agreement, Senior Secured Note or this Agreement which has not been unconditionally waived in writing by the Landmark Parties. There shall have been no default (or event which with or without the notice or the passage of time or both would constitute a default) or Forbearance Termination Event (as such term is defined in the applicable Forbearance Agreement) that has occurred under any of the Forbearance Agreements which has not been cured by the Company itself or unconditionally waived by the forbearing party.

6.5. Pending or Threatened Litigation

There shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction not initiated by the Landmark Parties or an Affiliate thereof directing that the transactions provided for herein or any of them

not be consummated as herein provided. There shall be no claims, actions, suits,

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proceedings, labor disputes or investigations pending or, to the knowledge of the Company, threatened, before any federal, state or local court or governmental or regulatory authority, domestic or foreign, or before any arbitrator of any nature, brought by any third party not Affiliated with the Landmark Parties against the Company or either Landmark Party, or any of the Company or the Landmark Parties' officers, directors, employees, agents or Affiliates involving, affecting or relating to the transactions contemplated by the Transaction Documents, nor is any basis known to the Company or any of its directors or officers for any such action, suit, proceeding or investigation.

6.6. Counsel's Opinion

LV shall have received from the Company's counsel, Jaffe, Raitt, Heuer and Weiss, Professional Corporation, an opinion, dated the First Tranche Closing Date, substantially in the form of Exhibit O-1 hereto and from the Company's special counsel Young, Conaway, an opinion, dated the First Tranche Closing Date, substantially in the form of Exhibit O-2 hereto. The Company shall have received an opinion from such counsel that the Merger is a tax free-reorganization in form and substance reasonably satisfactory to Landmark. If the Merger is not consummated and the First Tranche Closing proceeds pursuant to Sections 2.2 and 2.5, then the opinion given by Jaffe, Raitt, Heuer and Weiss shall be conformed to cover the opinions regarding the company and the issuances to the same extent given at the closing of the Senior Secured Loan and contemplated by the Young, Conaway opinion.

6.7. Forbearance Agreement

The Landmark Parties shall have received from the Company executed copies of forbearance agreements between the Company and each of American National Bank, Midwest Guaranty Bank, and 360 North Michigan Trust (MB Beitler Management Corp. as agent) (collectively, the "Forbearance Agreements"). The Landmark Parties shall have received evidence from the Company that each of the Forbearance Agreements is in full force and effect, has not been amended without LCI's consent and no event has occurred which with or without notice or the passage of time or both would constitute a Forbearance Termination Event (as such term is defined in the applicable Forbearance Agreement).

6.8. Adverse Development

Since June 1, 2001, there shall have been no developments in the business, operations, assets, properties, condition (financial or otherwise) or prospects of the Company, including without limitation the occurrence of any legal actions, suits, arbitrations or other legal, administrative or other governmental investigations, inquiries or proceedings brought or threatened against the Company, which in the opinion of the Landmark Parties would have a Material Adverse Effect.

6.9. Shareholders Agreement

The Company and each of the other parties thereto shall have executed the Shareholders Agreement, the form of which is attached as Exhibit P hereto (the "Shareholders Agreement").

6.10. Registration Rights Agreement

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The Company shall have executed the Registration Rights Agreement, the form of which is attached as Exhibit I hereto.

6.11. Shareholder Approval and Adoption of Restated Charter

(a) The Shareholders' Meeting shall have duly called pursuant to the Organizational Documents.

(b) At such Shareholders' Meeting, the Company shall have obtained shareholder approval of the Merger and the transactions contemplated herein and in the Transaction Documents (to the extent required)(including the amendment and restatement of the existing option plan with the amended and restated option plan attached hereto as Exhibit Q (the "Approved Plan").

6.12. Filing of Charter Terms; Merger

The Restated Charter shall have been filed with the Secretary of State of Delaware and the Merger shall have been consummated in accordance with the terms of the Agreement and Plan of Merger; provided, however, if shareholder approval is not obtained prior to the First Tranche Closing, then the Landmark Parties, in their sole and absolute discretion, may make a limited waiver with respect to the filing of the Restated Charter prior to the First Tranche Closing and request that the shares to be issued in connection with the First Tranche Closing be issued pursuant to the Series B Certificate of Designation until such time as the Restated Charter (conformed to reflect the proper conversion rates applicable to the Series B Preferred Stock and the Series C Preferred Stock) may be authorized, approved and filed and the Merger is consummated.

6.13. Voting Agreements

None of the Principal Investors shall have rescinded any Voting Agreements and, pursuant to such Voting Agreements, each shall have voted in favor of the transactions contemplated hereby.

6.14. State Law Concerns

The Company shall have obtained evidence reasonably satisfactory to the Landmark Parties (including an opinion of counsel if requested) that (a) the transactions contemplated hereby do not violate any state anti-takeover laws or state securities laws, (b) that the Company is not and will not be liable for any Michigan State Business Tax ("MSBT") or other state or local taxes in excess of an aggregate amount of $50,000 and (c) that any state law requirements necessary to complete the transactions contemplated hereby or requiring regulatory approval under the Transaction Documents have been satisfied and/or waived.).

6.15. Conversion of Debt to Employees

The Landmark Parties shall have received evidence, in a form satisfactory to the Landmark Parties, that indicates that all debt of the Company to the holders (the "Subordinated Debt Holders") of those certain promissory notes listed on Schedule 6.15 and the warrants issued in connection

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therewith have been, or simultaneously is being, exchanged for an aggregate of 13 million shares of the Company's Series C Preferred Stock pursuant to the agreements with such holders which are listed on Schedule 6.15; provided, however, if the Merger is not consummated and LV, in its sole discretion, elects to proceed with the First Tranche Closing, then 1.3 million shares of the Series C Preferred Stock as designated by the Series C Certificate of Designation shall be issued to such Subordinated Debt Holders.

6.16. Employment Agreements

Each of the employees of the Company shall have executed, without modification, the Company's standard Terms of Employment attached at Schedule 6.16.

6.17. Insurance

The Company shall have obtained, on such terms and conditions and in such amounts as are reasonably acceptable to the Landmark Parties, errors and omissions and directors' and officers' insurance coverage.

6.18. Key Man Life Insurance

The Company shall have obtained, on such terms and conditions and in such amounts as are reasonably acceptable to the Landmark Parties, key man life insurance policies payable to the Company on the lives of such senior executives as the Landmark Parties may reasonably request.

6.19. Election of Directors

The persons designated by LV pursuant to the Shareholders Agreement for nomination and election as "Series B Directors" (as defined in the Shareholders Agreement) shall have been elected or appointed to the Board of Directors of the Company, effective upon the First Tranche Closing.

6.20. Member Metrics

None of the figures that the Company has represented and warranted as true and correct in Section 3.24 shall have decreased; provided, with respect to the figures in Sections 3.24(a) through (e), decreases of less than 5% from the date of execution until each respective Closing Date, as applicable, shall be permitted for purposes of determining whether this condition has been satisfied.

6.21. Expenses

Aggregate expenses incurred by or otherwise obligated to be paid by the Company related to the consummation of the transactions contemplated by the Transaction Documents shall not exceed $2,000,000 (exclusive of Landmark Fees and Expenses) and each applicable payee shall have agreed to the terms (and the manner and timing of payment) that corresponds to such payee on Schedule 6.21.

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6.22. NASDAQ Listing

The Company shall have used its reasonable best efforts to remain listed on the NASDAQ National Market and shall have promptly responded to any regulatory authority regarding any listing requirements or requests.

6.23. Consents

The Company shall have procured all of the third party consents identified on Schedule 3.6. and on Schedule 3.17.

6.24. Payment Defaults

The Company shall have cured any and all breaches, defaults and failures to comply that are required to be cured under Section 5.15.

6.25. Warrant Re-Issuance.

Newco shall have issued to LCI a replacement warrant certificate with identical terms to the Warrant.

6.26. 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 the Landmark Parties, and their special counsels, Willcox & Savage and Willkie Farr & Gallagher; and the Landmark Parties shall have received copies of all documents or other evidence which it 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 Landmark Parties.

SECTION 7. LANDMARK CONDITIONS FOR SECOND TRANCHE CLOSING

The obligation of LV to purchase and pay for the Second Tranche of Purchased Preferred Stock on the Second Tranche Closing Date, as provided in Section 2.3 hereof, and LCI's related obligations hereunder, shall be subject to the performance by the Company of its agreements theretofore to be performed hereunder and to the satisfaction, prior thereto or concurrently therewith, of the following further conditions:

7.1. Representations and Warranties

The representations and warranties of the Company contained in this Agreement shall be true in all material respects on and as of the Second Tranche Closing Date as though such representations and warranties were made at and as of such date, except for representations and warranties qualified by reference to materiality which shall be true in all respects on and as of the Second Tranche Closing Date as though such warranties and representations were made at and as of such date, except to the extent that such representations and warranties must be adjusted to give effect to the Securities issued hereunder.

7.2. Compliance with Agreement

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The Company shall have performed and complied in all material respects with all agreements, covenants and conditions contained in this Agreement which are required to be performed or complied with by the Company prior to or on the Second Tranche Closing Date.

7.3. Officer's Certificate

The Landmark Parties shall have received a certificate, dated the Second Tranche Closing Date, signed by each of the President and the Chief Financial Officer of the Company, certifying that the conditions specified in the foregoing Sections 7.1 and 7.2 hereof have been fulfilled.

7.4. Default Under Senior Secured Note, this Agreement or Forbearance Agreements

No event shall have occurred and continue to exist which with or without notice or the passage of time or both would constitute a default or has been declared a default under the Amended Loan Agreement, the Senior Secured Note or this Agreement which has not been unconditionally waived in writing by the Landmark Parties. There shall have been no default (or event which with or without notice or the passage of time or both would constitute a default) and no Forbearance Termination Event (as such term is defined in the applicable Forbearance Agreement) that has occurred under any of the Forbearance Agreements which has not been cured by the Company itself or unconditionally waived by the forbearing party. The Landmark Parties shall have received certification from the Company that each of the Forbearance Agreements is in full force and effect, has not been amended without LCI's consent and no event has occurred which with or without notice or the passage of time or both would constitute a Forbearance Termination Event which has not been unconditionally waived by the forbearing party.

7.5. Counsel's Opinion

The Landmark Parties shall have received from the Company's counsel, Jaffe, Raitt, Heuer and Weiss, Professional Corporation, an updated opinion, dated the Second Tranche Closing Date, substantially in the form of Exhibit O-1 hereto and from the Company's special counsel Young, Conaway, an opinion, dated the Second Tranche Closing Date, substantially in the form of Exhibit O-2 hereto

7.6. Adverse Development

There shall have been no developments in the business, operations, assets, properties, or condition (financial or otherwise) of the Company, including without limitation the occurrence of any legal actions, suits, arbitrations or other legal, administrative or other governmental investigations, inquiries or proceedings brought or threatened against the Company, which in the opinion of the Landmark Parties would have a Material Adverse Effect.

7.7. Voting Agreements; Merger; Filing of Restated Charter

None of the Principal Investors shall have rescinded any Voting Agreements and, pursuant to such Voting Agreements, each shall have voted in favor of the transactions contemplated hereby. The Restated Charter shall have been filed with the Secretary of State of Delaware and the Merger shall have

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been consummated in accordance with the terms of the Agreement and Plan of Merger.

7.8. 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 the Landmark Parties, and their special counsels, Willcox & Savage and Willkie Farr & Gallagher; and the Landmark Parties shall have received copies of all documents or other evidence which it may reasonably request in connection with such transactions and of all records of corporate proceedings in connection therewith in form and substance satisfactory to the Landmark Parties.

7.9. Option Repricing and Reissuance

The Company shall have effected the option repricing contemplated by Section 5.14.

7.10. Continued Conditions

To the extent that any of the conditions in Sections 6.15 through 6.24 were not satisfied on or before the First Tranche Closing, such conditions shall have been satisfied on or before the Second Tranche Closing, except to the extent in proceeding with the First Tranche Closing LV unconditionally waived in writing such conditions for all purposes.

SECTION 8. COMPANY CLOSING CONDITIONS

The obligation of the Company to issue, execute and deliver the Series B Preferred Stock on each of the Closing Dates, as provided in Section 2 hereof, shall be subject to the performance by the Landmark Parties of their agreements theretofore to be performed hereunder and to the satisfaction, prior thereto or concurrently therewith, of the following further conditions:

8.1. Representations and Warranties

The representations and warranties of the Landmark Parties contained in this Agreement shall be true in all material respects on and as of the First Tranche Closing Date as though such representations and warranties were made at and as of such date, except for representations and warranties qualified by reference to materiality which shall be true in all respects on and as of each of the applicable Closing Dates as though such warranties and representations were made at and as of such dates, except as otherwise affected by the transactions contemplated hereby.

8.2. Compliance with Agreement

The Landmark Parties shall have performed and complied in all material respects with all agreements, covenants and conditions contained in this Agreement which are required to be performed or complied with by it prior to or on each of the applicable Closing Dates.

8.3. Landmark's Certificates

The Company shall have received a certificate from LV for each of the

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Closings, dated the respective Closing Date, signed by a duly authorized representative of LV, certifying that the conditions specified in the foregoing Sections 8.1 and 8.2 hereof have been fulfilled.

8.4. Injunction

There shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the transactions provided for herein or any of them not be consummated as herein provided.

8.5. Shareholders Agreement

The Landmark Parties shall have executed the Shareholders Agreement, the form of which is attached as Exhibit P hereto.

8.6. Registration Rights Agreement

The Landmark Parties shall have executed the Registration Rights Agreement, the form of which is attached as Exhibit I hereto.

SECTION 9. EXCLUSIVITY AND TERMINATION

9.1. Takeover Proposal.

(a) From the date of this Agreement until the earlier of the First Tranche Closing or the termination of this Agreement pursuant to Section 9.2, the Company and its subsidiaries will not, directly or indirectly through their officers, directors, employees, agents or otherwise, (i) solicit, initiate or encourage any Takeover Proposal or (ii) engage in negotiations with, or disclose any nonpublic information relating to the Company or any of its subsidiaries to,

or afford access to the properties, books or records of the Company or any of its subsidiaries to, any person that has indicated to the Company that it may be considering making, or that has made, a Takeover Proposal or whose efforts to formulate a Takeover Proposal would knowingly or could reasonably be expected to be assisted thereby; provided, nothing herein shall prohibit the Company's Board of Directors from taking and disclosing to the Company's shareholders a position with respect to an unsolicited tender or exchange offer pursuant to Rules 14d-9 and 14e-2 promulgated under the Exchange Act. Notwithstanding the immediately preceding sentence, if an unsolicited Takeover Proposal, or an unsolicited written expression of interest that the Company reasonably expects to lead to a Takeover Proposal, shall be received by the Board of Directors of the Company, then, to the extent the Board of Directors of the Company believes in good faith (after consultation with its financial advisor) (i) that such Takeover Proposal would, if consummated, result in a transaction more favorable to the Company's shareholders from a financial point of view than the transaction contemplated by this Agreement and (ii) after reasonable inquiry by the Company, that the third party making such Takeover Proposal is financially capable of consummating such Takeover Proposal (any Takeover Proposal meeting such conditions being referred to in this Agreement as a "Superior Proposal") and the Board of Directors of the Company determines

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in good faith after consultation with outside legal counsel that it is necessary for the Board of Directors of the Company to comply with its fiduciary duties to shareholders under applicable law, the Company and its officers, directors, employees, investment bankers, financial advisors, attorneys, accountants and other representatives retained by it may furnish in connection therewith information and take such other actions as are consistent with the fiduciary obligations of the Company's Board of Directors, and such actions shall not be considered a breach of this Section 9.1 or any other provisions of this Agreement, provided that (A) upon each such determination the Company notifies the Landmark Parties of such determination by the Company's Board of Directors and provides the Landmark Parties with a true and complete copy of the Superior Proposal received from such third party, if the Superior Proposal is in writing, or a written summary of all material terms and conditions thereof (including the identity of the person initiating the Superior Proposal), if it is not in writing, (B) the Company provides the Landmark Parties (simultaneously with the time that such documents are provided to such third party) with all documents containing or referring to non-public information of the Company that are supplied to such third party, to the extent not previously supplied by the Company to the Landmark Parties and (C) the Company provides such non-public information to any such third party pursuant to a non-disclosure agreement at least as restrictive as to confidential information as the Confidentiality Agreement between the Company and Landmark dated as of March 6, 2001.

(b) The Company shall not, and shall not permit any of its officers, directors, employees (acting on behalf of the Company) or other representatives to agree to or endorse any Takeover Proposal unless the Company shall have terminated this Agreement pursuant to Section 9.2 and paid the Landmark Parties all amounts payable to the Landmark Parties pursuant to Section 9.4. Notwithstanding anything in this Agreement to the contrary, the Company shall not accept or recommend to its shareholders, or enter into any agreement concerning, a Superior Proposal for a period of not less than 48 hours after the Landmark Parties' receipt of a true and complete copy of such Superior Proposal, if the Superior Proposal is in writing, or a written summary of all material terms and conditions thereof, if it is not in writing. The Company will immediately notify the Landmark Parties after receipt of any Takeover Proposal or any notice that any person is considering making a Takeover Proposal or any request for non-public information relating to the Company or any of its subsidiaries or for access to the properties, books or records of the Company or any of its subsidiaries by (i) any person that has indicated to the Company that it may be considering making, or that has made, a Takeover Proposal, or (ii) any person whose efforts to formulate a Takeover Proposal would knowingly or could reasonably be expected to be assisted thereby and who could reasonably be expected to make a Takeover Proposal (such notice to include the identity of such person or persons) and will keep the Landmark Parties fully informed of the status and material details of any such Takeover Proposal notice, request or any correspondence or communications related thereto and shall provide the Landmark Parties with a true and complete copy of such Takeover Proposal notice or request or correspondence or communications related thereto, if it is in writing, or a complete written summary thereof, if it is not in writing. The Company shall immediately cease and cause to be terminated any existing discussions or negotiations with any parties (other than the Landmark Parties) conducted heretofore with respect to any Takeover Proposal. The Company shall ensure that the officers, directors and employees of the Company and its subsidiaries and any investment banker or other advisor or representative retained by the Company are aware of the restrictions described in this Section 9.1 and shall be responsible for any breach of this Section 9.1 by such officers, directors, employees, bankers, advisors and representatives. For purposes of this Agreement, "Takeover Proposal" means any offer or proposal for,

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or any indication of interest in, a merger or other business combination involving the Company or the acquisition of 20% or more of the outstanding shares of capital stock of the Company, or the sale or transfer of any significant portion of the assets of the Company, other than the transactions contemplated by this Agreement.

9.2. Termination.

This Agreement may be terminated at any time prior to the First Tranche Closing Date, notwithstanding approval by the shareholders of the Company of the Merger and the transactions contemplated herein:

(a) by mutual written consent duly authorized by the Boards of Directors of the Company and the Landmark Parties; or

(b) by either the Company or the Landmark Parties if the First Tranche Closing shall not have occurred on or before November 30, 2001 (the "End Date") (provided, that a later date may be agreed upon in writing by the parties hereto and provided, further, that the right to terminate this Agreement under this Section 9.2(b) shall not be available to any party whose willful breach of this Agreement or failure to perform in all material respects its obligations under this Agreement to be performed or complied with prior to the First Tranche Closing has been the cause of or resulted in the failure of the First Tranche Closing to occur on or before such date); or

(c) by either the Company or the Landmark Parties if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a non-appealable final order, decree or ruling or taken any other action, in each case

having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby; or

(d) by the Landmark Parties if at the Shareholders' Meeting the approvals required under Section 6.11 are not obtained; or

(e) by the Landmark Parties, (i) upon a material breach of any representation, warranty, covenant or agreement on the part of the Company (except for representations and warranties qualified by reference to materiality in which case any breach would give cause) set forth in this Agreement which is not cured within twenty (20) days after the Landmark Parties give notice of breach, or if any representation or warranty of Company shall have become untrue in any material respect (except for representations and warranties qualified by reference to materiality in which case if they become untrue in any respect cause would exist) such that the conditions set forth in Section 6 or Section 7 would not be satisfied within twenty (20) days after the Landmark Parties give notice of breach, (ii) if the Board of Directors of the Company shall have withheld, withdrawn, or modified its recommendation of shareholder approval of the Merger and the transactions contemplated herein or shall have resolved to do any of the foregoing, (iii) upon the occurrence of any default under any Forbearance Agreement (including without limitation under Section 4 of the Forbearance Agreement between the Company and American National Bank) or any Forbearance Termination Event (as such term is defined in any applicable Forbearance Agreement) has occurred, or (iv) for any reason the Company fails to call and hold the Shareholders' Meeting by the End Date; provided, however, that the right to terminate this Agreement by the Landmark Parties under this Section

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9.2(e) shall not be available to the Landmark Parties where the Landmark Parties are at that time in willful breach of this Agreement; or

(f) by either the Landmark Parties or the Company, if the Company shall have accepted a Superior Proposal or if the Board of Directors of the Company recommends a Superior Proposal to the shareholders of the Company.

9.3. Notice of Termination

(a) Subject to Section 9.3(b), any termination of this Agreement under Section 9.2 above will be effective immediately upon the delivery of written notice of the terminating party to the other parties hereto. In the event of the termination of this Agreement pursuant to Section 9.2, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of any party hereto or any of its respective Affiliates, directors, officers or shareholders except nothing herein shall relieve any party from liability for any willful breach hereof. No termination of this Agreement shall affect the obligations of the parties contained in the Confidentiality Agreement, and in Sections 5.2 and 5.5 (as applicable to the Warrants), Section 5.10 (Confidentiality), Sections 9.2, 9.3 and 9.4 and Article XI, all of which obligations shall remain in full force and effect and survive termination of this Agreement in accordance with its terms.

(b) Any termination of this Agreement by the Company pursuant to Section 9.2(f) hereof shall be of no force or effect unless at or prior to such termination the Company shall have paid to the Landmark Parties any amounts payable pursuant to Section 9.4.

9.4. Fees and Expenses

(a) If the proposed transactions are consummated, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby (including, without limitation, the fees and expenses of their advisers, accountants and legal counsel) by the Landmark Parties shall be paid by the Company, including, without limitation, any and all fees and expenses incurred in relation to the printing and filing of any required proxy solicitation (including any preliminary materials related thereto) and any amendments or supplements thereto (collectively the "Landmark Fees and Expenses"); provided, that the Landmark Fees and Expenses shall be paid after all of the Company's fees and expenses listed on Schedule 6.21 have been paid (collectively the "Company Fees and Expenses"); and provided further that interest shall accrue at the rate of 8% on the Landmark Fees and Expenses from and after the date on which all Company Fees and Expenses have been paid, and that such Landmark Fees and Expenses and any accrued interest thereon to the extent when combined with the Company Fees and Expenses causes such aggregate fees and expenses to exceed $2 million (the "Excess Landmark Fees and Expenses") shall be deemed an advance which the Company shall not have to repay until the earlier of (i) the termination of that certain Intercreditor Agreement, dated as of June 15, 2001, by and between American National Bank and LCI, or (ii) the receipt by the Company of a written consent by American National Bank to the payment of such excess Landmark Fees and Expenses and accrued interest. In furtherance of that certain letter agreement dated July 27, 2001, between the Company and American National Bank, LCI hereby acknowledges that the Excess Landmark Fees and Expenses shall be "Landmark Indebtedness" as such term is defined in the Subordination Agreement between LCI and American National Bank.

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(b) Except as set forth in Section 9.4(c), if the proposed transactions are not consummated, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby (including, without limitation, the fees and expenses of its advisers, accountants and legal counsel) shall be paid by the party incurring such expenses.

(c) The Company shall pay the Landmark Parties a fee of $1,000,000 plus any Landmark Fees and Expenses incurred in connection with the transactions contemplated hereby upon the earliest to occur of the following events:

(i) the termination of this Agreement by the Landmark Parties pursuant to Section 9.2(e)(ii) or Section 9.2(e)(iv) or, in the case of a willful breach by the Company, Section 9.2(e)(i); or

(ii) the termination of this Agreement by the Company or the Landmark Parties pursuant to Section 9.2(f); or

(iii) the termination of this Agreement by the Landmark Parties pursuant to Section

9.2(d) as a result of the failure to receive the approvals required under Section 6.11 at the Shareholders' Meeting.

(d) The fee payable pursuant to Section 9.4(c) shall be paid within five (5) business days after the first to occur of the events described in Sections 9.4(c)(i), (ii) and (iii).

(e) Upon termination of this Agreement, the Senior Secured Note and any and all letters of credit, loans, advances, guaranties or other indebtedness borrowed by the Company from the Landmark Parties (the "Outstanding Indebtedness") shall become immediately due and payable and, if such termination is pursuant to Section 9.2(f), the Company shall within five (5) business days pay in full (in cash) the Outstanding Indebtedness and shall deliver to the Landmark Parties (in trust for the benefit of ANB) a cash amount sufficient to pay all indebtedness and obligations of the Company to ANB or a waiver from ANB that permits LCI to accept cash payment in satisfaction of the amounts payable hereunder and the Outstanding Indebtedness.

SECTION 10. INTERPRETATION OF THIS AGREEMENT

10.1. Terms Defined

As used in this Agreement, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

Additional Option Closing: shall have the meaning set forth in Section 2.4(b).

Additional Option Period: shall have the meaning set forth in Section 2.4(a).

Affiliate: shall mean any Person or entity, directly or indirectly controlling, controlled by or under common control with such Person or entity.

Agreement: shall have the meaning set forth in the Preamble.

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Agreement and Plan of Merger: shall have the meaning set forth in the eleventh Recital.

Amended Loan Agreement: shall have the meaning set forth in the third Recital.

Approved Markets: shall have the meaning set forth in Section 3.4.

Approved Plan: shall have the meaning set forth in Section 6.11(b).

Articles of Incorporation: shall have the meaning set forth in Section 3.1(a).

Available Option Shares: shall have the meaning set forth in Section 2.4(a).

Balance Sheet: shall have the meaning set forth in Section 3.14.

Basket: shall have the meaning set forth in Section 11.5(a).

Bridge Loan Agreement: shall have the meaning set forth in the second Recital.

Bridge Loan Amount: shall have the meaning set forth in the second Recital.

Bridge Note: shall have the meaning set forth in the second Recital

Business Day: shall mean a day other than a Saturday, Sunday or other day on which banks in the State of New York are required or authorized to close.

Business Plan: shall have the meaning set forth in Section 5.8(c).

Bylaws: shall have the meaning set forth in Section 3.1(a).

Cap: shall have the meaning set forth in Section 11.5(a).

Certificates of Designation: shall have the meaning set forth in Section 3.3(c).

Change of Control: shall mean (i) the sale, lease or transfer of all or substantially all of the assets of the Company to any "Person" or "group" (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act, or

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any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act), (ii) the approval by the requisite shareholders of the Company of a plan of liquidation or dissolution of the Company, (iii) any "Person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act, or any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d- 5(b)(1) under the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all classes of the voting stock of the Company and/or warrants or options to acquire such voting stock, calculated on a fully diluted basis, unless, as a result of such transaction, the ultimate direct or indirect ownership of the Company is substantially the same immediately after such transaction as it was immediately prior to such transaction, or (iv) any consolidation or merger of the Company pursuant to which the Company Common Stock would be converted into cash, securities or other property, in each case other than a consolidation or merger of the Company in which the holders of Company Common Stock and other capital stock of the Company entitled to vote in the election of directors of the Company, immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of capital stock entitled to vote in the election of directors of the continuing or surviving corporation immediately after the consolidation or merger. Notwithstanding the foregoing, the transactions contemplated in this Agreement shall not constitute a Change of Control.

Closing Dates: shall have the meaning set forth in Section 2.3(b).

Closings: shall have the meaning set forth in Section 2.3(b).

COBRA: shall have the meaning set forth in Section 3.20(g).

Code: shall mean the Internal Revenue Code of 1986, as amended.

Common Stock: shall have the meaning set forth in the eighth Recital.

Company: shall have the meaning set forth in the Preamble.

Company Fees and Expenses: shall have the meaning set forth in Section 9.4(a).

Company Plans: shall have the meaning set forth in Section 3.20(a).

Contingent Liability: shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap

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agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

Converted Shares: shall have the meaning set forth in the fifteenth Recital.

Current Assets: shall mean, as of any applicable date, all amounts that should, in accordance with GAAP, be included as current assets on the consolidated balance sheet of the Company and its subsidiaries as at such date less all inventory and non-recurring items including without limitation tax credits

Current Liabilities: shall mean, as of any applicable date, all amounts that should, in accordance with GAAP, be included as current liabilities on the consolidated balance sheet of the Company and its subsidiaries, as at such date, plus, to the extent not already included therein, all Advances (as defined in the Amended Loan Agreement) made under the Amended Loan Agreement or by the Landmark Parties for the Company's benefit under the Forbearance Agreements, including all Indebtedness (as defined in the Amended Loan Agreement) that is payable upon demand or within one year from the date of determination thereof unless such Indebtedness is renewable or extendable at the option of the Company or any subsidiary to a date more than one year from the date of determination, including all current maturities of long term debt.

DCIS: shall have the meaning set forth in the fourteenth Recital.

Delaware Organizational Documents: shall have the meaning set forth in Section 3.1(b).

Encumbrance: shall mean each of the following:

(a) security interest, mortgage, pledge, hypothecation, lien, attachment, or charge of any kind (including any agreement to give any of the foregoing); conditional sale or other title retention agreement; sale of accounts receivable or chattel paper; or other arrangement pursuant to which any Person is entitled to any preference or priority with respect to the property or assets of another Person or the income or profits of such other Person or which constitutes an interest in property to secure an obligation; each of the foregoing whether consensual or non-consensual and whether arising by way of agreement, operation of law, legal process or otherwise; and

(b) The filing of any financing statement under the Uniform Commercial Code, as adopted and in effect in the State of Michigan or the State of Delaware, as applicable, as each may be amended from time to time, or the comparable law of any jurisdiction.

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End Date: shall have the meaning set forth in Section 9.2(b).

ERISA: shall mean the Employee Retirement Income Security Act of 1974, as amended.

Exchange Act: shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Filed Financial Statements: shall have the meaning set forth in Section 3.9(a).

First Tranche Closing: shall have the meaning set forth in Section 2.2(b).

First Tranche Closing Date: shall have the meaning set forth in Section 2.2(b).

First Tranche of Purchased Preferred Stock: shall have the meaning set forth in Section 2.2(a).

First Tranche Purchase Price: shall have the meaning set forth in Section 2.2(a).

Forbearance Agreements: shall have the meaning set forth in Section 6.7.

Forecast: shall have the meaning set forth in Section 2.4(c).

Fully Diluted Basis: shall mean the outstanding capital stock of the Company on a fully diluted basis assuming as outstanding (a) any shares reserved for issuance under any option plans of the Company, whether or not options in respect of such shares have been issued, (b) shares underlying any warrants (but excluding the Warrants), (c) all securities (including the Series B Preferred Stock) convertible into or exercisable for capital stock of the Company

regardless of the exercise price, or (d) any capital stock issued or issuable under any agreement of the Company.

GAAP: shall mean U.S. generally accepted accounting principles.

Grid Note: shall have the meaning set forth in the sixth Recital.

Intellectual Property: shall mean all of the following, owned or used in the current or contemplated business of the Company: (i) trademarks and service marks, trade dress, product configurations, trade names and other indications of origin, applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, processes, technology, software (including password unprotected

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interpretive code or source code, object code, development documentation, programming tools, drawings, specifications and data) and applications and patents in any jurisdiction pertaining to the foregoing, including re-issues, continuations, divisions, continuations-in-part, renewals or extensions; (iii) trade secrets, including confidential information and the right in any jurisdiction to limit the use or disclosure thereof; (iv) copyrights in writings, designs software, mask works or other works, applications or registrations in any jurisdiction for the foregoing and all moral rights related thereto; (v) database rights; (vi) Internet Web sites, domain names and applications and registrations pertaining thereto and all intellectual property used in connection with or contained in all versions of the Company's Web sites; (vii) rights under all agreements relating to the foregoing; (viii) books and records pertaining to the foregoing; and (ix) claims or causes of action arising out of or related to past, present or future infringement or misappropriation of the foregoing.

Key Agreements and Instruments: shall have the meaning set forth in Section 3.7.

Landmark Fees and Expenses: shall have the meaning set forth in Section 9.4(a).

Landmark Parties: shall have the meaning set forth in the Preamble.

LCI: shall have the meaning set forth in the Preamble.

Listed Intellectual Property: shall have the meaning set forth in Section 3.16(b).

Loss: shall have the meaning set forth in Section 11.5(a).

LV: shall have the meaning set forth in the Preamble.

Management Investors: shall have the meaning set forth in Section 3.25.

Material Adverse Effect: shall have the meaning set forth in Section 3.1(c).

Material Contract: shall have the meaning set forth in Section 3.18.

Material Revenue Contract: shall have the meaning set forth in Section 3.18.

Merger: shall have the meaning set forth in the eleventh Recital.

Michigan Organizational Documents: shall have the meaning set forth in Section 3.1(a).

MSBT: shall have the meaning set forth in Section 6.14.

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Multiemployer Plan: shall have the meaning set forth in Section
3.20(b).

Multiple Employer Plan: shall have the meaning set forth in Section
3.20(b).

New H.H.: shall have the meaning set forth in Section 3.24(e).

Newco: shall have the meaning set forth in the eleventh Recital.

Note Purchase Price: shall have the meaning set forth in Section 2.1.

Organizational Documents: shall have the meaning set forth in Section
3.1(b).

Outstanding Indebtedness: shall have the meaning set forth in Section
9.4(e).

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.

Permitted Liens: shall mean the liens granted by the Company in favor
of American National Bank and Trust Company of Chicago.

PIK Shares: shall have the meaning set forth in the fifteenth
Recital.

PIK Warrant Shares: shall have the meaning set forth in the ninth
Recital.

PIK Warrants: shall have the meaning set forth in the ninth Recital.

Principal Creditors: shall mean American National Bank and Trust
Company of Chicago, Midwest Guaranty Bank, and 360 N. Michigan Trust.

Principal Investors: shall have the meaning set forth in Section
3.25.

Proprietary Software: shall have the meaning set forth in Section
3.17(a).

Public Filings: shall mean the Company's Annual Report on Form 10-K
for the fiscal year ended December 31, 2000, as amended by Form 10-K/A filed
with the SEC on April 27, 2001, and Quarterly Report on Form 10-Q for the
quarter ended March 31, 2001.

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Purchase Option: shall have the meaning set forth in Section 2.3(a).

Registration Rights Agreement: shall have the meaning set forth in the sixteenth Recital.

Restated Charter: shall have the meaning set forth in the twelfth Recital.

SEC: shall mean the Securities and Exchange Commission, or any successor commission or agency having similar powers.

SEC Documents: shall have the meaning set forth in Section 3.9(a).

Second Tranche Closing: shall have the meaning set forth in Section 2.3(b).

Second Tranche Closing Date: shall have the meaning set forth in Section 2.3(b).

Second Tranche of Purchased Preferred Stock: shall have the meaning set forth in Section 2.3(a).

Second Tranche Purchase Option: shall have the meaning set forth in Section 2.3(a).

Second Tranche Purchase Price: shall have the meaning set forth in Section 2.3(a).

Securities: shall have the meaning set forth in the seventeenth Recital.

Securities Act: shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Senior Secured Loan: shall have the meaning set forth in the third Recital.

Senior Secured Note: shall have the meaning in the fourth Recital.

Series B Certificate of Designation: shall have the meaning set forth in the fourteenth Recital.

Series B Directors: shall have the meaning set forth in Section 6.19.

Series B Preferred Stock: shall have the meaning set forth in the

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fifteenth Recital.

Series C Certificate of Designation: shall have the meaning set forth in Section 3.3(c).

Series C Preferred Stock: shall have the meaning set forth in Section 3.3(a).

Share Price: shall have the meaning set forth in Section 2.4(a).

Shareholders' Agreement: shall have the meaning set forth in Section 6.9.

Shareholders' Meeting: shall have the meaning set forth in Section 5.4.

Shortfall Amount: shall have the meaning set forth in Section 2.4(c).

Shortfall Event: shall have the meaning set forth in Section 2.4(c).

Shortfall Purchase Option: shall have the meaning set forth in Section 2.4(a).

Software: shall have the meaning set forth in Section 3.17(a).

Special Officer's Certificate: shall have the meaning set forth in Section 2.4(c).

Special Opinion: shall have the meaning set forth in Section 2.4(c).

Special Representations and Warranties: shall have the meaning set forth in Section 11.4.

subsidiary: shall mean a corporation of which a Person owns, directly or indirectly, more than 50% of the Voting Stock.

Subordinated Debt Holders: shall mean those holders of the notes that shall be converted into Series C Preferred Stock pursuant to Section 6.15.

Superior Proposal: shall have the meaning set forth in Section 9.1(a).

Surfari: shall have the meaning set forth in Section 11.5(a).

Surfari Agreement: shall have the meaning set forth in Section

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11.5(a).

Takeover Proposal: shall have the meaning set forth in Section 9.1(b).

Total actions: shall have the meaning set forth in Section 3.24(e).

Total Liabilities: shall mean all indebtedness and obligations (including without limitation any Contingent Obligations) of or assumed by any Person including, without limitation, any indebtedness or obligation: (i) in respect of money borrowed (including any indebtedness which is non-recourse to the credit of such Person but which is secured by an Encumbrance on any asset of such Person) or evidenced by a promissory note, bond, debenture or other written obligation to pay money; (ii) for the payment, deferred or other written obligation to pay money; (ii) for the payment, deferred for more than thirty (30) days, of the purchase price of goods or services (other than current trade liabilities of such Person incurred in the ordinary course of business and payable in accordance with customary practices); (iii) in connection with any letters of credit or acceptance transaction (including, without limitation, the face amount of all letters of credit and acceptances issued for the account of such Person or reimbursement on account of which such Person would be obligated); (iv) in connection with the sale or discount of accounts receivable or chattel paper of Borrower; (v) on account of deposits or advances; and (vi) as lessee under Capital Leases. "Indebtedness" of any Person shall also

include: (x) Indebtedness of others secured by an Encumbrance on any asset of such Person; (y) Any guaranty, endorsement, suretyship or other undertaking pursuant to which that Person may be liable on account of any obligation of any third party; and (z) the Indebtedness of a partnership or joint venture in which such Person is a general partner or joint venturer.

Term Sheet: shall have the meaning set forth in the first Recital.

Transaction Documents: shall mean this Agreement, the Amended Loan Agreement, the Note, the Articles of Incorporation, the Restated Charter, Agreement and Plan of Merger, the Warrants, the Shareholders Agreement, the Registration Rights Agreement, the Forbearance Agreement, the Voting Agreements and any other documents necessary to consummate the transactions contemplated hereby.

Voting Agreements: shall have the meaning set forth in Section 3.25.

Voting Stock: shall mean securities of any class or classes of a corporation the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

Warrant Shares: shall have the meaning set forth in the ninth Recital.

Warrants: shall have the meaning set forth in the eighth Recital.

Willkie Offices: shall have the meaning set forth in Section 2.2(b).

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Works: shall have the meaning set forth in Section 3.16(g).

10.2. Accounting Principles

Where the character or amount of any asset or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with GAAP at the time in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

10.3. Directly or Indirectly

Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

10.4. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

10.5. Paragraph and Section Headings

The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

SECTION 11. MISCELLANEOUS

11.1. Notices

(a) All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or mailed by overnight courier or by registered mail or certified mail, postage prepaid:

(i) if to the Landmark Parties, at Landmark Communications, Inc., 150 W. Brambleton Avenue, Norfolk, VA 23510 (facsimile: (757) 664-2164), Attention: Guy R. Friddell, III, Executive Vice President and General Counsel or at such other address or facsimile number as Landmark may have furnished the Company in writing, with a copies to: (i) Willcox & Savage, P.C., 1800 Bank of America Center, Norfolk, VA 23510 (facsimile: (757) 628-5566), Attention: Thomas C. Inglima; and (ii) Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (facsimile: (212) 728-8111), Attention: William J. Grant, Jr.

(ii) if to the Company, at 360 N. Michigan Avenue, 19/th/ Floor, Chicago, IL 60601 (facsimile: (312) 853-0456), Attention: Robert Gorman, or at such other address or facsimile number as it may have furnished Landmark in writing, with a copy to Jaffe, Raitt, Heuer & Weiss, P.C.,

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One Woodward Avenue, Suite 2400, Detroit, MI 48226
(facsimile: (313) 961-8358), Attention: Peter Sugar.

(b) Any notice so addressed shall be deemed to be given: if delivered by hand or facsimile, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

11.2. Expenses and Taxes

The Company will pay, and save and hold the Landmark Parties harmless from any and all liabilities (including interest and penalties) with respect to, or resulting from any delay or failure in paying, stamp and other taxes (other than income taxes), if any, which may be payable or determined to be payable on the execution and delivery or acquisition of the Securities or the shares of Common Stock issuable upon conversion of the Series B Preferred Stock or the exercise of the Warrants.

11.3. Reproduction of Documents

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by the Landmark Parties on the Closing Dates (except for the certificates evidencing the Series B Preferred Stock, the Converted Shares or the Warrant Shares themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to the Landmark Parties, may be reproduced by the Landmark Parties by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and the Landmark Parties may destroy any original document so reproduced. All parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the Landmark Parties in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

11.4. Survival

All warranties, representations, and covenants made by the Landmark Parties and the Company herein or in any certificate or other instrument delivered by the Landmark Parties or the Company under this Agreement shall be considered to have been relied upon by the Company or the Landmark Parties, as the case may be, and shall survive all deliveries to the Landmark Parties of the Securities, or payment to the Company for such Securities, regardless of any investigation made by the Company or the Landmark Parties, as the case may be, or on the Company's or the Landmark Parties' behalf for a period of one (1) year after each applicable Closing Date, except (i) the representations and warranties set forth in Sections 3.1, 3.3, 3.4 and 3.5 (the "Special Representations and Warranties") and all covenants and agreements set forth in this Agreement shall survive each applicable Closing and continue in full force and effect except to the extent limited by a period set forth herein and (ii) if any party entitled to indemnification has made a written claim for indemnification to the party required to provide indemnification prior to the expiration of the applicable survival period, then in such case the indemnifying party shall remain liable for any Losses (defined below) resulting from, arising out of or related to the breach asserted in the notice of claim. All statements

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in any such certificate or other instrument shall constitute warranties and representations by the Company hereunder.

11.5. Indemnity

(a) (i) The Company shall indemnify the Landmark Parties against any loss, cost or damages (including reasonable attorneys' fees but excluding consequential damages) (each, a "Loss" and, collectively, "Losses") incurred by any Landmark Party as a result of the breach by the Company of any representation, warranty, covenant or agreement in this Agreement or any certificate delivered in connection herewith.

(ii) The Company shall also indemnify the Landmark Parties against any lawsuits, claims, actions, suits, proceedings, or investigations relating to the transactions

contemplated by the Transaction Documents by any person other than the Company, including, without limitation, any shareholder suits brought by or on behalf of the Company's shareholders.

(iii) The Company's indemnity obligation under Section 11.5(a)(i) shall be limited as follows: (A) under such provision, the Company shall not be obligated to indemnify either Landmark Party until the Losses sustained, incurred, paid or required to be paid by the Landmark Parties exceed, in aggregate, a Three Hundred Thousand Dollars ($300,000) threshold (the "Basket"), at which point the Company shall be obligated to indemnify the applicable Landmark Party(ies) from and against all Losses relating back to the first dollar and (B) there will be an $11,500,000 aggregate ceiling (the "Cap") on the obligation of the Company to indemnify the Landmark Parties under such provision; provided, the foregoing notwithstanding, the Basket and Cap shall not apply to Losses arising out of, resulting from, or related to (x) the breach of any Special Representation and Warranty or (y) the breach of any covenant or agreement (including, without limitation this Section 11.5).

(iv) Notwithstanding the foregoing, the Company shall also indemnify the Landmark Parties for any Losses arising out of or relating to any items listed on Schedule 3.20 including without limitation any liabilities related to employee contributions under the Company's 401(k) plan, Cafeteria Plan (whether imposed by any party) and any penalties associated therewith.

(v) In addition to the foregoing, in the event that the Company shall issue any shares of Common Stock or equity or debt securities convertible, exchangeable or exercisable into Common Stock to Surfari, Inc. a Tennessee corporation ("Surfari") pursuant to the terms of that certain Asset Purchase Agreement, dated as of November 30, 2000, by and between the Company and Surfari, as amended (the "Surfari Agreement") or otherwise issue any such shares to Surfari, the Company shall issue to LV a number of shares of Series B Preferred Stock equal on an as-converted basis to the number of shares of Common Stock issued to Surfari. Notwithstanding the foregoing calculation of the number of shares on an as-converted basis, LV shall be entitled to all anti-dilution protections applicable to the shares of Series B Preferred Stock under the Articles of Incorporation or Restated Charter, as applicable, on the same basis as if LV had been issued such shares at the First Tranche Closing and would consequently be entitled to protection for below market issuances on and after that date (other than as issued pursuant to this Section 11.5(a)(v)).

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(b) The Landmark Parties shall indemnify the Company against any Loss incurred by the Company as a result of the breach by the Landmark Parties of any representation, warranty, covenant or agreement in this Agreement.

(c) Subject to the consummation of the First Tranche Closing, the Company agrees (i) that money damages would not be sufficient remedy for the Landmark Parties for any breach of this Agreement by the Company, (ii) that in addition to all other remedies, the Landmark Parties shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach, and (iii) to waive any requirement for the securing or posting of any bond in connection with such remedy.

11.6. Successors and Assigns; Assignability

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. The Landmark Parties may freely assign this Agreement to their Affiliates provided such Affiliates agree in writing to be bound by the terms hereof including without limitation the confidentiality provisions set forth in Section 5.10.

11.7. Entire Agreement; Amendment and Waiver

This Agreement and the agreements attached as Exhibits hereto constitute the entire understandings of the parties hereto and supersede all prior agreements or understandings with respect to the subject matter hereof among such parties (including without limitation the Confidentiality Letter dated March 6, 2001 between LCI and the Company and the Term Sheet). This Agreement may be amended with (and only with) the written consent of the Company and the Landmark Parties. This Agreement shall not become effective and the terms and provisions herein shall be of no force and effect unless and until both parties hereto have executed and delivered the Agreement. Any party hereto may, by written notice to the other parties, waive any provision of this Agreement. The failure or delay of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision.

11.8. Severability

In the event that any part or parts of this Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

11.9. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -- SIGNATURE PAGE FOLLOWS]

COOLSAVINGS.COM INC.

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By: /s/ Matthew Moog
Name: Matthew Moog
Title: President

COOLSAVINGS, INC.

By: /s/ Matthew Moog
Name: Matthew Moog
Title: President

LANDMARK COMMUNICATIONS, INC.

By: /s/ Guy R. Friddell, III
Name: Guy R. Friddell, III
Title: Executive Vice President

LANDMARK VENTURES VII, LLC

By: /s/ Richard R. Fraim
Name: Richard R. Fraim
Title: VP/Sec/Treasurer

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Exhibit 2.2

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is made and entered into as of July 30, 2001 by and between coolsavings.com inc., a Michigan corporation ("coolsavings.com"), and CoolSavings, Inc., a Delaware corporation wholly-owned by coolsavings.com (the "Corporation"), pursuant to and in accordance with the provisions of the General Corporation Law of the State of Delaware (the "Delaware Act") and the Michigan Business Corporation Act (the "Michigan Act", and collectively with the Delaware Act, the "Acts").

RECITALS:

WHEREAS, the respective Board of Directors of coolsavings.com and the Corporation have deemed it advisable and to the advantage of the corporations and their respective stockholder(s) that coolsavings.com merge with and into the Corporation upon the terms and conditions herein provided;

WHEREAS, coolsavings.com and the Corporation intend that the merger contemplated hereby qualify as a tax-free reorganization within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the respective Boards of Directors of coolsavings.com and the Corporation have approved this Agreement;

WHEREAS, the respective Board of Directors of coolsavings.com and the Corporation have directed that this Agreement be submitted to a vote of their respective shareholder(s) entitled to vote thereon; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, coolsavings.com and the Corporation hereby agree to the merger of coolsavings.com with and into the Corporation upon the terms and conditions set forth in this Agreement:

1. CONSTITUENT CORPORATIONS

a. The name and state of incorporation of each of the constituent corporations involved in the Merger are as follows:

Name	State of Incorporation
coolsavings.com, inc.	Michigan
CoolSavings, Inc.	Delaware

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b. The surviving corporation (the "Surviving Corporation") shall be CoolSavings, Inc., a Delaware corporation.

2. CAPITAL STOCK

a. coolsavings.com's authorized capital stock consists of (i) 100,000,000 shares of common stock, of which 39,063,660 shares are issued and outstanding, all of which are entitled to vote (the "coolsavings Common Stock"), and (ii) 10,000,000 shares of preferred stock, of which no shares are issued and outstanding. A portion of the shares of preferred stock have been divided into series which currently consist of Series A Convertible Preferred Stock, Series B
=
Convertible Preferred Stock and Series C Convertible Preferred Stock. Five thousand (5,000) shares of preferred stock are designated Series A Preferred Stock, of which no shares are currently outstanding, eight million six hundred ninety-five thousand (8,695,000) shares of preferred stock are designated as Series B Convertible Preferred Stock, of which no shares are issued and outstanding, and one million three hundred thousand (1,300,000) shares are designated as Series C Convertible Preferred Stock, of which no shares are issued and outstanding. The shares of coolsavings Common Stock have all of the rights, preferences and limitations of shares of common stock stated in the Michigan Act. The rights, preferences, privileges and restrictions granted to and imposed on the preferred shares are as set forth in coolsavings.com's Articles of Incorporation, as amended.

b. The Corporation's authorized capital stock consists of (i) 379,000,000 shares of common stock, $0.001 par value, of which one share is issued and outstanding, which share is entitled to vote (the "Corporation Common Stock"), and (ii) 271,000,000 shares of preferred stock, $0.001 par value, of which no shares are issued and outstanding. A portion of the shares of preferred stock have been divided into series which currently consist of Series B Convertible Preferred Stock and Series C Convertible Preferred Stock. Two hundred fifty eight million (258,000,000) shares of preferred stock are designated as Series B Convertible Preferred Stock, of which no shares are issued and outstanding, and thirteen million (13,000,000) shares are designated as Series C Convertible Preferred Stock, of which no shares are issued and outstanding. The shares of the Corporation Common Stock have all of the rights, preferences and limitations of shares of common stock stated in the Delaware Act. The rights, preferences, privileges and restrictions granted to and imposed on the preferred shares are as set forth in the Certificate of Incorporation of the Corporation attached hereto as Exhibit A.

c. The number of authorized and outstanding shares of capital stock of each of coolsavings.com and the Corporation, as set forth in paragraphs (a) and (b) above, will not change prior to the Effective Date (defined below).

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3. TERMS AND EFFECT OF MERGER

a. At the Effective Date, coolsavings.com shall be merged with and into the Corporation, and the Corporation shall survive the Merger, all in accordance with the terms of this Agreement and the provisions of the Delaware Act and the Michigan Act (the "Merger"). As soon as practicable after the shareholders of coolsavings.com and the Corporation shall have approved the Merger in accordance with the terms of this Agreement, an appropriate Certificate of Merger shall be executed by each party hereto and delivered for filing with each of the Delaware Secretary of State and the Department of Consumer and Industry Services of the State of Michigan.

b. The Merger shall become effective at such time as the Certificates of Merger are duly filed with the Department of Consumer and Industry Services of the State of Michigan and the Secretary of State of Delaware, as applicable, or at such other time as is permissible in accordance with the Delaware Act and the Michigan Act and the parties shall agree and as set forth in the Certificates of Merger (the "Effective Date").

c. The Merger shall have the effects set forth in each of the Delaware Act and the Michigan Act. Without limiting the generality of the foregoing, at and after the Effective Date, the Surviving Corporation that shall possess all of the rights, privileges, immunities and franchises of a public and private nature of coolsavings.com; all assets and liabilities of coolsavings.com (including, without limitation, the liabilities of coolsavings.com to each of Landmark Communications, Inc., American National Bank and Trust Company of Chicago and Midwest Guaranty Bank under the respective agreements between coolsavings.com and such creditors) shall become assets and liabilities of the Surviving Corporation; and any and all property, real, personal and mixed, and any and all debts owing to coolsavings.com on whatever account, and all other choses in action, and all and every other interest (including, without limitation, all contract rights) of coolsavings.com shall transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real property, or any interest therein, vested in any of such corporations shall not prevent or be in any way impaired by reason of the Merger.

d. In connection with the assignment to and assumption by the Surviving Corporation of any agreements of coolsavings.com relating to the capital stock of coolsavings.com, the parties agree that any provisions therein relating to any shareholder's ownership or voting of, or to the shareholder's status as a holder of, coolsavings Common Stock shall be deemed to be amended to refer, as applicable, to the shareholder's ownership or voting of, or to the shareholder's status as a holder of, Corporation Common Stock.

e. If at any time after the Effective Date any further action is necessary or desirable to carry out the purposes of this Agreement or to vest in the Surviving Corporation the full right, title and possession to all assets, property, rights, privileges, immunities, powers and franchises of coolsavings.com, the officers and directors of the Surviving Corporation are

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fully authorized in the name of either or both of coolsavings.com and the Corporation to take any and all such action.

4. MANNER OF CONVERTING SECURITIES OF THE CONSTITUENT CORPORATIONS.

a. At the Effective Date, each share of coolsavings Common Stock issued and outstanding immediately prior to the Effective Date shall, by virtue of the Merger and without any action on the part of the holders thereof, cease to be an issued and outstanding share of coolsavings Common Stock and shall automatically be converted into one (1) fully-paid and non-assessable share of Corporation Common Stock.

b. At the Effective Date, all obligations of coolsavings.com to holders of stock options awarded pursuant to the coolsavings.com Second Amended and Restated 1997 Option Plan and the 1999 Non-Employee Director Stock Option Plan and any warrants (including, without limitation, the Warrant issued to Landmark Communications, Inc. dated July 30, 2001) and notes outstanding shall be binding on the Surviving Corporation. Except as provided in Section 4(c) below, (i) stock options and warrants to purchase shares of coolsavings Common Stock shall automatically be converted into options and warrants to purchase the same number of shares of Corporation Common Stock, and (ii) notes convertible into shares of coolsavings Common Stock will be converted into notes convertible into shares of Corporation Common Stock.

c. At the Effective Date, the promissory notes and warrants to purchase shares of coolsavings Common Stock issued in connection with coolsavings.com's 2001 Subordinated Note Transaction shall be converted into shares of Series C Convertible Preferred Stock of the Surviving Corporation pursuant to the terms of that certain Securities Purchase Agreement among coolsavings.com, Landmark Communications, Inc. and Landmark Ventures VII, L.L.C. (collectively, "Landmark").

d. At the Effective Date, the share of Corporation Common Stock issued and outstanding immediately prior to the Effective Date shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be an issued and outstanding share of Corporation Common Stock and shall be surrendered to the Corporation for cancellation and canceled, and no additional shares of Corporation Common Stock or any other consideration shall be issued or paid therefor.

5. CERTIFICATE, BYLAWS, OFFICERS AND DIRECTORS

a. From and after the Effective Date and until thereafter amended, the Certificate of Incorporation and Bylaws of the Corporation in effect on the Effective Date shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation.

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b. From and after the Effective Date, the officers, directors and committees of directors of coolsavings.com on the Effective Date shall be the officers, directors and committees of directors of the Surviving Corporation and shall continue to hold office from and after the Effective Date until their successors have been duly elected or appointed and qualified, subject to

the provisions of the Certificate of Incorporation and Bylaws of the Surviving Corporation (including, without limitation, the right of the holders of the Corporation's Series B Convertible Preferred Stock to designate and elect directors provided for therein).

6. EXCHANGE OF CERTIFICATES

a. At the Effective Date,

(i) each certificate representing shares of coolsavings Common Stock shall be exchanged for certificates representing the appropriate number of shares of Corporation Common Stock, and

(ii) except as described in Section 4(c) above, each warrant agreement representing warrants to purchase and each promissory note convertible into coolsavings Common Stock shall be exchanged for, respectively, warrant agreements to purchase and promissory notes convertible into Corporation Common Stock.

Promptly upon such exchange, coolsavings.com shall cause to be canceled and retire each such certificate representing shares of coolsavings Common Stock and each such warrant agreement and promissory note of coolsavings.com described above. Until so exchanged, canceled and retired, each such certificate, warrant agreement and promissory note, upon and after the Effective Date, shall be deemed for all purposes, other than the payment of dividends or other distributions, if any, to stockholders, to represent the number of shares subject to the securities of coolsavings.com represented thereby.

b. In the event any certificates, warrant agreements or promissory notes shall have been lost, stolen or destroyed, the Surviving Corporation shall issue in exchange for such lost, stolen or destroyed certificates, warrant agreements or promissory notes, upon the making of an affidavit of that fact and an indemnity by the holder thereof, such securities of the Surviving Corporation as may be required pursuant to Section 4 above.

7. MISCELLANEOUS

a. Appointment of Agent. The Corporation hereby consents to service of

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process in the State of Michigan in any action or special proceeding of the enforcement of any liability or obligation of coolsavings.com, and hereby irrevocably appoints the Secretary of State of Michigan as its agent to accept service of process in any action or special proceeding for the enforcement of any such liability or obligation. The address to which a copy of such process shall be mailed by the Secretary of State of Michigan to the Corporation is: 360 N. Michigan Avenue, 19th Floor, Chicago, Illinois 60601.

b. Amendment. This Agreement may be amended or modified at any time by mutual written agreement of the parties (i) in any respect prior to the approval hereof by the shareholders of coolsavings.com and the Corporation entitled to vote hereon, and (ii) in any respect

subsequent to such approval, provided that any such amendment or modification subsequent to such approval shall not (A) change the method of exchanging the issued and outstanding shares of coolsavings Common Stock into shares of the Corporation Common, or (B) change any provision of the Certificate of Incorporation of the Surviving Corporation that would require the approval of its shareholders.

8. COPIES OF THIS AGREEMENT

An original, executed copy of this Agreement shall remain on file at the Surviving Corporation's principal place of business, the address of which is 360 N. Michigan Avenue, 19th Floor, Chicago, IL 60601 and upon request and without cost, the Surviving Corporation shall furnish a copy thereof to any stockholder of coolsavings.com or the Corporation.

9. MERGER PERMITTED UNDER DELAWARE AND MICHIGAN LAW

This Merger is permitted under, and shall be effectuated in accordance with, the laws of the States of Delaware and Michigan.

* * * * *

IN WITNESS WHEREOF, each of the undersigned, pursuant to authority granted by their respective Boards of Directors, has caused this Agreement and Plan of Merger to be executed as of July 30, 2001.

COOLSAVINGS.COM INC., a Michigan corporation

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By: /s/ Matthew Moog

Name: Matthew Moog
Title: President

COOLSAVINGS, INC., a Delaware corporation

By: /s/ Matthew Moog

Name: Matthew Moog
Title: President & CEO

Signed at 6:00 pm EST

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Exhibit 3.1

AS AMENDED AND RESTATED
ON MARCH 27, 2000

BYLAWS
OF
coolsavings.com inc.

(hereinafter referred to as the "Corporation")

ARTICLE I.

Offices

Section 1. Location. The registered office of the Corporation shall be located in Oakland County, the State of Michigan and shall be located at 255 E. Brown Street, Suite 110, Birmingham, Michigan 48009.

Section 2. Change. The Board of Directors (hereinafter referred to as the "Board") may change the registered office of the Corporation from time to time and may establish other offices, either within or without the State of Michigan, as the business of the Corporation may require.

ARTICLE II.

Shareholders and Shareholders' Meetings

Section 1. Annual Meeting. The annual shareholders' meeting shall be held at such time on such day as the Board shall annually determine, for the purposes of electing directors, hearing reports of the affairs of the Corporation and transacting any other business within the power of the shareholders. If the election of directors shall not be held on the day designated herein for an annual meeting, or at any adjournment thereof, the Board may cause the election to be held at a special shareholders' meeting as soon thereafter as one may be conveniently called and noticed for that purpose.

Section 2. Special Meetings. Special meetings of the shareholders (a) may be called at any time by the Chairman of the Board, the Chief Executive Officer, the President or, in case of such officers' death or disability, any Vice President who is authorized in such circumstances to exercise the authority of

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the Chief Executive Officer or the President, or by the Board of Directors by action at a meeting or a majority of the directors acting without a meeting, and (b) shall be called by the Secretary upon written request (stating the purpose for which the meeting is to be called) of the holders of a majority of all the shares entitled to vote in an election of directors. Such meetings may be held within or without the State of Michigan at such time and place as may be specified in the notice thereof. The request shall state the purpose or purposes

for which the meeting is to be called, and the business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Section 3. Place of Meeting. The Board may specifically designate any place either within or without the State of Michigan as the place of meeting for any annual or special shareholders' meeting. If no such designation is made or if a special meeting is called other than at the request of the Board, the place of meeting shall be the registered office of the Corporation in the State of Michigan.

Section 4. Written Notice. Notice of any annual shareholders' meeting shall specify in writing the place, day and hour thereof and shall be given by the Secretary to each such shareholder entitled to vote thereat not less than ten (10) days nor more than sixty (60) days before each such meeting. Such written notice shall constitute due, legal, and personal notice to each such shareholder if it is given by:

(a) delivering it to such shareholder personally; or

(b) sending it to him by mail, telegraph, or other means of written communication, charges prepaid, addressed to him at:

(i) his address as it appears on the stock transfer books of the Corporation; or

(ii) such other address or addresses as he may have requested in writing that the Corporation use for the purpose of giving such notice; or

(iii) at the registered office of the Corporation and by publishing it at least once in some newspaper of general circulation in the county in which that office is located if his address does not appear on the stock transfer books of the Corporation and he has not requested in writing that the Corporation use any address for such notice.

If mailed, such notice shall be deemed given when deposited in the United States mail postage prepaid and addressed to the shareholder at any such address. Except in extraordinary circumstances where express provision is made allowable by statute, notice of any special shareholders' meeting shall be given

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in the same manner as for annual shareholders' meetings.

Attendance of a person at a meeting of shareholders, in person or by proxy, constitutes (i) a waiver of notice of the meeting, except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened; and (ii) a waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 5. Adjourned Meetings and Notice Thereof. Any annual or special shareholders' meeting, whether or not a quorum is present, may be adjourned from time to time

by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat; in the absence of a quorum no other business may be transacted at such meeting.

A meeting may be adjourned to another time or place without giving notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, after the adjournment the Board may fix a new record date for the adjourned meeting and a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice.

Section 6. Voting. Unless a record date for voting purposes is fixed as provided in Section l of Article V of these Bylaws, only those persons in whose names shares entitled to vote stand and are registered on the stock transfer books of the Corporation on the day three (3) days prior to any meeting of shareholders shall be entitled to vote at such meeting. Such vote may be by voice or by ballot; provided however, all elections for directors must be by ballot upon demand made by a shareholder at any election and before the voting begins.

Each shareholder of the Corporation shall, at every shareholders' meeting, be entitled to one (1) vote in person or by proxy for each share of each class of capital stock of the Corporation outstanding and entitled to vote and registered in his name on the record date or the date set forth herein. Except as otherwise provided in the Corporation's Articles of Incorporation, directors shall be elected by a plurality of the votes cast at an election.

Except as otherwise provided by law, the Corporation's Articles of Incorporation, or these Bylaws, every act or decision done or made by vote of the shareholders entitled to exercise a majority of the voting power present in person or by proxy at any shareholders' meeting shall be regarded as an act or

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decision done or made with the approval of the shareholders.

Section 7. Quorum. Unless otherwise provided in this Corporation's Articles of Incorporation, the presence in person or by proxy of persons entitled to vote a majority of the voting shares of the capital stock of the Corporation that are outstanding and entitled to vote shall constitute a quorum for the transaction of business at any meeting. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 8. Consent of Absentees. The transactions of any annual or special shareholders' meeting, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the shareholders who was entitled to vote but was not present in person or by proxy, signs a written waiver of notice and written consent to the holding of such meeting or a written approval of the minutes thereof. All such waivers and consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Action Without Meeting. Any action required or permitted under any provision of the Michigan Business Corporation Act to be taken at an annual or special meeting of shareholders may not be taken without such meeting.

Section 10. Proxies. Every person entitled to vote or execute consents or dissents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed at or before the meeting at which they are intended to be used with the Secretary of the Corporation. Proxies shall be valid for the length of time which the person executing it specifies, which in no case shall exceed three (3) years from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked and to be in full force and effect and, in the absence of any limitation to the contrary contained in the proxy, it shall extend to all shareholders' meetings, unless and until an instrument revoking said proxy or a duly executed proxy bearing a later date is filed with the Secretary of the Corporation. A proxy shall be deemed sufficient if it appears on its face to confer the requisite authority and is signed by the owner of the stock to be voted; no witnesses to the execution of any proxy shall be required. Notwithstanding that a valid proxy may be outstanding, except in the case of an irrevocable proxy coupled with an interest which shall state that it is irrevocable on its face, the powers of the proxy holder or holders shall be suspended if the person or persons executing such proxy shall be present at the meeting and elect to vote in person.

Section 11. Order of Business at Annual Meeting. The Chairman of the Board or such other member of the Board as is designated by the Board of Directors, shall preside over meetings of the shareholders. The Secretary of the

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Corporation shall act as Secretary of the shareholders' meeting and shall record all of the proceedings of such shareholders' meeting; provided, that in the absence of such officer, the presiding officer shall appoint another officer of the Corporation to act as Secretary of the meeting.

At an annual or special meeting of shareholders, only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such meeting. To be properly brought before a meeting of shareholders, business must be (i) in the case of a special meeting, specified in the notice of the special meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder. Shareholders seeking to bring business before an annual meeting of shareholders, or to nominate candidates for election as directors at an annual meeting of shareholders, must provide timely notice thereof in writing. To be timely, a shareholder's notice must be delivered to or mailed and received at the Corporation's principal executive offices not less than 120 days nor more than 150 days prior to the first anniversary of the date of the Corporation's notice of annual meeting furnished with respect to the previous year's annual meeting of shareholders. If no annual meeting of shareholders was held in the previous year or the date of the annual meeting of shareholders has been changed to be more than 30 calendar days earlier than or 60 calendar days after such anniversary, notice by the shareholders, to be timely, must be received a reasonable time before the solicitation is made. Within ten (10) days of the Corporation's receipt of a shareholder's notice which complies with this Section 11, the

Corporation shall send a copy of such notice to all shareholders in the manner set forth in Article II, Section 4.

A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before a meeting of shareholders, (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business and any shareholders known by such shareholder to be supporting such proposal, (iii) the class and number of shares of the Corporation which are beneficially owned by the shareholder on the date of such shareholder's to be supporting such proposal on the date of such shareholder's notice, and (iv) any material interest of the shareholder in such proposal.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a meeting of shareholders except in accordance with the procedures set forth in this Section. The presiding officer of the shareholder meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the

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meeting shall not be transacted.

Section 12. Voting of Shares by Certain Holders. Any other corporation that owns shares of stock of this Corporation outstanding and entitled to vote may vote the same by the President of the shareholder corporation or proxy appointed by him, unless some other person is appointed to vote such shares by resolution of the Board of the shareholder corporation.

Shares held by an administrator, executor, guardian, conservator, receiver, trustee, or other fiduciary may be voted by him, either in person or by proxy, without a transfer of such shares into his name, provided the Corporation is furnished satisfactory proof of the authority of such person to vote those shares.

A shareholder whose shares are pledged shall be entitled to vote such shares unless in the transfer the pledgor has expressly empowered the pledgee to vote such shares and had the same indicated on the books of the Corporation, in which case only the pledgee or his proxy may represent and vote such shares.

Shares of this Corporation's own stock held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting or for any purpose and shall not be counted in determining the total number of shares present for quorum purposes.

Section 13. Inspectors of Election. Whenever any person entitled to vote at any shareholders' meeting shall request the appointment of persons to inspect any election, the Board, prior to the meeting, or the person presiding at such meeting shall appoint not more than three (3) inspectors, who need not be shareholders. If the right of any person to vote at such meeting shall be challenged, the inspectors shall determine such right. The inspectors shall receive and count the votes for any election or for the decision of any questions and shall determine the result. Their certificate of any vote shall be prima facie evidence of the results of such vote.

Section 14. Shareholder Meeting by Conference Telephone or Similar Equipment. A shareholder may participate in a meeting of shareholders by a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

ARTICLE III.

Directors and Meetings of the Board of Directors

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Section 1. Number and Residence. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors then in office. The authorized number of directors of the Corporation shall be no less than five nor more than fifteen, as determined by a resolution of a majority of the Board of Directors. Directors need not be Michigan residents or shareholders of the Corporation.

Section 2. Election and Term of Office. Except as provided in Section 6 of this Article III below, the directors shall be elected at each annual shareholders' meeting or otherwise as provided in Article II, Section 1, above. Each director shall hold office until he resigns, dies, is removed from office, or his successor is duly elected and qualified, whichever first occurs.

Section 3. Resignation. A director may resign by written notice to the Corporation. A director's resignation is effective upon its receipt by the Corporation or a later time set forth in the notice of resignation.

Section 4. Removal. A director or the entire Board of Directors may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors.

Section 5. Nominations for Director. Except as provided in Article III, Section 6, only persons who are nominated in accordance with the procedures set forth in this Section 5 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of shareholders by or at the direction of the Board of Directors or by any shareholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 5. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice from a shareholder in writing to the Secretary of the Corporation, made in accordance with the terms of Article II, Section 11. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, (1) the name, age, business address and residence address of such person, (2) the principal occupation or employment of such person, (3) the class and number of shares of the Corporation which are beneficially owned by such person and (4) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors,

or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including each such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the shareholder giving the notice (1) the name and address, as they appear on the Corporation's books, of such shareholder and (2) the class and number of shares of the Corporation which are beneficially owned by such shareholder. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a

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director shall furnish to the Secretary that information required to be set forth in a shareholder's notice of nomination which pertains to the nominee. The presiding officer of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if the presiding officer should so determine, the presiding officer shall so declare to the meeting and the defective nominations shall be disregarded.

Section 6. Vacancies. Vacancies in the Board occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the directors then in office. Each person so elected shall serve as a director for a term of office continuing until the next election of the class of directors for which such new director was elected. A vacancy that will occur at a specified date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs. Vacancies that do not cause the Board to be comprised of less than five (5) directors, may, at the discretion of the Board, remain vacant until such time as the Board or the shareholders elect to fill such vacancies.

Section 7. Place of Meeting/Attendance by Telephone.

(a) Regular Board meetings shall be held at any place within or without the State of Michigan which has been designated from time to time by resolution of a majority of the Board or by written consent of a majority of the members of the Board given either before or after the meeting and filed with the Secretary of the Corporation. In the absence of such designation, regular meetings shall be held at the registered office of the Corporation. Any special Board meeting may be held at any place designated with the written consent of a majority of the directors; otherwise special Board meetings shall be held at the registered office of the Corporation in the State of Michigan.

(b) Any Board meeting may be held by telephone, and any director may attend a Board meeting by telephone. Upon the request of any director, the Corporation or the person(s) calling the meeting shall make arrangements that will enable all attendees, whether present in person or by telephone, to participate concurrently in the meeting in a manner that all directors in attendance (in person or by telephone) may hear the speaking by any director at all times during the meeting.

Section 8. Organization Meeting. Immediately following each annual shareholders' meeting and each adjourned annual and special shareholders' meeting held for the purpose of electing a new Board, the newly elected Board may hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of each such meeting need not be given and is hereby dispensed with.

Section 9. Other Regular Meetings. Board meetings may be regularly

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scheduled for dates, times and places as determined by the Board, and in such case notice of such meetings need not be given and is hereby dispensed with.

Section 10. Special Meetings and Notice Thereof. Special Board meetings for any purpose or purposes (a) may be called at any time by the Chief Executive Officer or the President or, if they are absent or unable to act, by any Vice President and (b) shall be called by the Secretary upon the written request of at least two directors. The business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Written notice of the place, day, and hour of special Board meetings shall be given to each director and constitute due, legal, and personal notice to him if that notice is delivered in the same manner as provided for notice to Shareholders in Article II, Section 4 except (i) the time periods for giving such notices and deeming such notices given shall be as provided in this Section 10, and (ii) any notice sent by mail (other than Federal Express or another internationally recognized courier service) shall be sent express, registered or certified mail, postage prepaid. Notices delivered personally or by facsimile, shall be so delivered at least three (3) business days prior to the day of the meeting. Notices sent by mail (United States Mail, overnight service, courier service, or otherwise), shall be deposited in the mail not less than three (3) business days prior to the day of the meeting, and all such notices shall be deemed given upon the first to occur of (x) actual receipt or (y) three (3) business days after so deposited in the mail.

Section 11. Notice of Adjournment. Notice of the time and place of holding an adjourned Board meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned provided that the meeting is not adjourned for more than five (5) days.

Section 12. Waiver of Notice. The attendance of a director at any Board meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called, noticed, or convened.

The transactions of whatever kind or nature held at any Board meeting, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice of the meeting and a written consent to holding such meeting, or a written approval of the minutes thereof. All such waivers and consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

In addition, any action required or permitted to be taken by the Board under the Michigan Business Corporation Act may be taken without a meeting, if all members of the Board shall individually and collectively consent in writing to such action. Such written consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors at a duly called, noticed, and held Board meeting. Any certificate or other document filed under

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any provision of the Michigan

Business Corporation Act which relates to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that these Bylaws authorized the directors so to act, and such statement shall be prima facie evidence of such authority.

Section 13. Quorum. Except to adjourn the meeting as hereinafter provided, a majority of the Board without regard to the authorized number of directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board unless a greater number be required by law, the Articles of Incorporation, or these Bylaws.

Section 14. Adjournment. A quorum may adjourn any Board meeting to meet again at a stated place, date, and hour; however, in the absence of a quorum, a majority of the directors present at any regular or special Board meeting may adjourn from time to time until the time fixed for the next regular Board meeting.

Section 15. Fees and Compensation. By resolution of the Board, the directors may be paid their expenses, if any, of attendance at each Board meeting and a fixed sum for attendance at each Board meeting or a stated salary as director. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise and receiving a separate compensation therefor.

Section 16. Presumption of Assent. A director who is present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to any action taken by the Board at that meeting unless his dissent shall be entered in the minutes of the meeting or he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or he shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action. A director who is absent from a meeting of the board, or a committee thereof of which he is a member, at which any such action is taken is presumed to have assented to the action unless he files his written dissent with the Secretary of the Corporation within a reasonable time after he has knowledge of the action.

Section 17. Executive Committees. The Board, by resolution passed by a majority of the whole Board, may provide for an Executive Committee by appointing two (2) or more members thereto, each of whom shall be a director and who shall serve during the pleasure of the Board. Unless one of the members shall have been designated as Chairman of the Board, the Executive Committee shall elect a Chairman from its own members. Except as provided herein by

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resolution of the Board or by applicable law, the Executive Committee during the intervals between Board meetings shall possess and may exercise all of the powers of the Board in the management of the business and affairs of the Corporation; provided, however, that neither the Executive Committee nor any other committee established below shall have the power or authority to: (a) approve or adopt, or recommend to the shareholders, any action or matter requiring the approval of the shareholders; or (b) adopt, alter, amend or repeal these Bylaws. The Executive Committee shall keep full and fair records and accounts of its proceedings and

transactions. All actions taken by the Executive Committee shall be reported to the Board at its meeting next succeeding such action and shall be subject to revision and alteration by the Board, except that no rights of third persons created in reliance thereon shall be affected by any such revision or alteration. Vacancies in the Executive Committee shall be filled by the Board.

Subject to provisions of these Bylaws and applicable law, the Executive Committee shall fix its own rules of procedure and shall meet as provided by such rules, by resolution of the Board, or at the call of the Chief Executive Officer or President of the Corporation or of any two (2) members of the committee. Unless otherwise provided by such rules, the provisions of the Bylaws relating to the notice required to be given to directors shall apply to all meetings of the Executive Committee. A majority of the Executive Committee shall be necessary to constitute a quorum.

Section 18. Other Committees. The Board may by resolution provide for such other standing or special committees as it deems desirable and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties not inconsistent with law, as may be assigned to it by the Board. If provision is made for any such committee, the members thereof shall be appointed by the Board, shall consist of one or more members of the Board and shall serve during the pleasure of the Board. Vacancies in such committees shall be filled by the Board.

ARTICLE IV.

Officers

Section 1. Officers. The officers of the Corporation shall include a chairman of the board, a president, a secretary and a treasurer and may include a chief executive officer, a chief financial officer, a chief operating officer, vice chairman of the board, one or more vice presidents, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Directors may from time to time appoint such other officers with such powers and duties as they shall deem necessary or desirable. The officers of the Corporation shall be elected annually by the Board of Directors at the first

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meeting of the Board of Directors held after each annual meeting of shareholders, except that the chief executive officer may appoint one or more vice presidents, assistant secretaries and assistant treasurers; provided, however, that the chief executive officer shall not appoint any executive officer. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. In its discretion, the Board of Directors may leave unfilled any office except that of president, treasurer and secretary. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. Election. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 or 5 of this Article IV, shall be chosen by the Board, and each shall hold his office until he resigns, dies, is removed or otherwise

disqualified to serve, or until his successor is elected and qualified, whichever occurs first.

Section 3. Other Officers and Agents. The Board may appoint such other officers (including, without limitation, a Chief Executive Office, a Chief Operating Officer, a Chief Financial Officer, a Chief Accounting Officer and any other executive officer) and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as may be provided in these Bylaws or as the Board may from time to time determine.

Section 4. Removal and Resignation. Any officer or agent may be removed by a majority of the whole Board at the time in office at any regular or special Board meeting.

Any officer may resign at any time by giving written notice to the Board, the Chief Executive Officer, the President or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 6. Chairman of the Board. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Shareholders or the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by

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these Bylaws.

Section 7. Chief Executive Officer. The Board of Directors shall designate a chief executive officer. In the absence of such designation, the chairman of the board (or, if more than one, the co-chairmen of the board in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall be the chief executive officer of the Corporation. The chief executive officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation.

Section 8. President. Subject to such powers and duties, if any, as may be given to the Chairman of the Board by the Board or prescribed by these Bylaws, the President shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation. In the absence of the Chairman of the Board or if there be no such Chairman, he shall preside at all shareholders' meetings and at all Board meetings. He shall be ex officio a member of all the standing committees, including the Executive Committee, if any; shall have the general powers and duties of management usually vested in the office of President of a corporation; shall see that all orders and resolutions of the Board are carried into effect; and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Chief Operating Officer. The Board of Directors may designate a chief

operating officer. The chief operating officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 10. Chief Financial Officer. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 11. Vice Presidents. In the event of the President's absence or disability, the Vice Presidents, if more than one, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board shall perform all the duties of and shall be subject to all the restrictions upon the President. The Vice Presidents shall have such other powers and authority and shall perform such other duties as from time to time may be prescribed for them respectively by the Board or these Bylaws.

Section 12. Secretary. The Secretary shall attend all shareholders' meetings and all Board meetings and shall keep or cause to be kept, in his custody at the principal or registered office of the Corporation in the State of

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Michigan or such other place as the Board may order, a book recording the minutes of all Board and shareholders' meetings setting forth: the place, date, and hour of holding; whether regular or special, and, if special, how authorized; the notice thereof given; the names of those present at Board meetings; the number of shares present or represented at shareholders' meetings; and the proceedings thereof.

The Secretary shall keep or cause to be kept at the registered office of the Corporation in the State of Michigan or at the office of the Corporation's transfer agent, a share register or a duplicate share register or a list showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same or cause the same to be affixed to any instrument requiring it; when so affixed, the seal shall be attested by his signature or by the signature of the Treasurer or the Assistant Secretary. The Secretary shall perform such other duties and have such other authorities as are delegated to him by the Board.

The Secretary shall give or cause to be given notice of all Board and shareholders' meetings required by these Bylaws or by law.

Section 13. Assistant Secretaries. In the event of the Secretary's absence or disability, any Assistant Secretary shall act as Secretary in all respects. The Assistant Secretaries shall exercise such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, the President, the Secretary, or these Bylaws.

Section 14. Treasurer. The Treasurer shall, subject to the direction of the Board, have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board; shall disburse the funds of the Corporation as may be ordered by the Board; shall render to the President and the Board, whenever either requests it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation; and shall have such other powers and authority incident to the office of Treasurer and shall perform such other duties as may be prescribed by the Board or these Bylaws.

Section 15. Assistant Treasurers. In the event of the Treasurer's absence or disability, the Assistant Treasurer shall act as Treasurer in all respects. The Assistant Treasurer shall exercise such other powers and perform such other

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duties as from time to time may be prescribed for him by the Board, the President, the Treasurer, or these Bylaws.

Section 16. Salaries. The salaries of the officers shall be fixed from time to time by the Board.

ARTICLE V.

Miscellaneous

Section 1. Fixing of Record Date. The Board of Directors may fix, in advance, a date as the record date for determining shareholders for any purpose, including determining shareholders entitled to (a) notice of, and to vote at, any shareholders' meeting or any adjournment of such meeting; (b) express consent to, or dissent from, a proposal without a meeting; or (c) receive payment of a share dividend or distribution or allotment of a right. The record date shall not be more than 60 nor less than 10 days before the date of the meeting, nor more than 10 days after the Board resolution fixing a record date for determining shareholders entitled to express consent to, or dissent from, a proposal without a meeting, nor more than 60 days before any other action.

If a record date is not fixed:

(a) the record date for determining the shareholders entitled to notice of, or to vote at, a shareholders' meeting shall be the close of business on the day next preceding the day on which notice of the meeting is given, or, if no notice is given, the close of business on the day next preceding the day on which the meeting is held; and

(b) if prior action by the Board of Directors is not required with respect to the corporate action to be taken without a meeting, the record date for determining shareholders entitled to express consent to, or dissent from, a proposal without a meeting, shall be the first date on which a signed written consent is properly delivered to the Corporation; and

(c) the record date for determining shareholders for any other purpose shall be the close of business on the day on which the resolution of the Board of Directors relating

to the action is adopted.

A determination of shareholders of record entitled to notice of, or to vote at, a shareholders' meeting shall apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting.

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Only shareholders of record on the record date shall be entitled to notice of, or participation in, the action to which the record date relates, notwithstanding the transfer of shares on the Corporation's books after the record date. This Section 1 shall not affect the rights of a shareholder and the shareholder's transferor or transferee between themselves.

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of a share for all purposes, including notices, voting, consents, dividends and distributions, and shall not be bound to recognize any other person's equitable or other claim to interest in such share, regardless of whether it has actual or constructive notice of such claim or interest.

Section 2. Annual Report. The Corporation shall cause a financial report of the Corporation for the preceding fiscal year to be made and distributed to each shareholder thereof within four (4) months after the end of the fiscal year. The report shall include the Corporation's statement of income, its year-end balance sheet and, if prepared by the Corporation, its statement of source and application of funds.

Section 3. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. No loan or advance to or overdraft or withdrawal by an officer, director, or shareholder of the Corporation other than in the ordinary and usual course of the business of the Corporation shall be made or permitted unless each such transaction shall be approved by a vote of the majority of the members of the whole Board after excluding from any deliberations about such transaction any director involved in it. A full and detailed statement of all such transactions and any payments shall be submitted at the next annual shareholders' meeting, and the aggregate amount of such transaction less any repayments shall be stated in the next annual report to shareholders.

Section 4. Representation of Shares of Other Corporations. Subject to prior approval by the Board: the President or by a proxy appointed by him; or, in the absence of the President and his proxy, the Treasurer or by a proxy appointed by him; or, in the absence of both the President and the Treasurer and their proxies, the Secretary or by a proxy appointed by him; are authorized in that order to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of other Corporations standing in the name of this Corporation. The Board, however, may by resolution appoint some other person to vote such shares.

Section 5. Indemnification. The Corporation shall, to the fullest extent authorized or permitted by the Michigan Business Corporation Act (as amended from time to time), (a) indemnify, protect, defend and hold harmless any person, and his or her heirs, executors,

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administrators and legal representatives, who was, is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director, officer, partner, trustee, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "Covered Matters"); and (b) pay or reimburse the reasonable expenses incurred by such person and his or her heirs, executors, administrators and legal representatives in connection with any Covered Matter in advance of final disposition of such Covered Matter. The Corporation may provide such other indemnification to directors, officers, employees and agents by insurance, contract or otherwise as is permitted by law and authorized by the Board.

ARTICLE VI.

Execution of Instruments

Section 1. Bank Accounts. Each bank account of the Corporation shall be established and continued only by order of the Board.

Section 2. Checks, Etc. All checks, drafts, and orders for the payment of money shall be signed in the name of the Corporation in such manner and by such officers or agents as the Board shall from time to time designate for that purpose. No check or other instrument for the payment of money to the Corporation shall be endorsed otherwise than for deposit to the credit of the Corporation. All checks of the Corporation shall be drawn to the order of the payee.

Section 3. Contracts, Conveyances, Etc. When the execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President and any other officer designated in writing by the President may execute the same in the name and on behalf of this Corporation and may affix the corporate seal thereto. The Board shall have power to designate the officers and agents who shall have authority to execute any instrument on behalf of the Corporation in more than one capacity.

Notwithstanding anything contained herein to the contrary, no officer, agent or employee of this Corporation shall have the authority to disburse monies or other property to other persons, to obligate the Corporation to do or perform any act, to make any payments of money or property, or to execute any of the instruments described herein on behalf of this Corporation other than in the ordinary course of business unless he shall have previously obtained the approval of the Board and unless such approval or ratification shall appear in the minutes of this Corporation.

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ARTICLE VII.

Right of Inspection

Section 1. Inspection of Bylaws. The Corporation shall keep in its registered or principal office the original or a copy of these Bylaws and the Articles of Incorporation as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by all shareholders during regular business hours.

Section 2. Inspection of Records. A person who is a shareholder of record of the Corporation, upon at least ten (10) days' written demand may examine for any proper purpose in person or by agent or attorney, during usual business hours, its minutes of shareholders' meetings and record of shareholders' and make extracts therefrom, at the places where the said records are kept.

ARTICLE VIII.

Dividends

Section 1. Dividends of Cash or Other Property. The Board may, from time to time, declare dividends on its outstanding shares to be paid in cash or other property, other than the Corporation's shares; provided, however, that such dividends may not be declared if, after giving effect to the dividend, the Corporation would not be able to pay its debts as they become due in the usual course of business, or the Corporation's total assets would be less than the sum of the total liabilities.

Section 2. Dividends of Stock. The Board may, from time to time, declare dividends on its outstanding shares to be paid in the Corporation's stock; provided, however, that shares of one class or series may not be issued as a share dividend in respect of shares of another class or series unless a majority of the votes entitled to be cast by the class or series to be issued approve the issue, or there are no outstanding shares of the class or series to be issued.

ARTICLE IX.

Capital Stock

Section 1. Issuance of Shares. The shares of capital stock of the Corporation shall be issued by the Board in such amounts, at such times, for such consideration, and on such terms and conditions as the Board shall deem advisable, subject to the provisions of the Articles of Incorporation and these

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Bylaws.

Section 2. Certificates for Shares. The shares of the Corporation shall be represented by certificates and every shareholder of this Corporation shall be entitled to have a certificate. The certificate shall be signed by the Chairman of the Board, President or a Vice President and may also be signed by another officer of the Corporation; shall certify the number and class of shares represented by such certificate; shall state, if such shares are not fully paid, the amount paid; and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers of the Corporation upon a certificate may be facsimiles if the certificate

is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or an employee of the Corporation. If an officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be an officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he were the officer at the date of its issue.

Certificates of stock shall in all other respects be in such form as shall be determined by the Board and shall be consecutively numbered or otherwise identified.

If the Corporation is authorized to issue shares of more than one class, every certificate of stock shall set forth on its face or back, or state on its face or back that the Corporation will furnish to a shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued, and if the Corporation is authorized to issue any class of shares in series, the designation, relative rights, preferences, and limitations of each series so far as the same have been prescribed and the authority of the Board to designate and prescribe the relative rights, preferences, and limitations of other series.

Section 3. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative who shall furnish satisfactory evidence of his authority, file it with the Secretary of the Corporation, and surrender for cancellation the certificate for such shares. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as otherwise provided in Section 6 of this Article IX of these Bylaws. The Secretary of the Corporation shall record each such transfer on the stock transfer books and shall record the fact that a transfer is made for collateral security and not absolutely when such is stated in the instrument of transfer.

Section 4. Record Owner. The Corporation shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof for

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the following purposes: recapitalization, consolidation, merger, reorganization, sale of assets, liquidation or otherwise; for votes, approvals, and consents by shareholders; for notices to shareholders; and for all other purposes whatever. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly required by law or these Bylaws.

Section 5. Lien by Corporation. The Corporation shall have a lien upon the capital stock of the Corporation for debts due to the Corporation from the owners thereof pursuant to such owner's subscription agreement for such capital stock.

Section 6. Lost, Mutilated, or Destroyed Stock Certificates. Upon the presentation to the Corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate for shares of stock of the Corporation, the Board may direct the issuance of a new certificate in lieu of and to replace the certificate so alleged to be lost, destroyed or mutilated. The Board may require as a condition precedent to the issuance of a new certificate any or all of

the following:

(a) Additional evidence of the loss, destruction or mutilation claimed;

(b) Advertisement of the loss in such manner as the Board may direct or approve;

(c) A bond or agreement of indemnity in such form and amount, with or without such sureties as the Board may approve; or

(d) The order or approval of a court.

The Corporation may recognize the person in whose name the new certificate, or any certificate thereafter issued as owner of the shares described therein for all purposes until the owner of the original certificate or a transferee thereof without notice and for value shall enjoin the Corporation and the holder of any new certificate, or any certificate issued in exchange or substitution therefor, from so acting.

Section 7. Transfer Agent and Registrar. The Board may appoint a transfer agent and/or a registrar of transfers and may require all certificates of shares to bear the signature of such transfer agent and of such registrar of transfers, or as the Board may otherwise direct.

Section 8. Regulations. The Board shall have power and authority to make all such rules and regulations as the Board shall deem expedient regulating the

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issue, transfer, and registration of certificates for shares in this Corporation.

Section 9. Canceled Certificates. All certificates for shares exchanged or surrendered to the Corporation for transfer or cancellation shall be marked with the date of cancellation by the Secretary and shall be immediately fastened to the stubs in the certificate books from which they were detached when issued.

Section 10. Payment. Where stock is issued in exchange for a promissory note, draft, obligation or promise of future services of the purchaser, certificates therefor shall be delivered to the purchaser and the stock shall be deemed to be fully paid and non-assessable, unless the Board, upon authorization of the issuance of such stock, declares that such stock will not be deemed to be fully paid and non-assessable until such time as the promissory note or draft is paid, or obligation or promise performed.

ARTICLE X.

Control Share Acquisitions

Section 1. Power to Redeem if no Acquiring Person Statement is Filed. Control shares acquired in a control share acquisition, with respect to which no acquiring person statement has been filed with the Corporation, may, at any time during the period ending 60 days

after the last acquisition of control shares or the power to direct the exercise of voting power of control shares by the acquiring person, be redeemed by the Corporation at the fair value of the shares.

Section 2. Power to Redeem After Shareholder Vote. After an acquiring person statement has been filed and after the meeting at which the voting rights of the control shares acquired in a control share acquisition are submitted to the shareholders, the shares are subject to redemption by the Corporation at the fair value of the shares unless the shares are accorded full voting rights by the shareholders pursuant to Section 798 of the Michigan Business Corporation Act.

Section 3. Procedure for Redemption. A redemption of shares by the Corporation pursuant to Article X, Sections 1 or 2, shall be made upon election to redeem by the Board of Directors. Written notice of the election shall be sent to the acquiring person within seven days after the election is made. Subject to the Michigan Business Corporation Act, the determination of the Board of Directors as to fair value shall be conclusive. Payment shall be made for the control shares subject to redemption within 30 days.

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ARTICLE XI.

Fiscal Year

Unless otherwise set by the Board of Directors, the fiscal year of the Corporation shall end on December 31.

ARTICLE XII.

Seal

The Corporation may have a seal which shall have inscribed thereon the name of the Corporation, the state of incorporation, and the words "Corporate Seal." The seal may be used by causing it or a facsimile to be imprinted, affixed, reproduced, or otherwise.

ARTICLE XIII.

Amendments

These Bylaws may be added to, altered, amended, or repealed:

(1) By the vote of not less than a majority of the members of the Board then in office at any regular or special meeting, if written notice of the proposed addition, alteration, amendment, or repeal shall have been given to each director in the manner set forth in subsection (3) below or waived in writing; or

(2) By the affirmative vote of the holders of at least two-thirds (2/3) of the outstanding shares of stock of the Corporation generally entitled to vote in the election of directors at any annual or special meeting if notice of the proposed addition, alteration, amendment, or repeal shall have been included in the notice of such meeting or waived in writing.

(3) The written notices required under this Article XIII shall be given, and deemed given, to the shareholders and/or the directors as the case may be, in the same time periods and in the same manners provided in Articles II and III for notices to shareholders and directors respectively.

AMENDMENT TO THE

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AMENDED AND RESTATED BYLAWS

OF

COOLSAVINGS.COM INC.

A Michigan corporation
July 30, 2001

The following provisions in the Bylaws of coolsavings.com, inc. are hereby amended as follows (except as amended hereby, the Bylaws shall remain in full force and effect):

1. Section 2 of Article II is hereby amended by inserting the following as the last sentence of Section 2:

> "Notwithstanding anything to the contrary set forth in these Bylaws, (i) special meetings shall be called by the Secretary upon the written request (stating the purpose for which the meeting is to be called) of the holders of a majority of the outstanding shares of the Series B Preferred Stock of the Corporation, and to the extent of any conflict between these Bylaws and the Corporation's Articles of Incorporation with respect to the procedures applicable to calling and conducting such meetings (and the elections thereat) the Articles of Incorporation shall govern, and (ii) without limiting clause (i) of this sentence, with respect to any matter for which the holders of the Series B Preferred Stock shall be entitled to vote as a separate class, the action required or permitted to be taken (whether at an annual or special meeting of shareholders) may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding shares of Series B Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of Series B Preferred Stock entitled to vote thereon were present and voted (the Secretary shall give prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent to any holder of Series B Preferred Stock who did not consent in writing)."

2. The first sentence of the second paragraph of Section 6 in Article 2 is hereby amended by inserting at the beginning of the sentence the words "Except as otherwise provided in the Corporation's Articles of Incorporation,".

3. Section 8 of Article II is hereby deleted in its entirety and replaced with the following:

> "Section 8. [Intentionally Omitted.]

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4. Section 9 of Article II is hereby amended by inserting at the beginning of the sentence the words "Except as otherwise provided in the Corporation's Articles of Incorporation or in these Bylaws,".

5. The second sentence of Section 1 in Article III is hereby amended and restated in its entirety as follows:

> "The authorized number of directors of the Corporation shall be no less than five (5) nor more than nine (9), unless otherwise provided in the Corporation's Articles of Incorporation."

6. The first sentence of Section 2 in Article III is hereby amended by inserting after the word "below" the words "or as otherwise provided in the Corporation's Articles of Incorporation".

7. The first sentence of Section 5 in Article III is hereby amended by inserting after the words "Section 6" the words "or as otherwise provided in the Corporation's Articles of Incorporation".

8. The first sentence of Section 6 in Article III is hereby amended by inserting at the beginning of the sentence the words "Except as otherwise provided in the Corporation's Articles of Incorporation,".

9. Section 9 of Article III is hereby amended and restated in its entirety as follows:

> "Section 9. Other Regular Meetings. Board meetings may be regularly scheduled for dates, times and places as determined by the Board, and, provided all members of the Board of Directors attend a meeting at which the dates, times and places of the succeeding meetings are scheduled, notice of such meetings need not be given and is hereby dispensed with."

10. Section 11 of Article III is hereby deleted in its entirety and replaced with the following:

> "Section 11. [Intentionally omitted.]"

11. Section 17 of Article III is hereby amended by inserting the following as the last sentence of Section 17:

> "The foregoing provisions with respect to the appointment, designation, power and authority of an Executive Committee of the Board is expressly subject to the provisions with respect to the Executive Committee set forth in the Corporation's Articles of Incorporation."

12. Section 18 of Article III is hereby amended by inserting the

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following as the last sentence of Section 18:

> "The foregoing provisions with respect to the appointment of additional committees by the Board is expressly subject to the provisions with respect to such committees set forth in the Corporation's Articles of Incorporation."

13. Section 5 of Article V is hereby amended and restated in its entirety as follows:

"Section 5. Indemnification. The Corporation shall indemnify any person against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person by reason of the fact that such person is or was a director or officer of the Corporation, in connection with any threatened, pending or completed action, suit or proceeding to the full extent allowed by the applicable provisions of the Michigan Business Corporation Act from time to time in effect (including, where permitted and upon any undertaking required, payment in advance of expenses); provided, however, that except with respect to actions, suits or proceedings initiated by any such person to enforce his or her rights to indemnification or advancement of expenses under this Section or otherwise, the Corporation shall indemnify any such person in connection with an action, suit or proceeding initiated by such person only if such action, suit or proceeding was authorized or ratified by the Board of Directors of the Corporation. "Proceeding" as used in this Section shall include any proceeding within an action or suit. Without limiting the foregoing, the Corporation may, by action of or approval by its Board of Directors, provide indemnification and/or advancement of expenses to employees or agents of the Corporation who are not directors or officers in the same manner and to the same extent as such rights are provided to directors and officers pursuant to this Section, and the indemnification and advancement of expenses provided by or granted pursuant to this Section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under these Bylaws, the Corporation's Articles of Incorporation, contractual

agreement, or otherwise by law and shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person."

14. Article VIII is hereby amended by inserting the following new Section:

> "Section 3. Acknowledgement with Respect to Dividends. Notwithstanding the provisions of Sections 1 and 2 of this Article VIII, nothing in these Bylaws shall, or shall be deemed or construed to, restrict the power of the Board of Directors to declare and pay dividends (when permitted under applicable law) as required by the provisions of the Corporation's Articles of Incorporation."

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15. Article X is hereby amended and restated in its entirety as follows:

"Article X.

Control Share Acquisitions.

Pursuant to Section 794 of the Michigan Business Corporation Act (the "Act"), the Corporation expressly declares that Section 7B of the Act, being Sections 790 through 799 of the Act, shall not apply to acquisitions of the shares of stock of the Corporation. Notwithstanding anything to the contrary in the Corporation's Articles of Incorporation, these Bylaws or any other agreement to which the Corporation is a party, this Article X may be amended only by the affirmative vote of the holders of at least seventy-five percent (75%) of the outstanding shares of the stock of the Corporation generally entitled to vote in the election of directors at any annual or special meeting."

16. Article XIII is hereby amended as follows:

(a) The first sentence of Article XIII is hereby amended by replacing the word "These" with the words "Except as otherwise set forth in these Bylaws, these"; and

(b) Subsection (2) of Article III is hereby amended by replacing the words "two-thirds (2/3)" with the words "a majority".

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Exhibit 3.2

CERTIFICATE OF DESIGNATIONS, NUMBER, VOTING POWERS,
PREFERENCES AND RIGHTS OF SERIES B CUMULATIVE CONVERTIBLE
PREFERRED STOCK
OF
COOLSAVINGS.COM INC.

Pursuant to Section 302 of the Michigan Business Corporation Act, MCLA 450.1302

The undersigned DOES HEREBY CERTIFY that the following resolution was duly adopted by the Board of Directors of coolsavings.com inc., a Michigan corporation (hereinafter called the "Corporation"), with the preferences and rights set forth therein relating to dividends, conversion, redemption, dissolution and distribution of assets of the Corporation having been fixed by the Board of Directors pursuant to authority granted to it under Article III of the Corporation's Amended and Restated Articles of Incorporation and in accordance with the provisions of Section 302 of the Michigan Business Corporation Act, MCLA 450.1302:

RESOLVED: That, pursuant to authority conferred upon the Board of Directors by the Amended and Restated Articles of Incorporation of the Corporation, the Board of Directors hereby authorizes the issuance of 8,695,000 shares of Series B Cumulative Convertible Preferred Stock of the Corporation and hereby fixes the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of such shares, in addition to those set forth in the Amended and Restated Articles of Incorporation of the Corporation, as follows:

1. <u>DESIGNATION AND AMOUNT</u>. 8,695,000 shares of preferred stock shall be designated "Series B Cumulative Convertible Preferred Stock" no par value per share (the "Series B Preferred Stock").

2. <u>DIVIDENDS</u>.

(a) The holders of Series B Preferred Stock shall be entitled to receive from funds of the Corporation lawfully available therefor cumulative dividends per share equal to 8% per annum of the Series B Preferred Amount (as herein defined) of such Series B Preferred Stock. Dividends may be declared, set apart for or paid upon the Series A Convertible Preferred Stock (the "Series A Preferred Stock"), the Series C Convertible Preferred Stock (the "Series C Preferred Stock"), Common Stock or any other stock ranking with respect to dividends or on liquidation junior to the Series B Preferred Stock (such stock being referred to hereinafter collectively as "Junior Stock") in any year if and only if all dividends have been paid to the holders of the Series B Preferred Stock as set forth above and only if authorized as provided below. Dividends

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shall be declared by the Board of Directors of the Corporation (the "Board of Directors") and shall (i) be computed on the basis of the aggregate Series B Preferred Amount (defined below) of the Series B Preferred Stock, (ii) accrue and be payable quarterly, in arrears, on: January 1, April 1, July 1 and October 1 of each year (each such date being referred to herein as a "Quarterly Dividend Date"), (iii) compound quarterly on each Quarterly Dividend

Date, and (iv) except in connection with conversion, be payable, on a pro rata per share basis, solely in additional shares of Series B Preferred Stock. The "Series B Preferred Amount" with respect to each share of Series B Preferred Stock shall mean, as at any date, the Series B Stated Value, plus a cash amount equal to all accrued and cumulated but unpaid dividends (whether or not declared) on such share as at such date. The term "Series B Stated Value" shall mean $1.554 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, stock distribution or combination with respect to the Series B Preferred Stock; provided, however, that there shall be no adjustment to the Series B Stated Value in respect of any dividends paid in additional shares of Series B Preferred Stock pursuant to this Section 2.

(b) The number of shares of Series B Preferred Stock to be issued in payment of the dividend with respect to each outstanding share of Series B Preferred Stock shall be determined by dividing (i) the amount of the dividend per share that would have been payable had such dividend (as cumulated and compounded as provided above) been paid in cash by (ii) the Series B Stated Value. To the extent that any such dividend would result in the issuance of a fractional share of Series B Preferred Stock (which shall be determined with respect to the aggregate number of shares of Series B Preferred Stock held of record by each holder) then the amount of such fraction multiplied by the Series B Stated Value shall be paid in additional shares (including, if necessary, fractions thereof) of Series B Preferred Stock.

(c) Dividends on the Series B Preferred Stock shall be cumulative and shall continue to accrue and compound whether or not declared and whether or not in any fiscal year there shall be net profits, surplus or other funds legally available for the payment of dividends in such fiscal year, so that if in any fiscal year or years dividends in whole or in part are not paid upon the Series B Preferred Stock when due, such unpaid dividends shall accumulate in preference to the holders of the Junior Stock until paid in full or until applied in connection with conversion.

(d) For so long as the Series B Preferred Stock remains outstanding, the Corporation shall not, without the prior consent of the holders of a majority of the outstanding shares of Series B Preferred Stock, pay any dividend upon the Junior Stock, whether in cash or other property (other than shares of Junior Stock), or purchase, redeem or otherwise acquire any such Junior Stock unless, in addition to the payment of the dividend to the holders of the Series B Preferred Stock as described above, the Corporation has redeemed all shares of Series B Preferred Stock which it would theretofore have been required to redeem under Section 8 hereof. Notwithstanding the provisions of

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this Section 2(d), without declaring or paying dividends on the Series B Preferred Stock, the Corporation may, subject to applicable law, repurchase or redeem shares of capital stock of the Corporation from directors, officers, employees of or consultants or advisors to the Corporation as provided in Section 4(b)(iv) below.

3. LIQUIDATION, DISSOLUTION OR WINDING UP.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders upon such liquidation, dissolution or winding up, but before any payment shall be

made to the holders of Junior Stock, an amount in cash equal to the greater of (i) the Series B Preferred Amount or (ii) the amount per share of Series B Preferred Stock as would have been payable had each such share of Series B Preferred Stock (and the accrued and cumulated but unpaid dividends thereon) been converted to Common Stock immediately prior to any liquidation, dissolution or winding up. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution to its shareholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series B Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect to the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series B Preferred Stock and any other series of Preferred Stock upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Common Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its shareholders.

(c) The merger or consolidation of the Corporation into or with another corporation that effects a Change of Control (defined in Section 8 below), the merger or consolidation of any other corporation into or with the Corporation that effects a Change of Control, or the sale, conveyance, mortgage, pledge or lease of all or substantially all the assets of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 3 if the holders of shares of Series B Preferred Stock representing a majority of the then outstanding shares of Series B Preferred Stock so elect in writing.

4. VOTING.

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(a) Each issued and outstanding share of Series B Preferred Stock shall be entitled to the number of votes equal to the largest number of whole shares of Common Stock into which each such share of Series B Preferred Stock (together with the accrued and cumulated but unpaid dividends thereon) is convertible pursuant to Section 5 hereof (as adjusted from time to time pursuant to Sections 5 and 6), at each meeting of shareholders of the Corporation (or pursuant to any action by written consent) with respect to any and all matters presented to the shareholders of the Corporation for their action or consideration, including, without limitation, the election of directors (as to which the Series B Preferred Stock shall also have rights voting separately as a class as set out in this Section 4), and shall be entitled to notice of any shareholders meeting in accordance with the Bylaws of the Corporation. Except as provided by law or hereunder, the holders of Series B Preferred Stock shall vote together with the holders of Common Stock (and the Series C Preferred Stock) as a single class. With respect to any matter for which the holders of the Series B Preferred Stock shall be entitled to vote as a separate class, the action required or permitted to be taken (whether at an annual or special meeting of shareholders) may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the actions so taken, shall be signed by the holders of the outstanding shares of Series B Preferred Stock having not less than the minimum number of

votes that would be necessary to authorize or take such action at a meeting at which all shares of Series B Preferred Stock entitled to vote thereon were present and voted. For purposes of the foregoing, the determination of "whole shares" shall be based upon the aggregate number of shares of Series B Preferred Stock held by each holder, and not upon each share of Series B Preferred Stock held by the holder.

(b) In addition to any other rights provided by law, the Corporation shall not, and the Corporation shall cause the certificate or articles of incorporation of each subsidiary (a "Subsidiary") to provide that such Subsidiary shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of the then outstanding shares of Series B Preferred Stock:

(i) amend the Corporation's articles of incorporation or bylaws in any manner;

(ii) merge, consolidate, or otherwise combine the Corporation with or into any other entity, effect any sale, lease, license, assignment (for the benefit of creditors or otherwise), transfer or other conveyance or disposition of any material portion of the assets of the Corporation or any of its Subsidiaries, or any consolidation, merger or share exchange involving the Corporation or any Subsidiary or any reclassification or other change of any stock, or any recapitalization, or any dissolution,

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liquidation or winding up of the Corporation;

(iii) acquire, by purchase, exchange, merger, consolidation or other business combination, lease, assignment, or any other transfer or conveyance (whether constituting one or a series of transactions), all or substantially all of the properties or assets of any other corporation, entity or business (as determined in accordance with Rule 11-01(d) of Regulation S-X promulgated by the Securities and Exchange Commission), or enter into a joint venture or partnership with any other entity, in each case involving the payment of consideration or contribution by the Corporation or any Subsidiary in an aggregate amount or value in excess of $1,000,000;

(iv) purchase, redeem or otherwise acquire for value (or pay into or set aside as a sinking fund for such purpose) any of the capital stock of the Corporation; provided, that this provision shall not apply to the repurchase of shares of capital stock from directors, officers, employees of or consultants or advisers to the Corporation or any Subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, including the termination of employment by or service to the Corporation or any Subsidiary;

(v) permit any Subsidiary to issue or sell, or obligate itself to issue or sell, except to the Corporation or a wholly owned Subsidiary, any stock of such Subsidiary, if after giving effect to such issuance or sale, the Corporation or a wholly owned Subsidiary would own less than 80 percent of the outstanding stock of such Subsidiary on a fully diluted basis;

(vi) authorize, issue or obligate itself to issue any stock or similar security, including, without limitation, securities containing equity features and securities containing profit participation features, or any security convertible or exchangeable, with or without consideration, into or for any stock or similar security, or any security carrying any warrant or right to subscribe for or purchase any stock or similar security, or any such warrant or right (an "Equity Security") except in exchange for (a) cash (if otherwise permitted), (b) shares issuable upon exercise or conversion of the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock or the warrants to purchase common stock issued to Landmark Communications, Inc. or certain of its affiliates or transferees (collectively, "Landmark") (the "Warrants") in connection with the Corporation's issuance and sale of a Senior Secured Note to Landmark in the aggregate principal amount of $5,000,000 dated July 30, 2001 (as may be amended, the "Senior Secured Note"), or (c) shares of Common Stock or options to purchase Common Stock pursuant to an option or incentive plan approved by the Board of Directors, provided such approval included the affirmative vote of one of the Series B Directors (as defined

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below) (an "Approved Plan"), provided the aggregate number of options, warrants or any other type of rights or equity securities issued and outstanding under any such Approved Plan shall not exceed 7,953,954 plus up to 1,800,000 options issued in connection with the cancellation of options issued under the Corporation's 1997 Stock Option Plan and reissuance under an Approved Plan as contemplated by that certain Securities Purchase Agreement among the Corporation, Landmark and Landmark Ventures VII, LLC dated July 30, 2001 (the "Purchase Agreement");

(vii) authorize or issue, or obligate itself to issue, any (a) shares of Series B Preferred Stock or capital stock of the Corporation convertible into or exchangeable for Series B Preferred Stock to any person other than an existing holder of Series B Preferred Stock, or (b) Equity Securities ranking senior to or on a parity with the Series B Preferred Stock as to dividend or redemption rights, liquidation preferences, conversion rights, voting rights or otherwise, or reclassify any Equity Security such that it ranks senior to or on a parity with the Series B Preferred Stock as to dividend or redemption rights, liquidation preferences, conversion rights, voting rights or otherwise;

(viii) increase or decrease (other than by the redemption or conversion of the Series B Preferred Stock as provided herein) the total number of authorized shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock or issue any additional shares of any such series of Preferred Stock or declare or pay any dividends or declare or make any other distribution, direct or indirect (other than a dividend payable solely in shares of Common Stock or paid in kind on the Series B Preferred Stock) on account of any Equity Security or set apart any sum for any such purpose;

(ix) adopt any stock option, stock purchase or similar incentive plan or arrangement other than an Approved Plan, amend any Approved Plan or amend any stock option, restricted stock award, stock purchase right or other incentive award or grant issued or granted pursuant to an Approved Plan;

(x) enter into or permit any Subsidiary to enter into any agreement, indenture or other instrument which contains any provisions expressly restricting the Corporation's obligation to make prepayments or payments in kind under or redemptions of the Senior Secured Note or pay dividends, make payments in kind or effect redemptions of the Series B Preferred Stock;

(xi) enter into any transaction with an officer, director, employee or holder of more than 5% of the Corporation's capital stock (other than with the holders of the Series B Preferred Stock or Landmark or its affiliates) or any affiliate thereof other than in the ordinary course of business;

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(xii) enter into any agreement which restricts the Corporation from engaging in any business practice without the approval of the majority of the Board of Directors, including the affirmative vote of the Series B Directors;

(xiii) hire, terminate or replace the Chief Executive Officer, President/Chief Operating Officer, Chief Financial Officer, Chief Technology Officer or Executive Vice President - Business Development;

(xiv) create any Subsidiary; or

(xv) amend, alter or rescind any term of the Forbearance Agreement between the Corporation and American National Bank dated as of June 15, 2001, as amended July 27, 2001, or the Forbearance Agreement between the Corporation and Midwest Guaranty Bank dated as of July 27, 2001.

(c) The Corporation shall not amend, alter or repeal the preferences, special rights or other powers of the Series B Preferred Stock so as to affect adversely the Series B Preferred Stock, without the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series B Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a single class. For this purpose, the authorization or issuance of any series of Preferred Stock with preference or priority over, or being on a parity with, the Series B Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, exchange, dissolution or winding up of the Corporation shall be deemed so to affect adversely the Series B Preferred Stock.

(d) At all times while the Series B Preferred Stock is outstanding, the authorized number of directors shall be no less than seven (7) nor more than thirteen (13) (such maximum number, the "Whole Board Limit"), and the exact number of directors (the "Designated Number") shall initially be thirteen (13); provided, the Designated Number and the Whole Board Limit (or, if applicable, the Reset Board Limit, defined below) shall be automatically increased as may be required pursuant to Section B.4(e) below; and, provided, further, the Designated Number may be increased or decreased (but not below seven (7) nor above thirteen (13), if the Whole Board Limit applies, or nine (9), if the Reset Board Limit applies) by resolution of a majority of the Board of Directors (including the affirmative vote of at least one director designated and elected to a Reserved Series B Seat (as defined below) (a "Series B Director")) if in connection with such increase or decrease, as applicable, the number

of Reserved Series B Seats continues to have at least the same proportionate relationship to the Whole Board Limit or Reset Board Limit, as applicable, after

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such increase or decrease as existed immediately prior thereto.

(e) In addition to the rights of the Series B Preferred Stock to vote in the general election of directors on an as converted basis, the Series B Preferred Stock shall have the following special voting rights, voting separately as a single class, with respect to the designation and election of directors:

(i) the holders of the shares of Series B Preferred Stock shall at all times have the exclusive right to designate for election and to elect, except as provided in Section 4(e)(ii) below, a majority of the Board of Directors (initially, not less than seven (7) directors) (the "Reserved Series B Seats"), provided, that the number of Reserved Series B Seats shall be automatically increased (but not decreased) from time to time to such number as is proportionate to the percentage of the Common Stock owned by the holders of the Series B Preferred Stock (including for such purposes any stock or other securities convertible into Common Stock calculated on an as-converted basis), rounded up to the nearest whole number of members of the Board of Directors, in which case the Designated Number and the Whole Board Limit shall, to the extent necessary, be deemed increased for each additional Reserved Series B Seat. The holders of the Series B Preferred Stock shall be entitled to leave some or all of the Reserved Series B Seats vacant without waiving the right at any time and from time to time to designate and elect directors to all of the Reserved Series B Seats (as the same may be increased from time to time in accordance with the terms hereof). The holders of the shares of Series B Preferred Stock may exercise their right to make the foregoing designations and elections, at any time and from time to time at their option, by written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series B Preferred Stock given in writing or at a special meeting, consenting or voting (as the case may be) separately as a single class.

(ii) If (A) all conditions to the Second Tranche Closing (as defined in the Purchase Agreement) have been satisfied or waived by October 25, 2001 and Landmark has failed to close, or (B) Landmark does not exercise the Second Tranche Purchase Option (as defined in the Purchase Agreement) on or before December 31, 2001, the Designated Number and the Whole Board Limit shall be reduced to nine (9) (the "Reset Board Limit") and the number of Reserved Series B Seats shall, subject to Section 4(e)(iii) below, at all times be proportionate to the percentage of the Common Stock held in the aggregate by all holders of Series B Preferred Stock (including for such purposes any stock or other securities convertible into Common Stock calculated on an as-converted basis), rounded up to the nearest whole number of members of the Board of Directors in which case the Designated Number and the Reset Board Limit shall, to the extent necessary, be deemed increased for each additional Reserved Series B Seat. The holders of the Series B Preferred Stock shall be entitled to leave some or all of the Reserved Series B Seats vacant without waiving the right at any time and from time to time to designate and elect directors to all of the Reserved Series B Seats (as the same may be increased from time to time in accordance with the terms hereof). The holders of the shares of Series B Preferred Stock may exercise their right to make the foregoing designations and

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elections, at any time and from time to time at their option, by written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series B Preferred

Stock given in writing or at a special meeting, consenting or voting (as the case may be) separately as a single class.

(iii) If at any time while the number of Reserved Series B Seats is determined pursuant to Section 4(e)(ii) above the Corporation fails for any reason to (A) pay any quarterly dividend as set forth in Section 2(a) above, or (B) make any redemption payment required pursuant to Section 8 hereof (each, a "Default"), then in any such case at any time following and during the continuance of any Default, the holders of the shares of Series B Preferred Stock shall, by written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series B Preferred Stock, given in writing or at a special meeting consenting or voting (as the case may be) separately as a class, be entitled to exercise the Special Voting Rights (as hereinafter defined), provided the Corporation is provided with five (5) days written notice that such right has been exercised. In the event that the Corporation cures such failure to pay any quarterly dividend, then ten (10) days after the receipt of all accrued and unpaid dividends by the holders of the Series B Preferred Stock, the Board of Directors shall no longer be designated and elected through the exercise of the Special Voting Rights. Notwithstanding the foregoing, the holders of the shares of Series B Preferred Stock shall be entitled to Special Voting Rights upon the occurrence or reoccurrence of any Default or with respect to any given Default hereunder. Failure by the holders of the shares of Series B Preferred Stock to exercise their Special Voting Rights promptly upon the occurrence of a given Default or with respect to any given Default shall not be deemed to be a waiver of such rights, such rights being exercisable at any time that any Default shall have occurred and be continuing.

For purposes of this Section 4(e), the term "Special Voting Rights" shall mean the right to designate and elect, upon the occurrence and during the continuance of a Default as provided in the foregoing paragraph, that number of additional directors (the "Default Directors") that will constitute a majority of the Board of Directors as it will be constituted following the election of such Default Directors or such greater number as may be required to give the holders of the Series B Preferred Stock the proportionate representation required under Section 4(e)(ii).

Immediately upon the triggering of the Special Voting Rights, the number of directors of the Corporation and (to the extent necessary) the Designated Number and the Reset Board Limit shall be increased by the requisite number of Default Directors and each of the Default Directors shall be elected only by vote of the holders of the shares of Series B Preferred Stock, separately as a class as otherwise provided under this Section B.4(e). The holders of the shares of Series B Preferred Stock may at their option at any

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time exercise the Special Voting Rights to elect each of the Default Directors either at a special meeting of the holders of Series B Preferred Stock or by written consent without a meeting. Each Default Director shall serve for a term of one year and until his or her successor is elected and qualified. Upon the election of the Default Directors, the presence of a majority of the directors shall be required for there to be a quorum at all meetings of the Board of Directors of the Corporation, and of any committees of the Board. Any vacancy in the position of a Default Director may be filled only by the holders of Series B Preferred Stock. Each Default Director may, during his or her term of office, be removed at any time, with or without cause, by and only by the affirmative vote, at a special meeting of holders of Series B Preferred Stock called for such purpose, or the written consent, of

the holders of a majority of the then outstanding shares of Series B Preferred Stock. Any vacancy created by such removal may also be filled at such meeting or by such consent.

5. OPTIONAL CONVERSION. Each share of Series B Preferred Stock, plus any accrued and cumulated but unpaid dividends thereon, may be converted at any time, at the option of the holder thereof, into the number of fully-paid and nonassessable shares of Common Stock obtained by dividing the Series B Preferred Amount by the Series B Conversion Price (defined below) then in effect (the "Series B Conversion Rate"), provided, however, that on any redemption of any Series B Preferred Stock or any liquidation of the Corporation, the right of conversion shall terminate at the close of business on the first business day next preceding the date fixed for such redemption or for the payment of any amounts distributable on liquidation to the holders of Series B Preferred Stock.

(a) The initial conversion price, subject to adjustment as provided herein, is equal to $0.1554 (the "Series B Conversion Price"). The initial Series B Conversion Rate shall be 10:1. The applicable Series B Conversion Rate and Series B Conversion Price from time to time in effect is subject to adjustment as hereinafter provided.

(b) The Corporation may and shall issue fractions of shares of Common Stock upon conversion of Series B Preferred Stock or scrip in lieu thereof.

(c) Whenever the Series B Conversion Rate and Series B Conversion Price shall be adjusted as provided in Section 6 hereof, the Corporation shall forthwith file at each office designated for the conversion of Series B Preferred Stock, a statement, signed by the Chairman of the Board, the President, any Vice President or Treasurer of the Corporation, showing in reasonable detail the facts requiring such adjustment and the Series B Conversion Rate and Series B Conversion Price that will be effective after such adjustment. The Corporation shall also cause a notice setting forth any such adjustments to be sent by mail, first class, postage prepaid, to each record

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holder of Series B Preferred Stock at his or its address appearing on the stock register. If such notice relates to an adjustment resulting from an event referred to in Section 6(g) hereof, such notice shall be included as part of the notice required to be mailed under the provisions of Section 6(g) hereof.

(d) In order to exercise the conversion privilege, the holder of any Series B Preferred Stock to be converted shall surrender his or its certificate or certificates therefor to the principal office of the transfer agent for the Series B Preferred Stock (or if no transfer agent be at the time appointed, then the Corporation at its principal office), and shall give written notice to the Corporation at such office that the holder elects to convert the Series B Preferred Stock represented by such certificates, or any number thereof. Such notice shall also state the name or names (with address) in which the certificate or certificates for shares of Common Stock which shall be issuable on such conversion shall be issued (the "Named Issuee"), subject to any restrictions on transfer relating to shares of the Series B Preferred Stock or shares of Common Stock upon conversion thereof. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly authorized in writing. The date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of the certificates and notice shall be the conversion date. As soon as practicable after receipt of such

notice and the surrender of the certificate or certificates for Series B Preferred Stock as aforesaid, the Corporation shall cause to be issued and delivered at such office to such holder, or his or its Named Issuee, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and, if less than all shares of Series B Preferred Stock represented by the certificate or certificates so surrendered are being converted, a residual certificate or certificates representing the shares of Series B Preferred Stock not converted.

(e) The Corporation shall at all times when the Series B Preferred Stock shall be outstanding reserve and keep available out of its authorized but unissued stock, for the purposes of effecting the conversion of the Series B Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preferred Stock. Before taking any action that would cause an adjustment reducing the Series B Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series B Preferred Stock, the Corporation will (unless waived by the holders of a majority of the Series B Preferred Stock) take any corporate action that may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully-paid and nonassessable shares of such Common Stock at such adjusted conversion price.

(f) All shares of Series B Preferred Stock which shall have been

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surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall forthwith cease and terminate except only the right of the holder thereof to receive shares of Common Stock in exchange therefor and payment of any accrued and unpaid dividends thereon. Any shares of Series B Preferred Stock so converted shall be retired and canceled and shall not be reissued, and the Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized Series B Preferred Stock accordingly.

6. ANTI-DILUTION PROVISIONS.

(a) The Series B Conversion Price shall be subject to adjustment from time to time in accordance with this Section 6 unless otherwise waived in writing by the holders of the majority of the Series B Preferred Stock (provided that any such waiver shall be only as to a specific Triggering Transaction and the waiver shall under no circumstances be deemed to generally waive any rights herein or with respect to any subsequent or continuing Triggering Transactions).

(b) Except as provided in Section 6(c), 6(d) or 6(f) hereof, if and whenever on or after the date hereof (the "Series B Initial Issuance Date"), the Corporation shall issue or sell or shall be deemed to have issued or sold any shares of its Common Stock (or in case the Corporation at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities")) for a consideration per share

less than the Series B Conversion Price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale (the "Triggering Transaction"), the Series B Conversion Price shall be reduced to the price at which the Common Stock, Options or Convertible Securities were issued or deemed to have been issued in such Triggering Transaction.

For purposes of determining the adjusted Series B Conversion Price under this Section 6(b), the following paragraphs (1) to (9), inclusive, shall be applicable:

(1) In case the Corporation at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any Options or Convertible Securities (including without limitation the right to subscribe for or purchase any such Options or Convertible Securities) whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable and the price per share for which the Common Stock is issuable upon exercise, conversion or exchange

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(determined by dividing (x) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities) shall be less than the Series B Conversion Price in effect immediately prior to the time of the granting of such Option, then the total maximum amount of Common Stock issuable upon the exercise of such Options or in the case of Options for Convertible Securities, upon the conversion or exchange of such Convertible Securities shall (as of the date of granting of such Options) be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. No adjustment of the Series B Conversion Price shall be made upon the actual issue of such shares of Common Stock or such Convertible Securities upon the exercise of such Options, except as otherwise provided in paragraph (3) below.

(2) In case the Corporation at any time shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (x) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Series B Conversion Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall (as of the date of the issue or sale of such Convertible Securities) be

deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. No adjustment of the Series B Conversion Price shall be made upon the actual issue of such Common Stock upon exercise of the rights to exchange or convert under such Convertible Securities, except as otherwise provided in paragraph (3) below.

(3) If the purchase price provided for in any Option referred to in paragraph (1) or the rate at which any Convertible Securities referred to in paragraphs (1) or (2) are convertible into or exchangeable for Common Stock, shall be reduced at any time under or by reason of provisions with

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respect thereto designed to protect against dilution, then in case of the delivery of Common Stock upon the exercise of any such Option or upon conversion or exchange of any such Convertible Security, the Series B Conversion Price then in effect hereunder shall forthwith be adjusted to such respective amount as would have been obtained had such Option or Convertible Security never been issued as to such Common Stock and had adjustments been made upon the issuance of the shares of Common Stock delivered as aforesaid, but only if as a result of such adjustment the Series B Conversion Price then in effect hereunder is hereby reduced.

(4) On the expiration or earlier termination of any Option or the termination of any right to convert or exchange any Convertible Securities, the Series B Conversion Price then in effect hereunder shall forthwith be increased to the Series B Conversion Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination, never been issued.

(5) In case any Options shall be issued in connection with the issue or sale of other securities of the Corporation, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for $0.001 unless otherwise recorded on the Corporation's financial statements in accordance with generally accepted accounting principles.

(6) In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be the fair value of such consideration as determined in good faith by the Board of Directors. In case any shares of Common Stock, Options or Convertible Securities shall be issued in connection with any merger in which the Corporation is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as shall be attributable to such Common Stock, Options or Convertible Securities, as the case may be.

(7) The number of shares of Common Stock outstanding at any given time shall not include shares owned, held by or for the account of the Corporation or canceled,

and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock for the purpose of this Section 6(b).

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(8) In case the Corporation shall declare a dividend or make any other distribution upon the stock of the Corporation payable in Options or Convertible Securities, then in such case any Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold for $0.001.

(9) For purposes of this Section 6(b), in case the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them (x) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities, or (y) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right or subscription or purchase, as the case may be.

(c) In the event the Corporation shall declare a dividend upon the Common Stock (other than a dividend payable in Common Stock) payable otherwise than out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, including the making of appropriate deductions for minority interests, if any, in subsidiaries (herein referred to as "Liquidating Dividends"), then, as soon as possible after the conversion of any shares of Series B Preferred Stock, the Corporation shall pay to the person converting such shares of Series B Preferred Stock an amount equal to the aggregate value at the time of such exercise of all Liquidating Dividends to which such holder would have been entitled if such holder had converted the shares of Series B Preferred Stock to Common Stock prior to the declaration of the Liquidating Dividends, at the then applicable Series B Conversion Price. For the purposes of this Section 6(c), a dividend other than in cash shall be considered payable out of earnings or earned surplus only to the extent that such earnings or earned surplus are charged an amount equal to the fair value of such dividend as determined in good faith by the Board of Directors.

(d) In case the Corporation shall at any time (i) subdivide the outstanding Common Stock or (ii) issue a dividend on its outstanding Common Stock payable in shares of Common Stock, the Series B Conversion Rate in effect immediately prior to such dividend or combination shall be proportionately increased by the same ratio as the subdivision or dividend (with appropriate adjustments to the Series B Conversion Price in effect immediately prior to such subdivision or dividend). In case the Corporation shall at any time combine its outstanding Common Stock, the Series B Conversion Rate in effect immediately prior to such combination shall be proportionately decreased by the same ratio as the combination (with appropriate adjustments to the Series B Conversion Price in effect immediately prior to such combination).

(e) Subject to the provisions of 3(c), if at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, recapitalization, reclassification or exchange of shares provided for elsewhere herein) or a

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merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all of the Corporation's capital stock or assets to any other person (any of which events is herein referred to as a "Reorganization"), then, as a part of such Reorganization, provision shall be made for the holders of the Series B Preferred Stock to receive a preferred security as nearly equivalent as possible to the Series B Preferred Stock then held (or retain their Series B Preferred Stock if the Corporation survives) which upon conversion will thereafter be entitled to receive the number of shares of stock or other securities or property (including cash) of the Corporation, or of the successor corporation resulting from such merger, consolidation or sale, to which such holder would have been entitled if such holder had converted its shares of Series B Preferred Stock immediately prior to such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 to the end that the provisions of this Section 6 (including adjustment of the Series B Conversion Price then in effect and the number of shares of Common Stock or other securities issuable upon conversion of such shares of Series B Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

(f) The provisions of this Section 6 shall not apply to any Common Stock, Options or Convertible Securities issued, issuable or deemed outstanding in respect of: (i) Options issued under any Approved Plan (provided that when determining whether there are any Options remaining for issuance under an Approved Plan, all shares issued and outstanding under such Approved Plan regardless of exercise price must be considered in such calculation), (ii) Options, Convertible Securities and conversion rights in existence on the Series B Initial Issuance Date, (iii) on conversion of the Series B Preferred Stock, Series C Preferred Stock or Warrants or (iv) to any issuance of additional shares of Series B Preferred Stock as a dividend pursuant to Section 2 hereof.

(g) Subject to the express consent of the holders of the Series B Preferred Stock as provided in Section 4, in the event that:

(1) the Corporation shall declare any cash dividend upon its Common Stock, or

(2) the Corporation shall declare any dividend upon its Common Stock payable in stock or make any special dividend or other distribution to the holders of its Common Stock, or

(3) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights, or

(4) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, including any subdivision or

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combination of its outstanding shares of Common Stock, or consolidation or merger of the Corporation with, or sale of all or substantially all of its assets to, another corporation, or

(5) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in connection with such event, the Corporation shall give to the holders of the Series B Preferred Stock:

(i) at least twenty (20) days prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up; and

(ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, at least twenty (20) days prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with the foregoing clause (i) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification consolidation, merger, sale, dissolution, liquidation or winding up, as the case may be. Each such written notice shall be given by first class mail, postage prepaid, addressed to the holders of the Series B Preferred Stock at the address of each such holder as shown on the books of the Corporation.

(h) If at any time or from time to time on or after the Series B Initial Issuance Date, the Corporation shall grant, issue or sell any Options, Convertible Securities or rights to purchase property (the "Series B Purchase Rights") pro rata to the record holders of any class of Common Stock and such grants, issuances or sales do not result in an adjustment of the Series B Conversion Price under Section 6(b) hereof, then each holder of Series B Preferred Stock shall be entitled to acquire (within thirty (30) days after the later to occur of the initial exercise date of such Series B Purchase Rights or receipt by such holder of the notice concerning Series B Purchase Rights to which such holder shall be entitled under Section 6(g)) and upon the terms applicable to such Series B Purchase Rights either:

(i) the aggregate Series B Purchase Rights which such holder could

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have acquired if it had held the number of shares of Common Stock acquirable upon conversion of the Series B Preferred Stock immediately before the grant, issuance or sale of such Series B Purchase Rights; provided that if any Series B Purchase Rights were distributed to holders of Common Stock without the payment of additional consideration by such holders, corresponding Series B Purchase Rights shall be distributed to the exercising holders of the Series B Preferred Stock as soon as possible after such exercise and it shall not be necessary for the exercising holder of the Series B Preferred Stock specifically to request delivery of such rights; or

(ii) in the event that any such Series B Purchase Rights shall have expired or shall expire prior to the end of said thirty (30) day period, the number of shares of Common Stock or the amount of property which such holder could have acquired upon such exercise at the time or times at which the Corporation granted, issued or sold such expired Series B Purchase Rights.

(i) If any event occurs as to which, in the opinion of the Board of Directors, the provisions of this Section 6 are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of the Series B Preferred Stock in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles, so as to protect such rights as aforesaid, but in no event shall any adjustment have the effect of increasing the Series B Conversion Price as otherwise determined pursuant to any of the provisions of this Section 6 except in the case of a combination of shares of a type contemplated in Section 6(d) hereof and then in no event to an amount larger than the Series B Conversion Price as adjusted pursuant to Section 6(d) hereof.

7. OPTIONAL REDEMPTION.

(a) If at any time after the seventh anniversary of the Series B Initial Issuance Date, (i) the Corporation's Common Stock trades at or above $3.00 per share (subject to appropriate adjustment for stock splits, dividends, recapitalizations and other similar transactions) for 20 consecutive trading days (and during at least 60 of the 80 trading days immediately prior to the Company Designated Redemption Date (defined below)), (ii) the Corporation has in place an effective registration statement or the Corporation agrees to file and make effective within thirty (30) days after receipt by the holders of the Series B Preferred Stock of the Optional Redemption Notice (defined below) a registration statement registering shares for resale of Common Stock to be issued upon conversion of the Series B Preferred Stock, (iii) the Corporation has paid and satisfied in full all obligations under the Loan and Security Agreement and the Senior Secured Note, and (iv) there is no Junior Stock

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outstanding (other than Common Stock), the Corporation may elect to redeem all but not less than all of the then-outstanding shares of Series B Preferred Stock at a price in cash equal to the Series B Preferred Amount (such amount is hereinafter referred to as the "Series B Redemption Price").

(b) The Corporation shall provide to all holders of record of shares of Series B Preferred Stock at least thirty (30) days' prior written notice (the "Optional Redemption Notice") of the date fixed (the "Company Designated Redemption Date") and the place designated for redemption of all of such shares of Series B Preferred Stock pursuant to this Section 7, such notice to be sent by mail, first class, postage prepaid, to each record holder of shares of Series B Preferred Stock at such holder's address appearing on the stock register of the Corporation. Subject to the rights of the holders of the Series B Preferred Stock set forth in Section 7(c) below, on the Company Designated Redemption Date each holder of shares of Series B Preferred Stock shall surrender his or its certificates or certificates for all such shares to the Corporation at the place designated in the Optional Redemption Notice, and thereupon the Series B Redemption Price payable in respect of such shares shall be paid to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate

shall be cancelled. On the Company Designated Redemption Date, unless there shall have been a default in payment of the Series B Redemption Price, all rights with respect to the Series B Preferred Stock so redeemed will terminate, except the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive the Series B Redemption Price, and all certificates evidencing shares of Series B Preferred Stock surrendered for redemption in accordance with the provisions hereof shall, from and after the date such certificates are so surrendered and the Series B Redemption Price is so paid, be deemed to have been retired and canceled and the shares of Series B Preferred Stock represented thereby redeemed.

(c) In lieu of the redemption of the Series B Preferred Stock described above in this Section 7, each holder of the Series B Preferred Stock may elect to convert his or its shares of Series B Preferred Stock into Common Stock pursuant to Section 5 hereof (the "Conversion Election") upon delivery to the Corporation of written notice of such election within ten (10) business days after receipt of the Optional Redemption Notice. As soon as practicable after the receipt by the Corporation of each Conversion Election notice, the Corporation shall cause to be issued and delivered to each holder that has delivered a Conversion Election notice, or on his or its written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions of Section 5(b) above.

8. REDEMPTION AT HOLDER'S ELECTION.

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(a) On or at any time after the earlier of (i) the fifth anniversary of the Series B Initial Issuance Date, (ii) a Change of Control or (iii) any breach under the Purchase Agreement or any default under the Senior Secured Note or the Loan and Security Agreement, each holder of shares of Series B Preferred Stock then outstanding (each, an "Electing Holder") may, at their option and in their sole discretion, and on ten (10) days prior written notice to the Corporation (each, a "Redemption Request"), specify a date (each, an "Investor Designated Redemption Date") on which the Corporation shall redeem all of the shares of Series B Preferred Stock then held by such holder, at a price per share in cash equal to the Series B Redemption Price. Upon receipt of a Redemption Request, the Corporation shall provide notice of its receipt of a Redemption Request, specifying the date, manner and place of redemption (a "Pending Redemption Notice") by first class mail, postage prepaid, to each holder of the Series B Preferred Stock at his or its post office address last shown on the records of the Corporation, not less than five (5) days prior to the Investor Designated Redemption Date. Each holder of the Series B Preferred Stock (other than a holder who has previously made the Redemption Request and is then an Electing Holder) may elect to become an Electing Holder on such Investor Designated Redemption Date by so indicating in a written notice delivered to the Corporation at least five (5) days prior to the Investor Designated Redemption Date (also for purposes hereof, a "Redemption Request"). Except as set forth below, the Corporation shall redeem from each Electing Holder all of his or its shares of Series B Preferred Stock then held at a price per share in cash equal to the Series B Redemption Price. For the purposes hereof, a "Change of Control" shall mean: (i) the sale, lease or transfer of all or substantially all of the assets of the Corporation to any "Person" or "group" (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or

disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act); (ii) the approval by the requisite shareholders of the Corporation of a plan of liquidation or dissolution of the Corporation; (iii) any "Person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act, or any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d- 5(b)(1) under the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all classes of the voting stock of the Corporation and/or warrants or options to acquire such voting stock, calculated on a fully diluted basis, unless, as a result of such transaction, the ultimate direct or indirect ownership of the Corporation is substantially the same immediately after such transaction as it was immediately prior to such transaction; or (iv) any consolidation or merger of the Corporation pursuant to which the Common Stock would be converted into cash, securities or other property, in each case other than a consolidation or merger of the Corporation in which the holders of Common Stock and other capital stock of the Corporation entitled to vote in the election of directors of the Corporation, immediately

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prior to the consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of capital stock entitled to vote in the election of directors of the continuing or surviving corporation immediately after the consolidation or merger. Notwithstanding the foregoing, any transactions between the Corporation and Landmark shall not constitute a Change of Control.

(b) If the Corporation is unable at any Investor Designated Redemption Date to redeem any shares of Preferred Stock then to be redeemed because such redemption would violate the applicable laws of the State of Michigan, then the Corporation shall redeem such shares as soon thereafter as redemption would not violate such laws. In the event of any redemption of only a part of the Series B Preferred Stock requested to be redeemed pursuant to all Redemption Requests, the Corporation shall effect such redemption pro rata among the Electing Holders (based on the number of shares of Series B Preferred Stock held on the date of notice of redemption). At any time hereafter when additional funds become legally available for the redemption of the Series B Preferred Stock, such funds will be used to redeem the balance of the shares which the Corporation was theretofore obligated to redeem, ratably on the basis set forth in the preceding sentence.

(c) On the Investor Designated Redemption Date, each Electing Holder shall surrender his or its certificate or certificates representing shares of Series B Preferred Stock to the Corporation, in the manner and at the place designated in the Pending Redemption Notice, and thereupon the Series B Redemption Price payable in respect of such shares shall be paid to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the Investor Designated Redemption Date, unless there shall have been a default in payment of the Series B Redemption Price, all rights of the Electing Holders (except the right to receive the Series B Redemption Price upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(e) Except as provided in Section 7(a) hereof, the Corporation shall have no right to redeem the shares of Series B Preferred Stock. Any shares of Series B Preferred Stock so redeemed shall be permanently retired, shall no longer be deemed outstanding and shall not under any circumstances be reissued, and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized Series B Preferred Stock accordingly. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series B Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

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IN WITNESS WHEREOF, coolsavings.com inc. has caused this Certificate of Designations, Number, Voting Powers, Preferences and Rights of Series B Convertible Preferred Stock to be duly executed by its PRESIDENT this 30th day of July, 2001.

COOLSAVINGS.COM, INC.

By /s/ Matthew Moog

Name: Matthew Moog
Title: President

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Exhibit 3.3

CERTIFICATE OF DESIGNATIONS, NUMBER, VOTING POWERS,
PREFERENCES AND RIGHTS OF SERIES C CONVERTIBLE
PREFERRED STOCK
OF
COOLSAVINGS.COM INC.

Pursuant to Section 302 of the Michigan Business Corporation Act, MCLA 450.1302

The undersigned DOES HEREBY CERTIFY that the following resolution was duly adopted by the Board of Directors of coolsavings.com inc., a Michigan corporation (hereinafter called the "Corporation"), with the preferences and rights set forth therein relating to dividends, conversion, redemption, dissolution and distribution of assets of the Corporation having been fixed by the Board of Directors pursuant to authority granted to it under Article III of the Corporation's Amended and Restated Articles of Incorporation and in accordance with the provisions of Section 302 of the Michigan Business Corporation Act, MCLA 450.1302:

RESOLVED: That, pursuant to authority conferred upon the Board of Directors by the Amended and Restated Articles of Incorporation of the Corporation, the Board of Directors hereby authorizes the issuance of 1,300,000 shares of Series C Convertible Preferred Stock of the Corporation and hereby fixes the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of such shares, in addition to those set forth in the Amended and Restated Articles of Incorporation of the Corporation, as follows:

1. DESIGNATION AND AMOUNT. 1,300,000 shares of preferred stock shall be designated "Series C Convertible Preferred Stock" (the "Series C Preferred Stock").

2. DIVIDENDS.

(a) Dividends may be declared and paid on the Series C Preferred Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

(b) For so long as the Series C Preferred Stock remains outstanding, the Corporation shall not, without the prior consent of the holders of a majority of the outstanding shares of Series C Preferred Stock, pay any dividend upon any other stock ranking with respect to dividends or on liquidation junior

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to the Series C Preferred Stock (such stock being referred to hereinafter collectively as "Subordinate Stock"), whether in cash or other property (other than shares of Subordinate Stock), or purchase, redeem or otherwise acquire any such Subordinate Stock unless the Corporation has redeemed all shares of Series C Preferred Stock which it would theretofore have been required to redeem under Section 8 hereof. Notwithstanding the provisions of this Section 2(b), without declaring or paying dividends on the Series C Preferred Stock, the Corporation may, subject to applicable law, repurchase or redeem shares of capital

stock of the Corporation from current or former officers or employees of the Corporation pursuant to the terms of repurchase or similar agreements in effect from time to time.

3. LIQUIDATION, DISSOLUTION OR WINDING UP.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any other Preferred Stock of the Corporation ranking on liquidation prior and in preference to the Series C Preferred Stock (including, without limitation, the Series B Preferred Stock (the "Series B Preferred Stock") and any other series of Preferred Stock ranking on liquidation prior and in preference to the Series C Preferred Stock) (any such Preferred Stock being referred to hereinafter as "Superior Preferred Stock") upon such liquidation, dissolution or winding up, but before any payment shall be made to the holders of Subordinate Stock, an amount in cash equal to the greater of (i) the Series C Preferred Amount (as defined below) or (ii) the amount per share of Series C Preferred Stock as would have been payable had each such share of Series C Preferred Stock been converted to Common Stock immediately prior to any liquidation, dissolution or winding up. The "Series C Preferred Amount" with respect to each share of Series C Preferred Stock shall mean, as at any date, the Series C Stated Value (defined below) plus a cash amount per share equal to eight percent (8%) per annum of the Series C Stated Value, calculated at a simple rate of interest from the date such share was originally issued by the Corporation (the "Series C Initial Issuance Date"). The "Series C Stated Value" shall mean $1.665 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, stock distribution or stock combination with respect to the Series C Preferred Stock. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution to its shareholders after payment in full of amounts required to be paid or distributed to holders, if any, of Superior Preferred Stock shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series C Preferred Stock, and any class of stock ranking on liquidation on a parity with the Series C Preferred Stock, shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect

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to the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Superior Preferred Stock and Series C Preferred Stock and any other series of Preferred Stock upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Common Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its shareholders.

(c) Provided that the holders of a majority of the shares of Series B Preferred Stock have elected to deem any of (i) the merger or consolidation of the Corporation into or with another corporation that effects a Change of Control, (ii) the merger or consolidation of any other corporation into or with the Corporation that effects a Change of Control, or (iii) the sale,

conveyance, mortgage, pledge or lease of all or substantially all the assets of the Corporation (each of (i), (ii) and (iii) an "Extraordinary Corporate Event") to be a liquidation, dissolution or winding up of the Corporation, the holders of a majority of the Series C Preferred Stock may also elect to have such Extraordinary Corporate Event deemed a liquidation, dissolution or winding up of the Corporation for the purposes of this Section 3. For the purposes hereof, a "Change of Control" shall have the same meaning as otherwise defined under the terms of the Corporation's articles of incorporation. Notwithstanding the foregoing, any transactions between the Corporation and Landmark Communications, Inc. or certain of its affiliates or transferees (collectively, "Landmark") shall not constitute a Change of Control.

4. VOTING. Each holder of Series C Preferred Stock shall be entitled to the number of votes equal to the aggregate number of shares (rounded to the nearest whole number) of Common Stock into which such holder's shares of Series C Preferred Stock are convertible pursuant to Section 5 hereof (as adjusted from time to time pursuant to Sections 5 and 6 hereof), at each meeting of shareholders of the Corporation (or pursuant to any action by written consent) with respect to any and all matters presented to the shareholders of the Corporation for their action or consideration, including, without limitation, the election of directors. Except as provided by law or by the provisions establishing any other series of Preferred Stock, holders of Series C Preferred Stock shall vote together with the holders of Common Stock (and the holders of the Series B Preferred Stock) as a single class.

5. OPTIONAL CONVERSION. Each share of Series C Preferred Stock may be converted at any time, at the option of the holder thereof, into the number of fully-paid and nonassessable shares of Common Stock obtained by dividing the Series C Stated Value by the Series C Conversion Price (defined below) then in effect (the "Series C Conversion Rate"), provided, however, that on any

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redemption of any Series C Preferred Stock or any liquidation of the Corporation, the right of conversion shall terminate at the close of business on the full business day next preceding the date fixed for such redemption or for the payment of any amounts distributable on liquidation to the holders of Series C Preferred Stock.

(a) The initial conversion price, subject to adjustment as provided herein, is equal to $0.1665 (the "Series C Conversion Price"). The initial Series C Conversion Rate shall be 10:1. The applicable Series C Conversion Rate and Series C Conversion Price from time to time in effect is subject to adjustment as hereinafter provided.

(b) The Corporation shall not issue fractions of shares of Common Stock upon conversion of Series C Preferred Stock or scrip in lieu thereof. If any fraction of a share of Common Stock would, except for the provisions of this Section 5(b), be issuable upon conversion of any Series C Preferred Stock, the Corporation shall in lieu thereof pay to the person entitled thereto an amount in cash equal to the current value of such fraction, calculated to the nearest one-hundredth (1/100) of a share, to be computed (i) if the Common Stock is listed on any national securities exchange, on the basis of the last sales price of the Common Stock on such exchange (or the quoted closing bid price if there shall have been no sales) on the date of conversion, or (ii) if the Common Stock shall not be listed, on the basis of the mean between the closing bid and asked prices for the Common Stock on the date of conversion as reported by

NASDAQ, or its successor, and if there are not such closing bid and asked prices, on the basis of the fair market value per share as determined by the Board of Directors.

(c) Whenever the Series C Conversion Rate and Series C Conversion Price shall be adjusted as provided in Section 6 hereof, the Corporation shall forthwith file at each office designated for the conversion of Series C Preferred Stock, a statement, signed by the Chairman of the Board, the President, any Vice President or Treasurer of the Corporation, showing in reasonable detail the facts requiring such adjustment and the Series C Conversion Rate and Series C Conversion Price that will be effective after such adjustment. The Corporation shall also cause a notice setting forth any such adjustments to be sent by mail, first class, postage prepaid, to each record holder of Series C Preferred Stock at his or its address appearing on the stock register. If such notice relates to an adjustment resulting from an event referred to in Section 6(g) hereof, such notice shall be included as part of the notice required to be mailed under the provisions of Section 6(g) hereof.

(d) In order to exercise the conversion privilege, the holder of any Series C Preferred Stock to be converted shall surrender his or its certificate or certificates therefor to the principal office of the transfer agent for the Series C Preferred Stock (or if no transfer agent be at the time appointed, then

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the Corporation at its principal office), and shall give written notice to the Corporation at such office that the holder elects to convert the Series C Preferred Stock represented by such certificates, or any number thereof. Such notice shall also state the name or names (with address) in which the certificate or certificates for shares of Common Stock which shall be issuable on such conversion shall be issued (the "Named Issuee"), subject to any restrictions on transfer relating to shares of the Series C Preferred Stock or shares of Common Stock upon conversion thereof. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly authorized in writing. The date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of the certificates and notice shall be the conversion date. As soon as practicable after receipt of such notice and the surrender of the certificate or certificates for Series C Preferred Stock as aforesaid, the Corporation shall cause to be issued and delivered at such office to such holder, or his or its Named Issuee, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, cash as provided in Section 5(b) hereof in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion and, if less than all shares of Series C Preferred Stock represented by the certificate or certificates so surrendered are being converted, a residual certificate or certificates representing the shares of Series C Preferred Stock not converted.

(e) The Corporation shall at all times when the Series C Preferred Stock shall be outstanding reserve and keep available out of its authorized but unissued stock, for the purposes of effecting the conversion of the Series C Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series C Preferred Stock. Before taking any action that would cause an adjustment reducing the Series C Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series C Preferred Stock, the Corporation will (unless waived by the holders of a majority of the Series C Preferred Stock)

take any corporate action that may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully-paid and nonassessable shares of such Common Stock at such adjusted conversion price.

(f) Upon any such conversion, no adjustment to the Series C Conversion Rate shall be made for accrued dividends on the Series C Preferred Stock surrendered for conversion or on the Common Stock delivered.

(g) All shares of Series C Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall forthwith cease and terminate except

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only the right of the holder thereof to receive shares of Common Stock in exchange therefor and payment of any accrued dividends thereon. Any shares of Series C Preferred Stock so converted shall be retired and canceled and shall not be reissued, and the Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized Series C Preferred Stock accordingly.

6. ANTI-DILUTION PROVISIONS.

(a) The Series C Conversion Price shall be subject to adjustment from time to time in accordance with this Section 6, unless otherwise waived in writing by the holders of the majority of the Series C Preferred Stock (provided that any such waiver shall be only as to a specific Triggering Transaction (as defined below) and the waiver shall under no circumstances be deemed to generally waive any rights herein or with respect to any subsequent or continuing Triggering Transactions). For purposes of this Section 6, the term "Number of Common Shares Deemed Outstanding" at any given time shall mean the sum of (x) the number of shares of Common Stock outstanding at such time, (y) the number of shares of Common Stock issuable assuming conversion at such time of all Superior Preferred Stock and Subordinate Stock, as the case may be, and (z) the number of shares of the Common Stock deemed to be outstanding under paragraphs 6(b)(1) to (9), inclusive, at such time.

(b) Except as provided in Section 6(c), 6(d) or 6(f) hereof, if and whenever on or after the Series C Initial Issuance Date, the Corporation shall issue or sell or shall be deemed to have issued or sold any shares of its Common Stock (or in case the Corporation at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") for a consideration per share less than the Series C Conversion Price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale (the "Triggering Transaction"), the Series C Conversion Price shall be reduced to the Series C Conversion Price (calculated to the nearest tenth of a cent) determined by dividing:

(i) an amount equal to the sum of (x) the product derived by multiplying the Number of Common Shares Deemed Outstanding immediately prior to such Triggering

Transaction by the Series C Conversion Price then in effect, plus (y) the consideration, if any, received by the Corporation upon consummation of such Triggering Transaction, by

(ii) an amount equal to the sum of (x) the Number of Common Shares

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Deemed Outstanding immediately prior to such Triggering Transaction plus (y) the number of shares of Common Stock issued (or deemed to be issued in accordance with paragraphs 6(b)(1) to (9)) in connection with the Triggering Transaction.

For purposes of determining the adjusted Series C Conversion Price under this Section 6(b), the following paragraphs (1) to (9), inclusive, shall be applicable:

(1) In case the Corporation at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any Options or Convertible Securities (including without limitation the right to subscribe for or purchase any such Options or Convertible Securities) whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable and the price per share for which the Common Stock is issuable upon exercise, conversion or exchange (determined by dividing (x) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities) shall be less than the Series C Conversion Price in effect immediately prior to the time of the granting of such Option, then the total maximum amount of Common Stock issuable upon the exercise of such Options or in the case of Options for Convertible Securities, upon the conversion or exchange of such Convertible Securities shall (as of the date of granting of such Options) be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. No adjustment of the Series C Conversion Price shall be made upon the actual issue of such shares of Common Stock or such Convertible Securities upon the exercise of such Options, except as otherwise provided in paragraph (3) below.

(2) In case the Corporation at any time shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (x) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Series C Conversion Price in effect immediately prior to the time of such issue or sale, then the total maximum number of

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shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Series C Conversion Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall (as of the date of the issue or sale of such Convertible Securities) be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. No adjustment of the Series C Conversion Price shall be made upon the actual issue of such Common Stock upon exercise of the rights to exchange or convert under such Convertible Securities, except as otherwise provided in paragraph (3) below.

(3) If the purchase price provided for in any Option referred to in paragraph (1) or the rate at which any Convertible Securities referred to in paragraphs (1) or (2) are convertible into or exchangeable for Common Stock, shall be reduced at any time under or by reason of provisions with respect thereto designed to protect against dilution, then in case of the delivery of Common Stock upon the exercise of any such Option or upon conversion or exchange of any such Convertible Security, the Series C Conversion Price then in effect hereunder shall forthwith be adjusted to such respective amount as would have been obtained had such Option or Convertible Security never been issued as to such Common Stock and had adjustments been made upon the issuance of the shares of Common Stock delivered as aforesaid, but only if as a result of such adjustment the Series C Conversion Price then in effect hereunder is hereby reduced.

(4) On the expiration or earlier termination of any Option or the termination of any right to convert or exchange any Convertible Securities, the Series C Conversion Price then in effect hereunder shall forthwith be increased to the Series C Conversion Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination, never been issued.

(5) In case any Options shall be issued in connection with the issue or sale of other securities of the Corporation, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for $0.001 unless otherwise recorded on the Corporation's financial statements in accordance with generally accepted accounting principles.

(6) In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be the fair value of such consideration as determined in good faith by the Board of Directors. In

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case any shares of Common Stock, Options or Convertible Securities shall be issued in connection with any merger in which the Corporation is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as shall be attributable to such Common Stock, Options or Convertible Securities, as the case may be.

(7) The number of shares of Common Stock outstanding at any given time shall not include shares owned, held by or for the account of the Corporation or canceled, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock for the purpose of this Section 6(b).

(8) In case the Corporation shall declare a dividend or make any other distribution upon the stock of the Corporation payable in Options or Convertible Securities, then in such case any Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold for $0.001.

(9) For purposes of this Section 6(b), in case the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them (x) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities, or (y) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right or subscription or purchase, as the case may be.

(c) In the event the Corporation shall declare a dividend upon the Common Stock (other than a dividend payable in Common Stock) payable otherwise than out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, including the making of appropriate deductions for minority interests, if any, in subsidiaries (herein referred to as "Liquidating Dividends"), then, as soon as possible after the conversion of any shares of Series C Preferred Stock, the Corporation shall pay to the person converting such shares of Series C Preferred Stock an amount equal to the aggregate value at the time of such exercise of all Liquidating Dividends to which such holder would have been entitled if such holder had converted the shares of Series C Preferred Stock to Common Stock prior to the declaration of the Liquidating Dividends, at the then applicable Series C Conversion Price. For the purposes of this Section 6(c), a dividend other than in cash shall be considered payable out of earnings or earned surplus only to the extent that such earnings or earned surplus are charged an amount equal to the fair value of such dividend as determined in good faith by the Board of Directors.

(d) In case the Corporation shall at any time (i) subdivide the

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outstanding Common Stock or (ii) issue a dividend on its outstanding Common Stock payable in shares of Common Stock, the Series C Conversion Rate in effect immediately prior to such dividend or combination shall be proportionately increased by the same ratio as the subdivision or dividend (with appropriate adjustments to the Series C Conversion Price in effect immediately prior to such subdivision or dividend). In case the Corporation shall at any time combine its outstanding Common Stock, the Series C Conversion Rate in effect immediately prior to such combination shall be proportionately decreased by the same ratio as the combination (with appropriate adjustments to the Series C Conversion Price in effect immediately prior to such combination).

(e) If any capital reorganization or reclassification of the capital stock of the Corporation, or consolidation or merger of the Corporation with another corporation, or the sale of all or substantially all of its assets to another corporation shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, cash or other property with respect to or in exchange for Common Stock, then, as a condition of such reorganization, reclassification, consolidation, merger or sale, lawful and adequate provision shall be made whereby the holders of the Series C Preferred Stock shall have the right to acquire and receive upon conversion of the Series C Preferred Stock, which right shall be prior to the rights of the holders of Subordinate Stock (but after and subject to the rights of holders of Superior Preferred Stock, if any), such shares of stock, securities, cash or other property issuable or payable (as part of the reorganization, reclassification, consolidation, merger or sale) with respect to or in exchange for such number of outstanding shares of Common Stock as would have been received upon conversion of the Series C Preferred Stock at the Series C Conversion Price then in effect. The Corporation will not effect any such consolidation, merger or sale, unless prior to the consummation thereof the successor corporation (if other than the Corporation) resulting from such consolidation or merger or the corporation purchasing such assets shall assume by written instrument mailed or delivered to the holders of the Series C Preferred Stock at the last address of each such holder appearing on the books of the Corporation, the obligation to deliver to each such holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to purchase. If a purchase, tender or exchange offer is made to and accepted by the holders of more than 50% of the outstanding shares of Common Stock, the Corporation shall not effect any consolidation, merger or sale with the person having made such offer or with any Affiliate of such person, unless prior to the consummation of such consolidation, merger or sale the holders of the Series C Preferred Stock shall have been given a reasonable opportunity to then elect to receive upon conversion of the Series C Preferred Stock either the stock, securities or assets then issuable with respect to the Common Stock or the stock, securities or assets, or the equivalent, issued to previous holders of the Common Stock in accordance with such offer. For purposes hereof, the term "Affiliate" with respect to any given person shall mean any person controlling, controlled by or under common control with the given person.

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(f) The provisions of this Section 6 shall not apply to any Common Stock, Options or Convertible Securities issued, issuable or deemed outstanding: (i) to the holders of the Series B Preferred Stock pursuant to any rights granted to such holders of Series B Preferred Stock under the Company's Articles of Incorporation or that certain Securities Purchase Agreement dated July 30, 2001; (ii) under any Approved Plan (provided that when determining whether there are any options remaining for issuance under an Approved Plan, all shares issued and outstanding under such Approved Plan regardless of exercise price must be considered in such calculation); (iii) pursuant to Options, Convertible Securities and conversion rights in existence on the Series C Initial Issuance Date; (iv) on conversion of the Series C Preferred Stock or the warrants to purchase common stock issued to Landmark (the "Warrants"); or (v) to any issuance of additional shares of Series C Preferred Stock to the holders of the Series C Preferred Stock.

(g) In the event that:

(1) the Corporation shall declare any cash dividend upon its Common Stock, or

(2) the Corporation shall declare any dividend upon its Common Stock payable in stock or make any special dividend or other distribution to the holders of its Common Stock, or

(3) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights, or

(4) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, including any subdivision or combination of its outstanding shares of Common Stock, or consolidation or merger of the Corporation with, or sale of all or substantially all of its assets to, another corporation, or

(5) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in connection with such event, the Corporation shall give to the holders of the Series C Preferred Stock:

(i) at least twenty (20) days prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up; and

(ii) in the case of any such reorganization, reclassification,

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consolidation, merger, sale, dissolution, liquidation or winding up, at least twenty (20) days prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with the foregoing clause (i) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification consolidation, merger, sale, dissolution, liquidation or winding up, as the case may be. Each such written notice shall be given by first class mail, postage prepaid, addressed to the holders of the Series C Preferred Stock at the address of each such holder as shown on the books of the Corporation.

(h) If at any time or from time to time on or after the Series C Initial Issuance Date, the Corporation shall grant, issue or sell any Options, Convertible Securities or rights to purchase property (the "Series C Purchase Rights") pro rata to the record holders of any class of Common Stock and such grants, issuances or sales do not result in an adjustment of the Series C

Conversion Price under Section 6(b) hereof, then each holder of Series C Preferred Stock shall be entitled to acquire (within thirty (30) days after the later to occur of the initial exercise date of such Series C Purchase Rights or receipt by such holder of the notice concerning Series C Purchase Rights to which such holder shall be entitled under Section 6(g)) and upon the terms applicable to such Series C Purchase Rights either:

(i) the aggregate Series C Purchase Rights which such holder could have acquired if it had held the number of shares of Common Stock acquirable upon conversion of the Series C Preferred Stock immediately before the grant, issuance or sale of such Series C Purchase Rights; provided that if any Series C Purchase Rights were distributed to holders of Common Stock without the payment of additional consideration by such holders, corresponding Series C Purchase Rights shall be distributed to the exercising holders of the Series C Preferred Stock as soon as possible after such exercise and it shall not be necessary for the exercising holder of the Series C Preferred Stock specifically to request delivery of such rights; or

(ii) in the event that any such Series C Purchase Rights shall have expired or shall expire prior to the end of said thirty (30) day period, the number of shares of Common Stock or the amount of property which such holder could have acquired upon such exercise at the time or times at which the Corporation granted, issued or

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sold such expired Series C Purchase Rights.

(i) If any event occurs as to which, in the opinion of the Board of Directors, the provisions of this Section 6 are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of the Series C Preferred Stock in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles, so as to protect such rights as aforesaid, but in no event shall any adjustment have the effect of increasing the Series C Conversion Price as otherwise determined pursuant to any of the provisions of this Section 6 except in the case of a combination of shares of a type contemplated in Section 6(d) hereof and then in no event to an amount larger than the Series C Conversion Price as adjusted pursuant to Section 6(d) hereof.

7. REDEMPTION BY THE CORPORATION

(a) Provided that the Series B Preferred Stock has been redeemed or converted to Common Stock in its entirety prior to or as of the Series C Redemption Date (as defined below) (or the holders of a majority of the Series B Preferred Stock have otherwise consented in writing), the Corporation may elect at any time to redeem all but not less than all outstanding shares of the Series C Preferred Stock at a price in cash equal to the Series C Preferred Amount (such amount is hereinafter referred to as the "Series C Redemption Price") through the date of the applicable redemption; provided, if all of the shares of Series B Preferred Stock have not been redeemed or converted, the Corporation may not elect such redemption prior to the third anniversary of the Series C Initial Issuance Date (notwithstanding the consent of the holders of the Series B Preferred Stock).

(b) All holders of record of shares of Series C Preferred Stock will be given at least 10 days' prior written notice of the date fixed (the "Series C Redemption Date") and the

place designated for redemption of all of such shares of Series C Preferred Stock pursuant to this Section 7. Such notice will be sent by mail, first class, postage prepaid, to each record holder of shares of Series C Preferred Stock at such holder's address appearing on the stock register. On or before the Series C Redemption Date each holder of shares of Series C Preferred Stock shall surrender his or its certificates or certificates for all such shares to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 7. On the Series C Redemption Date, all rights with respect to the Series C Preferred Stock so redeemed will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive the Series C Redemption Price. If so required by the Corporation, certificates surrendered for redemption shall be endorsed or

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accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his attorneys duly authorized in writing. All certificates evidencing shares of Series C Preferred Stock which are required to be surrendered for redemption in accordance with the provisions hereof shall, from and after the date such certificates are so required to be surrendered, be deemed to have been retired and canceled and the shares of Series C Preferred Stock represented thereby redeemed, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

(c) In lieu of the redemption set forth above, the holders of the Series C Preferred Stock may elect to convert their shares of Series C Preferred Stock into Common Stock pursuant to Section 5 hereof provided that the holders of the Series C Preferred Stock elect to convert such shares within 10 days of the receipt of the notice set forth in Section 7(b) hereto. As soon as practicable after the receipt of such election to convert and the surrender of the certificate or certificates for Series C Preferred Stock as aforesaid, the Corporation shall cause to be issued and delivered to such holder, or on his or its written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and cash as provided in Section 5(b) hereof in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion.

(d) Except as provided in Section 7(a) hereof, the Corporation shall have no right to redeem the shares of Series C Preferred Stock. Any shares of Series C Preferred Stock so redeemed shall be permanently retired, shall no longer be deemed outstanding and shall not under any circumstances be reissued, and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized Series C Preferred Stock accordingly. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series C Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

IN WITNESS WHEREOF, coolsavings.com inc. has caused this Certificate of Designations, Number, Voting Powers, Preferences and Rights of Series C Convertible Preferred Stock to be duly executed by its PRESIDENT this 30th day of July, 2001.

COOLSAVINGS.COM INC.

By /s/ Matthew Moog

Name: Matthew Moog
Title: President

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Exhibit 4.1

WARRANT

THIS WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW, AND MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE ACT OR IN A TRANSACTION WHICH, IN THE OPINION OF COUNSEL, WHICH OPINION AND WHICH COUNSEL SHALL BE REASONABLY SATISFACTORY TO COOLSAVINGS.COM INC., QUALIFIES AS AN EXEMPT TRANSACTION UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

COOLSAVINGS.COM INC.

Common Stock Purchase Warrant

coolsavings.com inc., a Michigan corporation (the "Company"), hereby certifies that, for value received, Landmark Communications, Inc. or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company, at any time and from time to time during the period beginning on July 30, 2001 and ending on July 30, 2009 (the "Expiration Date"), in whole or in part, the Warrant Shares (defined in Section 1.1 below) of fully paid and non-assessable shares of the Common Stock of the Company at the Purchase Price (defined in Section 1.1 below). The Purchase Price and the number and character of such Warrant Shares are subject to the adjustments provided below, and the term "Common Stock" shall mean, unless the context otherwise requires, the stock or other securities or property at the time deliverable upon the exercise of this Warrant. This Warrant is herein called the "Warrant."

1. EXERCISE OF WARRANT.

1.1 The Holder of this Warrant is entitled to purchase at a purchase price of $0.01 per share ("Purchase Price") 7,818,731 shares (the "Warrant Shares") of Common Stock; provided, however, that, upon consummation of the First Tranche Closing (as defined in that certain Securities Purchase Agreement, dated as of July 30, 2001, by and among the Holder, Landmark Ventures VI, LLC, and the Company, such agreement, the "Securities Purchase Agreement"), the Warrant Shares that the Holder is entitled to purchase under this Warrant shall be adjusted to equal 10,000,000 shares of Common Stock (the "Base Shares") plus the PIK Shares (defined below) and the Purchase Price of such Warrant Shares and

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PIK Shares shall be increased to $0.50 (and further to $0.75 from and after July 30, 2005); provided, further, that in the event of a termination of the Securities Purchase Agreement, the terms of Section 1.6 shall apply.

1.2 After the First Tranche Closing, in addition to the Base Shares, the Holder of this Warrant shall be entitled to purchase, at a Purchase Price per share of $0.50 ($0.75 from

and after July 30, 2005), two (2) additional shares of Common Stock (adjusted for dividends, splits, combinations and the like) (the "PIK Shares") for every dollar of interest accrued, compounded and added after the date of the First Tranche Closing to the Original Principal Amount (defined below) of the Initial Loan (defined below) on a quarterly basis. The "Initial Loan" is the "Initial Loan" defined in and described under that certain Amended and Restated Loan and Security Agreement dated July 30, 2001 between the Holder and the Company (the "Loan Agreement"), which is further evidenced by the Senior Secured Note (as defined in and attached to the Loan Agreement). The "Original Principal Amount" is the Original Principal Amount of $5,000,000 as defined in the Loan Agreement. Such PIK Shares are part of the Company's obligation to pay the interest accruing under the Initial Loan "in kind"; specifically, the Company is obligated to pay the interest by delivering additional notes and warrants and, in lieu of delivering separately certificated warrants, the Company has agreed to add the PIK Shares (as the warrant portion of the "in kind" payment) to the Base Shares that may be purchased hereunder. The Base Shares and all PIK Shares are collectively the Warrant Shares hereunder. Within ten (10) days of each Quarterly Payment Date (as defined in the Loan Agreement) through the Expiration Date, or as reasonably requested by the Holder, the Company shall issue to the Holder a certificate executed by the Company's chief financial officer or other executive officer setting forth the number of PIK Shares as of such date and the amount of the interest accrued, compounded and added to the Initial Loan.

1.3 For the purposes hereof, the term "Fully Diluted Basis" shall mean the outstanding capital stock of the Company on a fully diluted basis assuming as outstanding (a) any shares reserved for issuance under any option plans of the Company, provided that such options in respect of such shares have been issued, (b) shares underlying any warrants including warrants issued in connection with the issuance of the Series C Convertible Preferred Stock, no par value per share (but excluding this Warrant), (c) all securities (excluding shares of the Company's Series B Convertible Preferred Stock (the "Series B Preferred Stock")) convertible into or exercisable for capital stock of the Company regardless of the conversion or exercise price, or (d) any capital stock issued or issuable under any agreement of the Company.

1.4 Other than in the event of a termination of the Securities Purchase Agreement (as set forth in Section 1.6 hereto), in the event that the Warrants issued hereunder at any time prior to the First Tranche Closing equal or exceed 20% of the Common Stock (or any securities convertible into or exercisable for Common Stock) or 20% or more of the outstanding voting power of

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the Company prior to the date hereof as such terms are defined and referenced in NASD Rule 4350(i)(1)(D), the number of Warrants issued hereunder shall be adjusted to be just less than such 20% (for example 19.999%) of such Common Stock or outstanding voting power of the Company prior to the date hereof. Furthermore, in the event that the Warrants issued hereunder at any time prior to the First Tranche Closing or the SPA Termination Date are less than 19.99% of the Common Stock (or any securities convertible into or exercisable for Common Stock) or less than 19.99% of the outstanding voting power of the Company prior to the date hereof as such terms are defined and referenced in NASD Rule 4350(i)(1)(D), the number of Warrants issued hereunder shall be adjusted to equal at least 19.99% of such Common Stock or outstanding voting power of the Company at such First Tranche Closing or SPA Termination Date.

1.5 The Holder hereof agrees that it shall not exercise the Warrant prior to the First Tranche Closing unless (i) the Securities Purchase Agreement is terminated in any manner whatsoever, (ii) there has been an Event of Default (as such term is defined under the Loan and Security Agreement dated as of the date hereof between the parties hereto) under the Loan and Security Agreement or failure to pay interest in kind (including any Warrant Shares) under the Senior Secured Note, or (iii) the Board of Directors of the Company fails to call a meeting of shareholders of the Company or fails to recommend the proposed transactions as contemplated in the Transaction Documents. In the event the Holder is entitled to exercise the Warrant pursuant to this Section 1.5, then Section 1.4 hereto shall be of no further force and effect upon such exercise and Section 1.6 shall apply.

1.6 Notwithstanding the foregoing, if the Securities Purchase Agreement is terminated at any time and in any manner whatsoever, then the Warrant Shares that the Holder is entitled to purchase under this Warrant shall be adjusted to equal 19.9% of the outstanding capital stock of the Company, as calculated on a Fully Diluted Basis (defined above) regardless of NASD Rule 4350(i)(1)(D) as of the date of such termination (the "SPA Termination Date") and the Purchase Price shall remain $0.01 per share.

1.7 Until such time as this Warrant is exercised in full or expires, the Warrant Shares issuable upon exercise and the Purchase Price shall be subject to the further adjustments set forth below.

1.8 The purchase rights evidenced by this Warrant shall be exercised by the Holder surrendering this Warrant, with the form of subscription at the end hereof duly executed by the Holder, to the Company at its office at 360 N. Michigan Avenue, 19th Floor, Chicago, IL 60601, accompanied by payment, of an amount (the "Exercise Payment") equal to the Purchase Price multiplied by the number of shares being purchased pursuant to such exercise, payable as follows: (a) by payment to the Company in cash, by certified or official bank check, or by wire transfer of the Exercise Payment, (b) by offset, at the Holder's request, of that portion of any promissory note, indebtedness or cash obligation of the Company to the Holder equal to the Exercise Payment, (c) by surrender to

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the Company for cancellation of securities of the Company having a Market Price (defined below) on the date of exercise equal to the Exercise Payment; or (d) by a combination of the methods described in clauses (a), (b) and (c) above. For purposes hereof, the term "Market Price" shall mean, with respect to any day, the average closing price of a share of Common Stock for the 15 consecutive trading days preceding such day on the principal national securities exchange on which the shares of Common Stock or securities are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, the average of the reported bid and asked prices during such 15 trading day period in the over-the-counter market as furnished by the National Quotation Bureau, Inc., or, if such firm is not then engaged in the business of reporting such prices, as furnished by any member of the National Association of Securities Dealers, Inc. selected by the Company or, if the shares of Common Stock or securities are not publicly traded, the Market Price for such day shall be the fair market value thereof determined jointly by the Company and the holder of this Warrant; *provided, however*, that if such parties are unable to reach agreement within a reasonable period of time, the Market Price shall be determined in good faith by the independent investment banking firm selected jointly by the Company and the holder of this Warrant or, if

that selection cannot be made within 15 days, by an independent investment banking firm selected by the American Arbitration Association in accordance with its rules. In no event may this Warrant be exercised at any time after the Expiration Date.

Notwithstanding any provision herein to the contrary, if the Market Price of one share of Common Stock is greater than the Purchase Price (at the date of calculation as set forth below), the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value (as determined below) of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice annexed hereto duly executed, at the office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Common Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

where X = the number of shares of Common Stock to be issued to the Holder.

Y = the number of shares of Common Stock covered by this Warrant in respect of which the net issue election is made pursuant to this Section 1.2.

A = the Market Price of one share of Common Stock, as determined in

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accordance with the provisions of this Section 1.2.

B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 1.2.

1.9 Partial Exercise. This Warrant may be exercised for less than the full number of shares of Common Stock, in which case the number of shares receivable upon the exercise of this Warrant as a whole, and the sum payable upon the exercise of this Warrant as a whole, shall be proportionately reduced. Upon any such partial exercise, the Company at its expense will forthwith issue to the Holder a new Warrant or Warrants of like tenor calling for the number of shares of Common Stock as to which rights have not been exercised, such Warrant or Warrants to be issued in the name of the Holder hereof or his or its nominee (upon payment by the Holder of any applicable transfer taxes).

2. DELIVERY OF STOCK CERTIFICATES ON EXERCISE. As soon as practicable after the exercise of this Warrant and payment of the Purchase Price, and in any event within ten (10) days thereafter, the Company, at its expense, will cause to be issued in the name of and delivered to the Holder a certificate or certificates for the number of fully paid and non-assessable shares or other securities or property to which the Holder shall be entitled upon such exercise, plus, in lieu of any fractional share to which the Holder would otherwise be entitled, cash in an amount determined in accordance with Paragraph 3.9 hereof. The Company agrees that the shares so purchased shall be deemed to be issued to the Holder as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid.

3. ANTI-DILUTION PROVISIONS AND OTHER ADJUSTMENTS. In order to prevent dilution of the rights granted hereunder, the Purchase Price shall be subject to adjustment from time to time in accordance with this Paragraph 3. Upon each adjustment of the Purchase Price pursuant to this Paragraph 3, the registered Holder of this Warrant shall thereafter be entitled to acquire upon exercise, at the Purchase Price resulting from such adjustment, the number of shares of Common Stock obtainable by multiplying the Purchase Price in effect immediately prior to such adjustment by the number of shares of Common Stock acquirable immediately prior to such adjustment and dividing the product thereof by the Purchase Price resulting from such adjustment.

3.1 Adjustment for Issue or Sale of Common Stock at Less than Purchase Price. Except as provided in Paragraph 3.2 or 3.5 below, if and whenever on or after the date hereof (the "Initial Issuance Date"), the Company shall issue or sell or shall be deemed to have issued or sold any shares of its Common Stock (or in case the Company at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any rights to

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subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities")) for a consideration per share less than the Purchase Price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale (the "Triggering Transaction"), the Purchase Price shall be reduced to the price at which the Common Stock, Options or Convertible Securities were issued or deemed to have been issued in such Triggering Transaction.

For purposes of determining the adjusted Purchase Price under this Paragraph 3.1, the following subsections (1) to (9), inclusive, shall be applicable:

(1) In case the Company at any time shall in any manner grant (whether directly or by assumption in a merger or otherwise) any rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities"), whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable and the price per share for which the Common Stock is issuable upon exercise, conversion or exchange (determined by dividing (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities) shall be less than the Purchase Price in effect immediately prior to the time of the granting of such

Option, then the total maximum amount of Common Stock issuable upon the exercise of such Options, or, in the case of Options for Convertible Securities, upon the conversion or exchange of such Convertible Securities, shall (as of the date of granting of such Options) be deemed to be outstanding and to have been issued and sold by the Company for such price per share. No adjustment of the Purchase Price shall be made upon the actual issue of such shares of Common Stock or such Convertible Securities upon the exercise of such Options, except as otherwise provided in subparagraph (3) below.

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(2) In case the Company at any time shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Purchase Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall (as of the date of the issue or sale of such Convertible Securities) be deemed to be outstanding and to have been issued and sold by the Company for such price per share. No adjustment of the Purchase Price shall be made upon the actual issue of such Common Stock upon exercise of the rights to exchange or convert under such Convertible Securities, except as otherwise provided in subparagraph (3) below.

(3) If the purchase price provided for in any Option referred to in subparagraph (1) or the rate at which any Convertible Securities referred to in subparagraphs (1) or (2) are convertible into or exchangeable for Common Stock, shall be reduced at any time under or by reason of provisions with respect thereto designed to protect against dilution, then in case of the delivery of Common Stock upon the exercise of any such Option or upon conversion or exchange of any such Convertible Security, the Purchase Price then in effect hereunder shall forthwith be adjusted to such respective amount as would have been obtained had such Option or Convertible Security never been issued as to such Common Stock and had adjustments been made upon the issuance of the shares of Common Stock delivered as aforesaid, but only if as a result of such adjustment the Purchase Price then in effect hereunder is hereby reduced.

(4) On the expiration or earlier termination of any Option or the termination of any right to convert or exchange any Convertible Securities, the Purchase Price then in effect hereunder shall forthwith be increased to the Purchase Price which would have been in effect at the time of such expiration or

termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination, never been issued.

(5) In case any Options shall be issued in connection with the

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issue or sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued without consideration unless otherwise recorded on the Company's financial statements in accordance with generally accepted accounting principles.

(6) In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be the fair value of such consideration as determined in good faith by the Board of Directors of the Company. In case any shares of Common Stock, Options or Convertible Securities shall be issued in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as shall be attributed by the Board of Directors of the Company in good faith to such Common Stock, Options or Convertible Securities, as the case may be.

(7) The number of shares of Common Stock outstanding at any given time shall not include shares owned, held by or for the account of the Company or cancelled, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock for the purpose of this Paragraph 3.1.

(8) In case the Company shall declare a dividend or make any other distribution upon the stock of the Company payable in Options or Convertible Securities, then in such case any Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration.

(9) For purposes of this Paragraph 3.1, in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (x) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities, or (y) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right or subscription or purchase, as the case may be.

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3.2 Dividends Not Paid Out of Earnings or Earned Surplus. In the event the Company shall declare a dividend upon the Common Stock (other than a dividend payable in Common Stock) payable otherwise than out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, including the making of appropriate deductions for minority interests, if any, in subsidiaries (herein referred to as "Liquidating Dividends"), then, as soon as possible after the exercise of this Warrant, the Company shall pay to the person exercising such Warrant an amount equal to the aggregate value at the time of such exercise of all Liquidating Dividends (including but not limited to the Common Stock which would have been issued at the time of such earlier exercise and all other securities which would have been issued with respect to such Common Stock by reason of stock splits, stock dividends, mergers or reorganizations, or for any other reason). For the purposes of this Paragraph 3.2, a dividend other than in cash shall be considered payable out of earnings or earned surplus only to the extent that such earnings or earned surplus are charged an amount equal to the fair value of such dividend as determined in good faith by the Board of Directors of the Company.

3.3 Subdivisions and Combinations. In case the Company shall at any time (i) subdivide the outstanding Common Stock or (ii) issue a stock dividend on its outstanding Common Stock, the Purchase Price in effect immediately prior to such subdivision or dividend shall be proportionately reduced by the same ratio as the subdivision or dividend. In case the Company shall at any time combine its outstanding Common Stock, the Purchase Price in effect immediately prior to such combination shall be proportionately increased by the same ratio as the combination.

3.4 Reorganization, Reclassification, Consolidation, Merger or Sale of Assets. If any capital reorganization or reclassification of the capital stock of the Company, or consolidation or merger of the Company with or into another corporation, or the sale of all or substantially all of its assets to another corporation shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, cash or other property with respect to or in exchange for Common Stock, then, as a condition of such reorganization, reclassification, consolidation, merger or sale, lawful and adequate provision shall be made whereby the Holder shall have the right to acquire and receive, upon exercise of this Warrant, such shares of stock, securities, cash or other property issuable or payable (as part of the reorganization, reclassification, consolidation, merger or sale) with respect to or in exchange for such number of outstanding shares of the Common Stock as would have been received upon exercise of this Warrant at the Purchase Price then in effect. The Company will not effect any such consolidation, merger or sale, unless prior to the consummation thereof the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall assume by written instrument mailed or

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delivered to the Holder at the last address of the Holder appearing on the books of the Company, the obligation to deliver to the Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to purchase. If a purchase, tender or exchange offer is made to and accepted by the holders of more than 50% of the outstanding shares of Common Stock of the Company, the Company shall not effect any consolidation, merger or sale with the person having made such offer or with any Affiliate of such person, unless prior to the consummation of such consolidation, merger or sale the Holder shall have been given a reasonable opportunity to then elect to receive upon the exercise of this Warrant either the stock,

securities or assets then issuable with respect to the Common Stock or the stock, securities or assets, or the equivalent, issued to previous holders of the Common Stock in accordance with such offer. For purposes hereof the term "Affiliate" with respect to any given person shall mean any person controlling, controlled by or under common control with the given person.

3.5 No Adjustment for Exercise of Certain Options, Warrants, Etc. The provisions of this Section 3 shall not apply to any Common Stock issued, issuable or deemed outstanding under subparagraphs 3.1(1) to (8) inclusive in respect of: (i) options issued under any Approved Plan as such term is defined in the Company's Articles of Incorporation (as amended) or Certificate of Incorporation, as applicable, or if not so defined therein as defined in the Securities Purchase Agreement (provided that when determining whether there are any options remaining for issuance under an Approved Plan, all shares issued and outstanding under such Approved Plan regardless of exercise price must be considered in such calculation), (ii) Options, Convertible Securities and conversion rights in existence on the date hereof, (iii) conversion of the Series B Preferred Stock, the Series C Preferred Stock or this Warrant, (iv) any issuance of additional shares of Series B Preferred Stock as a dividend, and (v) any issuance of additional shares of Series B Preferred Stock in accordance with Section 2.4 of the Securities Purchase Agreement.

3.6 Notices of Record Date, Etc. In the event that:

(1) the Company shall declare any cash dividend upon its Common Stock, or

(2) the Company shall declare any dividend upon its Common Stock payable in stock or make any special dividend or other distribution to the holders of its Common Stock, or

(3) the Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights, or

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(4) there shall be any capital reorganization or reclassification of the capital stock of the Company, including any subdivision or combination of its outstanding shares of Common Stock, or consolidation or merger of the Company with, or sale of all or substantially all of its assets to, another corporation, or

(5) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in connection with such event, the Company shall give to the Holder:

(ii) at least twenty (20) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up; and

(iii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, at least twenty (20) days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with the foregoing clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification consolidation, merger, sale, dissolution, liquidation or winding up, as the case may be. Each such written notice shall be given by first class mail, postage prepaid, addressed to the Holder at the address of the Holder as shown on the books of the Company.

3.7 <u>Grant, Issue or Sale of Options, Convertible Securities, or Rights</u>. If at any time or from time to time on or after the date of issuance hereof, the Company shall grant, issue or sell any Options, Convertible Securities or rights to purchase property (the "<u>Purchase Rights</u>") pro rata to the record holders of any class of Common Stock and such grants, issuances or sales do not result in an adjustment of the Purchase Price under Paragraph 3.1 hereof, then the Holder shall be entitled to acquire (within thirty (30) days after the receipt by such holder of the notice concerning Purchase Rights to which such holder shall be entitled under Paragraph 3.6) and upon the terms applicable to such Purchase Rights either:

(i) the aggregate Purchase Rights which the Holder could have acquired if it had held the number of shares of Common Stock acquirable upon exercise of this Warrant immediately before the grant, issuance or

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sale of such Purchase Rights; provided that if any Purchase Rights were distributed to holders of Common Stock without the payment of additional consideration by such holders, corresponding Purchase Rights shall be distributed to the exercising Holder as soon as possible after such exercise and it shall not be necessary for the Holder specifically to request delivery of such rights; or

(ii) in the event that any such Purchase Rights shall have expired or shall expire prior to the end of said thirty (30) day period, the number of shares of Common Stock or the amount of property which the Holder could have acquired upon such exercise at the time or times at which the Company granted, issued or sold such expired Purchase Rights.

3.8 Adjustment by Board of Directors. If any event occurs as to which, in the opinion of the Board of Directors of the Company, the provisions of this Section 3 are not strictly applicable or if strictly applicable would not fairly protect the rights of the Holder in accordance with the essential intent and principles of such provisions, then the Board of Directors in good faith shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles, so as to protect such rights as aforesaid, but in no event shall any adjustment have the effect of increasing the Purchase Price as otherwise determined pursuant to any of the provisions of this Section 3 except in the case of a

combination of shares of a type contemplated in Paragraph 3.3 and then in no event to an amount larger than the Purchase Price as adjusted pursuant to Paragraph 3.3.

3.9 Fractional Shares. The Company shall not issue fractions of shares of Common Stock upon exercise of this Warrant or scrip in lieu thereof. If any fraction of a share of Common Stock would, except for the provisions of this Section 3.9, be issuable upon exercise of this Warrant, the Company shall in lieu thereof pay to the person entitled thereto an amount in cash equal to such fraction, calculated to the nearest one-hundredth (1/100) of a share, multiplied by the Market Price for the Common Stock, determined as of the date of exercise; provided, however, that if the Market Price is to be determined by the Company and the Holder and the parties are unable to reach agreement after a reasonable period of time, the Market Price shall be determined by the Company's Board of Directors in good faith rather than by an independent investment banking firm.

3.10 Officers' Statement as to Adjustments. Whenever the Purchase Price shall be adjusted as provided in Section 3 hereof, the Company shall forthwith file at each office designated for the exercise of this Warrant, a statement, signed by the Chairman of the Board, the President, any Vice

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President or Treasurer of the Company, showing in reasonable detail the facts requiring such adjustment and the Purchase Price that will be effective after such adjustment. The Company shall also cause a notice setting forth any such adjustments to be sent by mail, first class, postage prepaid, to the record Holder at his or its address appearing on the stock register. If such notice relates to an adjustment resulting from an event referred to in Paragraph 3.6, such notice shall be included as part of the notice required to be mailed and published under the provisions of Paragraph 3.6 hereof.

4. NO DILUTION OR IMPAIRMENT. The Company will not, by amendment of its articles of incorporation or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder against dilution or other impairment. Without limiting the generality of the foregoing, the Company will not increase the par value of any shares of stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise, and at all times will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable stock upon the exercise of this Warrant.

5. RESERVATION OF STOCK, ETC., ISSUABLE ON EXERCISE OF WARRANTS. The Company shall at all times reserve and keep available out of its authorized but unissued stock, solely for the issuance and delivery upon the exercise of this Warrant and other similar Warrants, such number of its duly authorized shares of Common Stock as from time to time shall be issuable upon the exercise of this Warrant and all other similar Warrants at the time outstanding.

6. REPLACEMENT OF WARRANT. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this

Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to it, or (in the case of mutilation) upon surrender and cancellation thereof, the Company will issue, in lieu thereof, a new Warrant of like tenor.

7. REMEDIES. The Company stipulates that the remedies at law of the Holder in the event of any default by the Company in the performance of or compliance with any of the terms of this Warrant are not and will not be adequate, and that the same may be specifically enforced.

8. NEGOTIABILITY, ETC. This Warrant is issued upon the following terms, to all of which each taker or owner hereof consents and agrees:

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(a) Subject to the legend appearing on the first page hereof and applicable federal securities laws, title to this Warrant may be transferred by endorsement (by the Holder executing the form of assignment at the end hereof including guaranty of signature) and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery.

(b) Any person in possession of this Warrant properly endorsed is authorized to represent himself as absolute owner hereof and is granted power to transfer absolute title hereto by endorsement and delivery hereof to a bona fide purchaser hereof for value; each prior taker or owner waives and renounces all of his equities or rights in this Warrant in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire title hereto and to all rights represented hereby.

(c) Until this Warrant is transferred on the books of the Company, the Company may treat the registered Holder as the absolute owner hereof for all purposes without being affected by any notice to the contrary.

(d) Prior to the exercise of this Warrant, the Holder shall not be entitled to any rights of a shareholder of the Company with respect to shares for which this Warrant shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

(e) The Company shall not be required to pay any Federal or state transfer tax or charge that may be payable in respect of any transfer involved in the transfer or delivery of this Warrant or the issuance or conversion or delivery of certificates for Common Stock in a name other than that of the registered Holder or to issue or deliver any certificates for Common Stock upon the exercise of this Warrant until any and all such taxes and charges

shall have been paid by the Holder or until it has been established to the Company's satisfaction that no such tax or charge is due.

9. SUBDIVISION OF RIGHTS. This Warrant (as well as any new warrants issued pursuant to the provisions of this paragraph) is exchangeable, upon the surrender hereof by the Holder, at the principal office of the Company for any number of new warrants of like tenor and date representing in the aggregate the right to subscribe for and purchase the number of shares of Common Stock which may be subscribed for and purchased hereunder.

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10. MAILING OF NOTICES, ETC. All notices and other communications from the Company to the Holder shall be mailed by first-class certified mail, postage prepaid, to the address furnished to the Company in writing by the last holder of this Warrant who shall have furnished an address to the Company in writing.

11. HEADINGS, ETC. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof.

12. CHANGE, WAIVER, ETC. Neither this Warrant nor any term hereof may be changed, waived, discharged or terminated orally but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought which, in the case of holders of the Warrant, shall be evidenced by the approval of a majority of the total Warrant Shares issued or issuable under this Warrant.

13. GOVERNING LAW. THIS WARRANT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

COOLSAVINGS.COM INC.

By /s/ Matthew Moog

Dated: July 30, 2001

Attest:

John Adams

[To be signed only upon exercise of Warrant]

EXERCISE NOTICE
----

coolsavings.com inc.
360 N. Michigan Avenue, 19/th/ Floor
Chicago, IL 60601
Attention: Chief Financial Officer

The undersigned hereby elects to purchase, pursuant to the provisions of the Common Stock Purchase Warrant to purchase shares of common stock, no par value per share, issued by coolsavings.com inc. (the "Company") and held by the

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undersigned, the original of which is attached hereto, and (check the applicable box):

[_] Tenders herewith payment of the Exercise Payment (as defined in the Warrant) in full in the form of cash, certified check, official bank check or wire transfer or check in the amount of $__________________ for _______________ such securities.

[_] Confirms that payment of the Exercise Payment (as defined in the Warrant) in full by means of a wire transfer in the amount of $__________________ for _______________ such securities has been made to the Company.

[_] Elects to surrender to the Company for cancellation securities of the Company having Market Price (as defined in the Warrant) on the date hereof equal to the Exercise Payment.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

The undersigned requests that the certificates for such shares be issued in the name of, and be delivered to, ___________________________,whose address is ______________________________.

Dated:

____

____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

____
Address

[To be signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ____________________________ the right represented by the within Warrant to purchase __________________ shares of Common Stock of coolsavings.com inc. to

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which the within Warrant relates, and appoints ____________________ attorney to transfer said right on the books of coolsavings.com inc., with full power of substitution in the premises.

Dated:

____

____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

____
Address

In the presence of:

____

Transferee hereby represents and warrants to coolsavings.com inc. that Transferee is an "accredited investor" as defined in Rule 501(a) of the Rules and Regulations promulgated under the Securities Act of 1933, as amended.

Transferee

Dated

[To be signed only on net issue exercise of the Warrant]

NET ISSUE ELECTION

coolsavings.com inc.
360 N. Michigan Avenue, 19/th/ Floor

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Chicago, IL 60601
Attention: Chief Financial Officer

The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise this Warrant with respect to ____________ shares of Common Stock of coolsavings.com inc. pursuant to the net issuance provisions set forth in Section 2.1 of this Warrant and requests that the certificates for the number of shares of Common Stock issuance pursuant to said Section 2.1 after application of the net issuance formula to such ______________ shares to be issued in the name of, and delivered to ____, federal taxpayer identification number ______________________, whose address is

____.

Dated:______________________

____
(Signature must conform to the name of holder as specified on the face of the Warrant)

____

____
(Address)

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Exhibit 4.2

COOLSAVINGS.COM INC.

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of July 30, 2001 (this "Agreement"), among Landmark Ventures VII, LLC and any affiliates or transferee thereof ("Landmark"), the investors listed on Schedule I hereto (the "Current Investors", and, together with Landmark, the "Investors") and coolsavings.com inc., a Michigan corporation (the "Company").

R E C I T A L S

WHEREAS, the Current Investors own shares of Series C Convertible Preferred Stock, with no par value per share, of the Company (the "Series C Preferred Stock"), and/or shares of Common Stock, with no par value per share, of the Company (the "Common Stock"); and

WHEREAS, Landmark has, pursuant to the terms of the Securities Purchase Agreement, dated as of July 30, 2001, between Landmark and the Company (the "Purchase Agreement"), agreed to purchase shares of Series B Convertible Preferred Stock, with no par value per share, of the Company (the "Series B Preferred Stock" and, together with the Series C Preferred Stock, the "Preferred Stock"), warrants to purchase Common Stock (the "Warrants") and a Senior Secured Note of the Company (the "Note"); and

WHEREAS, the shares of Preferred Stock and the Warrants purchased by Landmark are convertible into shares of Common Stock; and

WHEREAS, the Current Investors have previously been granted certain registration rights under that certain Shareholders Agreement, dated June 1, 1998 between the Company and the Holders as defined and listed therein (the Current Investors that are parties to such Shareholders Agreement are hereinafter collectively referred to as the "1998 Holders", and are listed on Schedule II hereto), and the Registration Rights Agreement, dated as of March 1, 2001 by and among the Company and the purchasers of its 8% senior subordinated convertible promissory notes (the Current Investors that are parties to such Registration Rights Agreement are hereinafter collectively referred to as the "2001 Holders", and are listed on Schedule III hereto), and

WHEREAS, the Company has agreed, as a condition precedent to Landmark's obligations under the Purchase Agreement, to grant the Investors certain registration rights; and

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WHEREAS, the Company and the Investors desire to define the registration rights of the Investors on the terms and subject to the conditions herein set forth.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the parties hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following terms have the respective meaning set forth below. Capitalized terms used but not defined herein shall have the meaning set forth in the Purchase Agreement.

Exchange Act: shall mean the Securities Exchange Act of 1934, as amended;

Holder: shall mean any holder of Registrable Securities;

Initiating Holder: shall mean Landmark and any of its successors or assigns who in the aggregate are Holders of more than 15% of the then outstanding Registrable Securities and the 2001 Holders subject to the restrictions set forth in Section 2(a)(3).

Person: shall mean an individual, partnership, joint-stock company, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof;

Register, Registered and Registration: shall mean a registration effected by preparing and filing a registration statement in compliance with the Securities Act (and any post-effective amendments filed or required to be filed) and the declaration or ordering of effectiveness of such registration statement;

Registrable Securities: shall mean (A) shares of Common Stock issuable upon conversion of the Preferred Stock or exercise of the Warrants, (B) any additional shares of Common Stock acquired or held as of the date hereof by the Investors, (C) with respect to Landmark, any additional shares of Common Stock acquired after the date hereof, and (D) any stock of the Company issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares of Preferred Stock, the Warrants or Common Stock referred to in clause (A) or (B). As to any particular Registrable Securities, such securities will cease to be Registrable Securities on the earliest of the following dates: (a) the date such securities have been sold to the public pursuant to an offering registered under the Securities Act, or (b) the date such securities have been sold to the public in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act;

Registration Expenses: shall mean all expenses incurred by the Company in compliance with Section 2(a), (b) and (c) hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, fees and expenses of one counsel for all the Holders in an amount not to exceed $25,000 (provided that if such fees and expenses of the Holders' counsel are incurred by the Company in connection with a registration pursuant to Section 2(b) or 2(c), such fees and expenses

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shall not exceed $15,000), blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company, which shall be paid in any event by the Company);

SEC: shall mean the Securities and Exchange Commission, or any successor commission or agency having similar powers;

Security, Securities: shall have the meaning set forth in Section 2(1) of the Securities Act;

Securities Act: shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

Selling Expenses: shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities, all transfer taxes relating to the sale or disposition of the Registrable Securities and all fees and disbursements of counsel for each of the Holders other than fees and expenses of one counsel for all the Holders in an amount not to exceed $25,000 (provided that if such fees and expenses of the Holders' counsel are incurred by the Company in connection with a registration pursuant to Section 2(b) or 2(c), such fees and expenses shall not exceed $15,000).

SECTION 2. REGISTRATION RIGHTS

(a) Requested Registration.

(i) Request for Registration. If the Company shall receive from an Initiating Holder, at any time, a written request that the Company effect any registration with respect to all or a part of the Registrable Securities, the Company will:

(1) promptly give written notice of the proposed registration, qualification or compliance to all other Holders; and

(2) as soon as practicable, use its diligent best efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within 10 business days after written notice from the Company is given under Section 2(a)(i)(1) above except as set forth in Section 2(a)(ii) below; provided that the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2(a):

(A) In any particular jurisdiction (x) in which the Company

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would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as

may be required by the Securities Act or applicable rules or regulations thereunder, or (y) where expressions of investment interest are not sufficient in such jurisdiction to reasonably justify the registration or qualification in such jurisdiction;

(B) After the Company has effected five (5) such registrations pursuant to this Section 2(a) and such registrations have been declared or ordered effective and the sales of such Registrable Securities shall have closed;

(C) If the Registrable Securities requested by all Holders to be registered pursuant to such request have an anticipated aggregate public offering price (before any underwriting discounts and commissions) of less than $5,000,000;

(D) If the Company shall furnish to the Initiating Holder a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its stockholders for a registration statement to be filed in the near future, in which case the Company's obligation to use its best efforts to comply with this Section 2 shall be deferred for a period not to exceed ninety (90) days from the date of receipt of written request from the Initiating Holder; provided, however, that the Company shall not exercise such right more than once in any 360 day period.

(3) Notwithstanding anything to the contrary set forth herein, Landmark may initiate a total of three (3) requested registrations as an Initiating Holder and the 2001 Holders may initiate a total of one (1) requested registration under this Section 2(a). The 2001 Holders may only initiate such requested registration as an Initiating Holder under the following conditions:

(A) The 2001 Holders (or their permitted transferees) shall have requested such registration prior to March 1, 2005;

(B) Such request constitutes a request by the holder or holders of at least 75% of Registrable Securities held by the 2001 Holders (or their permitted transferees); and

(C) Landmark shall have consented in writing to such requested registration by the 2001 Holders (or their permitted transferees); provided, however, that such written consent from Landmark shall not be required if either (a) Landmark does not own any Registrable Securities and the Company has no outstanding indebtedness of any kind to Landmark, or (b) each of the conditions under Section 2(l) have been satisfied.

If any of the other Holders request such inclusion, the registration

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statement filed pursuant to the request of the Initiating Holder may, subject to the provisions of Section 2(a)(ii) below, include Registrable Securities held by such Holders. In the event any Initiating Holder requests a registration pursuant to this Section 2(a) in connection with a distribution of Registrable Securities to its affiliates, the registration shall provide for the resale by such affiliates, if requested by such Initiating Holder.

(ii) Underwriting.

(1) If the Initiating Holder intends to distribute the Registrable Securities covered by its request by means of an underwriting, it shall so advise the Company as a part of its request made pursuant to Section 2(a).

(2) If any of the other Holders request such inclusion, the Initiating Holder shall offer to include the securities of such Holders in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 2. The Holders whose shares are to be included in such registration and the Company shall enter into an underwriting agreement (together with such other documents as may be required by such underwriting agreement) in customary form with the representative of the underwriter or underwriters selected for such underwriting by Landmark and reasonably acceptable to the Company.

(3) Notwithstanding any other provision of this Section 2(a), if the representative of the underwriter(s) advises the Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the Company shall include in such registration (A) first, all of the Registrable Securities requested to be included therein by the Initiating Holder, (B) second, the Registrable Securities requested to be included therein by Landmark (or its successors or assigns), and (C) third, the Registrable Securities requested to be included therein by Holders (including the 2001 Holders) other than Landmark, pro rata among such Holders (based on the number of shares held by each such Holder) by such minimum number of shares as is necessary to comply with such request. If a limitation on the number of shares is still required (even after all other Holders have been reduced down to zero), then and only then shall the securities held by Landmark be reduced on a pro rata basis (based on the number of shares held by Landmark) by such minimum number of shares as is necessary to comply with such request. No Registrable Securities or any other securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration.

(4) If any Holder who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the underwriter and the Initiating Holder. The securities so withdrawn shall also be withdrawn from registration.

(5) If the underwriter has not limited the number of Registrable Securities or other securities to be underwritten, the Company and officers and directors of the Company may include its or their securities for its or their own account in such registration if the representative of the underwriter(s) so agrees and if the number of

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Registrable Securities and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

(b) Company Registration.

(i) If the Company shall determine to register any of its equity securities for its own account, other than a registration relating solely to employee benefit plans, or a registration relating solely to an SEC Rule 145 transaction, or a registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities, then the Company will in connection with each such registration:

(1) promptly give to each of the Holders a written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable blue sky or other state securities laws); and

(2) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made by the Holders within fifteen (15) days after receipt of the written notice from the Company described in clause (1) above, except as set forth in Section 2(b)(ii) below. Such written request may specify all or a part of the Holders' Registrable Securities. In the event any Holder requests inclusion in a registration pursuant to this Section 2(b) in connection with a distribution of Registrable Securities to its affiliates, the registration shall provide for the resale by such affiliates, if requested by such Holder.

(ii) Underwriting.

(1) If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise each of the Holders as a part of the written notice given pursuant to Section 2(b)(i)(1).

(2) If any of the Holders request such inclusion, the Company shall offer to include the securities of such Holders in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 2. The Holders whose shares are to be included in such registration shall (together with the Company) enter into an underwriting agreement (together

with such other documents as may be required by such underwriting agreement) in customary form with the representative of the underwriter or underwriters selected for underwriting by the Company and reasonably acceptable to the Holders.

(3) Notwithstanding any other provision of this Section 2(b), if the representative of the underwriter(s) determines that marketing factors require a limitation on the number of shares to be underwritten, the representative may (subject to the allocation priority set forth below) limit the number of Registrable Securities

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to be included in the registration and underwriting. The Company shall so advise all Holders requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated in the following manner: (i) first, the Company shall include in such registration the securities that the Company proposes to sell, (ii) second, the Company shall include in such registration the Registrable Securities requested to be included therein by Landmark (or its successors or assigns), (iii) third, the Company shall include in such registration the Registrable Securities requested to be included therein by Holders (including the 2001 Holders) other than Landmark, pro rata among such Holders (based on the number of shares held by each such Holder), and (iv) fourth, the Company shall include in such registration the securities of the Company held by officers and directors of the Company (other than Registrable Securities) requested to be included therein by such officers and directors.

(4) If any of the Holders or any officer or director disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(iii) Notwithstanding the foregoing, the rights of the 1998 Holders and the 2001 Holders shall be limited in the following manner.

(1) All rights of the 1998 Holders under this Agreement shall terminate on May 19, 2005.

(3) All rights of the 2001 Holders under this Agreement shall terminate on March 1, 2005.

(c) Form S-3.

(i) The Company shall use its best efforts to qualify for registration on Form S-3 for secondary sales. After the Company has qualified for the use of Form S-3, each of Landmark, the 1998 Holders and the 2001 Holders shall have the right to request registrations on Form S-3 (such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended method of disposition

of shares by such holders); provided that the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2(c):

(1) Unless Landmark, the 1998 Holders or the 2001 Holders requesting registration proposes to dispose of shares of Registrable Securities having an aggregate price to the public (before deduction of underwriting discounts and expenses of sale) of more than $2,000,000;

(2) Within 180 days of the effective date of the most recent registration pursuant to this Section 2(c) in which securities held by Landmark, the 1998 Holders or the 2001 Holders could have been included for sale or distribution;

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(3) In any particular jurisdiction (x) in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder, or (y) where expressions of investment interest are not sufficient in such jurisdiction to reasonably justify the registration or qualification in such jurisdiction;

(4) If the Company shall furnish to Landmark, the 1998 Holders or the 2001 Holders, as applicable, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its stockholders for a registration statement to be filed in the near future, in which case the Company's obligation to use its best efforts to comply with this Section 2(c) shall be deferred for a period not to exceed ninety (90) days from the date of receipt of written request from Landmark, the 1998 Holders or the 2001 Holders; provided, however, that the Company shall not exercise such right more than once in any 360 day-period.

(ii) The Company shall give written notice to all Holders of the receipt of a request for registration pursuant to this Section 2(c) and shall provide a reasonable opportunity for other Holders to participate in the registration, provided that if the registration is for an underwritten offering, the terms of Section 2(a)(ii) shall apply to all participants in such offering. Subject to the foregoing, the Company will use its best efforts to effect promptly the registration of all shares of Registrable Securities on Form S-3 to the extent requested by Landmark, the 1998 Holders or the 2001 Holders thereof for purposes of disposition. In the event Landmark, the 1998 Holders or the 2001 Holders requests a registration pursuant to this Section 2(c) in connection with a distribution of Registrable Securities to its affiliates, the registration shall provide for the resale by such affiliates, if requested by Landmark, the 1998 Holders or the 2001 Holders, as applicable.

(iii) Notwithstanding anything to the contrary set forth herein, Landmark shall have the right to request an unlimited number of Form S-3 registrations, the 1998 Holders shall collectively only have the right to request two (2) Form S-3 registrations under this

section 2(c) and the 2001 Holders shall collectively only have the right to request three (3) Form S-3 registrations under this Section 2(c). The 1998 Holders and the 2001 Holders may only initiate such requested registration if Landmark shall have consented in writing to such requested registration prior to the Company granting such request for registration; provided, however, that such written consent from Landmark shall not be required if either (A) Landmark does not own any Registrable Securities and the Company has no outstanding indebtedness of any kind to Landmark, or (B) each of the conditions under Section 2(l) have been satisfied.

(d) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to this

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Section 2 shall be borne by the Company, and all Selling Expenses shall be borne by the holders of the securities so registered pro rata on the basis of the number of their shares so registered.

(e) Registration Procedures. In the case of each registration effected by the Company pursuant to this Section 2, the Company will keep the Holders, as applicable, advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will:

(i) keep such registration effective for a period of one hundred twenty (120) days or until the Holders (or in the case of a distribution to the affiliates of such Holder, such affiliates), as applicable, have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 120-day period shall be extended until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (y) includes any prospectus required by Section 10(a) of the Securities Act or (z) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (y) and (z) above to be contained in periodic reports filed pursuant to Section 12 or 15(d) of the Exchange Act in the registration statement;

(ii) furnish such number of prospectuses and other documents incident thereto as each of the Holders, as applicable, from time to time may reasonably request;

(iii) notify each Holder of Registrable Securities covered by such registration at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; and

(iv) furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters (1) an

opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders participating in such registration, addressed to the underwriters and (2) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders participating in such registration, addressed to the underwriters.

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Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in subsection (iii) above, such Holder shall forthwith discontinue disposition of shares of Common Stock pursuant to a Registration until receipt of an appropriate supplement or amendment to the prospectus of such Registration.

(f) Indemnification.

(i) The Company will indemnify each of the Holders, as applicable, each of its officers, directors and partners, and each person controlling each of the Holders, with respect to each registration which has been effected pursuant to this Section 2, and each underwriter, if any, and each person who controls any underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse each of the Holders, each of its officers, directors and partners, and each person controlling each of the Holders, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on (1) any untrue statement or omission based upon written information furnished to the Company by the Holders or underwriter and stated to be specifically for use therein, or (2) a Holder's, or underwriter's, failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such Holder with a sufficient number of copies of the same.

(ii) Each of the Holders will, if Registrable Securities held by it are included in the securities as to which such registration, qualification or compliance is being effected, severally and not jointly indemnify the Company, each of its directors and officers and each underwriter, if any, of the Company's securities covered by such a

registration statement, each person who controls the Company or such underwriter, each other Holder and each of their officers, directors and partners, and each person controlling such other Holder against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document made by such Holder, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements by such Holder therein not misleading, and will reimburse the Company and such other Holders, directors, officers, partners, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with

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investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein and then only to the extent that any loss, damages or other liability of any kind result from such alleged untrue statement; provided, however, that the obligations of each of the Holders hereunder shall be limited to an amount equal to the net proceeds to such Holder of securities sold as contemplated herein.

(iii) Each party entitled to indemnification under this Section 2(f) (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld) and the Indemnified Party may participate in such defense at such party's expense (unless the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in such action, in which case the reasonable fees and expenses of one counsel shall be at the expense of the Indemnifying Party), and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2 unless the Indemnifying Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party (whose consent shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(iv) If the indemnification provided for in this Section 2(f) is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss,

liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense (solely to the extent such amount is required pursuant to Section 2(f)) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense, as well as any other relevant

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equitable considerations including without limitation the relative fault of other Indemnifying Parties. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue (or alleged untrue) statement of a material fact or the omission (or alleged omission) to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The foregoing notwithstanding, no Indemnifying Party will be required to contribute any amount in excess of the public offering price of all Registrable Securities offered by it pursuant to the registration statement, and no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(v) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with any underwritten public offering contemplated by this Agreement are in conflict with the foregoing provisions, the provisions in such underwriting agreement shall be controlling.

(vi) The foregoing indemnity agreement of the Company and Holders is subject to the condition that, insofar as they relate to any loss, claim, liability or damage arising out of a statement made in or omitted from a preliminary prospectus but eliminated or remedied in the amended prospectus on file with the Commission at the time the registration statement in question becomes effective or the amended prospectus filed with the Commission pursuant to Commission Rule 424(b) (the "Final Prospectus"), such indemnity or contribution agreement shall not inure to the benefit of any underwriter or Holder if a copy of the Final Prospectus was furnished to the underwriter and was not furnished to the person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(g) Information by the Holders.

(i) Each of the Holders holding securities included in any registration shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Section 2.

(ii) In the event that, either immediately prior to or subsequent to the effectiveness of any registration statement, any Holder shall distribute Registrable Securities to its affiliates, such Holder shall so advise the Company and provide such information as shall be necessary to permit an amendment to such registration statement to provide information with respect to such affiliates, as selling securityholders. Promptly following receipt of such information, the Company shall file an appropriate amendment to such registration statement reflecting the information so provided. Any incremental expense to the Company resulting from such amendment shall be borne by such Holder.

(h) Rule 144 Reporting.

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With a view to making available the benefits of certain rules and regulations of the SEC which may permit the sale of restricted securities to the public without registration, the Company agrees to:

(i) make and keep public information available as those terms are understood and defined in Rule 144 under the Securities Act ("Rule 144");

(ii) use its best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(iii) so long as the Holder owns any Registrable Securities, furnish to the Holder upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as the Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing the Holder to sell any such securities without registration.

(i) Assignment. The registration rights set forth in this Section 2 may be assigned, in whole or in part, to any transferee of Registrable Securities (who shall be bound by all obligations of this Agreement).

(j) Additional Agreements. Without the written consent of Landmark and the holders of a majority of the Registrable Securities held by the Current Investors, the Company shall not enter into any additional registration rights agreements.

(k) Termination of Prior Agreements. The 2001 Holders and the Company hereby terminate that certain Registration Rights Agreement, dated as of March 1, 2001, which is hereby declared null and void and of no further force or effect. The Current Investors hereby irrevocably waive all of their rights under that certain: (1) Shareholders Agreement, dated June 1, 1998, by and among the Company and certain of its stockholders; (2) Registration Rights Agreement, dated May 28, 1999, by and among the Company and the purchasers of its 1999 Unsecured Convertible Subordinated Promissory Notes; and (3) Registration Rights Agreement, dated

December 21, 1999, by and among the Company and its Series A Preferred stockholders.

(l) Requested Registrations Not Subject to Landmark Consent. The rights of the 2001 Holders to request registrations pursuant to Sections 2(a) and 2(c) and the rights of the 1998 Holders to request registrations pursuant Section 2(c) shall not be subject to the written consent of Landmark if such request for registration (a "Section 2(l) Request") is made after December 31, 2003, and as of the date of the Section 2(l) Request the following conditions have been satisfied:

(i) no event of default has occurred and is continuing under that

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certain Amended and Restated Loan and Security Agreement, dated as of July 30, 2001, by and between the Company and Landmark Communications, Inc. (the "Loan Agreement");

(ii) the Company has paid all accrued dividends on the Company's Series B Preferred Stock and issued all PIK Warrants (as defined in the Loan Agreement) required under the Loan Agreement;

(iii) for each of the past four (4) fiscal quarters immediately preceding such Section 2(l) Request, the Company has had positive net earnings of at least $500,000 and positive earnings before interest, taxes, depreciation and amortization ("EBITDA") of at least $1,000,000, and each such determination of net earnings and EBITDA has been calculated according to generally accepted accounting principles;

(iv) the Company has positive Working Capital (as that term is defined in the Loan Agreement) of at least $3,000,000;

(v) the applicable 1998 or 2001 Holder making a Section 2(l) Request provides the Company with a written letter addressed to the Company by a nationally recognized investment banking firm which confirms that, as of the date of such request for registration, the current market conditions and financial condition of the Company are satisfactory for granting such Section 2(l) Request taking into account solely the number of shares to be issued thereunder;

(vi) the Company is listed on a nationally recognized stock exchange or is quoted on the automated quotation system of a national securities association; and

(vii) the Company has not granted a Section 2(l) Request from a 2001 Holder or 1998 Holder without the written consent of Landmark in the twelve (12) months immediately preceding such Section 2(l) Request.

SECTION 3. MISCELLANEOUS

(a) Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

(c) Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

(d) Notices.

(i) All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or mailed by overnight courier or

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by registered or certified mail, postage prepaid:

(1) if to the Company, to 360 N. Michigan Avenue, Chicago, Illinois 60601, Attention: CEO (facsimile: (312) 853-0456), or at such other address as it may have furnished in writing to the Holders, with a copy to Jaffe, Raitt, Heuer & Weiss, One Woodward Avenue, Suite 2400, Detroit, Michigan 48226 (facsimile: (313) 961-8358), Attention: Peter Sugar.

(2) if to Landmark, at Landmark Communications, Inc., 150 W. Brambleton Avenue Norfolk, VA 23510, Facsimile: (757) 664-2164, Attention: Guy R. Friddell III, Executive Vice President and General Counsel, or at such other address or facsimile number as may have been furnished the Company in writing, with copies to Willcox and Savage, 1800 Bank of America Center, One Commercial Place, Norfolk, Virginia 23510-2197 (facsimile (757 628-5566), Attention Thomas Inglima, Esq. and Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (facsimile: (212) 728-8111), Attention: William J. Grant, Jr.

(3) if to the Current Investors, at the address or facsimile number listed on Schedule II hereto, or at such other address or facsimile number as may have been furnished the Company in writing.

(ii) Any notice so addressed shall be deemed to be given: if delivered by hand or facsimile, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

(e) Reproduction of Documents. This Agreement and all documents relating thereto, including, without limitation, any consents, waivers and modifications which may hereafter be executed may be reproduced by the parties by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and the parties may destroy any

original document so reproduced. The parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the parties in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

(g) Entire Agreement; Amendment and Waiver. This Agreement constitutes the entire understanding of the parties hereto and supersedes all prior understanding among such parties. This Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of the Company, Landmark and the Holders holding a majority of the then outstanding Registrable Securities held by the Current Investors.

(h) Severability. In the event that any part or parts of this

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Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

COOLSAVINGS.COM INC.

By: /s/ Matthew Moog

Name: Matthew Moog
Title: President & CEO

LANDMARK VENTURES VII, LLC

By: /s/ Richard A. Fraim

Name: Richard A. Fraim
Title: VP/Sec/Treasurer

LEND LEASE INTERNATIONAL PTY.
LIMITED [ACN# 000489109]

By: /s/ Mark Skinner

Name: Mark Skinner
Title: Power of Attorney

[Registration Rights Agreement]

STEVEN M. GOLDEN

/s/ Steven M. Golden

STEVEN M. GOLDEN REVOCABLE LIVING
TRUST DATED 3/3/98

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By: /s/ Steven M. Golden

Name: Steven M. Golden
Title: Trustee

STEVEN M. GOLDEN L.L.C.

By: /s/ Steven M. Golden

Name: Steven M. Golden
Title: member

MATTHEW MOOG

/s/ Matthew Moog

RICHARD H. ROGEL

/s/ Richard H. Rogel

RICHARD H. ROGEL REVOCABLE LIVING
TRUST DATED 3/21/90

By: /s/ Richard H. Rogel

Name: Richard H. Rogel
Title:

[Registration Rights Agreement]

RICHARD ROGEL -- CHARITABLE
REMAINDER TRUST

By: /s/ RICHARD H. ROGEL

Name: RICHARD H. ROGEL
Title:

HUGH R. LAMLE

/s/ HUGH R. LAMLE

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HLBL FAMILY PARTNERS LP

By: /s/ HUGH R. LAMLE

Name:
Title: Managing G.P.

RONALD G. ZACK, M.D.

/s/ Ronald Zack

[Registration Rights Agreement]

SCHEDULE I

CURRENT INVESTORS

<TABLE>
<CAPTION>

Investor Name	Investor Address
<S>	<C>
Lend Lease International Pty. Limited [ACN# 000489109]	Level 44 Australia Square Sydney, Australia 2000
Steven M. Golden	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Steven M. Golden Revocable Living Trust dated 3/3/98; Steven M. Golden as Trustee	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Steven M. Golden L.L.C.	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Matthew Moog	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Richard H. Rogel	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Richard H. Rogel Revocable Living Trust dated 3/31/90	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Richard Rogel -- Charitable Remainder Trust	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Hugh R. Lamle	M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas

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	New York, New York 10036-2699
HLBL Family Partners LP	M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, New York 10036-2699
Ronald G. Zack, M.D.	18211 W. Twelve Mile Road Lathrup Village, MI 48076

</TABLE>

SCHEDULE II

1998 Holders

<TABLE>
<CAPTION>

Investor Name	Investor Address
Lend Lease International Pty Limited [ACN# 000489109]	Level 44 Australia Square Sydney, Australia 2000
Steven M. Golden Revocable Living Trust dated 3/3/98; Steven M. Golden as Trustee	360 N. Michigan Avenue, 19/th/ Floor Chicago, Illinois 60601
Steven M. Golden L.L.C.	360 N. Michigan Avenue, 19/th/ Floor Chicago, Illinois 60601
Hugh R. Lamle	c/o M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, NY 10036-2699
HLBL Family Partners LP	c/o M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, NY 10036-2699
Richard H. Rogel Revocable Living Trust dated 3/21/90	416 Shooting Star P.O. Box 1659 Avon, CO 81620
Richard Rogel - Charitable Remainder Trust	416 Shooting Star P.O. Box 1659 Avon, CO 81620

</TABLE>

SCHEDULE III

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2001 Holders

Investor Name	Investor Address
Hugh R. Lamle	c/o M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, NY 10036-2699
HLBL Family Partners LP	c/o M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, NY 10036-2699
Richard H. Rogel Revocable Living Trust dated 3/21/90	416 Shooting Star P.O. Box 1659 Avon, CO 81620
Richard Rogel - Charitable Remainder Trust	416 Shooting Star P.O. Box 1659 Avon, CO 81620
Ronald G. Zack, M.D.	18211 W. Twelve Mile Road Lathrup Village, MI 48076

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Exhibit 9.1

VOTING AGREEMENT

VOTING AGREEMENT, dated as of July 30, 2001 (this "Agreement"), among those shareholders of coolsavings.com inc. listed on Exhibit A hereto (each, a "Shareholder" and, collectively, the "Shareholders"), Landmark Communications, Inc., a Virginia corporation, and Landmark Ventures VII, LLC, a Delaware limited liability company (with Landmark Communications, Inc., collectively, "Landmark").

WHEREAS, each Shareholder beneficially owns the Common Shares, no par value per share ("Company Common Shares"), of coolsavings.com inc., a Michigan corporation (the "Company"), set forth opposite such Shareholder's name on Exhibit A hereto (all such Company Common Shares, together with any other shares of the Company which any Shareholder hereinafter acquires (including without limitation any shares of Series C Preferred Stock, no par value per share), are referred to as the "Subject Shares");

WHEREAS, Landmark and the Company are, simultaneously with the execution hereof, entering into a Securities Purchase Agreement, dated as of the date hereof (the "Purchase Agreement");

WHEREAS, the Board of Directors of the Company has adopted the Purchase Agreement, approved the transactions contemplated thereby, and recommended to the shareholders of the Company the merger of the Company with and into its subsidiary, coolsavings, inc., a Delaware corporation, pursuant to an Agreement and Plan of Merger substantially in the form attached as Exhibit B hereto (the "Merger");

WHEREAS, the Shareholders and Landmark desire to enter into this Agreement to provide for, among other things, (1) the obligation of the Shareholders to vote their respective Subject Shares to adopt the Purchase Agreement and approve the transactions contemplated thereby and (2) the obligation of the Shareholders to vote their respective Subject Shares to approve the Merger;

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WHEREAS, each Shareholder acknowledges that Landmark is entering into the Purchase Agreement in reliance on the representations, warranties, covenants and other agreements of the Shareholders set forth in this Agreement; and

NOW, THEREFORE, in consideration of the foregoing and mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

SECTION 1. Covenants of the Shareholders.

(a) Voting of the Company Stock. Until the termination of this Agreement, each Shareholder shall do the following:

(1) be present, in person or represented by proxy, at each meeting (whether annual or special, and whether or not an adjourned or postponed

meeting) of the shareholders of the Company, or any class thereof, however called, or in connection with any written consent of the shareholders of the Company, so that all the Subject Shares then entitled to vote may be counted for the purposes of determining the presence of a quorum at such meetings or in connection with such consent;

(2) at each such meeting held and with respect to each such written consent, vote (or cause to be voted), or deliver a written consent (or cause a consent to be delivered) covering, all the Subject Shares held by such Shareholder (i) to adopt the Purchase Agreement and to approve the transactions contemplated thereby, and any action necessary or desirable in furtherance thereof, (ii) against any proposal for any recapitalization, amalgamation, merger, sale of assets or other business combination of or by the Company other than the transactions contemplated by the Purchase Agreement, or any other action or agreement that would in any such case result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Purchase Agreement or that would result in any of the conditions to the obligations of the Company under the Purchase Agreement not being fulfilled, (iii) to adopt the Approved Plan (as defined in the Purchase Agreement), and (iv) to approve the Merger, and any action necessary or desirable in the furtherance thereof; and

(3) use its best efforts (within its respective power) to cause a majority in number representing 66 2/3% in value of the holders of the outstanding Common Shares of the Company voting in person or by proxy at the Company Shareholders Meeting to adopt the Purchase Agreement and to approve the transactions contemplated thereby.

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Nothing contained in this Agreement shall in any way preclude or in any manner restrict a Shareholder's designee who is serving on the Company's Board of Directors from discharging that designee's fiduciary duties as a director of the Company in accordance with the terms of the Purchase Agreement. Each shareholder is executing this Agreement solely in his or her capacity as the record or beneficial owner of the Subject Shares held by such Shareholder.

(b) No Inconsistent Agreements. Until the termination of this Agreement, each Shareholder shall not enter into any voting agreement or grant a proxy or power of attorney with respect to the Subject Shares which is inconsistent with this Agreement.

(c) Review of Purchase Agreement. Each Shareholder acknowledges receipt and review of a copy of the Purchase Agreement.

(d) Transfer.

(1) During the term of this Agreement, each Shareholder shall not transfer record ownership or beneficial ownership, or both, of any Subject Shares without the prior written consent of Landmark. Notwithstanding anything to the contrary, each Shareholder shall be free to transfer record ownership or beneficial ownership, or both, of any Subject Shares to an entity controlling, controlled by,

or under common control with, such Shareholder, provided that such transferee agrees in writing to be bound by this Agreement with respect to such transferred Subject Shares. For elimination of doubt, any transfer or proposed transfer pursuant to the preceding sentence shall not be deemed an "Acquisition Proposal" for purposes of this Agreement.

(2) The certificates evidencing the Subject Shares shall bear the following legend reflecting the restrictions on the transfer of such securities contained in this Agreement:

"The securities evidenced hereby are subject to the terms of that certain Voting Agreement, dated as of July 30, 2001, by and among Landmark Communications, Inc., Landmark Ventures VII, LLC, and certain investors identified therein, which includes certain voting agreements and restrictions on transfer. A copy of this Agreement has been filed with the Secretary of the Company and is available upon request."

As promptly as practicable after the date hereof, the Shareholders shall deliver all certificates representing any Subject Shares to the Company to enable the Company to place the foregoing legend on such certificates.

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(3) For the purposes of this Agreement, the term "transfer" means a sale, an assignment, a grant, a transfer, a pledge, the creation of a lien or other disposition (including a Hedging Transaction) of any Subject Shares or any interest of any nature in any Subject Shares, including, without limitations, the "beneficial ownership" of such Subject Shares (as determined pursuant to Rule 13d-3 under the Exchange Act). For purposes of this Agreement, a "Hedging Transaction" means any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Subject Shares.

(e) No Revocation. The voting agreements contained herein are coupled with an interest and may not be revoked, except by an amendment, modification or termination effected in accordance with the terms of this Agreement.

SECTION 2. Additional Covenants of the Shareholders.

(a) Acquisition Proposal. Each Shareholder shall not, and shall cause its affiliates (other than the Company), the officers and directors of it and such affiliates, and its and such affiliate's employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of such Affiliates) not to, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any proposal or offer with respect to a merger, amalgamation, reorganization, share exchange, consolidation, business combination, recapitalization,

liquidation, dissolution or similar transaction involving the Company, or any purchase or sale of 20% or more of the consolidated assets of the Company, taken as a whole, or any purchase or sale of, or tender or exchange offer for, the equity securities of the Company that, if consummated, would result in any Person (or the stockholders of such Person) beneficially owning securities representing 20% or more of the total voting power of the Company (or of the surviving or continuing parent entity in such transaction) (any such proposal, offer or transaction (other than a proposal or offer made by Landmark) being hereinafter referred to as an "Acquisition Proposal") or (ii) have any discussion with or provide any information or data to any Person relating to an Acquisition Proposal, or engage in any negotiations concerning an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an

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Acquisition Proposal. For the purposes hereof, a "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.

SECTION 3. Representations and Warranties of the Shareholders. Each
----
Shareholder severally represents and warrants to Landmark as follows:

(a) Authority. If such Shareholder is an individual, such Shareholder has
----
full legal capacity and authority to enter into this Agreement and all instruments, documents and agreements contemplated hereby to be executed by or on behalf of such Shareholder and to carry out such Shareholder's obligations hereunder. This Agreement and all instruments, documents and agreements contemplated hereby to be executed by or on behalf of such Shareholder have been or will be at the Closing duly executed and delivered by such Shareholder and constitute, or will constitute, the legal, valid and binding obligation of such Shareholder, enforceable against such Shareholder, except to the extent enforceability is limited by applicable bankruptcy, reorganization, insolvency and similar laws from time to time in effect and subject to general principles of equity and judicial discretion.

(b) Existence and Power. If such Shareholder is not an individual, that
----
such Shareholder is a validly existing company, duly organized and in good standing under the laws of its jurisdiction of organization. It has all requisite company power and authority to execute and deliver this Agreement.

(c) No Conflicts; Approvals. Neither the execution, delivery and
----
performance by such Shareholder of this Agreement, nor the consummation by such Shareholder of the transactions contemplated hereby, will (a) violate, conflict with or result in a breach of any agreement, contract or other instrument to which such Shareholder is a party, (b) violate or conflict with any order, decree, law, rule or regulation applicable to such Shareholder or by which any property or asset of such Shareholder is bound, or (c) require any consent, approval, authorization or other order of, action by, filing with, or notification to, any federal, state, municipal, foreign or other court or governmental body or agency, or any other regulatory body or Person by such Shareholder.

(d) Authorization; Contravention. If such Shareholder is not an
----
individual, that the execution and delivery by it of this Agreement and the performance by it of its obligations hereunder have (1) been duly authorized by all necessary corporate action and (2) do not and will not conflict with or result in a violation of, (A) any provision of its certificate of

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incorporation or bylaws, or similar organizational document, or (B) any loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to it, the Subject Shares or any of its other properties or assets.

(e) Binding Effect. If such Shareholder is not an individual, this Agreement constitutes, or when executed and delivered by it will constitute, a valid and binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally, by general equity principles, (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(f) Ownership. Such Shareholder is the record owner or beneficial owner of the Subject Shares listed beside its name in Exhibit A, free and clear of all liens, security interests, claims, pledges, options, rights of first refusal, limitations on voting rights, charges and other encumbrances of any nature whatsoever except as contemplated by the Purchase Agreement or any Transaction Documents set forth therein. As of the date of this Agreement, it does not own beneficially or of record any equity securities of the Company other than the Subject Shares set forth beside its name on Exhibit A. It has not appointed or granted any proxy which is still effective with respect to the Subject Shares. It has sole voting power or power to direct the vote of the Subject Shares set forth beside its name on Exhibit A and on the record date and the date of the Company Shareholders Meeting at which the Purchase Agreement, the transactions contemplated thereby, and the Merger shall be presented for approval (or the date of any written consent in lieu thereof), it will have sole voting power or power to direct the vote of all its Subject Shares.

(g) Litigation. There is no action, suit, investigation, complaint or other proceeding pending against such Shareholder or, to its knowledge, threatened against it or any other Person that restricts in any material respect or prohibits (or, if successful, would restrict or prohibit) the exercise by such Shareholder or its beneficiary of such Shareholder's rights hereunder or the performance by such Shareholder of its obligations hereunder.

SECTION 4. Miscellaneous Provisions.

(a) Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (1) on the date of delivery if delivered

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personally, or by telecopy or telefacsimile, upon confirmation of receipt, (2) on the first business day following the date of dispatch if delivered by a recognized next-day courier service, or (3) on the seventh business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be given to Landmark at its address stated in the Purchase Agreement and all notices to each of the Shareholders shall be given at its address in the register of shareholders of the Company, or, in each case, at any other address as the party may specify for this purpose by notice to the other parties.

(b) No Waivers; Remedies; Specific Performance.

(1) No failure or delay by Landmark in exercising any right, power or privilege under this Agreement shall operate as a waiver of the right, power or privilege. A single or partial exercise of any right, power or privilege shall not preclude any other or further exercise of the right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement shall be cumulative and not exclusive of any rights or remedies provided by law.

(2) In view of the uniqueness of the agreements contained in this Agreement and the transactions contemplated hereby and thereby and the fact that Landmark would not have an adequate remedy at law for money damages in the event that any obligation under this Agreement is not performed in accordance with its terms, each of the Shareholders therefore agrees that Landmark shall be entitled to specific enforcement of the terms of this Agreement (without the showing of special, imminent or irreparable damages and without any obligation to post bond or other security or surety) in addition to any other remedy to which Landmark may be entitled, at law or in equity, and if Landmark shall institute any action or proceeding to enforce the provisions hereof, the Shareholders hereby waive the claim or defense that Landmark has an adequate remedy at law.

(c) Amendment, Etc. No amendment, modification, termination, or waiver of any provision of any this Agreement, and no consent to any departure by any party hereto or Landmark from any provision of this Agreement, shall be effective unless it shall be in writing and signed and delivered by all the Shareholders and Landmark and, solely with respect to Section 2, this Section 4(c) and Section 4(d), Landmark, and then it shall be effective only in the specific instance and for the specific purpose for which it is given.

(d) Successors and Assigns; Third Party Beneficiaries.

(1) No party shall assign any of its rights or delegate any of its obligations under this Agreement. Any assignment or delegation in

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contravention of this Section 4(d) shall be void ab initio and shall not relieve the assigning or delegating party of any obligation under this Agreement.

(2) The provisions of this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective permitted heirs, executors, legal representatives, successors and assigns, and no other person, except that the Company shall be a third party beneficiary under this Agreement with respect to Section 2, Section 4(c) and this Section 4(d) and shall be entitled to enforce its rights hereunder directly.

(e) Scope. References in this Agreement to the Purchase Agreement shall not be deemed to include any amendments to the Purchase Agreement, unless the parties hereto have agreed in writing to such inclusion.

(f) Governing Law. This Agreement and all rights, remedies, liabilities, powers and duties of the parties hereto, shall be governed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

(g) Severability of Provisions. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

(h) Headings and References. Article and section headings herein are included for the convenience of reference only and do not constitute a part of this Agreement for any other purpose. References to parties, express beneficiaries, articles and sections in this Agreement are references to parties to or the express beneficiaries and sections of this Agreement, unless the context shall require otherwise. Any of the terms defined in this Agreement may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use in this Agreement of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term, or matter to the specific items or matters set forth immediately following such word or to similar items or

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matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

(i) Entire Agreement. This Agreement embodies the entire agreement and understanding of the Shareholders and Landmark, and supersedes all prior agreements or understandings, with respect to the subject matters of this Agreement.

(j) Survival. Except as otherwise specifically provided in this Agreement, each representation, warranty and covenant of a party contained herein shall remain in full force and effect, notwithstanding any investigation or notice to the contrary or any waiver by any other party or beneficiary of a related condition precedent to the performance by the other party or beneficiary of an obligation under this Agreement. No representation, warranty or covenant shall survive termination of this Agreement pursuant to Section 4(l) below; provided, however, if any party has made a written claim for breach prior to the expiration of any applicable survival period, then in such case the breaching party shall remain liable for any losses resulting from, arising out of or related to the asserted breach.

(k) Submission to Jurisdiction; Waivers. Each Shareholder and Landmark irrevocably agree that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereto brought by another party hereto or its successors or assigns may be brought and determined in the courts of the State of New York, and each Shareholder and Landmark hereby irrevocably submit with regard to any such

action or proceeding for itself and in respect to its property, generally and unconditionally, to the non-exclusive jurisdiction of the aforesaid courts. Each Shareholder and Landmark hereby irrevocably waive, and agree not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with the rules of such courts, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

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(l) Termination. Unless terminated earlier by mutual agreement of the parties, this Agreement shall terminate upon the first to occur of (i) consummation of the transactions contemplated under the Purchase Agreement or (ii) the termination of the Purchase Agreement pursuant to its terms or (iii) January 31, 2002.

(m) Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were on the same instrument.

[Remainder of this page intentionally left blank.]

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

LANDMARK COMMUNICATIONS, INC.

By: /s/ Guy R. Friddell, III

Name: Guy R. Friddell, III
Title: Executive Vice President

LANDMARK VENTURES VII, LLC

By: /s/ Richard A. Fraim

Name: Richard A. Fraim
Title: VP/Sec/Treasurer

LEND LEASE INTERNATIONAL PTY. LIMITED [ACN# 000489109]

By: /s/ Mark Skinner

Name: Mark Skinner
Title: Power of Attorney

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STEVEN M. GOLDEN

/s/ Steven M. Golden

STEVEN M. GOLDEN REVOCABLE LIVING TRUST DATED 3/3/98

By: /s/ Steven M. Golden
Name: Steven M. Golden
Title: Trustee

STEVEN M. GOLDEN L.L.C.

By: /s/ Steven M. Golden
Name: Steven M. Golden
Title: Member

MATTHEW MOOG

/s/ Matthew Moog

MOOG INVESTMENT PARTNERS LP

By: /s/ Matthew Moog
Name: Matthew Moog
Title: Gen. Partner

ROBERT J. KAMERSCHEN

/s/ Robert J. Kamerschen

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HUGH R. LAMLE

/s/ Hugh R. Lamle

HLBL FAMILY PARTNERS LP

By: /s/ Hugh R. Lamle

Name:
Title: Managing GP

HUGH AND BETSY LAMLE FOUNDATION

By: /s/ Hugh R. Lamle

Name:
Title: President

RICHARD H. ROGEL REVOCABLE LIVING TRUST DATED 3/21/90

By: /s/ Richard H. Rogel

Name: Richard H. Rogel
Title:

RICHARD ROGEL -- CHARITABLE REMAINDER TRUST

By: /s/ Richard H. Rogel

Name: Richard H. Rogel
Title:

[Voting Agreement]

[RICHARD ROGEL LIMITED PARTNERSHIP]

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By: /s/ Richard H. Rogel

Name: Richard H. Rogel
Title:

COOLSAVINGS.COM INC., as third party beneficiary

By: /s/ Matthew Moog

Name: Matthew Moog
Title: President & CEO [Voting Agreement]

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Exhibit 10.1

AMENDED AND RESTATED
SENIOR SECURED LOAN AND SECURITY AGREEMENT

Date: July 30, 2001

THIS AMENDED AND RESTATED SECURED LOAN AND SECURITY AGREEMENT (hereinafter, the "Agreement") is made between Landmark Communications, Inc. (hereinafter, "Lender"), a corporation organized and existing under the laws of the State of Virginia having an office at 150 W. Brambleton Avenue, Norfolk, VA 23510, and coolsavings.com inc. (hereinafter, "Borrower"), a Michigan corporation with its principal executive offices at 360 N. Michigan Ave., 19/th/ Floor, Chicago, IL 60601, in consideration of the mutual covenants contained herein and benefits to be derived herefrom. This Agreement supersedes that certain Loan and Security Agreement, dated as of June 14, 2001, by and between the Lender and the Borrower (the "Original Agreement"). The Master Note that was made by the Borrower in favor of the Lender pursuant to the Original Agreement shall be amended and restated in its entirety by the Borrower and the Lender on the terms and conditions of the Senior Secured Note attached hereto as Exhibit A (the "Note"). All capitalized terms shall have the respective meanings ascribed to them in Exhibit B hereto.

W I T N E S S E T H:

ARTICLE 1.

THE LOAN

1.1. Initial Loan and Advances.

(a) For value received Borrower unconditionally promises to pay to the order of Lender on the Maturity Date (as defined below), without offset, the original principal sum of Five Million Dollars ($5,000,000.00) (the "Original Principal Amount") with interest on the outstanding principal amount which shall accrue and compound thereon at the interest rates set forth below (the "Initial

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Loan") and as set forth in the Note.

(b) For value received Borrower unconditionally promises to pay to the order of Lender ON DEMAND, without offset, the unpaid principal amount of any and all sums advanced to the Borrower at the Lender's sole discretion, from time to time (an "Advance") and outstanding under that certain Commercial Demand Grid Note attached hereto as Exhibit C (the "Grid Note") together with interest on each and all such Advances from the date of any such Advance which shall accrue and compound thereon at the interest rates set forth below (the Initial Loan together with any and all Advances, the "Loan"). Notwithstanding the foregoing, the aggregate amount of any Advances under the Grid Note shall at no time exceed Five Million Dollars ($5,000,000). Lender shall not be obligated to make any Advance to Borrower at any time and should Lender, in its sole discretion, make an Advance, the decision to evidence Borrower's repayment obligation with respect thereto under the Grid Note shall also be at Lender's sole discretion. The Grid Note shall be a demand obligation which shall be payable by the Borrower at Lender's demand at any time and from time to time. For purposes of this

Agreement, "Advance" shall be deemed to include any reimbursement obligation of Borrower to Lender that Lender records as an advance under the Grid Note.

(c) As additional consideration for the Initial Loan, the Borrower shall issue to the Lender a warrant to purchase common stock of the Borrower in the form attached hereto as Exhibit D (the "Initial Warrant").

1.2. Interest on the Initial Loan and Repayment.

(a) The outstanding principal amount on the Initial Loan shall bear interest at the rate of twelve percent (12%) per annum; provided, however, that if the First Tranche Closing as such term is defined in that certain Securities Purchase Agreement, dated as of July 30, 2001, by and among the Borrower, the Lender and Landmark Ventures VII, LLC (the "Purchase Agreement") is consummated, then from and after the date of such Closing the Initial Loan (including the outstanding principal and interest that has then accrued) shall bear interest at the rate of eight percent (8%) per annum. Interest shall be computed on the actual number of days elapsed on the basis of a year consisting of 360 days. All interest shall accrue and compound quarterly on: October 31, January 31, April 30 and July 31 of each year (each such date, a "Quarterly Payment Date"). Such accrued and compounded interest shall be added to the principal amount of the Note.

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(b) Notwithstanding the foregoing, any amount outstanding under the Initial Loan shall bear interest from and after the Maturity Date at the rate of sixteen (16%) per annum (the "Default Interest Rate"), increasing monthly by an annual rate which is one (1) percentage point above the then current Default Interest Rate for each month that the Note remains overdue. Any interest on the Initial Loan accruing after the Maturity Date shall accrue and be compounded monthly (the date of such compounding, the "Monthly Compounding Date" and collectively with the Quarterly Payment Date, the "Compounding Date") until the obligation of Borrower, with respect to the payment of such interest, has been discharged (whether before or after judgment). Such accrued and compounded interest shall be added to the principal amount of the Note.

(c) Notwithstanding the foregoing, the effective annual rate under the Initial Loan (including the Default Interest Rate) shall not exceed a maximum annual rate of twenty-four (24%) percent or the maximum annual rate permitted by law, whichever is less.

(d) The Initial Loan shall be paid in full on the Maturity Date. Until the Initial Loan is paid in full, on each Compounding Date, in lieu of a cash payment of the interest due, Borrower shall pay such interest "in-kind". In lieu of delivering separately documented and certificated promissory notes (the "Note PIK Payment") and warrants (the "Warrant PIK Payment") for such "in-kind" payments, the Note PIK Payment shall be effected by adding the accrued interest to the principal amount of the Note (as described by the compounding in Sections 1.2(a) and 1.2(b) above) and the Warrant PIK Payment shall be effected through the provision in the Initial Warrant which provides that for every dollar of interest accrued, compounded and added to the principal amount of the Initial Loan, the aggregate number of shares of Borrower's common stock that may be purchased under the Initial Warrant shall be increased by two (2) (as such number may be adjusted for dividends, splits, combinations and the

like). The foregoing notwithstanding, no Warrant PIK Payment shall be required until after the First Tranche Closing and then only in respect of interest payments accruing thereafter under the Initial Loan. Lender acknowledges that the amount of the Note PIK Payment shall be deemed an additional loan borrowed from the Lender (it being further acknowledged by the Borrower that it shall not receive additional funds in connection with any such loan).

(e) Borrower may not prepay the Initial Loan except as follows: On or after the third anniversary of the date hereof, the Borrower may prepay the Note if and only if (i) the Borrower has had earnings and positive cash flow during the most recent four fiscal quarters prior to such payment, (ii) Borrower has no Indebtedness outstanding other than the Initial Loan, the Senior Secured

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Note and trade payables incurred in the ordinary course of business (none of which shall be more than ninety (90) days past due), (iii) the Quick Ratio set forth in 4.12 below, immediately after giving effect to the prepayment, will be 2 to 1 and the Working Capital, also immediately after giving effect to the prepayment, will be a net positive of $3 million, and (iv) Borrower's chief financial officer has certified to Lender in writing (including supporting computations) that each of the foregoing conditions is satisfied.

1.3. Interest on any Advances.

(a) The outstanding principal amount on any Advances hereunder shall bear interest at the rate of eight percent (8%) per annum. Interest shall be computed on the actual number of days elapsed on the basis of a year consisting of 360 days.

(b) Any amounts outstanding under any Advances hereunder that shall have been demanded by the Lender hereto and not paid shall bear interest from and after the date of such applicable demand at the rate of sixteen (16%) per annum (the "Demand Interest Rate"), increasing monthly by an annual rate which is one (1) percentage point above the then current Demand Interest Rate for each month that the Grid Note remains overdue. Any interest on the Advances shall accrue and be compounded monthly until the obligation of Borrower, with respect to the payment of such interest, has been discharged (whether before or after judgment).

(c) Notwithstanding the foregoing, the effective annual rate under the Advances (including the Demand Interest Rate) shall not exceed a maximum annual rate of twenty-four (24%) percent or the maximum annual rate permitted by law, whichever is less.

(d) Borrower may prepay the Grid Note at any time and from time to time.

1.4. Priority of Payment.

(a) All payments under the Loan shall be made to Lender at its address specific above, or at such other address as Lender may specify in writing to Borrower. All payments received from Borrower hereunder shall be applied, at the option of Lender, first in payment of any costs or expenses of Lender due to Lender pursuant to the terms of this Agreement, second in payment of interest accrued and unpaid on the Grid Note, third in payment of the outstanding principal balance of the Grid Note, and, when prepayment is permitted, fourth to the payment of interest accrued and unpaid on the Note, and fifth, to reduce the principal balance of the Note.

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(b) At Lender's sole discretion, Lender may forgive any portion of any principal or interest amounts due under the Grid Note and unpaid as effective payment of any portion of the exercise price of any warrants to purchase common stock of Borrower that Lender then holds and wishes to exercise. Any payments of expenses, principal or interest shall be made in lawful money of the United States of America.

1.5. Maturity Date of the Initial Loan. Borrower shall pay all outstanding principal and unpaid accrued interest on the Note in full on January 26, 2002 (the "Maturity Date"); provided, however, that, if the transactions contemplated under the Purchase Agreement are consummated, the Maturity Date of the Note shall be June 30, 2006. Notwithstanding the foregoing if any amount under the Initial Loan or any Advances are not paid in full when due or demanded, whether at maturity, by acceleration or otherwise (the "Default Date"), the Maturity Date shall be the Default Date.

1.6. Change of Control. If at any time after the date of this Agreement and prior to the Maturity Date, Borrower shall undergo a Change of Control, then the holder hereof shall have the option to accelerate the Maturity Date to the date of the consummation of such Change of Control and demand payment of all outstanding principal and unpaid accrued interest on the Note and the Grid Note in full in lawful money of the United States of America payable at the principal office of Lender, or at such other place as Lender may specify in writing to Borrower.

1.7. Use of Proceeds. The proceeds of the Loan shall be used solely for general working capital purposes.

ARTICLE 2.

GRANT OF SECURITY INTEREST

2.1. Grant of Security Interest. To secure Borrower's prompt, punctual, and faithful performance of all and each of Borrower's Liabilities, Borrower hereby grants to Lender a continuing security interest in and to, and assigns to Lender, the following, and each item thereof, whether now owned or now due, or in which Borrower has an interest, or hereafter acquired, arising, or to become due, or in which Borrower obtains an interest, and all products, proceeds, substitutions, and accessions of or to any of the following (all of which, together with any other property in which Lender may in the future be granted a security interest, is referred to herein as the "Collateral"):

(a) All Accounts and Accounts Receivable (including health-care-insurance receivables);

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(b) All Inventory;

(c) All Contract Rights (or other rights to the payment of money);

(d) All General Intangibles (including without limitation all intellectual property, payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, engineering drawings, service marks, and all licenses, permits, agreements of any kind or nature pursuant to which Borrower possesses, uses

or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of Borrower);

(e) All Investment Property;

(f) All Equipment (and any accessions thereto);

(g) All Goods;

(h) All Fixtures;

(i) All Chattel Paper (whether tangible or electronic);

(j) All books, records, and information relating to the Collateral and/or to the operation of Borrower's business, and all rights of access to such books, records, and information, and all property in which such books, records, and information are stored, recorded and maintained;

(k) All software, computer programs, customer lists, tax refunds, goodwill, trade secrets, and other recorded data, including without limitation writings, plans, specifications and schematics, and all rights relating to the foregoing;

(l) All Instruments (including promissory notes), Documents of Title, Documents, policies and certificates of insurance, Securities and all other investment property, supporting obligations, deposits, deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, general tort claims, impressed accounts, compensating balances, money, cash, or other property;

(m) All insurance claims and proceeds, refunds and premium rebates, including, without limitation, proceeds of fire and credit insurance, whether any of such proceeds, refunds, and premium rebates arise out of any of the foregoing ((a) - (1)) or otherwise; and

(n) All liens, guaranties, rights, remedies, and privileges

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pertaining to any of the foregoing including the right of stoppage in transit.

(o) Any and all Bank Collateral and Additional Bank Collateral as such terms are defined in Section 2(h) of the Forbearance and Reaffirmation Agreement dated as of June 15, 2001, as amended July 27, 2001, by and between American National Bank and Trust Company ("ANB") and the Borrower (the "ANB Forbearance Agreement").

2.2. Extent and Duration of Security Interest. This grant of a security interest is in addition to, and supplemental of, any security interest previously granted by Borrower to Lender, is applicable to all Liabilities, and shall continue in full force and effect until all Liabilities have been paid and/or satisfied in full and the security interest granted herein is specifically terminated in writing by a duly authorized officer of Lender.

ARTICLE 3.

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

To induce Lender to establish the loan arrangement contemplated herein and to make loans and advances and to provide financial accommodations hereunder, each of which loans shall be deemed to have been made in reliance thereupon, Borrower, in addition to all other representations, warranties, and covenants made by Borrower in any other Loan Document, makes the following representations, warranties, and covenants.

3.1. Due Organization. Borrower presently is and shall hereafter remain in good standing as a corporation in its state of formation and is and shall hereafter remain duly qualified and in good standing in every other State in which, by reason of the nature or location of Borrower's assets or operation of Borrower's business, such qualification may be necessary and the failure to be so qualified would have a Material Adverse Effect on the Borrower or its businesses.

3.2. Corporate Authorization. Borrower has all requisite corporate power and authority to execute and deliver to Lender all and each of the Loan Documents to which Borrower is a party, and has and will hereafter retain all requisite corporate power to perform all and singular of the Liabilities.

3.3. Enforceability. The Loan Documents have been duly executed and delivered by Borrower and are the legal, valid and binding obligations of

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Borrower, enforceable against Borrower in accordance with their respective terms.

3.4. Consents and Approvals; No Violations. The execution and delivery of the Loan Documents and the consummation of the transactions contemplated hereby and thereby will not: (a) violate or conflict with any provision of the Charter or bylaws of Borrower; or (b) breach, violate or constitute a material event of default (or an event which with the lapse of time or the giving of notice or both would constitute a material event of default) under, give rise to any right of termination, cancellation, modification or acceleration under, or require any consent or the giving of any notice under, any note, bond, indenture, mortgage, security agreement, lease, license, franchise, permit, agreement or other instrument or obligation to which Borrower is a party, or by which Borrower or any of its properties or assets may be bound, or result in the creation of any material lien, claim or encumbrance or other right of any third party of any kind whatsoever upon the properties or assets of Borrower pursuant to the terms of any such instrument or obligation (other than any breach, violation or default that has been expressly waived in connection herewith) and other than any liens granted pursuant to the Loan Documents. All of the representations and warranties under the Original Agreement were and are, respectively, true and correct in all respects at and as of the date of the Original Agreement and on and as of the date hereof (as though made on and as of the date hereof).

3.5. Title to Properties; Security Interest. Borrower has good and valid title to all personal property, tangible or intangible, which Borrower purports to own and which is pledged hereunder, including the properties reflected on the Balance Sheet or acquired after the date thereof (other than properties and assets sold or otherwise disposed of in the ordinary course of

business and consistent with past practice since the Statement Date), free and clear of any claims, liens, pledges, security interests or encumbrances of any kind whatsoever, except those in favor of Lender, subject only to the prior security interests granted to ANB and Midwest Guaranty Bank (solely with respect to equipment leases). The security interests granted to Lender in the Collateral constitute valid and perfected security interests in the Collateral.

3.6. Name; Location of Chief Executive Office; Location of Collateral. Except as disclosed on Schedule 3.6, Borrower has not done business and will not, without at least thirty (30) days prior written notice to Lender, do business under any name other than that specified in the preamble above. The chief executive office of Borrower is located at the address indicated in the preamble above. Schedule 3.6 is a complete and accurate list of every location at which any of the Collateral is located. Borrower shall not effect the Merger contemplated under the Purchase Agreement unless and until (a) the surviving

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corporation assumes all of Borrower's obligations hereunder and (b) Borrower takes all steps required to preserve and maintain Lender's perfected security interests in the Collateral, subject only to the prior security interests granted to ANB and Midwest Guaranty Bank (solely with respect to equipment leases).

3.7. Representations, Warranties, and Covenants Contained in Purchase Agreement. Borrower represents, warrants and covenants that all of the representations, warranties, and covenants made by Borrower under the Purchase Agreement are true and complete as of the date hereof, and agrees that such representations, warrants and covenants are incorporated and made part of this Agreement by reference and shall continue in full force and effect regardless of any termination of such Purchase Agreement or any survival limitation therein.

3.8. Disclosure. No representation or warranty by Borrower contained in this Agreement or the Purchase Agreement and no statement contained in any schedule, certificate or other document or instrument delivered or to be delivered pursuant to the Loan Documents by Borrower or its representatives contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained therein not misleading when made.

ARTICLE 4.

AFFIRMATIVE COVENANTS

Borrower covenants and agrees that, until payment in full of the outstanding Liabilities or for so long as Lender may have any commitment to make any loans or advances, Borrower will continue to do all of the following:

4.1. Payment of Obligations. Punctually pay the principal of and interest on the Liabilities, at the times and places, in the manner and in accordance with the terms of this Agreement, the Note, the Grid Note, and the other Loan Documents.

4.2. Conduct of Business and Maintenance of Existence. Continue to engage in business of the same general type as now being conducted by the Borrower, and do and cause to be done all things necessary to maintain and keep in full force and effect its corporate existence in good standing in each jurisdiction in which it conducts business.

4.3. Compliance with Laws, Etc. Comply in all material respects with all laws, statutes, ordinances, orders, rules or regulations applicable to the

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Borrower or to the Collateral (or any part thereof) or to any other property owned, leased, operated or used by the Borrower, including, without limitation, environmental laws, the violation of which would have a material adverse effect on the business, operations, properties or financial condition of the Borrower; provided, Lender acknowledges that Borrower is currently not in compliance to the extent described in Schedule 3.12 of the Purchase Agreement; and, provided, further that notwithstanding such acknowledgement Borrower shall use its best efforts to promptly cure such non-compliance and nothing herein shall be deemed or construed to excuse or otherwise modify Borrower's indemnification obligations under the Purchase Agreement with respect to such matters.

4.4. Payment of Liabilities and Taxes. Pay, when due, all of its Indebtedness and liabilities, and pay and discharge promptly all taxes, assessments and governmental charges and levies (including, without limitation, F.I.C.A. payments and withholding taxes) upon the Borrower or upon the Borrower's income, profits or property (including, without limitation, the Collateral), except to the extent the amount or validity thereof is contested in good faith by appropriate proceedings so long as adequate reserves have been set aside therefor. It is acknowledged that existing payment defaults have been disclosed under Schedule 3.8 of the Purchase Agreement and that such defaults shall be cured in the manner described in Section 5.15 of the Purchase Agreement.

4.5. Contractual Obligations. Comply with any agreement or undertaking to which the Borrower is a party and maintain in full force and effect all contracts and leases to which the Borrower is or becomes a party unless the failure to do so would not have a material adverse effect on the business, operation, properties or financial condition of the Borrower.

4.6. Maintenance of Properties. Do all things necessary to maintain, preserve, protect and keep its properties in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that the Borrower's business may be properly conducted at all times, unless the failure to do so would not have a material adverse effect on the business, operation or financial condition of the Borrower. The Borrower shall promptly notify the Lender of any event causing deterioration, loss or depreciation in value of any substantial portion of the Collateral and the amount of such loss or depreciation. The Borrower shall perform, observe, and comply with all of the terms and provisions to be performed, observed or complied with by it under each contract, agreement or obligation relating to the Collateral. The Lender shall have no duty to, and the Borrower hereby releases the Lender from all claims for loss or damage caused by the failure of the Lender to, collect, protect, preserve or enforce any of the Collateral or preserve rights against account debtors and prior parties to the Collateral.

4.7. Insurance.

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(a) Borrower, at its expense, shall keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers, and all other hazards and risks, and in such amounts, as ordinarily insured against by other owners in similar businesses conducted in the locations where Borrower's business is conducted. Borrower shall also maintain insurance relating to Borrower's ownership and use of the Collateral in amounts and of a type that are customary to

businesses similar to Borrower's. Borrower shall also maintain liability insurance and worker's compensation insurance.

(b) All such policies of insurance shall be in such form, with such companies, and in such amounts as are reasonably satisfactory to Lender. All such policies of property insurance shall contain a lender's loss payable endorsement, in a form satisfactory to Lender, showing Lender as an additional loss payee thereof and all liability insurance policies shall show the Lender as an additional insured, and shall specify that the insurer must give at least twenty (20) days notice to Lender before canceling its policy for any reason. At Lender's request, Borrower shall deliver to Lender certified copies of such policies of insurance and evidence of the payments of all premiums therefor. All proceeds payable under any such policy shall, at the option of Lender, be payable to Lender.

4.8. Inspection. Permit the Lender, by its representatives and agents, to inspect any of the properties, books and financial records of the Borrower, to examine and make copies of the books of accounts and other financial records of the Borrower, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, the Borrower (or its representatives) at such reasonable times and intervals as the Lender may designate. In connection with the foregoing, the Lender and its representatives and agents, at the expense of the Borrower, shall have the right to (a) enter any business premises of the Borrower or any other premises where the Collateral and the records relating thereto may be located and to audit, appraise, examine and inspect the Collateral and all records related thereto and to make extracts therefrom and copies thereof, and (b) verify under reasonable procedures the validity, amount, quality, quantity, value and condition of, and any other matter relating to, the Collateral, including contacting account debtors or any person possessing any of the Collateral.

4.9. Collection of Receivables Collateral. Collect its Receivables Collateral only in the ordinary course of business consistent with Borrower's past practices, and shall not, without the Lender's prior written consent unless done so in the ordinary course of business consistent with past practices made known to the Lender in writing, compromise or adjust the amount of any Receivable Collateral or extend the time for payment of any Receivable Collateral.

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4.10. Further Assurances. Defend the title of the Borrower to the
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Collateral and the security interest and lien thereon of the Lender against all persons and against all security interests and liens on the Collateral adverse to those of the Lender. The Borrower will, from time to time, at the expense of the Borrower, execute, deliver, acknowledge and cause to be duly filed, recorded or registered any statement, assignment, instrument, paper, agreement or other document and take any other action that from time to time may be necessary or desirable, or that the Lender may reasonably request, in order to create, preserve, continue, perfect, confirm or validate the security interest and lien of the Lender on the Collateral or to enable the Lender to obtain the full benefits of this Agreement or to exercise and enforce any of its rights, powers and remedies hereunder or under applicable laws. The Borrower shall pay all costs of, and incidental to, the filing, recording or registration of any such document as well as any recordation, transfer or other tax required to be paid in connection with any such filing, recordation or registration. The Borrower hereby covenants to save harmless and indemnify the Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes and recording costs incurred by the Lender in connection with this Agreement or

the Collateral which covenant shall survive the termination of this Agreement and the payment of all other Liabilities. The Borrower agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement signed by the Borrower in connection with this Agreement shall be sufficient as a financing statement. If any Receivable Collateral arises out of a contract with the United States of America or any state, county, municipality or any department, agency or instrumentality thereof, the Borrower shall immediately notify the Lender thereof and, if required by the Lender, execute and deliver any agreements, notices and/or assignments and do such other things as may be satisfactory to the Lender in order that all sums due or to become due to the Borrower under such contract shall be duly assigned to the Lender in accordance with the Federal Assignment of Claims Act and/or any other applicable federal, state and local laws or regulations relating to the assignment of governmental obligations. If, in the reasonable opinion of the Lender, any Equipment is or may become a part of any real estate owned or leased by the Borrower, the Borrower will, upon the request of the Lender, use its best efforts to furnish to the Lender in form and content satisfactory to the Lender, a landlord's waiver by the record owner of such real estate and a mortgagee's waiver by any person who has a security interest or lien on such real estate which is or may be superior to the security interest and lien of the Lender on such Equipment.

4.11. Notice. Promptly give written notice to the Lender of (a) the
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occurrence of any Default or any event, development or circumstance which might materially adversely effect the business, operations, properties or financial

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condition of the Borrower, (b) any litigation instituted or threatened against the Borrower or any judgment against the Borrower where claims against the Borrower exceed $50,000 and are not covered in full by insurance, and (c) any notice of a claim against, or investigation of, the Borrower, the Collateral or any other property owned, leased, operated or used by the Borrower. Borrower shall also promptly provide Lender with copies of all notices received from, or required to be provided to, ANB or Midwest Guaranty Bank under the Forbearance Agreements, or to any landlord from which the Borrower leases any real property under any lease agreement.

4.12. Financial Covenants.

(a) Performance Against Forecast. By e-mail dated July 27, 2001, Borrower delivered to Lender a "coolsaving.com (Conservative Case) Cash Source & Use Forecast 2001 (Jun 18 to Dec 31)" (the "Conservative Forecast") 7/27/01 12:00 AM.[1] During each calendar month in 2001 and each calendar quarter in 2002, Borrower shall comply with each of the following:

(i) Borrower's Earned Cash Billings (defined below) shall not be less than the "Invoicing (Est.) cash" amount for the applicable month or the "[number] quarter 2002 cash" amount for the applicable quarter as set forth in Section II of the Conservative Forecast (e.g., $1,998,000 for September 2001);

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[1] For purposes of identification, the Conservative Forecast indicates Projected Cash (Requirement) of $1,316,357.69 at 31-Dec-01 and ($5,075,595.70) at 4th Quarter 2002.

(ii) Borrower's actual Costs of Services and actual Marketing expenses shall not exceed the "Cost of Services" and "Marketing" amounts, respectively (each, a "Cost Threshold"), for the applicable month or quarter as set forth in Sections VI and VII of the Conservative Forecast (e.g., $235,224.10 in Costs of Services and $478,696 in Marketing for September 2001) unless the amount by which the applicable Cost Threshold is exceeded in the applicable month or quarter is offset on a dollar-for-dollar basis by the amount by which the Earned Cash Billings exceed the "Invoicing (Est.) cash" amount in the applicable month or quarter;

(iii) Borrower's actual capital expenditures shall be in an amount at least equal to the "Capital Expenditure Budget" amount for the applicable month or quarter as set forth in Section VII of the Conservative Forecast;

(iv) Borrower's actual accounts payable balance shall not exceed the "Period Ending A/P balance" amount for the applicable month or quarter as set

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forth in Section V of the Conservative Forecast by an amount more than the lesser of (A) $100,000, or (B) 2% of the applicable "Period Ending A/P balance" on the Conservative Forecast;

(v) Borrower's actual cash on hand shall not be less than 98% of the "Projected Cash Requirement" amount for the applicable month or quarter as set forth in Section IX of the Conservative Forecast; and

(vi) Borrower's bad debt experience with respect to the billings rendered in a month or quarter, as applicable, shall not be more than 3% of the Earned Cash Billings for such month or quarter.

Each item used or included for purposes of calculating an entry on the Conservative Forecast (such as "Cost of Services") shall be consistently used and included for purposes of calculating the "actual" amount of such entry in the applicable test set forth above; provided, Earned Cash Billings shall be calculated as provided below.

(b) Minimum Working Capital and Ratio. Borrower shall maintain on a consolidated basis, as of the last day of each calendar month, Working Capital (defined below) and a Quick Ratio (defined below) of at least the following amounts at the following times:

Minimum Working Capital	Quick Ratio	Period
($4,500,000; deficit increasing by $1,500,000 for each month after 9/30/01 that First Tranche Closing is delayed)	.3 to 1.0	through First Tranche Closing
$200,000	.4 to 1.0	First Tranche Closing through Second Tranche Closing
$600,000	.5 to 1.0	Second Tranche Closing through June 30, 2002
$750,000	1.0 to 1.0	July 1, 2002 through December 31, 2002
$2,000,000	1.3 to 1.0	At all times thereafter

(c) Total Indebtedness to Tangible Net Worth. Borrower shall maintain on a consolidated basis, as of the last day of each calendar month, a ratio of Total Indebtedness (defined below) to Tangible Net Worth (defined below) of at least the following amounts at the following times:

Indebtedness/Net

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Worth Ratio:	Period
[N/A]	through First Tranche Closing
8.0 to 1.0	First Tranche Closing through Second Tranche Closing
2.0 to 1.0	Second Tranche Closing through first four full fiscal quarters thereafter
1.0 to 1.0	At all times thereafter

(d) Total Indebtedness to EBITDA. Borrower shall maintain on a consolidated basis, as of the last day of each calendar month, a ratio of Total Indebtedness to EBITDA (defined below) of at least the following amounts at the following times:

Indebtedness/ EBITDA Ratio:	Period:
3.0 to 1.0	From and after December 31, 2002

(e) Compliance Certificate. Within fifteen (15) business days after the end of each calendar month and twenty (20) days after the end of each quarter, as applicable,, Borrower shall deliver to Lender a compliance certificate, executed by Borrower's president and its chief financial officer (and in a form reasonably satisfactory to Lender) which certifies Borrower's compliance with the financial covenants in this Section 4.12 for the immediately preceding month and quarter, as applicable.

4.13. Commercial Tort Claims. If Borrower shall at any time hold or acquire a commercial tort claim, Borrower shall immediately notify Lender in a writing signed by Borrower of the brief details thereof and grant to Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Lender.

4.14. Newly Created Intellectual Property. Borrower will promptly notify Lender of all new trademark, patent and copyright registrations and applications for registration now or hereafter filed by Borrower.

ARTICLE 5.

NEGATIVE COVENANTS

Borrower covenants and agrees that, until payment in full of the

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outstanding Liabilities, Borrower will not do any of the following:

5.1. Dispositions. Convey, sell, lease, transfer or otherwise dispose of (collectively, a "Transfer"), all or any part of its business or property, other than Transfers: (i) of inventory in the ordinary course of business, (ii) of non-exclusive licenses and similar arrangements for the use of the property of Borrower in the ordinary course of business; (iii) that constitute payment of normal and usual operating expenses in the ordinary course of business; or (iv) of worn-out or obsolete equipment.

5.2. Changes in Business. Engage in any business, other than the businesses currently engaged in by Borrower and any business substantially similar or related thereto (or incidental thereto). The Company acknowledges that excessive e-mail transmissions, while promoting short-term revenue increases, could have detrimental effects on the long term financial prospects of the Company. The Company agrees to monitor the member opt-out rate and to not transmit excessive member e-mails that could cause such opt-out rate to exceed 3.5%.

5.3. Dividends or Investments. Borrower shall not, without the prior written consent of Lender:

(a) Pay any cash dividend or make any other distribution in respect of any class of Borrower's capital stock (other than dividends paid in kind with respect to Borrower's Series B Preferred Stock);

(b) Own, redeem, retire, purchase, or acquire any of Borrower's capital stock;

(c) Invest in or purchase any stock or securities or rights to purchase any such stock or securities, of any corporation or other entity;

(d) Merge or consolidate or be merged or consolidated with or into any other corporation or other entity or acquire all or substantially all of the assets of any corporation or other entity;

(e) Consolidate any of Borrower's operations with those of any other corporation or other entity;

(f) Organize or create any Related Entity; or

(g) Subordinate any debts or obligations owed to Borrower by any third party to any other debts owed by such third party to any other Person.

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5.4. Restrictions on Indebtedness; Expenditures and Material Obligations.

(a) Borrower shall not make any loans or advances to, nor acquire, guarantee or otherwise become responsible for the Indebtedness of, any Person, other than advance payments made to Borrower's suppliers in the ordinary course or to Borrower's employees for travel and related expenses.

(b) Borrower shall not create, incur, assume or be or remain liable with respect to Indebtedness, except for (i) Permitted Indebtedness and (ii) trade indebtedness incurred in the ordinary course of business.

(c) Borrower shall not make any payment in respect of any Indebtedness, except payments made in respect of (i) Permitted Indebtedness, to the extent such payments are made in compliance with the terms of such Permitted Indebtedness (and do not constitute prepayments, other than the prepayments required under the terms of the Forbearance Agreements) and (ii) trade indebtedness incurred in the ordinary course of business. Without limiting the payments prescribed in the preceding sentence, Borrower shall not (A) make any payment out of the ordinary course of business, (B) make any payment to any shareholder or shareholder Affiliate (excluding payments made to Borrower and/or its Affiliates) or any director, officer or employee (excluding employee salaries, board fees and expense reimbursements in accordance with Borrower's policies and procedures) or (C) make any payment that could cause Borrower to breach the financial covenants made under this Agreement or prevent Borrower from paying, when due, accrued dividends on its Series B Preferred Stock.

(d) Borrower shall not amend any provision contained in any documentation relating to any Indebtedness (including Permitted Indebtedness) without Lender's prior written consent.

(e) Borrower shall not make any material increases in annual salaries of its employees outside of the ordinary course and consistent with past practice.

(f) Borrower shall not enter into any material agreements, joint venture agreements, license agreements, revenue sharing agreements, or other arrangements which allocate revenues to a third party or obligate Borrower to pay any kind of fees which, individually, would exceed $250,000 per year, or $750,000 over the term such arrangement, or which when combined with all similar arrangements would involve fees in excess of $2,000,000.

(g) Borrower shall not enter into any material agreements, joint venture agreements, license agreements, revenue sharing agreements, alliances or other arrangements which allocate revenues to a third party or obligate Borrower to perform any services which on an arms length basis calculated at fair market value, individually would exceed $250,000 per year, or $750,000 over the term of such arrangement, or which when combined with all similar arrangements would

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involve in kind services on an arms length basis calculated at fair market value in excess of $2,000,000.

5.5. Transactions with Affiliates. Directly or indirectly enter into any material transaction with any Affiliate of Borrower or permit to exist any such material transaction other than as set forth on Schedule 5.5 (which shall only list transactions existing through the date hereof) except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a nonaffiliated Person.

5.6. Executive Management. Borrower shall not change its Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, or Executive Vice President, Business Development from those individuals occupying such positions at the execution of this Agreement without the written consent of Lender.

5.7. Amendment to Forbearance Agreements; Additional Borrowings. Without the prior written consent of the Lender, the Borrower shall not (i) amend, alter or terminate the ANB Forbearance Agreement or that certain Forbearance Agreement between Midwest Guaranty Bank and the Borrower dated July 27, 2001, or that certain Letter Agreement between 360 Michigan Trust and the Borrower dated June 14, 2001 (collectively, the "Forbearance Agreements") or (ii) incur any additional indebtedness from ANB or Midwest Guaranty Bank at any time, whether under existing loan documents or otherwise.

5.8. Change in Control. Borrower shall not, without the prior written consent of Lender, change the ownership of the capital stock of Borrower such that a Change of Control would result.

5.9. Changes in Business Locations or Incorporation. Borrower will not, without at least thirty (30) days prior written notification to Lender, relocate its chief executive office or add any new offices or business locations or create any Subsidiary or reincorporate in any other jurisdiction (excluding the reincorporation contemplated by the Merger).

5.10. Encumbrances. Create, incur, assume or suffer to exist any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, except for permitted Encumbrances hereunder.

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ARTICLE 6.

EVENTS OF DEFAULT

The occurrence of any event described in this Article 6 shall constitute an "Event of Default" herein. Upon the occurrence of any Event of Default any and all Liabilities shall become due and payable, without any further act on the part of Lender. Upon the occurrence of any Event of Default, or the entry of any order for relief with respect to Borrower under the Bankruptcy Code, any and all Liabilities of Borrower to Lender shall become immediately due and payable, at the option of Lender and without notice or demand. The occurrence of any Event of Default shall also constitute, without notice or demand, a default under all other agreements between Lender and Borrower and instruments and papers given Lender by Borrower, whether such agreements, instruments, or papers now exist or hereafter arise.

6.1. Failure to Pay the Loan. The failure by Borrower to pay, when due, any amount under the Loan or any other Liability provided that such failure to pay is not cured within five (5) business days.

6.2. Failure to Perform Covenant or Liability. Except for payment defaults as set forth in Section 6.1, the failure by Borrower to promptly, punctually, faithfully and timely to perform or discharge, or to comply with, any covenant to or with Lender or any Liability, provided, however, that such failure or breach is not cured within twenty (20) days from date of notice given by Lender in the manner provided in Section 9.15; provided, further, that (a) no further notice shall be required from Lender if Borrower has delivered to Lender a certificate in which the breach or default is disclosed or is otherwise aware of the breach or default as a result of written notices sent or received by Borrower, and (b) the cure period under this Section 6.2 shall

be interpreted to run concurrently and not consecutively with Section 9.2(e) of the Purchase Agreement.

6.3. Misrepresentation. The determination by Lender that any representation or warranty at any time made by Borrower to Lender, including without limitation any representation and warranty made under the Original Agreement, this Agreement or the Purchase Agreement, was not true or complete in all material respects (in all respects to the extent the representation or warranty is qualified by a materiality standard) when given or has otherwise been breached; provided, however, to the extent the breach relates to a breach of a representation and warranty under the Purchase Agreement (which would otherwise trigger an Event of Default under this Agreement by virtue of being incorporated by reference), then an Event of Default hereunder shall not be

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deemed to exist unless under the terms of the Purchase Agreement, Borrower or its Affiliate is entitled to be indemnified for any Losses (as defined in the Purchase Agreement) (any such breach as excepted hereunder is hereafter a "Representation and Warranty Exception").

6.4. Acceleration of Other Debt. The occurrence of any event such that any Indebtedness of Borrower to any creditor other than Lender has been accelerated and has not been cured within five (5) business days.

6.5. Default Under Other Agreements. The occurrence of any breach or default under any agreement between Lender and Borrower (subject to Representation and Warranty Exception) or under any of the Forbearance Agreements (including for such purposes an event which, with or without notice or the passage of time or both, would constitute a breach or default) including without limitation any breach of a covenant, representation or warrant made under this Agreement, the Forbearance Agreements, the Purchase Agreement, or any instrument or paper given to Lender by Borrower, whether such agreement, instrument, or paper now exists or hereafter arises (notwithstanding that Lender may not have exercised its rights upon default under any such other agreement, instrument or paper).

6.6. Termination of Purchase Agreement. The termination of the Purchase Agreement prior to the First Tranche Closing, by any party thereto, pursuant to Section 9.2 of the Purchase Agreement.

6.7. Failure to Pay Dividends; Redemption of Series B Preferred Stock. The failure of the Borrower to declare or pay dividends on the Borrower's Series B Preferred Stock or to redeem any shares of the Series B Preferred Stock pursuant to the Borrower's Charter.

6.8. Casualty Loss; Non-Ordinary Course Sales. The occurrence of any (a) uninsured loss, theft, damage, or destruction of or to any material portion of Borrower's assets, or (b) sale (other than sales in the ordinary course of business) of the assets of Borrower.

6.9. Judgment; Restraint of Business.

(a) The service of process upon Lender seeking to attach, by trustee, mense, or other process, any of Borrower's funds on deposit with, or assets of Borrower in the possession of, Lender.

(b) The entry of any judgment against Borrower, which judgment is not

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satisfied (if a money judgment) or appealed from (with execution or similar process stayed) within fifteen (15) days of its entry.

(c) The entry of any order or the imposition of any other process having the force of law, the effect of which is to restrain in any material way the conduct by Borrower of its business in the ordinary course.

6.10. Business Failure. Any act by, against, or relating to Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee, or other person, pursuant to court action or otherwise, over all, or any part of Borrower's property; the granting of any trust mortgage or execution of an assignment for the benefit of the creditors of Borrower, or the occurrence of any other voluntary or involuntary liquidation or extension of debt agreement for Borrower; or the offering by or entering into by Borrower of any composition, extension, or any other arrangement seeking relief from or extension of the debts of Borrower, or the initiation of any other judicial or non-judicial proceeding or agreement by, against, or including Borrower which seeks or intends to accomplish a reorganization or arrangement with creditors (however, it shall not be an Event of Default hereunder until the earlier of (x) the entry of an order for relief against Borrower, or (y) the expiration of thirty (30) days without dismissal of such complaint, application, or petition if such complaint, application or petition filed against Borrower was not filed by or at the direction of Borrower or any Related Entity, and is being diligently contested).

6.11. Bankruptcy. The failure by Borrower to generally pay the debts of Borrower as they mature; adjudication of bankruptcy or insolvency relative to Borrower; the entry of an order for relief or similar order with respect to Borrower in any proceeding pursuant to the Bankruptcy Code or any other federal bankruptcy law; the filing of any complaint, application, or petition by or against Borrower initiating any matter in which Borrower is or may be granted any relief from the debts of Borrower pursuant to Bankruptcy Code or any other insolvency statute or procedure (however, it shall not be an Event of Default hereunder until the earlier of (x) the entry of an order for relief against Borrower, or (y) the expiration of thirty (30) days without dismissal of such complaint, application, or petition of such complaint, application or petition filed against Borrower was not filed by or at the direction of Borrower or any Related Entity, and is being diligently contested).

6.12. Michigan Law. The opt-in or adoption by Borrower of any provisions whether in the Borrower's Charter, Bylaws or otherwise contained in Sections 7A or 7B of the Michigan Business Corporation Act.

ARTICLE 7.

RIGHTS AND REMEDIES UPON DEFAULT

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In addition to all of the rights, remedies, powers, privileges, and discretions which Lender is provided prior to the occurrence of an Event of Default, Lender shall, at its election, without notice of its election and without demand, have the following rights and remedies upon the occurrence of any Event of Default and at any time thereafter.

7.1. Rights of Enforcement. Lender shall have all of the rights and remedies of a secured party upon default under the UCC, in addition to which Lender shall have all and each of the following rights and remedies, upon seven (7) days notice to the Borrower:

(a) To collect the Receivables Collateral with or without the taking of possession of any of the Collateral;

(b) To apply the Receivables Collateral or the proceeds of the Collateral towards (but not necessarily in complete satisfaction of) the Liabilities;

(c) To take possession of all or any portion of the Collateral;

(d) To sell, lease, or otherwise dispose of any or all of the Collateral, in its then condition or following such preparation or processing as Lender deems advisable and with or without the taking of possession of any of the Collateral; and

(e) To exercise all or any of the rights, remedies, powers, privileges, and discretions under all or any of the Loan Documents.

7.2. Sale of Collateral.

(a) Any sale or other disposition of the Collateral may be at public or private sale upon such terms and in such manner as Lender deems advisable, having due regard to compliance with any statute or regulation which might affect, limit, or apply to Lender's disposition of the Collateral.

(b) Unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which event Lender shall provide Borrower with such notice as may be practicable under the circumstances), Lender shall give Borrower at least seven (7) days prior written notice of the date, time, and place of any proposed public sale, and of the date after which any private sale or other disposition of the Collateral may be made. Borrower agrees that such written notice shall satisfy all requirements for notice to Borrower which are imposed under the UCC or other applicable law with respect to Lender's exercise of Lender's rights and remedies upon default.

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(c) Lender may purchase the Collateral, or any portion of it at any sale held under this Article.

(d) Lender shall apply the proceeds of any exercise of Lender's Rights and Remedies under this Article 7 towards the Liabilities in such manner, and with such frequency, as Lender determines.

7.3. Collection of Accounts. Upon the occurrence and during the continuance of an Event of Default, Lender may notify any Person owing funds to Borrower of Lender's security interest in such funds and verify the amount of such funds. Borrower shall collect all amounts owing to Borrower for Lender, receive in trust all payments as Lender's trustee, and if requested or required by Lender immediately deliver such payments to Lender in their original form as received from the account debtor, with proper endorsements for deposit.

7.4. Occupation of Business Location. In connection with Lender's exercise of Lender's rights under this Article, Lender may enter upon, occupy, and use any premises owned or occupied by Borrower, and may exclude Borrower from such premises or portion thereof as may have been so entered upon, occupied, or used by Lender. Lender shall not be required to remove any of the Collateral from any such premises upon Lender's taking possession thereof, and may render any Collateral unusable to Borrower. In no event shall Lender be liable to Borrower for use or occupancy by Lender of any premises pursuant to this Article, nor for any charge (such as wages for Borrower's employees and utilities) incurred in connection with Lender's exercise of Lender's Rights and Remedies.

7.5. Grant of Nonexclusive License. Borrower hereby grants to Lender a royalty-free, nonexclusive, irrevocable license to use, apply, and affix any trademark, trade name, logo, or the like in which Borrower now or hereafter has rights, such license being with respect to Lender's exercise of the rights hereunder including, without limitation, in connection with any completion of the manufacture of Inventory or sale or other disposition of Inventory.

7.6. Assembly of Collateral. Lender may require Borrower to assemble the Collateral and make it available to Lender at Borrower's sole risk and expense at a place or places which are reasonably convenient to both Lender and Borrower.

7.7. Rights and Remedies. The rights, remedies, powers, privileges, and discretions of Lender hereunder (herein, the "Lender's Rights and Remedies") shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. No delay or omission by Lender in exercising or enforcing any

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of Lender's Rights and Remedies shall operate as, or constitute, a waiver thereof. No waiver by Lender of any Event of Default or of any default under any other agreement shall operate as a waiver of any other default hereunder or under any other agreement. No single or partial exercise of any of Lender's Rights or Remedies, and no express or implied agreement or transaction of whatever nature entered into between Lender and any person, at any time, shall preclude the other or further exercise of Lender's Rights and Remedies. No waiver by Lender of any of Lender's Rights and Remedies on any one occasion shall be deemed a waiver on any subsequent occasion, nor shall it be deemed a continuing waiver. All of Lender's Rights and Remedies and all of Lender's rights, remedies, powers, privileges, and discretions under any other agreement or transaction are cumulative, and not alternative or exclusive, and may be exercised by Lender at such time or times and in such order of preference as Lender in its sole discretion may determine. Lender's Rights and Remedies may be exercised without resort or regard to any other source of satisfaction of the Liabilities.

ARTICLE 8.

TERM OF AGREEMENT

8.1. Termination of Loan. The Loan shall terminate upon the earlier of (i) the Maturity Date of the Initial Loan, (ii) after the occurrence of an Event of Default or (iii) after a demand under the Grid Note that is not immediately paid by the Lender. Upon such termination, all Liabilities under the Loan (and the Note and Grid Note) shall be immediately due and payable in full.

ARTICLE 9.

GENERAL

9.1. Delivery of Additional Documentation Required. Borrower shall from time to time execute and deliver to Lender, at the request of Lender, all Collateral, and all financing statements and other documents that Lender may request, in form satisfactory to Lender, to perfect and continue to perfect Lender's security interests in the Collateral (and ensure the priority thereof) and in order to fully consummate all of the transactions contemplated under the Loan Documents.

9.2. Successors and Assigns.

(a) This Agreement shall be binding upon Borrower and Borrower's representatives, successors, and assigns and shall inure to the benefit of Lender and Lender's successors and assigns, provided, however, no trustee or

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other fiduciary appointed with respect to Borrower shall have any rights hereunder.

(b) Lender shall have the unrestricted right at any time or from time to time, and without Borrower's or any guarantor's consent, to assign all or any portion of its rights and obligations hereunder to any of its affiliates (each, an "Assignee"), and Borrower and each guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note or notes held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and the payment by Assignee of the purchase price agreed to by Lender and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent.

(c) Lender may transfer any investment securities held by Lender as Collateral into Lender's name or that of its nominee and may receive the income and any distributions thereon and hold the same as Collateral for the Liabilities, or apply the same to any Liability, whether or not a default or an Event of Default has occurred.

9.3. Severability. Any determination that any provision of this Agreement or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not

affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality, or enforceability of any other provision of this Agreement.

9.4. Amendments; Course of Dealing. This Agreement and the other Loan Documents incorporate all discussions and negotiations between Borrower and

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Lender, either express or implied, concerning the matters included herein and in such other instruments, any custom, usage, or course of dealings to the contrary notwithstanding. No such discussions, negotiations, custom, usage, or course of dealings shall limit, modify, or otherwise affect the provisions thereof. No failure by Lender to give noticed to Borrower of Borrower's having failed to observe and comply with any warranty or covenant included in any Loan Document shall constitute a waiver of such warranty or covenant or the amendment of the subject Loan Document. This Agreement may be amended only with the written consent of all parties hereto.

9.5. Power of Attorney. In connection with all powers of attorney included in this Agreement, Borrower hereby grants unto Lender full power to do any and all things necessary or appropriate in connection with the exercise of such powers as fully and effectually as Borrower might or could do, hereby ratifying all that said attorney shall do or cause to be done by virtue of this Agreement. No power of attorney set forth in this Agreement shall be affected by any disability or incapacity suffered by Borrower and each shall survive the same. All powers conferred upon Lender by this Agreement, being coupled with an interest, shall be irrevocable until this Agreement is terminated.

9.6. Lender's Costs and Expenses. Borrower shall pay on demand all Costs of Collection and all reasonable expenses of Lender in connection with the preparation, execution, and delivery of this Agreement, and any and all documents, instruments and agreements delivered to Lender in connection herewith, whether evidencing the Liabilities, or granting Lender certain rights with respect to Borrower, or its shares of stock, and of any Loan Documents, whether now existing or hereafter arising, and all other reasonable expenses which may be incurred by Lender in preparing or amending this Agreement and all other agreements, instruments, and documents related thereto, or otherwise incurred with respect to the Liabilities. Borrower specifically authorizes Lender to pay all such fees and expenses.

9.7. Copies and Facsimiles. This Agreement and all documents which relate thereto, which have been or may be hereinafter furnished Lender may be reproduced by Lender by any photographic, microfilm, xerographic, digital imaging, or other process, and Lender may destroy any document so reproduced. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

9.8. Governing Law. This Agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of Illinois.

9.9. Consent to Jurisdiction. Borrower agrees that any legal action,

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proceeding, case, or controversy against Borrower with respect to any Loan Document may be brought in the City of Norfolk in the Commonwealth of Virginia, as Lender may elect in Lender's sole discretion. By execution and delivery of this Agreement, Borrower, for itself and in respect of its property,

accepts, submits, and consents generally and unconditionally, to the jurisdiction of the aforesaid courts.

9.10. Indemnification. Borrower shall indemnify, defend, and hold Lender and any employee, officer, or agent of Lender (each, an "Indemnified Person") harmless of and from any claim brought or threatened against any Indemnified Person by Borrower, any guarantor or endorser of the Liabilities, or any other Person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of Lender's relationship with Borrower or any other guarantor or endorser of the Liabilities (each of which may be defended, compromised, settled, or pursued by the Indemnified Person with counsel of Lender's selection, but at the expense of Borrower) other than any claim as to which a final determination is made in a judicial proceeding (in which Lender and any other Indemnified Person has had an opportunity to be heard), which determination includes a specific finding that the Indemnified Person seeking indemnification had acted in a grossly negligent manner or in actual bad faith. The within indemnification shall survive payment of the Liabilities and/or any termination, release, or discharge executed by Lender in favor of Borrower.

9.11. Agreement Controlling. The Loan Documents shall be construed and interpreted in a harmonious manner, provided, however, that in the event of any inconsistency between the provisions of this Agreement and any other Loan Document, the provisions of this Agreement shall govern and control.

9.12. Right of Set-Off. Borrower and any guarantor hereby grant to Lender a lien, security interest and right of setoff as security for all Liabilities and obligations to Lender, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Lender or any entity under the control of Lender, or in transit to any of them. At any time without demand or notice, Lender or any entity under control of Lender may set off the same or any part thereof and apply the same to any liability or obligation of Borrower and any guarantor even though unmatured and regardless of the adequacy of any other collateral securing the loan. ANY AND ALL RIGHTS TO REQUIRE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

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9.13. Waivers.

(a) Borrower (and all guarantors, endorsers, and sureties of the Liabilities) make each of the waivers included in Section 9.13(b), below, knowingly, voluntarily, and intentionally, and understands that Lender, in entering into the financial arrangements contemplated hereby and in providing loans and other financial accommodations to or for the account of Borrower as provided herein, whether now or in the future, is relying on such waivers.

(b) BORROWER, AND EACH SUCH GUARANTOR, ENDORSER, AND SURETY RESPECTIVELY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE FOLLOWING:

(i) Except as otherwise specifically required hereby, notice of non-payment, demand, presentment, protest and all forms of demand and notice, both with respect to the Liabilities;

(ii) Except as otherwise specifically required hereby, the right to notice and/or hearing prior to Lender's exercising of Lender's rights upon default; and

(iii) THE RIGHT TO A JURY IN ANY TRIAL OF ANY CASE OR CONTROVERSY IN WHICH LENDER IS OR BECOMES A PARTY (WHETHER SUCH CASE OR CONTROVERSY IS INITIATED BY OR AGAINST LENDER OR IN WHICH LENDER IS JOINED AS A PARTY LITIGANT), WHICH CASE OR CONTROVERSY ARISES OUT OF OR IS IN RESPECT OF, ANY RELATIONSHIP AMONGST OR BETWEEN BORROWER OR ANY OTHER PERSON AND LENDER (AND LENDER LIKEWISE WAIVES THE RIGHT TO A JURY IN ANY TRIAL OR ANY SUCH CASE OR CONTROVERSY). THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOANS AND ADVANCES HEREUNDER.

9.14. Usury Laws. All agreements between Borrower and any guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Agreement shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Agreement to contract in strict compliance with the laws of the State of Illinois from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time of performance of such provision shall be due, shall

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involve transcending the limit of such validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limits of such validity, and if under or from circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower and any guarantor and Lender.

9.15. Notices. All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or mailed by overnight courier or by registered mail or certified mail, postage prepaid:

(a) if to Landmark, at Landmark Communications, Inc., 150 W. Brambleton Avenue, Norfolk, VA 23510 (facsimile: (757) 664-2164), Attention: Guy R. Friddell, III, Executive Vice President and General Counsel, or at such other address or facsimile number as Landmark may have furnished the Company in writing, with a copies to: (i) Willcox & Savage, P.C., 1800 Bank of America Center, Norfolk, VA 23510 (facsimile: (757) 628-5566), Attention: Thomas C. Inglima; and (ii) Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (facsimile: (212) 728-8111), Attention: William J. Grant, Jr.; and

(b) if to the Company, at 360 N. Michigan Avenue, 19th Floor, Chicago, IL 60601 (facsimile: (312) 853-0456), Attention: Robert Gorman, or at such other address or facsimile number as it may have furnished Landmark in writing, with a copy to Jaiffe, Raitt, Heuer & Weiss, P.C., One Woodward Avenue, Suite 2400, Detroit, MI 48226 (facsimile: (313) 961-8358), Attention: Peter Sugar.

(c) Any notice so addressed shall be deemed to be given: if delivered by hand or facsimile, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

9.16. Definitions. All capitalized terms herein shall have the meaning attributed thereto in EXHIBIT B attached hereto.

9.17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

Borrower:

coolsavings.com inc.

By: /s/ Matthew Moog

Print Name: Matthew Moog

Title: President

Lender:

Landmark Communications, Inc.

By: /s/ Guy R. Friddle, III

Print Name: Guy R. Friddle, III

Title: Executive Vice President

EXHIBITS

The following Exhibits to this Loan and Security Agreement are respectively described in the Section indicated below. Those schedules for which no information has been inserted or provided shall be deemed to read "None."

EXHIBIT A

SENIOR SECURED NOTE

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Original Aggregate Principal Amount: $5,000,000

Chicago, Illinois
July 30, 2001

FOR VALUE RECEIVED, the undersigned, coolsavings.com inc., a Michigan corporation with its principal offices at 360 N. Michigan Avenue, 19th Floor, Chicago, IL 60601 (the "Borrower"), promises to pay to the order of Landmark Communications, Inc., a Delaware corporation with an office at 150 W. Brambleton Avenue, Norfolk, VA 23510 (hereinafter, with any subsequent holder, the "Lender") at an office of Lender, on the Maturity Date (defined below), without offset, the principal sum of Five Million and no/100 Dollars ($5,000,000), adjusted as provided below, together with interest as provided below. This note (the "Note") evidences the Initial Loan made by Lender to Borrower pursuant to the Amended and Restated Senior Secured Loan and Security Agreement of even date (as such may be amended hereafter) (the "Loan Agreement"). As additional consideration for the Initial Loan, Borrower is issuing to Lender a warrant to purchase common stock as described in and attached to the Loan Agreement (the "Initial Warrant"). The payment of this Note is secured by the Loan Agreement and the collateral described therein. All capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement. All obligations under this Note shall be pari passu with the Grid Note, consistent with the Loan Agreement.

The outstanding principal amount on this Note shall bear interest at the rate of twelve percent (12%) per annum and shall commence from the date hereof and shall continue on the outstanding principal; *provided, however*, that if the First Tranche Closing, as such term is defined in the Purchase Agreement, is consummated, then from and after the date of such closing this Note (including the outstanding principal and interest that has then accrued) shall bear interest at the rate of eight percent (8%) per annum. Interest shall be computed on the actual number of days elapsed on the basis of a year consisting of 360 days. All interest shall accrue and compound quarterly on: October 31, January 31, April 30 and July 31 each year (each such date, a "Quarterly Payment Date"). Such accrued and compounded interest shall be added to the principal amount of the Note.

Notwithstanding the foregoing, any amount outstanding under this Note shall bear interest from and after the Maturity Date at the rate of sixteen (16%) per annum (the "Default Interest Rate"), increasing monthly by an annual rate which is one (1) percentage point above the then current Default Interest Rate for each month that the Note remains overdue. Any interest on this Note accruing after the Maturity Date shall accrue and be compounded monthly (the date of such compounding, the "Monthly Compounding Date" and collectively with the Quarterly Payment Date, the "Compounding Date") until the obligation of Borrower, with respect to the payment of such interest, has been discharged (whether before or after judgment).

Notwithstanding the foregoing, the effective annual rate under the Loan

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(including the Default Interest Rate) shall not exceed a maximum annual rate of twenty-four (24%) percent or the maximum annual rate permitted by law, whichever is less.

This Note shall be paid in full on the Maturity Date. Until this Note is paid in full, on each Compounding Date, in lieu of a cash payment of the interest due, Borrower shall pay such interest "in-kind". In lieu of delivering separately documented and certificated promissory notes (the "Note PIK Payment") and warrants (the "Warrant PIK Payment") for such "in-kind" payments, the Note PIK Payment shall be effected by adding the accrued interest to the principal amount of this Note (as described by the compounding set forth above) and the Warrant PIK Payment shall be effected through the provision in the Initial Warrant which provides that for every dollar of interest accrued, compounded and added to the principal amount of this Note, the aggregate number of shares of Borrower's common stock that may be purchased under the Initial Warrant shall be increased by two (2) (as such number may be adjusted for dividends, splits, combinations and the like). The foregoing notwithstanding, no Warrant PIK Payment shall be required until after the First Tranche Closing and then only in respect of interest payments accruing thereafter under this Note. Lender acknowledges that the amount of the Note PIK Payment shall be deemed an additional loan borrowed from the Lender (it being further acknowledged by the Borrower that it shall not receive additional funds in connection with any such loan).

Borrower may not prepay this Note except as follows: On or after the third anniversary of the date hereof, the Borrower may prepay the Note if and only if (a) the Borrower has had earnings and positive cash flow for at least 365 consecutive days in the one year period prior to such payment, (b) the Borrower has no Indebtedness outstanding other than the Initial Loan, the Grid Note and trade payables in the ordinary course of business, and (c) the Quick Ratio set forth in Section 4.12 of the Loan Agreement is 2 to 1 and the Working Capital is a net positive of $3 million.

All payments shall be made to Lender at its address specified above, or at such other address as Lender may specify in writing to Borrower. All payments received from Borrower hereunder shall be applied first, to the payment of any expenses due to Lender pursuant to the terms of the Loan Agreement, second, to the payment of interest accrued and unpaid on the Note, and third, to reduce the principal balance hereunder. Any payments of expenses, principal or interest shall be made in lawful money of the United States of America.

The Borrower shall pay all outstanding principal and unpaid accrued interest on the Note in full on January 26, 2002 (the "Maturity Date"); provided, however, that, if the transactions contemplated under the Purchase Agreement are consummated, the Maturity Date shall be June 30, 2006. Notwithstanding the foregoing if any amount under the Note is not paid in full when due, whether at maturity, by acceleration or otherwise (the "Default

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Date"), the Maturity Date shall be the Default Date.

Within ten (10) days of each Compounding Date, or as reasonably requested by the Holder, the Company shall issue to the Holder a certificate executed by the Company's chief financial officer or other executive officer setting forth the aggregate outstanding principal amount of the Note as of such date and the amount of the interest accrued, compounded and added to the Initial Loan.

This Note is secured by the Collateral defined and described in the Loan Agreement. In addition, any and all deposits or other sums at any time credited by or due to Borrower from

Lender or any of its banking or lending affiliates or any bank acting as a participant under any loan arrangement between Lender of Borrower, and any cash, securities, instruments, or other property of Borrower in the possession of Lender, or any of its banking or lending affiliates, and any bank acting as a participant under any loan arrangement between Lender and Borrower, whether for safekeeping, or otherwise, or in transit to or from Lender or any of its banking or lending affiliates or any such participant, or in the possession of any third party acting on Lender's behalf (regardless of the reason Lender had received same or whether Lender has conditionally released the same) shall at all times constitute security for any and all Liabilities, and may be applied or set off against such Liabilities at any time, whether or not the Liabilities are then due or whether or not other collateral is available to Lender.

Any Event of Default under the Loan Agreement shall constitute an event of default under this Note. Upon an event of default, the entire principal amount then outstanding, and all accrued and unpaid interest, and all other sums required under this Note and the Loan Agreement shall, notwithstanding the stated maturity in this Note, become immediately due and payable, without notice or demand to Borrower. Upon default, Lender shall have the right, immediately and without notice to Borrower or the taking of any other action, to set-off against this Note, all liabilities of Lender to Borrower and all obligations for money or money's worth owed by Lender to Borrower, whether or not due, without notice to Borrower (such liabilities and obligations including, without limitation, all money, stocks, bonds or other security or property of any kind or nature held by or in the possession of Lender to or for the credit of Borrower); and Lender shall be deemed to have made a charge against any such liabilities or obligations immediately upon the occurrence of any event of default under this Note even though such charge is subsequently made or entered on the behalf of Lender. The remedies provided in this Note upon default and in other agreement between Lender and Borrower are cumulative and not exclusive of any other remedies provided under the Loan Agreement or at law or in equity.

No delay or omission by Lender in exercising or enforcing any of Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default hereunder shall operate as a waiver of any other default hereunder, nor

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as a continuing waiver.

Borrower, and each endorser and guarantor, if any, of this Note, shall indemnify, defend, and hold Lender harmless against any claim brought or threatened against Lender by Borrower (other than a claim which is finally judicially determined against Lender), by any endorser or guarantor, or by any other person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of Lender's relationship with Borrower or any endorser or guarantor hereof (each of which may be defended, compromised, settled or pursued by Lender with counsel of Lender's selection, but at the expense of Borrower and any endorser and/or guarantor).

Borrower will pay on demand all attorneys' reasonable fees and out-of-pocket expenses incurred by Lender in the administration of all Liabilities and obligations of Borrower to Lender, including, without limitation, costs and expenses associated with travel on behalf of Lender. Borrower will also pay on demand, without limitation, all attorneys' reasonable fees, out-of-pocket expenses incurred by Lender's attorneys and all costs incurred by Lender, including, without limitation, costs and expenses associated with travel on behalf of Lender, which costs

and expenses are directly or indirectly related to the protection or enforcement of any of Lender's rights against Borrower or any such endorser or guarantor and against any collateral given Lender to secure this Note or any other Liabilities of Borrower or such endorser and guarantor to Lender (whether or not suit is instituted by or against Lender).

Borrower, and each endorser and guarantor of this Note, respectively waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof. Each assents to any extension or other indulgence (including, without limitation, the release or substitution of collateral) permitted Borrower or any endorser or guarantor by Lender with respect to this Note and/or any collateral given to secure this note or any extension or other indulgence, as described above, with respect to any other liability or any collateral given to secure any other liability of Borrower or any endorser or guarantor to Lender.

This Note shall be binding upon Borrower and each endorser and guarantor hereof and upon their respective heirs, successors, assigns, and representatives, and shall inure to the benefit of Lender and its successors, endorsees, and assigns.

The liabilities of Borrower and any endorser or guarantor of this Note are joint and several; provided, however, that the release by Lender of Borrower or any one or more endorser or guarantor shall not release any other person obligated on account of this Note. Each reference in this Note to Borrower, any endorser, and any guarantor, is to such person individually and also to all such persons jointly. No person obligated on account of this Note may seek

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contribution from any other person also obligated unless and until all liabilities, obligations and indebtedness to Lender of the person from whom contribution is sought have been satisfied in full.

Borrower and each endorser and guarantor hereof each authorizes Lender to complete this Note if delivered incomplete in any respect.

This Note is delivered to Lender at its offices at 150 W. Brambleton Avenue, Norfolk, VA 23510, shall be governed by the laws of the State of Illinois, and shall take effect as a sealed instrument. Borrower and each endorser and guarantor of this Note each submits to the jurisdiction of the courts of the State of Illinois for all purposes with respect to this Note, any collateral given to secure their respective liabilities, obligations and indebtedness to Lender, and their respective relationships with Lender. Any determination that any provision of this Note or any application thereof is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provision of this Note.

The undersigned makes the following waiver knowingly, voluntarily, and intentionally, and understands that Lender, in the establishment and maintenance of Lender's relationship with Borrower contemplated by the within Note, is relying thereon. THE UNDERSIGNED, TO THE EXTENT ENTITLED THERETO, WAIVES ANY PRESENT OR FUTURE RIGHT OF THE UNDERSIGNED, OR OF ANY GUARANTOR OR ENDORSER OF THE UNDERSIGNED OR OF ANY OTHER PERSON LIABLE TO LENDER ON ACCOUNT OF OR IN RESPECT TO THE LIABILITIES, TO A TRIAL BY JURY IN ANY CASE OR CONTROVERSY IN WHICH LENDER IS OR BECOMES A PARTY (WHETHER SUCH CASE OR CONTROVERSY IS INITIATED BY OR AGAINST LENDER OR IN WHICH LENDER IS

JOINED AS A PARTY LITIGANT), WHICH CASE OR CONTROVERSY ARISES OUT OF, OR IS IN RESPECT TO, ANY RELATIONSHIP AMONGST OR BETWEEN THE UNDERSIGNED, ANY SUCH PERSON, AND LENDER.

Borrower has read all of the terms and conditions of this Note and acknowledges receipt of an exact copy of it.

WITNESS Signed in my Presence	coolsavings.com inc.
/s/ John J. Adams	By: /s/ Matthew Moog
Print Name: John J. Adams	Name: /s/ Matthew Moog
	Title: President

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EXHIBIT B

DEFINITIONS

As herein used, the following terms have the following meanings or are defined in the section of the within Agreement so indicated:

"Account Debtor": has the meaning given that term in the UCC (as defined below).

"Accounts" and "Accounts Receivable" include, without limitation, "accounts" as defined in the UCC, and also all: accounts, accounts receivable, credit card receivables, notes, drafts, acceptances, and other forms of obligations and receivables and rights to payment for credit extended and for goods sold or leased, or services rendered, whether or not yet earned by performance.

"Advance": has the meaning set forth in Section 1.1(a).

"Affiliate": means, with respect to any two Persons, a relationship in which (a) one holds, directly or indirectly, not less than Twenty Five Percent (25%) of the capital stock, beneficial interests, partnership interest, or other equity interests of the other; or (b) one has, directly or indirectly, Control of the other; or (c) not less than Twenty Five Percent (25%) of their respective ownership is directly or indirectly held by the same third Person.

"Agreement": is defined in the Preamble.

"ANB": is defined in Section 2.1(o).

"ANB Forbearance Agreement": is defined in Section 2.1(o).

"Assignee": is defined in Section 9.2(b).

"Balance Sheet": has the meaning given such term under the Purchase Agreement.

"Bankruptcy Code": Title 11, U.S.C., as amended from time to time.

"Borrower": is defined in the Preamble.

"Business Day": any day other than (a) a Saturday, Sunday; or (b) a day which shall be in the State of New York a legal holiday or day on which banking institutions are required or authorized to close.

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"Capital Lease": any lease which may be capitalized in accordance with GAAP.

"Change of Control": shall mean (i) the sale, lease or transfer of all or substantially all of the assets of the Company to any "Person" or "group" (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act, or any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act), (ii) the approval by the requisite stockholders of the Company of a plan of liquidation or dissolution of the Company, (iii) any "Person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act, or any successor provision to either of the foregoing, including any group acting for the purpose of acquiring, holding or disposing of securities within the meaning

of Rule 13d- 5(b)(1) under the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all classes of the voting stock of the Company and/or warrants or options to acquire such voting stock, calculated on a fully diluted basis, unless, as a result of such transaction, the ultimate direct or indirect ownership of the Company is substantially the same immediately after such transaction as it was immediately prior to such transaction, or (iv) any consolidation or merger of the Company pursuant to which the Company Common Stock would be converted into cash, securities or other property, in each case other than a consolidation or merger of the Company in which the holders of Company Common Stock and other capital stock of the Company entitled to vote in the election of directors of the Company, immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of capital stock entitled to vote in the election of directors of the continuing or surviving corporation immediately after the consolidation or merger. Notwithstanding the foregoing, the transactions contemplated by the Purchase Agreement shall not constitute a Change of Control.

"Charter": shall mean the Articles of Incorporation of the Borrower, as amended or the Certificate of Incorporation of the Borrower's wholly owned subsidiary, Newco, after the consummation of the Merger (as such term is defined in the Purchase Agreement).

"Chattel Paper": has the meaning given that term in the UCC.

"Collateral": is defined in Section 2.1.

"Compounding Date": is defined in Section 1.2(b).

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"Conservative Forecast": is defined in Section 4.12(a).

"Contingent Obligation": shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event

exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Contract Rights": includes, without limitation, "contract rights" as now or formerly defined in the UCC and also any right to payment under a contract not yet earned by performance and not evidenced by an instrument or Chattel Paper.

"Control": Person(s) shall be deemed to Control another Person if such Person(s) directly or indirectly possess the power to direct or cause the direction of the management and policies of such other Person, whether through ownership of voting securities, by contract, or otherwise.

"Cost Threshold": is defined in Section 4.12(a)(ii).

"Costs of Collection" includes, without limitation, all attorneys' reasonable fees and reasonable out-of-pocket expenses incurred by Lender's attorneys, and all reasonable costs incurred by Lender in the administration of the Liabilities and/or the Loan Documents, including, without limitation, reasonable costs and expenses associated with travel on behalf of Lender, which costs and expenses are directly or indirectly related to or in respect of Lender's:

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administration and management of the Liabilities; negotiation, documentation, and amendment of any Loan Document; or efforts to preserve, protect, collect, or enforce the Collateral, the Liabilities, and/or Lender's Rights and Remedies and/or any of Lender's rights and remedies against or in respect of any guarantor or other person liable in respect to the Liabilities (whether or not suit is instituted in connection with such efforts). The Costs of Collection are Liabilities, and at Lender's option may bear interest at the highest post-default rate which Lender may charge Borrower hereunder as if such had been lent, advanced, and credited by Lender to, or for the benefit of, Borrower.

"Current Assets": shall mean, as of any applicable date, all amounts that should, in accordance with GAAP, be included as current assets on the consolidated balance sheet of Borrower and its Subsidiaries as at such date less all inventory and non-recurring items including without limitation tax credits.

"Current Liabilities": means, as of any applicable date, all amounts that should, in accordance with GAAP, be included as current liabilities on the consolidated balance sheet of Borrower and its Subsidiaries, as at such date, plus, to the extent not already included therein, all Advances made under this Agreement or by Lender for Borrower's benefit under the Forbearance Agreements, including all Indebtedness that is payable upon demand or within one year from the date of determination thereof unless such Indebtedness is renewable or extendable at the option of Borrower or any Subsidiary to a date more than one year from the date of determination, including all current maturities of long term debt.

"Default Date": is defined in Section 1.4.

"Default Interest Rate": is defined in Section 1.2(b).

"Demand Interest Rate": is defined in Section 1.3(b).

"Documents": has the meaning given that term in the UCC.

"Documents of Title": has the meaning given that term in the UCC.

"Earned Cash Billings": means, with respect to an applicable monthly or quarterly measurement pursuant to Section 4.12(a), the sum of:

(i) the aggregate amount of all of Borrower's billed and unpaid invoices to Eligible Debtors for services rendered during the month or quarter;

minus (ii) the aggregate amount of all credit memos and other negative

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adjustments with respect to such period;

minus (iii) the aggregate amount of all advanced billings (e.g.,
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unearned revenue) included in such invoices;

plus (iv) all deferred revenue from prior periods that is earned in
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the period being measured (to the extent not included in (i) above);

plus (v) all royalties earned from Eligible Debtors (to the extent not
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included in (i) above);

minus (vi) all amounts relating to barter; and
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minus (vii) all positive adjustments and invoices relating to prior
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periods.

"EBITDA": means earnings before income taxes, depreciation and amortization.

"Eligible Debtors": means those invoiced customers of Borrower that as of the applicable measurement date are not indebted to Borrower with respect to an account receivable that is more than ninety (90) days past due, are not subject to any pending or threatened bankruptcy or insolvency proceeding, are not subject to any event or circumstance that gives Borrower reason to believe that the collectability of their account may be impaired, and have not asserted a claim against Borrower or disputed any amount that is then due and owing.

"Encumbrance": each of the following:

(a) security interest, mortgage, pledge, hypothecation, lien, attachment, or charge of any kind (including any agreement to give any of the foregoing); conditional sale or other title retention agreement; sale of accounts receivable or chattel paper; or other arrangement pursuant to which any Person is entitled to any preference or priority with respect to the property or assets of another Person or the income or profits of such other Person or which constitutes an interest in property to secure an obligation; each of the foregoing whether consensual or non-consensual and whether arising by way of agreement, operation of law, legal process or otherwise.

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(b) The filing of any financing statement under the UCC or comparable law of any jurisdiction.

"Equipment" includes, without limitation, "equipment" as defined in the UCC, and also all motor vehicles, rolling stock, machinery, office equipment, plant equipment, tools, dies, molds, store fixtures, furniture, and other goods, property, and assets which are used and/or were purchased for use in the operation or furtherance of Borrower's business, and any and all accessions, additions thereto, and substitutions therefore.

"Events of Default": is defined in Article 6.

"Exchange Act": is the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fixtures": has the meaning given that term in the UCC.

"Forbearance Agreements": is defined in Section 5.8.

"GAAP" or "Generally Accepted Accounting Principles": principles which are consistent with those promulgated or adopted by the Financial Accounting Standards Board and its predecessors (or successors) in effect and applicable to that accounting period in respect of which reference to GAAP or Generally Accepted Accounting Principles is being made.

"General Intangibles" includes, without limitation, "general intangibles" as defined in the UCC; and also all: rights to payment for credit extended; deposits; amounts due to Borrower; credit memoranda in favor of Borrower; warranty claims; tax refunds and abatements; insurance refunds and premium rebates; all means and vehicles of investment or hedging, including, without limitation, options, warrants, and futures contracts; records; customer lists; telephone numbers; goodwill; causes of action; judgments; payments under any settlement or other agreement; literary rights; rights to performance; royalties; license and/or franchise fees; rights of admission; licenses; franchises; license agreements, including all rights of Borrower to enforce same; permits, certificates of convenience and necessity, and similar rights granted by any governmental authority; patents, patent applications, patents pending, and other intellectual property; developmental ideas and concepts; proprietary processes; blueprints, drawings, designs, diagrams, plans, reports, and charts; catalogs; manuals; technical data; computer software programs (including the source and object codes therefor), computer records, computer software, rights of access to computer record service bureaus, service bureau computer contracts, and computer data; tapes, disks, semi-conductors chips and printouts; trade secrets rights, copyrights, mask work rights and interests, and derivative works and interests; user, technical reference, and other manuals and materials; trade names, trademarks, service marks, and all

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goodwill relating thereto; applications for registration of the foregoing; and all other general intangible property of Borrower in the nature of intellectual property; proposals; cost estimates, and reproductions on paper, or otherwise, of any and all concepts or ideas, and any matter related to, or connected with, the design, development, manufacture, sale, marketing,

leasing, or use of any or all property produced, sold, or leased, by Borrower or credit extended or services performed, by Borrower, whether intended for an individual customer or the general business of Borrower, or used or useful in connection with research by Borrower.

"Goods": has the meaning given that term in the UCC.

"Grid Note": is defined in Section 1.1(a).

"Indebtedness": all indebtedness and obligations (including without limitation any Contingent Obligations) of or assumed by any Person including, without limitation, any indebtedness or obligation: (i) in respect of money borrowed (including any indebtedness which is non-recourse to the credit of such Person but which is secured by an Encumbrance on any asset of such Person) or evidenced by a promissory note, bond, debenture or other written obligation to pay money; (ii) for the payment, deferred or other written obligation to pay money; (ii) for the payment, deferred for more than Thirty (30) days, of the purchase price of goods or services (other than current trade liabilities of such Person incurred in the ordinary course of business and payable in accordance with customary practices); (iii) in connection with any letters of credit or acceptance transaction (including, without limitation, the face amount of all letters of credit and acceptances issued for the account of such Person or reimbursement on account of which such Person would be obligated); (iv) in connection with the sale or discount of accounts receivable or chattel paper of Borrower; (v) on account of deposits or advances; and (vi) as lessee under Capital Leases. "Indebtedness" of any Person shall also include: (x) Indebtedness of others secured by an Encumbrance on any asset of such Person; (y) Any guaranty, endorsement, suretyship or other undertaking pursuant to which that Person may be liable on account of any obligation of any third party; and (z) the Indebtedness of a partnership or joint venture in which such Person is a general partner or joint venturer.

"Indemnified Person": is defined in Section 9.10.

"Initial Loan": is defined in Section 1.1(a).

"Initial Warrants": is defined in Section 1.1(b).

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"Instruments": has the meaning given that term in the UCC.

"Inventory" includes, without limitation, "inventory" as defined in the UCC and also all: packaging, advertising, and shipping materials related to any of the foregoing, and all names or marks affixed or to be affixed thereto for identifying or selling the same; Goods held for sale or lease or furnished or to be furnished under a contract or contracts of sale or service by Borrower, or used or consumed or to be used or consumed in Borrower's business; Goods of said description in transit: returned, repossessed and rejected Goods of said description; and all documents (whether or not negotiable) which represent any of the foregoing.

"Investment Property": has the meaning given that term in the UCC.

"Lender": is defined in Preamble.

"Lender's Rights and Remedies": is defined in Section 7.7.

"Liability" or "Liabilities" includes, without limitation, all and each of the following, whether now existing or hereafter arising:

(a) Any and all direct and indirect liabilities, debts, and obligations of Borrower to Lender, each of every kind, nature, and description.

(b) Each obligation to repay any loan, advance, indebtedness, note, obligation, overdraft, or amount now or hereafter owing by Borrower to Lender (including all future advances whether or not made pursuant to a commitment by Lender), whether or not any of such are liquidated, unliquidated, primary, secondary, secured, unsecured, direct, indirect, absolute, contingent, or of any other type, nature, or description, or by reason of any cause of action which Lender may hold against Borrower.

(c) All notes and other obligations of Borrower now or hereafter assigned to or held by Lender, each of every kind, nature, and description including, without limitation, the Note and Grid Note.

(d) All interest, fees, and charges and other amounts which may be charged by Lender to Borrower and/or which may be due from Borrower to Lender from time to time.

(e) All costs and expenses incurred or paid by Lender in respect of any agreement between Borrower and Lender or instruments furnished by Borrower to Lender (including, without limitation, Costs of Collection, attorneys' reasonable fees, and all court and litigation costs and expenses).

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(f) Any and all covenants of Borrower to or with Lender and any and all obligations of Borrower to act or to refrain from acting in accordance with any agreement between Borrower and Lender or instruments furnished by Borrower to Lender.

"Lien": any Encumbrance as defined herein.

"Loan": is defined in Section 1.1(a).

"Loan Account": the account maintained on Lender's books in which a record will be kept of all loans and advances hereunder and payments thereon, and all calculations of interest fees or other costs as provided hereunder.

"Loan Documents": this Agreement, the Note, the Grid Note, and each instrument and document executed and/or delivered in connection with the arrangements contemplated hereby, as each may be amended from time to time.

"Maturity Date": is defined in Section 1.4.

"Monthly Compounding Date": is defined in Section 1.2(b).

"Note": is defined in the Preamble.

"Note PIK Payment": is defined in Section 1.2(d).

"Original Agreement": is defined in the Preamble.

"Original Principal Amount": is defined in 1.1(a).

"Permitted Indebtedness": means:

(a) Indebtedness of Borrower in favor of Lender arising under this Agreement or any other Loan Document;

(b) Indebtedness to ANB and Midwest Guaranty Bank, provided such Indebtedness is limited to the Indebtedness described in the applicable Forbearance Agreement;

(c) Subordinated Debt; and

(d) Indebtedness of Borrower under capital leases, provided, the aggregate amount financed under all such capital leases (including capital leases existing on the date hereof) shall not exceed $3 million; and provided, further, Borrower shall not incur a capital lease obligation to the extent immediately after

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incurring such obligation Borrower would not be legally permitted to declare and pay dividends on its Series B Preferred Stock.

"Person": any natural person, and any corporation, trust, partnership, joint venture, or other enterprise or entity.

"Proceeds": include, without limitation, "Proceeds" as defined in the UCC, and each type of property described in Section 2.1, above.

"Purchase Agreement": is defined in Section 1.2(a).

"Qualified Accounts Receivable": shall mean, as of any applicable date, all amounts that should, in accordance with GAAP, be included as an account receivable on the consolidated balance sheet of Borrower and its Subsidiaries as of such date, but shall specifically exclude any receivables that are unbilled (a) more than ninety (90) days past due (b) owed by an officer or director (c) owed to an obligor that has any accounts receivable with Borrower that are more than ninety (90) days past due, or (d) that are disputed or challenged (or for which such obligor has otherwise asserted a defense or right of offset with respect to collection).

"Quarterly Payment Dates": is defined in Section 1.2(c).

"Quick Assets": shall mean, as of any applicable date, the Borrower's consolidated cash, cash equivalents, investments with maturities of fewer than ninety (90) days determined in accordance with GAAP, and Qualified Accounts Receivable, but shall exclude all restricted and regulated cash.

"Quick Ratio": shall mean the excess of Quick Assets over Current Liabilities.

"Receivables Collateral": Borrower's Accounts, Accounts Receivable, Contract Rights, General Intangibles, Chattel Paper, Instruments, Documents of Title, Documents, Securities, letters of credit for the benefit of Borrower, and bankers' acceptances held by Borrower, and any rights to payment.

"Related Entity": refers to (a) any Affiliate; and (b) any corporation, trust, partnership, joint venture, or other enterprise which: is a parent, brother-sister, Subsidiary, or

Affiliate, of Borrower; could have such enterprise's tax returns or financial statements consolidated with Borrower's; could be a member of the same controlled Group of corporation (within the meaning of Section 1563(a)(1), (2) and (3) of the Internal Revenue Code of 1986, as amended from time to time) of which Borrower is a member; Controls

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or is Controlled by Borrower or any Affiliate of Borrower.

"Securities": has the meaning given that term in the UCC.

"Securities Act": is the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series B Preferred Stock": has the meaning given such term under the Purchase Agreement.

"Statement Date": has the meaning given such term under the Purchase Agreement.

"Subordinated Debt": means any debt incurred by Borrower that is subordinated to the debt owing by Borrower to Lender on terms reasonably acceptable to Lender (and identified as being such by Borrower and Lender).

"Subsidiary" means with respect to any Person, corporation, partnership, company association, joint venture, or any other business entity of which more than fifty percent (50%) of the voting stock or other equity interests is owned or controlled, directly or indirectly, by such Person or one or more Affiliates of such Person.

"Tangible Net Worth": shall mean (a) the aggregate amount of all assets of Borrower as may be properly classified as such, other than (i) all assets of Borrower which are properly classified as intangible assets including, without limitation, franchises, licenses, permits, patents, patent applications, copyrights, trademarks, trade names, goodwill, experimental or organizational expense and other like intangibles, including the excess paid for assets acquired over the respective book values on the books of the corporation from which acquired, and (ii) all investments in and loans to the shareholders, officers, directors, employees, subsidiaries and affiliates, less (b) the aggregate amount of all Indebtedness and Liabilities of Borrower, all determined in accordance with GAAP consistently applied.

"Total Indebtedness" means all Indebtedness plus all Contingent Obligations.

"Transfer" is defined in Section 5.1.

"UCC": is Uniform Commercial Code as adopted and in effect in the State of Illinois, as amended from time to time.

"Warrant PIK Payment": is defined in Section 1.2(d).

"Working Capital" means the excess of Current Assets over Current Liabilities.

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Exhibit 10.2

COMMERCIAL DEMAND GRID NOTE

$___________ (Up to $5 million)

July 30, 2001
Chicago, Illinois

FOR VALUE RECEIVED, the undersigned (the "Borrower") unconditionally promises to pay ON DEMAND to the order of Landmark Communications, Inc., a Virginia corporation ("Lender"), without offset, at 150 W. Brambleton Avenue, Norfolk, VA 23510, or at such other place as the holder of this Commercial Demand Grid Note ("Note") may designate from time to time in writing, the unpaid principal amount of all sums advanced and outstanding hereunder (the "Principal Amount Outstanding") as set forth on the attached Schedule of Advances and Payments of Principal (the "Schedule"), together with interest on the Principal Amount Outstanding from the date of each advance at the rate, and on the terms and conditions, set forth below. Each "Advance", as defined in that certain Amended and Restated Loan and Security Agreement, dated the date hereof, between Borrower and Lender (the "Loan Agreement"), shall, at Lender's option, be an installment of principal advanced hereunder. Lender shall be under no obligation to make advances hereunder or under the Loan Agreement. Capitalized terms not otherwise defined herein shall have the meaning given such terms under the Loan Agreement. All obligations under this Note shall be pari passu with the Senior Secured Note, consistent with the Loan Agreement.

1. Demand Right; Payment of Note. Lender may demand at any time and from time to time in whole or in part the payment of the Principal Amount Outstanding and all accrued and unpaid interest on the Note.

2. Interest; Default Rate.

(a) The Principal Amount Outstanding shall bear interest at the rate of eight percent (8%) per annum. Interest shall be computed on the actual number of days elapsed on the basis of a year consisting of 360 days.

(b) Any amounts outstanding under this Note that shall have been demanded by the Lender hereto and not paid shall bear interest from and after the date of such applicable demand at the rate of sixteen (16%) per annum (the "Demand Interest Rate"), increasing monthly by an annual rate which is one (1) percentage point above the then current Demand Interest Rate for each month that any amounts outstanding under this Note remain overdue. Any interest on the Note shall accrue and be compounded monthly until the obligation of Borrower, with respect to the payment of such interest, has been discharged (whether before or after judgment).

(c) Notwithstanding the foregoing, the effective annual rate under this Note (including the Demand Interest Rate) shall not exceed a maximum annual rate of twenty-four (24%) percent or the maximum annual rate permitted by law, whichever is less.

3. Prepayment. Borrower may prepay the Principal Amount

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Outstanding and all accrued interest under this Note at any time and from time to time; provided, such

prepayment shall not cause a breach or event of default under Maker's agreements with American National Bank and Trust Company of Chicago or be permitted at any time that Borrower has failed to declare and pay all dividends required to be declared and paid under Borrower's articles/certificate of incorporation; and, provided, further, that payment of any outstanding principal or interest (whether a prepayment or in response to a demand) shall not extinguish or terminate this Note as it shall secure Borrower's obligations to pay Advances under the Loan Agreement until the Loan Agreement has been terminated.

4. Application of Payments. All payments made on this Note may be
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applied, at the option of Lender, first in payment of any costs or expenses of Lender due hereunder, then in payment of any late charges due hereunder, then in payment of any accrued and unpaid interest due hereunder, and any balance shall be applied in payment of the Principal Amount Outstanding under this Note. At Lender's sole discretion, Lender may forgive any portion of any principal or interest amounts due under this Note and unpaid as effective payment of any portion of the exercise price of any warrants to purchase common stock of the Borrower that Lender then holds and wishes to exercise. Each payment tendered to Lender on this Note shall be payable in lawful money of the United States which shall be legal tender for public and private debts at the time of payment. Any check given in payment of any amounts due hereunder will constitute a payment only when collected. In the event Lender shall incur any cost or expense or make any advance or other disbursement under the terms and conditions of any document or instrument relating to the indebtedness of Borrower to Lender evidenced by this Note or any document or instrument providing Lender with any security for the payment of this Note, then, any payment made to Lender under this Note may be applied, at the option of Lender, first to the payment of any such cost, expense, advance or disbursement and all interest due thereon, and the balance, if any, of such payment applied as aforesaid towards the payment of any amounts then due and payable under this Note.

5. Waivers. Borrower waives presentment, demand, protest, notice of
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dishonor and all other notices of every kind and nature to which Borrower would otherwise be entitled under the applicable law. Borrower agrees that Lender may take any one or more of the following actions, on one or more occasions, whether before or after the maturity of this Note, without any notice to Borrower, without any further consent to such actions, and without releasing or discharging Borrower from liability on the Note:

(a) Any extension or extensions of the time of payment of any principal, interest or other amount due and payable under this Note;

(b) Any renewal of this Note, in whole or in part;

(c) Any full or partial release or discharge from liability under this Note of any other Borrower;

(d) Any release, in whole or in part, of any security for the payment of all or any portion of the amounts due under this Note;

(e) Any waiver of any default under any Loan Document;

(f) Any failure or refusal of Lender to (i) realize on any security which Lender may have for the payment of this Note, (ii) institute any suit or

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action against Borrower under this Note, (iii) exercise any other right or remedy available to Lender under this Note or applicable law, or any delay by Lender in realizing on any such security, in instituting any such suit or action, or in exercising any other such right or remedy;

(g) Any agreement with Borrower changing the rate of interest or any other term or condition of this Note; or

(h) Any failure or refusal of Lender to obtain or maintain a valid, perfected and enforceable lien against any real and/or personal property securing the payment of this Note, in whole or in part.

To the fullest extent permitted by law, Borrower waives the benefit of all laws and rules of law intended for his protection or advantage as a party liable on this Note or providing for its release or discharge from liability upon the failure or refusal of Lender to perform certain acts, including, but not limited to, the realization by Lender on any security for the payment of this Note and any law and any rule of law requiring Lender to institute any suit or action on this Note, but excluding any statute of limitations applicable to the collection or enforcement of this Note.

6. Security. This Note is secured as provided in the Loan Agreement.

7. Completion of Schedule. It is understood and agreed that any officer or authorized employee of Lender may make entries on the Schedule (and on any supplemental schedules attached hereto) (i) upon receipt of written or telephonic instructions of any one reasonably believed by such officer or authorized employees to be an authorized agent of Borrower or (ii) when an Advance is made pursuant to the Loan Agreement. Borrower shall indemnify and hold Lender harmless from and against any and all claims, damages, losses, costs and expenses (including attorneys' fees) which may arise or be created by the acceptance of instructions for making or paying advances by telephone. The Principal Amount Outstanding shown on the Schedule shall be prima facie evidence of the principal amount owing and unpaid on this Note. The failure to record the date an amount of any advance on the Schedule shall not, however, limit or otherwise affect the obligations of Borrower under this Note to repay the principal amount of the advance together with all interested accruing thereon.

8. Events of Default. Any Event of Default under the Loan Agreement shall constitute an event of default under this Note.

9. Acceleration; Remedies. Upon an event of default, the entire Principal Amount Outstanding, and all accrued and unpaid interest, and all other sums required under this Note and the Loan Agreement shall, notwithstanding the stated maturity in this Note, become immediately due and payable, without notice or demand to Borrower. Upon default, Lender shall have the right, immediately and without notice to Borrower or the taking of any other action, to set-off against this Note, all liabilities of Lender to Borrower and all obligations for money or money's worth owed by Lender to Borrower, whether or not due, without notice to Borrower (such liabilities and obligations including, without limitation, all money, stocks, bonds or other security or property of any kind or nature held by or in the possession of Lender to or for

the credit of Borrower); and Lender shall be deemed to have made a charge against any such liabilities or obligations immediately upon the occurrence of any event of default under this Note even though such charge is subsequently made or entered on the behalf of Lender. The remedies provided in this Note upon default and in other agreement between Lender and Borrower are cumulative and

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not exclusive of any other remedies provided under the Loan Agreement or at law or in equity.

10. Additional Provisions.

(a) To the extent permitted by generally accepted accounting principles, Borrower will treat, account and report the Note as debt and not equity for accounting purposes and with respect to any returns filed with federal, state or local tax authorities.

(b) No delay or omission by Lender in exercising or enforcing any of Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default hereunder shall operate as a waiver of any other default hereunder, nor as a continuing waiver.

(c) Borrower, and each endorser and guarantor, if any, of this Note, shall indemnify, defend, and hold Lender harmless against any claim brought or threatened against Lender by Borrower (other than a claim which is finally judicially determined against Lender), by any endorser or guarantor, or by any other person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of Lender's relationship with Borrower or any endorser or guarantor hereof (each of which may be defended, compromised, settled or pursued by Lender with counsel of Lender's selection, but at the expense of Borrower and any endorser and/or guarantor).

(d) Borrower will pay on demand all attorneys' reasonable fees and out-of-pocket expenses incurred by Lender in the administration of all Liabilities and obligations of Borrower to Lender, including, without limitation, costs and expenses associated with travel on behalf of Lender. Borrower will also pay on demand, without limitation, all attorneys' reasonable fees, out-of-pocket expenses incurred by Lender's attorneys and all costs incurred by Lender, including, without limitation, costs and expenses associated with travel on behalf of Lender, which costs and expenses are directly or indirectly related to the protection or enforcement of any of Lender's rights against Borrower or any such endorser or guarantor and against any collateral given Lender to secure this Note or any other Liabilities of Borrower or such endorser and guarantor to Lender (whether or not suit is instituted by or against Lender).

(e) Borrower, and each endorser and guarantor of this Note, respectively waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof. Each assents to any extension or other indulgence (including, without limitation, the release or substitution of collateral) permitted Borrower or any endorser or guarantor by Lender with respect to this Note and/or any collateral given to secure this note or any extension or other indulgence, as described above, with respect to any other liability or any collateral given to secure any other liability of Borrower or any endorser or guarantor to Lender.

(f) This Note shall be binding upon Borrower and each endorser and guarantor hereof and upon their respective heirs, successors, assigns, and representatives, and shall inure to the benefit of Lender and its successors, endorsees, and assigns.

(g) The liabilities of Borrower and any endorser or guarantor of this Note are joint and several; provided, however, that the release by Lender of Borrower or any one or more endorser or guarantor shall not release any other person obligated on account of this Note. Each reference in this Note to Borrower, any endorser, and any guarantor, is to such person individually and also to all such persons jointly. No person obligated on account of this Note may seek contribution from any other person also obligated unless and until all

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liabilities, obligations and indebtedness to Lender of the person from whom contribution is sought have been satisfied in full.

(h) Borrower and each endorser and guarantor hereof each authorizes Lender to complete this Note if delivered incomplete in any respect.

(i) This Note is delivered to Lender at its offices at 150 W. Brambleton Avenue, Norfolk, VA 23510, shall be governed by the laws of the State of Illinois, and shall take effect as a sealed instrument. Borrower and each endorser and guarantor of this Note each submits to the jurisdiction of the courts of the State of Illinois for all purposes with respect to this Note, any collateral given to secure their respective liabilities, obligations and indebtedness to Lender, and their respective relationships with Lender. Any determination that any provision of this Note or any application thereof is invalid, illegal or unenforceable in any respect in any instance shall not affect the validity, legality or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provision of this Note.

(j) The undersigned makes the following waiver knowingly, voluntarily, and intentionally, and understands that Lender, in the establishment and maintenance of Lender's relationship with Borrower contemplated by the within Note, is relying thereon. THE UNDERSIGNED, TO THE EXTENT ENTITLED THERETO, WAIVES ANY PRESENT OR FUTURE RIGHT OF THE UNDERSIGNED, OR OF ANY GUARANTOR OR ENDORSER OF THE UNDERSIGNED OR OF ANY OTHER PERSON LIABLE TO LENDER ON ACCOUNT OF OR IN RESPECT TO THE LIABILITIES, TO A TRIAL BY JURY IN ANY CASE OR CONTROVERSY IN WHICH LENDER IS OR BECOMES A PARTY (WHETHER SUCH CASE OR CONTROVERSY IS INITIATED BY OR AGAINST LENDER OR IN WHICH LENDER IS JOINED AS A PARTY LITIGANT), WHICH CASE OR CONTROVERSY ARISES OUT OF, OR IS IN RESPECT TO, ANY RELATIONSHIP AMONGST OR BETWEEN THE UNDERSIGNED, ANY SUCH PERSON, AND LENDER.

(k) Borrower has read all of the terms and conditions of this Note and acknowledges receipt of an exact copy of it.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK-
SIGNATURE PAGE FOLLOWS]

WITNESS the following signature(s) and seal(s):

COOLSAVINGS.COM INC.

By: /s/ Matthew Moog
Name: Matthew Moog
Title: President

ATTEST:

/s/ John Adams
Name: John J. Adams
Title: EVP, Operations & Technology

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SCHEDULE OF ADVANCES AND PAYMENTS OF PRINCIPAL

<TABLE>
<CAPTION>

Date	Advance	Payment	Principal Amount Outstanding	Approving Person's Initials
<S>	<C>	<C>	<C>	<C>

</TABLE>

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Exhibit 10.3

coolsavings.com inc.

2001 STOCK OPTION PLAN

Article I.
Purpose and Adoption of the Plan

1.01 Purpose. The purpose of the coolsavings.com inc. Stock Option Plan (the "Plan") is to provide certain employees and Consultants of coolsavings.com inc., a Michigan corporation (the "Company"), with an additional incentive to promote the Company's financial success and to provide an incentive which the Company may use to induce able persons to enter into or remain in the service of the Company or a Subsidiary.

1.02 Adoption and Term. This Stock Option Plan was approved by the Company's board of directors on, and is effective as of, July 12, 2001, subject to approval the Company's stockholders on or before July 12, 2002 and will remain in effect until all shares authorized under the terms of the Plan have been issued, unless earlier terminated or abandoned by action of the Board; provided, however, that no Incentive Stock Option may be granted after July 12, 2011.

Article II.
Definitions

2.01 Administrator means the group of persons having authority to administer the Plan pursuant to Section 3.01.

2.02 Award means any one or combination of Non-Qualified Stock Options, Performance Based Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Share Rights or any other award made under the terms of the Plan.

2.03 Award Agreement means a written agreement between the Company and Participant or a written acknowledgment from the Company specifically setting forth the terms and conditions of an Award granted under the Plan.

2.04 Award Period means, with respect to an Award, the period of time set forth in the Award Agreement during which specified conditions set forth in the Award Agreement must be satisfied.

2.05 Beneficiary means (a) an individual, trust or estate who or which, by will or by operation of the laws of descent and distribution, succeeds to the

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rights and obligations of the Participant under the Plan and Award Agreement upon the Participant's death; or (b) an individual, who by designation of the Participant, succeeds to the rights and obligations of the Participant under the Plan and Award Agreement upon the Participant's death.

2.06 Board means the Board of Directors of the Company.

2.07 Change of Control Event means a sale of all or substantially all of the Company's assets, or any merger or consolidation of the Company with or into another entity other than a merger or consolidation in which the holders of more than 50% of the shares of capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by the voting securities remaining outstanding or by their being converted into voting securities of the surviving entity) more than 50% of the total voting power represented by the voting securities of the Company, or such surviving entity, outstanding immediately after such transaction. Notwithstanding anything to the contrary herein or in any Award Agreement, no transaction contemplated by the Securities Purchase Agreement, dated July 30, 2001, among the

Company, Landmark Communications, Inc. and Landmark Ventures VII, LLC shall constitute a Change of Control Event.

2.08 Code means the Internal Revenue Code of 1986, as amended. References to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes that section.

2.09 Common Stock means the Common Stock of the Company, no par value.

2.10 Company means coolsavings.com inc., a Michigan corporation.

2.11 Consultant means any person, including an advisor, who renders services to the Company or any Subsidiary and is compensated for such services, and any Director whether or not compensated for such services.

2.12 Date of Grant means the date designated by the Administrator as the date as of which it grants an Award, which shall not be earlier than the date on which the Administrator approves the granting of such Award.

2.13 Director means a member of the Board of Directors of the Company.

2.14 Exchange Act means the Securities Exchange Act of 1934, as amended.

2.15 Exercise Price means, with respect to a Stock Appreciation Right, the amount established by the Administrator, in accordance with Section 7.03 hereunder, and set forth in the Award Agreement, which is to be subtracted from the Fair Market Value on the date of exercise in order to determine the amount of the Incremental Value to be paid to the Participant.

2.16 Expiration Date means the date specified in an Award Agreement as the

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expiration date of such Award.

2.17 Fair Market Value means, on any given date, the fair market value of the Common Stock as determined in good faith by the Board; provided, however, that: (a) if the Common Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("Nasdaq") Small-Cap Market on the date the Option is granted, the Fair Market Value means the average of the highest bid and lowest asked prices of the Common Stock on Nasdaq reported for such date; (b) if the Common Stock is admitted to trading on a national securities exchange or the Nasdaq National Market on the date the Option is granted, the Fair Market Value means the closing price reported for the Common Stock on such exchange or system for such date or, if no sales were reported for such date, for the last date preceding such date for which a sale was reported; and (c) if the Common Stock is quoted on the Nasdaq System (but not on the National Market thereof) or regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked price for the Common Stock for the date of determination (or if no bids occurred on the date of determination, on the last trading day prior to the date of determination).

2.18 Incentive Stock Option means a stock option described in Section 422 of the Code.

2.19 Incremental Value has the meaning given such term in Section 7.01 of the Plan.

2.20 Non-Qualified Stock Option means a stock option which is not an Incentive Stock Option.

2.21 Officer means a chief executive officer, president, executive vice president, chief financial officer, treasurer, and any other person who performs functions corresponding to the foregoing officers for the Company, and any other participant who is deemed to be an officer of the Company for purposes of Section 16 of the Exchange Act and the rules thereunder, as currently in effect or as amended from time to time.

2.22 Options means all Non-Qualified Stock Options, Incentive Stock Options and Performance Based Options granted at any time under the Plan.

2.23 Participant shall have the meaning set forth in Article V.

2.24 Performance Based Option means a stock option which, upon exercise or at any other time, would not result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code.

2.25 Plan means the coolsavings.com inc. 2001 Stock Option Plan, as described herein and as it may be amended from time to time.

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2.26 Purchase Price, with respect to options, shall have the meaning set forth in Section 6.02.

2.27 Restricted Share Right means a right to receive Common Stock subject to restrictions imposed under the terms of an Award granted pursuant to Article IX.

2.28 Rule 16b-3 means Rule 16b-3 promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, as currently in effect and as it may be amended from time to time, and any successor rule.

2.29 Stock Appreciation Right means an Award granted in accordance with Article VII.

2.30 Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

2.31 Termination of Service means the voluntary or involuntary cessation of a Participant's employment with, or service to, the Company for any reason, including death, disability, retirement or as the result of the divestiture of the Participant's employer or any other similar transaction in which the Participant's employer ceases to be the Company or a Subsidiary of the Company. Whether an authorized leave of absence or absence on military or government service, absence due to disability, or absence for any other reason shall constitute Termination of Service shall be determined in each case by the Administrator in its sole discretion. Unless otherwise determined by the Administrator, a change in status from an employee to a Consultant or from a Consultant to an employee will not constitute a Termination of Service.

2.32 Trading Day means a day on which public trading of securities occurs and is reported in the principal consolidated reporting system referred to in Section 2.17 above, or if the Common Stock is not listed or admitted to trading on a national securities exchange or included for quotation on the Nasdaq National Market, any business day.

Article III.
Administration

3.01 Administration. The Plan shall be administered by the Board or, to the extent determined by the Board, a committee (the "Compensation Committee") consisting of not less than two non-employee directors of the Company (within the meaning of Rule 16b-3) to be appointed by, and to serve at the pleasure of, the Board (in either case, the "Administrator"). It is the intention of the Company that, with respect to Awards designated as Performance Based Options, each of the members of the Compensation Committee shall also be "outside

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directors" within the meaning of Section 162(m) of the Code. The Administrator shall administer the Plan in accordance with this provision and shall have the sole discretionary authority to interpret the Plan, to establish and modify administrative rules for the Plan, to impose such conditions and restrictions on Awards as it determines appropriate, to cancel Awards (including those made pursuant to other plans of the Company) and to substitute new options (including options granted under other plans of the Company) with the consent of the recipient, and to take such steps in connection with the Plan and Awards granted thereunder as it may deem necessary or advisable. The Administrator may, with respect to Participants who are not Officers, delegate such of its powers and authority under the Plan as it deems appropriate to designated officers or employees of the Company.

3.02 Indemnification. Members of the Administrator shall be entitled to indemnification and reimbursement from the Company for any action or any failure to act in connection with service as Administrator to the full extent provided for or permitted by the Company's articles of incorporation or bylaws or by any insurance policy or other agreement intended for the benefit of the Company's officers, directors or employees or by any applicable law.

Article IV.
Common Stock Issuable Pursuant to the Plan

4.01 Shares Issuable. Shares to be issued under the Plan may be authorized and unissued shares or issued shares which have been reacquired by the Company. Except as provided in Section 4.03, the Awards granted to any Participant and to all Participants in the aggregate under the Plan shall be limited so that the sum of the following shall never exceed the sum of (A) 7,953,954 shares plus (B) up to 1,800,000 shares issued in connection with the cancellation of options issued under the Company's 1997 Stock Option Plan, as such cancellation and issuance is contemplated by that certain Securities Purchase Agreement, dated July 30, 2001, among the Company, Landmark Communications, Inc. and Landmark Ventures VII, LLC: (i) all shares which shall be issued upon the exercise of outstanding Options or other Awards granted under the Plan, (ii) all shares for which payment of Incremental Value shall be made by reason of the exercise of Stock Appreciation Rights at any time granted under the Plan, and (iii) the number of shares otherwise issuable under an Award which are applied by the Company to payment of the withholding or tax liability discussed in Section 11.04.

4.02 Shares Subject to Terminated Awards. In the event that any Award at any time granted under the Plan shall be surrendered to the Company, be terminated or expire before it shall have been fully exercised, or an award of Stock Appreciation Rights is exercised for cash, then all shares formerly subject to such Award as to which such Award shall not have been exercised shall

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be available for any Award subsequently granted in accordance with the Plan. Shares of Common Stock subject to Options, or portions thereof, which have been surrendered in connection with the exercise of tandem Stock Appreciation Rights shall not be available for subsequent Awards under the Plan, and shares of Common Stock issued in payment of such Stock Appreciation Rights shall be charged against the number of shares of Common Stock available for the grant of Awards. Shares which are reacquired by the Company or shares issuable subject to Restricted Share Rights which are forfeited pursuant to forfeiture provisions in the Award Agreement shall be available for subsequently granted Awards only if the forfeiting Participant received no benefits of ownership (such as dividends actually paid to the Participant) other than voting rights of the forfeited shares. Any shares of Common Stock issued by the Company pursuant to its assumption or substitution of outstanding grants from acquired companies shall not reduce the number of shares available for Awards under this Plan unless issued under this Plan.

4.03 Adjustments to Reflect Capital Changes.

(a) Recapitalization. The number and kind of shares subject to outstanding Awards, the Purchase Price or Exercise Price for such shares, and the number and kind of shares available for Awards subsequently granted under the Plan shall be appropriately adjusted to reflect any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other change in capitalization with a similar substantive effect upon the Plan or the Awards granted under the Plan. The Administrator shall have the power to determine the amount of the adjustment to be made in each case.

(b) Sale or Reorganization. After any reorganization, merger or consolidation in which the Company is a surviving corporation, each Participant shall, at no additional cost, be entitled upon exercise of an Award to receive (subject to any required action by stockholders), in lieu of the number of shares of Common Stock receivable or exercisable pursuant to such Award, a number and class of shares of stock or other securities to which such Participant would have been entitled pursuant to the terms of the reorganization, merger or consolidation if, at the time of such reorganization, merger or consolidation, such Participant had been the holder of record of a number of shares of Common Stock equal to the number of shares receivable or exercisable pursuant to such Award. Comparable rights shall accrue to each Participant in the event of successive reorganizations, mergers or consolidations of the character described above.

(c) Options to Purchase Stock of Acquired Companies. After any reorganization, merger or consolidation in which the Company or a Subsidiary of the Company shall be a surviving corporation, the Administrator may grant substituted Options under the provisions of the Plan, pursuant to Section 424 of the Code, replacing old options granted under a plan of another party to the reorganization, merger or consolidation, where such party's stock may no longer be issued following such merger or consolidation. The foregoing adjustments and manner of

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application of the foregoing provisions shall be determined by the Administrator in its sole discretion. Any adjustments may provide for the elimination of any fractional shares which might otherwise have become subject to any Awards.

Article V.
Participation

5.01 Eligible Participants. Participants in the Plan shall be the employees and Consultants of the Company or any Subsidiary, as determined and selected from time to time by the Administrator, in its sole and absolute discretion. The Administrator's designation of a Participant in any year shall not require the Administrator to designate such person to receive Awards in any other year. The Administrator shall consider such factors as it deems pertinent in selecting Participants and in determining the type and amount of their respective Awards.

Article VI.
Option Awards

6.01 Power to Grant Options. The Administrator may grant, to such Participants as the Administrator may select, Options entitling the Participant to purchase Common Stock from the Company at such price, in such quantity and on such terms and subject to such conditions, not inconsistent with the terms of this Plan, as may be established by the Administrator. The terms of any Option granted under this Plan shall be set forth in an Award Agreement. Notwithstanding the foregoing, Options granted to Officers shall not be exercisable for a period of at least six months from the Date of Grant unless otherwise specifically approved by the Board.

6.02 Purchase Price of Options. The Purchase Price of each share of Common Stock which may be purchased upon exercise of any Option granted under the Plan shall be equal to or greater than the Fair Market Value on the Date of Grant; provided, however, that the Purchase Price of each share of Common Stock which may be purchased upon exercise of a Non-Qualified Stock Option shall be no less than ninety percent (90%) of the Fair Market Value on the Date of Grant if such discount is expressly granted in lieu of a reasonable amount of salary or bonus; provided, further, that the Purchase Price for shares of Common Stock purchased pursuant to Stock Options designated by the Administrator as Incentive Stock Options shall be equal to or greater than the Fair Market Value on the Date of Grant as required under Section 422 of the Code and provided further that the Purchase Price for shares of Common Stock purchased pursuant to Stock Options designated by the Administrator as Performance Based Options shall be equal to or greater than the Fair Market Value on the Date of Grant.

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6.03 Designation of Incentive Stock Options. Except as otherwise expressly provided in the Plan, the Administrator may designate, at the Date of Grant of each Option to a Participant that is an employee of the Company or a Subsidiary, that the Option is an Incentive Stock Option under Section 422 of the Code.

(a) Incentive Stock Option Share Limitation. No Participant may be granted Incentive Stock Options under the Plan (or any other plans of the Company) which would result in stock with an aggregate Fair Market Value (measured on the Date of Grant) of more than $100,000 first becoming exercisable in any one calendar year, or which would entitle such Participant to purchase a number of shares greater than the maximum number permitted by Section 422 of the Code as in effect on the Date of Grant.

(b) Other Incentive Stock Option Terms. Whenever possible, each provision in the Plan and in every Option granted under this Plan which is designated by the Administrator as an Incentive Stock Option shall be interpreted in such a manner as to entitle the Option to the tax treatment afforded by Section 422 of the Code. If any provision of this Plan or any Option designated by the Administrator as an Incentive

Stock Option shall be held not to comply with requirements necessary to entitle such Option to such tax treatment, then (i) such provision shall be deemed to have contained from the outset such language as shall be necessary to entitle the Option to the tax treatment afforded under Section 422 of the Code, and (ii) all other provisions of this Plan and the Award Agreement shall remain in full force and effect. If any agreement covering an Option designated by the Administrator to be an Incentive Stock Option under this Plan shall not explicitly include any terms required to entitle such Incentive Stock Option to the tax treatment afforded by Section 422 of the Code, all such terms shall be deemed implicit in the designation of such Option and the Option shall be deemed to have been granted subject to all such terms.

6.04 Designation of Performance Based Options. Except as otherwise expressly provided in the Plan, the Administrator may designate, at the Date of Grant of each Option to a Participant that is an employee of the Company or a Subsidiary, that the Option is a Performance Based Option. A Performance Based Option shall have a Purchase Price not less than the Fair Market Value on the Date of Grant and shall contain such other terms and conditions as the Administrator may deem necessary so that, upon exercise or at any other time, the Performance Based Option does not result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code.

6.05 Rights as a Stockholder. The Participant or any transferee of an Option pursuant to Section 8.02 or Section 11.05 shall have no rights as a stockholder with respect to any shares of Common Stock covered by an Option until the Participant or transferee shall have become the holder of record of

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any such shares, and no adjustment shall be made for dividends and cash or other property or distributions or other rights with respect to any such shares of Common Stock for which the record date is prior to the date on which the Participant or a transferee of the Option shall have become the holder of record of any such shares covered by the Option.

Article VII.
Stock Appreciation Rights

7.01 Power to Grant Stock Appreciation Rights. The Administrator is authorized to grant to any Participant, on such terms established by the Administrator on or prior to the Date of Grant and subject to and not inconsistent with the provisions of this Plan, the right to receive the payment from the Company, payable as provided in Section 7.04, of an amount equal to the Incremental Value of the Stock Appreciation Rights, which shall be an amount equal to the remainder derived from subtracting (i) the Exercise Price for the right established in the Award Agreement from (ii) the Fair Market Value of a share of Common Stock on the date of exercise. The terms of any Stock Appreciation Right granted under the Plan shall be set forth in an Award Agreement.

7.02 Tandem Stock Appreciation Rights. The Administrator may grant to any Participant a Stock Appreciation Right consistent with the provisions of this Plan covering any share of Common Stock which is, at the Date of Grant of the Stock Appreciation Right, also covered by an Option granted to the same Participant, either prior to or simultaneously with the grant to such Participant of the Stock Appreciation Right, provided: (i) any Option covering any share of Common Stock shall expire and not be exercisable upon the exercise of any Stock Appreciation Right with respect to the same share; (ii) any Stock Appreciation Right covering any share of Common Stock shall not be exercisable upon the exercise of any related Option with respect to the same share; and (iii) an Option and Stock Appreciation Right covering the same share of Common Stock may not be exercised simultaneously.

7.03 Exercise Price. The Exercise Price established under any Stock Appreciation Right granted under this Plan shall be determined by the Administrator and, in the case of a tandem Stock Appreciation Right, shall not be less than the Purchase Price of the related Option. Upon exercise of the Stock Appreciation Rights, the number of shares subject to exercise under a related Option shall automatically be reduced by the number of shares of Common Stock represented by the Option or portion thereof which is surrendered as a result of the exercise of such Stock Appreciation Rights.

7.04 Payment of Incremental Value. Any payment which may become due from the Company by reason of Participant's exercise of a Stock Appreciation Right

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may be paid to the Participant as determined by the Administrator (i) all in cash, (ii) all in Common Stock, or (iii) in any combination of cash and Common Stock. In the event that all or a portion of the payment is made in Common Stock, the number of shares of the Common Stock delivered in satisfaction of such payment shall be determined by dividing the amount of the payment by the Fair Market Value on the date of exercise. The Administrator may determine whether payment upon exercise of a Stock Appreciation Right will be made in cash or in stock, or a combination thereof, upon or at any time prior to the exercise of such Stock Appreciation Right. No fractional share of Common Stock shall be issued to make any payment; if any fractional shares would be issuable, the mix of cash and Common Stock payable to the Participant shall be adjusted as directed by the Administrator to avoid the issuance of any fractional share. Payment may be made in cash to Officers only if the Stock Appreciation Right is exercised during the "window period" required under Rule 16b-3(e)(3) and otherwise in accordance with Rule 16b-3.

Article VIII.
Terms of Options and Stock Appreciation Rights

8.01 Duration of Options and Stock Appreciation Rights. Options and Stock Appreciation Rights shall terminate after the first to occur of the following events:

(a) Expiration Date of the Award as provided in the Award Agreement; or

(b) Termination of the Award as provided in Section 8.02; or

(c) In the case of an Incentive Stock Option, ten years from the Date of Grant; or

(d) Solely in the case of tandem Stock Appreciation Rights, upon the Expiration Date of the related Option.

8.02 Exercise on Death or Termination of Service.

(a) Unless otherwise provided in the Award Agreement, in the event of a Termination of Service as a result of the death of a Participant, the right to exercise all unexpired Awards shall be accelerated and shall accrue as of the date of death, and the Participant's Awards may be exercised by his Beneficiary at any time within one year after the date of the Participant's death.

(b) Unless otherwise provided in the Award Agreement, in the event of a Participant's Termination of Service at any time for any reason (including disability or retirement) other than death or for "cause" (as defined in paragraph (d) below), an Award may be exercised, but only to the extent it was otherwise exercisable, on the date of Termination of Service, within ninety days after the date of Termination of Service. In the event

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of the death of the Participant within the ninety-day period following

Termination of Service, his Award may be exercised by his Beneficiary within the one year period provided in subparagraph (a) above.

(c) With respect to an Award which is intended to constitute an Incentive Stock Option, upon Termination of Service, such Award shall be exercisable as provided in Section 422 of the Code.

(d) In the event that a Participant's Termination of Service is for "cause", all Awards shall terminate immediately upon Termination of Service. If such Participant has a written employment and/or consulting agreement with the Company, "cause" shall be as defined in such agreement. In the absence of a written employment and/or consulting agreement, a Termination of Service shall be deemed to have been for "cause" if such termination is determined, in the sole discretion of the Administrator, to have resulted from: (i) the Participant's commission of fraud, embezzlement, theft, or a crime involving moral turpitude, in any case whether or not involving the Company, that in the opinion of the Administrator renders Participant's continued employment detrimental to the Company or its reputation, (ii) the substantial or repeated failure or refusal of the Participant to perform according to reasonable expectations and standards set by the Board and/or management consistent with Participant's title and position, or (iii) Participant's conviction of a felony.

8.03 Acceleration of Exercise Time. The Administrator, in its sole discretion, shall have the right (but shall not in any case be obligated) to permit purchase of shares under any Award prior to the time such Award would otherwise become exercisable under the terms of the Award Agreement.

8.04 Extension of Exercise Time. The Administrator, in its sole discretion, shall have the right (but shall not in any case be obligated) to permit any Award granted under this Plan to be exercised after its Expiration Date or after the ninety day period following Termination of Employment or service on the Board, subject, however, to the limitations described in Section 8.01 (c) and (d).

8.05 Conditions for Exercise. An Award Agreement may contain such waiting periods, exercise dates and restrictions on exercise (including, but not limited to, periodic installments which may be cumulative) as may be determined by the Administrator at the Date of Grant. No Stock Appreciation Right may be exercised prior to six months from the Date of Grant.

8.06 Change of Control Event. Unless otherwise provided in the Award Agreement, and subject to such other terms and conditions as the Administrator may establish in the Award Agreement, in the event that a Participant's

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employment or service to the Company is terminated by the Company without "cause" within two years following the occurrence of a Change of Control Event, irrespective of whether or not an Award is then exercisable, the Participant shall have the right to exercise in full any unexpired Award as of the date of such termination of employment or service.

8.07 Exercise Procedures. Each Option and Stock Appreciation Right granted under the Plan shall be exercised by written notice to the Company which must be received by the officer of the Company designated in the Award Agreement on or before the Expiration Date of the Award. The Purchase Price of shares purchased upon exercise of an Option granted under the Plan shall be paid in full in cash by the Participant pursuant to the Award Agreement; provided, however, that the Administrator may (but need not) permit payment to be made by delivery to the Company of either (a) shares of Common Stock that either have been owned by

the Participant for at least six months prior to such delivery (or such other period as may be required to avoid a charge to the Company's earnings) or were not acquired, directly or indirectly, from the Company, (b) any combination of the foregoing methods of payment, or (c) such other consideration as the Administrator deems appropriate and in compliance with applicable law (including payment in accordance with a cashless exercise program under which, if so instructed by the Participant, shares of Common Stock may be issued directly to the Participant's broker or dealer upon receipt of the Purchase Price in cash from the broker or dealer). In the event that any Common Stock shall be transferred to the Company to satisfy all or any part of the Purchase Price, the part of the Purchase Price deemed to have been satisfied by such transfer of Common Stock shall be equal to the product derived by multiplying the Fair Market Value as of the date of exercise times the number of shares transferred. The Participant may not transfer to the Company in satisfaction of the Purchase Price (y) a number of shares which when multiplied times the Fair Market Value as of the date of exercise would result in a product greater than the Purchase Price or (z) any fractional share of Common Stock. Any part of the Purchase Price paid in cash upon the exercise of any Option shall be added to the general funds of the Company and used for any proper corporate purpose. Unless the Administrator shall otherwise determine, any Common Stock transferred to the Company as payment of all or part of the Purchase Price upon the exercise of any Option shall be held as treasury shares.

Article IX.
Restricted Stock Awards

9.01 Restricted Share Awards. The Administrator may grant to any Participant an Award of Restricted Share Rights entitling such person to receive shares of Common Stock in such quantity, and on such terms, conditions and restrictions (whether based on performance standards, periods of service or

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otherwise) as the Administrator shall determine on or prior to the Date of Grant. The terms of any Award of Restricted Share Rights granted under the Plan shall be set forth in an Award Agreement.

9.02 Duration of Restricted Share Rights. In no event shall any Restricted Share Rights granted entitle the holder to receive shares of Common Stock free of all restrictions on transfer at any time prior to the expiration of three years from the Date of Grant, and each Award Agreement shall provide that the Participant shall remain employed by the Company or a Subsidiary for that three year period (subject to the Company's or Subsidiary's right to terminate such employment).

9.03 Forfeiture of Restricted Share Rights. Subject to Section 9.05, all Restricted Share Rights shall be forfeited and all Restricted Share Awards shall terminate unless the Participant continues in the service of the Company or a Subsidiary until the expiration of the forfeiture and satisfies any other conditions set forth in the Award Agreement. If the Award Agreement shall so provide, in the case of death, disability or retirement (as defined in the Award Agreement) of the Participant, all of the shares covered by the Restricted Share Rights shall immediately vest and any restrictions shall lapse as of the date of such death, disability or retirement.

9.04 Delivery of Shares Upon Vesting. Upon the lapse of the restrictions established in the Award Agreement, the Participant shall be entitled to receive, without payment of any cash or other consideration, certificates for the number of shares covered by the Award.

9.05 Waiver or Modification of Forfeiture Provisions. The Administrator has full power and authority to modify or waive any or all terms, conditions or restrictions (other than the minimum restriction period set forth in Section 9.02) applicable to any Restricted Share Rights granted to a Participant under the Plan; provided that no modification shall, without consent of

the Participant, adversely affect the Participant's rights thereunder and no modification shall reduce the employment requirement to less than three years, except in the case of death, disability or retirement.

9.06 Rights as a Stockholder. No person shall have any rights as a stockholder with respect to any shares subject to Restricted Share Rights until such time as the person shall have been issued a certificate for such shares.

Article X.
Other Stock Based Awards

10.01 Grant of Other Awards. Other Awards of Common Stock or other

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securities of the Company and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Common Stock ("Other Awards") may be granted either alone or in addition to or in conjunction with Options or Stock Appreciation Rights under the Plan. Subject to the provisions of the Plan, the Administrator shall have the sole and complete authority to determine the persons to whom and the time or times at which Other Awards shall be made, the number of shares of Common Stock or other securities, if any, to be granted pursuant to such Other Awards, and all other conditions of such Other Awards. Any Other Award shall be confirmed by an Award Agreement executed by the Administrator and the Participant, which agreement shall contain such provisions as the Administrator determines to be necessary or appropriate to carry out the intent of this Plan with respect to the Other Award.

10.02 Terms of Other Awards. In addition to the terms and conditions specified in the Award Agreement, Other Awards made pursuant to this Article X shall be subject to the following:

(a) Any shares of Common Stock subject to such Other Awards may not be sold, assigned, transferred or otherwise encumbered prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses; and

(b) If specified by the Administrator and the Award Agreement, the recipient of an Other Award shall be entitled to receive, currently or on a deferred basis, interest or dividends or dividend equivalents with respect to the Common Stock or other securities covered by the Other Award; and

(c) The Award Agreement with respect to any Other Award shall contain provisions providing for the disposition of such Other Award in the event of Termination of Employment prior to the exercise, realization or payment of such Other Award, with such provisions to take account of the specific nature and purpose of the Other Award.

Article XI.
Terms Applicable to All Awards

11.01 Award Agreement. The grant and the terms and conditions of the Award shall be set forth in an Award Agreement between the Company and the Participant. No person shall have any rights under any Award granted under the Plan unless and until the Administrator and the Participant to whom the Award is granted shall have executed and delivered an Award Agreement expressly granting the Award to such person and setting forth the terms of the Award.

11.02 Plan Provisions Control Award Terms. The terms of the Plan shall govern

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all Awards granted under the Plan, and in no event shall the Administrator have the power to grant any Award under the Plan which is contrary to any of the provisions of the Plan. In the event any provision of any Award granted under the Plan shall conflict with any term in the Plan as constituted on the Date of Grant of such Award, the term in the Plan as constituted on the Date of Grant of such Award shall control. Except as provided in Section 4.03, (i) the terms of any Award granted under the Plan may not be changed after the granting of such Award without the express approval of the Participant and (ii) no modification may be made to an Award granted to an Officer except in compliance with Rule 16b-3.

11.03 Modification of Award After Grant. Each Award granted under the Plan to a Participant other than an Officer may be modified after the date of its grant by express written agreement between the Company and the Participant, provided that such change (i) shall not be inconsistent with the terms of the Plan and (ii) shall be approved by the Administrator. No modifications may be made to any Awards granted to an Officer except in compliance with Rule 16b-3.

11.04 Taxes. The Company shall be entitled, if the Administrator deems it necessary or desirable, to withhold (or secure payment from the Participant in lieu of withholding) the amount of any withholding or other tax required by law to be withheld or paid by the Company with respect to any amount payable and/or shares issuable under such Participant's Award, or with respect to any income recognized upon a disqualifying disposition of shares received pursuant to the exercise of an Incentive Stock Option, and the Company may defer payment or issuance of the cash or stock upon exercise or vesting of an Award unless indemnified to its satisfaction against any liability for such tax. The amount of such withholding or tax payment shall be the Company's minimum statutory withholding obligations as determined by the Administrator and, unless otherwise provided by the Administrator, shall be payable by the Participant at the time of issuance or payment in accordance with the following rules:

(a) A Participant shall have the right to elect to meet his or her withholding requirement by: (1) having the Company withhold from such Award the appropriate number of shares of Common Stock, rounded up to the next whole number, the Fair Market Value of which is equal to such amount, or, in the case of the cash payment, the amount of cash, as is determined by the Company to be sufficient to satisfy the Company's minimum statutory tax withholding requirements; or (2) direct payment to the Company in cash of the amount of any taxes required to be withheld with respect to such Award.

(b) In the event that an Award or property received upon exercise of an Award has already been transferred to the Participant on the date upon which withholding requirements apply, the Participant shall pay directly to the Company the cash amount determined by the Company to be sufficient to satisfy applicable federal, state or local withholding requirements. The Participant shall provide to the Company such information as the Company shall require to determine the amounts to be withheld and the time such withholding requirements become applicable.

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(c) If permitted under applicable federal income tax laws, a Participant may elect to be taxed in the year in which an Award is exercised or received, even if it would not otherwise have become taxable to the Participant. If the Participant makes such an election, the Participant shall promptly notify the Company in writing and shall provide the Company with a copy of the executed election form as filed with the Internal Revenue Service no later than thirty days from the date of exercise or receipt. Promptly following such notification, the Participant shall pay directly to the Company the cash amount determined by the Company to be sufficient to satisfy applicable federal, state or local withholding tax requirements.

11.05 Limitations on Transfer. A Participant's rights and interest under the Plan may not be assigned or transferred other than by will or the laws of descent and distribution. Notwithstanding the foregoing, or any other provision of this Plan, a Participant who holds Non-Qualified Stock Options may transfer such Options to his or her spouse, lineal ascendants, lineal descendants, or to a duly established trust for the benefit of one or more of these individuals. Options so transferred may thereafter be transferred only to the Participant who originally received the Options or to an individual or trust to whom the Participant could have initially transferred the Option pursuant to this Section 11.05. Options which are transferred pursuant to this Section 11.05 shall be exercisable by the transferee according to the same terms and conditions as applied to the Participant.

11.06 General Restriction. Notwithstanding anything to the contrary herein, the Company shall have no obligation or liability to deliver any shares of Common Stock under the Plan or to make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws, rules and regulations, including, without limitation, the Securities Act of 1933, as amended, and the Exchange Act.

11.07 Surrender of Awards. Any Award granted under the Plan may be surrendered to the Company for cancellation on such terms as the Administrator and Participant approve, including, but not limited to, terms which provide that upon such surrender the Company will pay to the Participant cash or Common Stock, or a combination of cash and Common Stock.

Article XII.
General Provisions

12.01 Amendment and Termination of Plan.

(a) Amendment. The Board shall have complete power and authority to amend the Plan at any time and to add any other stock based Award or other

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incentive compensation programs to the Plan as it deems necessary or appropriate and no approval by the stockholders of the Company or by any other person, committee or entity of any kind shall be required to make any amendment; provided, however, that the Board shall not, without the requisite affirmative approval of the stockholders of the Company, (i) make any amendment which requires stockholder approval under any applicable law, including Rule 16b-3 or the Code; or (ii) which, unless approved by the requisite affirmative approval of stockholders of the Company, would cause, result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code with respect to any Performance Based Option. No termination or amendment of the Plan may, without the consent of the Participant to whom any Award shall theretofore have been granted under the Plan, adversely affect the right of such individual under such Award. For the purposes of this section, an amendment to the Plan shall be deemed to have the affirmative approval of the stockholders of the Company if such amendment shall have been submitted for a vote by the stockholders at a duly called meeting of such stockholders at which a quorum was present and the majority of votes cast with respect to such amendment at such meeting shall have been cast in favor of such amendment.

(b) Termination. The Board shall have the right and the power to terminate the Plan at any time. If the Plan is not earlier terminated, the Plan shall terminate when all shares authorized under the Plan have been issued. No Award shall be granted under the Plan after the termination of the Plan, but the termination of the Plan shall not have any other effect and any Award outstanding at the time of the termination of the Plan may be exercised after termination of the Plan at any time prior to the expiration date of such

Award to the same extent such award would have been exercisable if the Plan had not been terminated.

12.02 No Right To Employment. No employee or other person shall have any claim or right to be granted an Award under this Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company or a Subsidiary of the Company.

12.03 Compliance with Rule 16b-3. It is intended that the Plan be applied and administered in compliance with Rule 16b-3. If any provision of the Plan would be in violation of Rule 16b-3 if applied as written, such provision shall not have effect as written and shall be given effect so as to comply with Rule 16b-3, as determined by the Administrator. The Board is authorized to amend the Plan and to make any such modifications to Award Agreements to comply with Rule 16b-3, as it may be amended from time to time, and to make any other such amendments or modifications as it deems necessary or appropriate to better accomplish the purposes of the Plan in light of any amendments made to Rule 16b-3.

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12.04 Securities Law Restrictions. The shares of Common Stock issuable pursuant to the terms of any Awards granted under the Plan may not be issued by the Company without registration or qualification of such shares under the Securities Act of 1933, as amended, or under various state securities laws or without an exemption from such registration requirements. Unless the shares to be issued under the Plan have been registered and/or qualified as appropriate, the Company shall be under no obligation to issue shares of Common Stock upon exercise of an Award unless and until such time as there is an appropriate exemption available from the registration or qualification requirements of federal or state law as determined by the Administrator in its sole discretion. The Administrator may require any person who is granted an award hereunder to agree with the Company to represent and agree in writing that if such shares are issuable under an exemption from registration requirements, the shares will be "restricted" securities which may be resold only in compliance with applicable securities laws, and that such person is acquiring the shares issued upon exercise of the Award for investment, and not with the view toward distribution.

12.05 Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock or stock options otherwise than under the Plan.

12.06 Captions. The captions (i.e., all section headings) used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions have been used in the Plan.

12.07 Severability. Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited or invalid under applicable law, then (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (b) all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

12.08 No Strict Construction. No rule of strict construction shall be implied against the Company, the Administrator, or any other person in the interpretation of any of the terms of

the Plan, any Award granted under the Plan or any rule or procedure established by the Administrator.

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12.09 Choice of Law. The Plan shall be governed by and construed in accordance with the laws of the State of Michigan.

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Exhibit 10.4

COOLSAVINGS, INC.

SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT, dated as of this ___ day of ___, 2001 (this "Agreement") among the investors listed on Schedule I hereto (the "Series B Investors"); the investors listed on Schedule II (the "Series C Investors"); the individuals whose names and addresses appear from time to time on Schedule III hereto (the "Management/Founding Investors" and with respect to Steven Golden and his affiliates thereon, "Golden," and with respect to Matthew Moog and his affiliates thereon, "Moog"); the investors listed on Schedule IV (the "Significant Investors"); and CoolSavings, Inc., a Delaware corporation (the "Company"). The Series B Investors, the Series C Investors, the Management/Founding Investors and the Significant Investors are hereinafter collectively referred to as the "Investors".

R E C I T A L S

WHEREAS, the Series B Investors have, pursuant to the terms of a Securities Purchase Agreement, dated July 30, 2001, with the Company (the "Purchase Agreement"), agreed to purchase shares of Series B Convertible Preferred Stock of the Company (the "Series B Preferred Stock"), a 12% Senior Secured Note executed by the Company (as may be amended from time to time) (the "Senior Secured Note"), and certain warrants (the "Warrants") to purchase shares of Common Stock (as defined below); and

WHEREAS, the Series C Investors hold shares of Series C Convertible Preferred Stock of the Company (the "Series C Preferred Stock," and, collectively with the Series B Preferred Stock, the "Preferred Stock"); and

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WHEREAS, the Management/Founding Investors and the Significant Investors hold Common Stock $0.001 per share of the Company (the "Common Stock" and, together with the Preferred Stock, the "Shares"); and

WHEREAS, the Investors and the Company desire to promote their mutual interests by agreeing to certain matters relating to the operations of the Company and the disposition and voting of Shares.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. COVENANTS OF THE PARTIES.

(a) Legends. The certificates evidencing the Shares acquired by the Series B Investors pursuant to the Purchase Agreement and those evidencing the Shares held by the Series C Investors, Management/Founding Investors and the Significant Investors, if certificated, will bear the following legend reflecting the restrictions on the transfer of such securities contained in this Agreement:

> "The securities evidenced hereby are subject to the terms of that certain Shareholders' Agreement, dated as of _______ __, 2001, by and among the Company and certain investors identified therein, which includes certain voting agreements and restrictions on transfer. A copy of this Agreement has been filed with the Secretary of the Company and is available upon request."

As promptly as practicable after the date hereof, the Investors shall deliver all certificates representing any Shares to the Company to enable the Company to place the foregoing legend on such certificates. The Company may remove such legend upon request for a Transfer effected pursuant to this Agreement other than a Transfer to a Permitted Transferee.

(b) Additional Investors. The parties hereto acknowledge that executive officers of the Company may become shareholders of the Company after the date hereof. As a condition to the issuance of shares of capital stock of the Company to them, the Company's compensation committee may require such executive officers to execute and deliver an agreement containing restrictions substantially similar to those set forth in Sections 1(a), 3(a) and 3(b) hereof in favor of the Company. In such event, the Company shall require such agreements to include terms that entitle the Series B Investors, at their option and in their discretion, to exercise the same rights as held by the Company in the event the Company does not exercise such rights.

2. BOARD OF DIRECTORS.

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(a) Election of Directors.

(i) As of the date hereof, the Board of Directors of the Company (the "Board") shall consist of Steven M. Golden, Richard H. Rogel, Hugh R. Lamle, Albert Aiello, Matthew Moog and Robert J. Kamerschen and up to seven (7) representatives designated by the Series B Investors that own a majority of the Series B Preferred Stock (each such representative and any additional representatives designated by the Series B Investors, a "Series B Director").

(ii) From the date hereof, and at all times while the Series B Preferred Stock is outstanding, the Investors and the Company shall take all reasonable action within their respective power, including but not limited to, the voting (as permitted by law) of all shares of capital stock of the Company owned by them or over which they have voting control, required (A) to cause the Board to consist of no less than seven (7) and no more than the applicable Whole Board Limit (or Reset Board Limit (each as defined in the articles of incorporation of the Company, as may be amended and restated from time to time (the "Charter")) and (B) to appoint and elect the number of Series B Directors required to fill the Reserved Series B Seats (as defined in the Charter) upon receipt of a written consent from the holders of a majority of the Series B Preferred Stock (the "Acting Series B Holders").

(iii) If the Acting Series B Holders exercise their right to designate and elect a Series B Director or multiple Series B Directors pursuant to this Section 2(a) and there are no vacancies on the Board of Directors for such additional director or directors, then the existing At-Large Directors (as defined below) shall within five (5) business days after receipt of written notice from the Acting Series B Holders (the "Resignation Period") meet and decide which of

such At-Large Directors will resign (each a "Departing Director"). Assuming such decision is voluntarily made, each Departing Director shall immediately resign. Upon the creation of such vacancy or vacancies, the Acting Series B Holders may immediately designate and elect the additional Series B Director(s) pursuant to this Section 2(a). If none of the At-Large Directors resigns or not enough resign to create the vacancies for the additional Series B Director Seat(s), the Investors shall take all action within their respective power as stockholders to cause the removal of the requisite number of At-Large Directors (the "Removed Directors"). The foregoing shall not be deemed to preclude any right of any holder of the Series B Preferred Stock under the Charter.

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(iv) In the event (each a "Default") that the Company fails for any reason (i) to pay any quarterly dividend with respect to the Series B Preferred Stock as required by the Charter, (ii) to make any redemption payment required pursuant to the Charter, or (iii) an At-Large Director fails to resign or is not otherwise removed within a Resignation Period as required under Section 2(a)(v) above, then, in any such case, upon five (5) days written notice to the Company given at any time following and during the continuance of any Default, the holders of Series B Preferred Stock shall as a class become entitled to "Special Voting Rights" as defined and described in the Charter and the Investors and the Company shall take all action within their respective power to effect the change in Board composition required by the Special Voting Rights provision of the Charter.

(v) From and after the date hereof, the Series B Investors shall be allowed to vote on an as-converted basis in the general election of Board members (the "At-Large Directors") for those Board seats that are not Reserved Series B Seats or otherwise required for Series B Directors (the "At-Large Seats"); provided, however, that with respect to the election of directors to such At-Large Seats, the Series B Investors shall vote all shares of capital stock of the Company owned by such Series B Investors for the persons nominated by the incumbent At-Large Directors or, after May 31, 2003 (and in the sole discretion of the Series B Investors), as proposed by any other holders of Common Stock, excluding the Series B Investors and any Affiliates (as defined in the Purchase Agreement).

(vi) The Company shall provide the Investors with thirty (30) days' prior written notice of any intended mailing of a notice to shareholders for a meeting at which directors are to be elected. The Company agrees to nominate and recommend for election to the Reserved Series B Seats or the seats otherwise required for the Series B Directors only those representatives designated by the Series B Investors that own a majority of the Series B Preferred Stock. If the Series B Investors fail to give notice to the Company of their nominees for the Series B Directors, the designees then serving as Series B Directors shall be deemed designated for reelection; provided, such deemed designation shall not preclude the Series B Investors from otherwise acting with respect to the designation and election of Reserved Series B Seats at any time and from time to time as permitted by the Charter.

(b) Replacement Directors. In the event that any Series B Director or At-Large Director (a "Withdrawing Director") designated in the manner set forth in Section 2(a) hereof is unable to serve, or once having commenced to serve, is removed, resigns or withdraws from the Board, such Withdrawing Director's replacement (the "Substitute Director") will be designated by the Series B Investors with respect to the Series B Directors (and each Departing

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Director and/or Removed Director) or, subject to Section 2(a)(v) above, the persons nominated by the incumbent At-Large Directors with respect to the At-Large Directors. The Investors and the Company agree to take all reasonable action within their respective power, including but not limited to, the voting (as permitted by law) of capital stock of the Company owned by them (i) to cause the election of such Substitute Director promptly following his or her nomination pursuant to this Section 2(b), (ii) upon the written request of the Series B Investors, to remove, with or without cause, a Series

B Director, or (iii) upon the written request of the majority of the incumbent At-Large Directors, to remove, with or without cause, an At-Large Director.

(c) Committees and Subsidiary Boards. In the event the Board establishes any committee (including, without limitation any Executive, Audit or Compensation Committees) ("Committee"), at least one of the Series B Directors shall be entitled to serve on any such Committee. At the request of the Series B Investor made at any time and from time to time, the Investors shall take all reasonable actions to cause the Company to cause the board of directors of any subsidiary of the Company (a "Subsidiary Board") to include the same number of representatives designated by the Series B Investors on such Subsidiary Board as there are Series B Directors then entitled to serve on the Board pursuant to subsections (ii), (iii), (iv) and (vi) of Section 2(a) above.

(d) No Revocation; Termination. The voting agreements contained in this Section 2 are coupled with an interest and may not be revoked, except by an amendment, modification or termination effected in accordance with the terms of this Agreement. The voting agreement contained in this Section 2 shall terminate immediately upon the redemption or conversion of all shares of Series B Preferred Stock. In addition, the voting agreements of individual investors that are Management/Founding Investors, Series C Investors or Significant Investors shall not survive any Transfer permitted under this Agreement (nor shall the voting agreements made by the Series B Investors to such Investors inure to the benefit of such transferees) unless such Transfer is to a Permitted Transferee.

(e) Observer Rights. In addition to the foregoing, the holders of a majority of the shares of Series B Preferred Stock shall be entitled to have (and the Company shall permit) to at least one additional person attend meetings of the Board of Directors in an observational capacity (an "Observer"), and if the holders of the Series B Preferred Stock choose not to fill any of the Reserved Series B Seats reserved for the Series B Directors, then the holders of a majority of the shares of Series B Preferred Stock shall be entitled to have

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(and the Company shall permit) an additional Observer for each unfilled seat. If a Series B Director is not able to attend a Board of Directors meeting or a meeting of a committee on which such Directors serve, such Director may designate any Person to attend in their place as an Observer.

(f) Nothing in this Section 2 shall be deemed to preclude any right of any holder of the Series B Preferred Stock under the Charter.

3. CERTAIN TRANSFERS OF STOCK AND OTHER COVENANTS.

(a) Resale of Securities. No Management/Founding Investor shall Transfer any Shares other than in accordance with the provisions of this Section 3. Any Transfer or purported Transfer made in violation of this Section 3 shall be null and void and of no effect.

(b) Rights of First Refusal - Share Transfers.

(i) Limitations on Transfer. No Management/Founding Investor shall Transfer any of the Shares owned by him unless the Management/Founding Investor desiring to make the Transfer (hereinafter referred to as the "Transferor") shall have first made the offers to sell to the Series B Investors as contemplated by this Section 3(b), and such offers shall not have been accepted in accordance with the terms of this Section 3(b).

(ii) Offer by Transferor. The Transferor shall provide the Series B Investors with a copy of a bona fide offer received by the Transferor from a third party together with (A) a written offer from the Transferor to sell to the Series B Investors all of the shares then

proposed to be transferred by the Transferor (the "Subject Shares") to the third party, (B) a statement of intention by the Transferor to Transfer the Subject Shares to the third party, (C) the name and address of the third party, (D) the number of Subject Shares involved in the proposed Transfer, and (E) the terms of such Transfer; provided, however, if the Subject Shares are to be sold through a broker in the open market, the Transferor may, in lieu of identifying a specific third party and price, identify the broker and covenant that the Subject Shares shall be sold through a "limit order" at a specified minimum price ("Minimum Price") that shall not continue for more than sixty (60) days (the Subject Shares to be sold through the limit order with respect to Moog only, shall not exceed in number more than 20% of the average daily volume of the Company's shares traded during the immediately preceding thirty days). In no

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event will a Transferor be entitled to pursue a limit order transaction more than six (6) times in any twelve-month period.

(iii) Acceptance of Offer.

(A) Within fifteen (15) business days (four (4) business days in the case of a limit order transaction) after the receipt of the offer described in Section 3(b)(ii), the Series B Investors may, at their option, elect to purchase all of the Subject Shares (or any part if a limit order transaction is proposed). The Series B Investors shall give notice of their intention to exercise, or that they do not intend to exercise their option hereunder, to the Transferor within such 15-day (or 4-day) period. The Series B Investors shall purchase all (or any part, as applicable) of the Subject Shares as they shall agree upon among themselves.

(B) The notice required to be given by the purchasing party (the "Purchaser") shall specify a date for the closing of the purchase which shall not be more than thirty (30) days after the date of the giving of such notice.

(iv) Purchase Price. The purchase price per share for the Subject Shares shall be the price per share offered to be paid by the prospective transferee described in the offer (or the Minimum Price, as applicable), which price shall be paid in cash or, if so provided in the offer of the prospective transferee, cash plus deferred payments of cash in the same proportions, and with the same terms of deferred payment as therein set forth.

(v) Consideration Other Than Cash. If the offer of Subject Shares under this Section 3(b) is for consideration other than cash or cash plus deferred payments of cash, the Purchaser shall pay the cash equivalent of such other consideration. If the Transferor and the Purchaser cannot agree on the amount of such cash equivalent within ten (10) days after the beginning of the 15-day (or 4-day) period under Section 3(b)(iii)(A), any of such parties may, by three (3) days' written notice to the other, initiate appraisal proceedings under Section 3(b)(vi) for determination of the cash equivalent. The Purchaser may give written notice to the Transferor revoking an election to purchase the Subject Shares within five (5) days after determination of the appraised value, if it chooses not to purchase the Subject Shares.

(vi) Appraisal Procedure. If any party shall initiate an appraisal procedure to determine the amount of the cash equivalent of any consideration for Subject Shares under Section 3(b)(v), then the Transferor, on the one hand, and the Purchaser, on the other hand,

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shall each promptly appoint as an appraiser an individual who shall be a member of a nationally-recognized investment banking firm. Each appraiser shall, within thirty (30) days of appointment, separately investigate the value of the consideration for the Subject Shares as of the proposed transfer date and shall submit a notice of an appraisal of that value to each party. Each appraiser shall be instructed to determine such value without regard to income tax consequences to the Transferor as a result of receiving cash rather than other consideration. If the appraised values of such consideration (the "Earlier Appraisals") vary by less than ten percent (10%), the average of the two appraisals on a per share basis shall be controlling as the amount of the cash equivalent. If the appraised values vary by more than ten percent (10%), the appraisers, within ten (10) days of the submission of the last appraisal, shall appoint a third appraiser who shall be member of a nationally recognized investment banking firm. The third appraiser shall, within thirty (30) days of his appointment, appraise the value of the consideration for the Subject Shares (without regard to the income tax consequences to the Transferor as a result of receiving cash rather than other consideration) as of the proposed transfer date and submit notice of his appraisal to each party. The value determined by the third appraiser shall be controlling as the amount of the cash equivalent unless the value is greater than the two Earlier Appraisals, in which case the higher of the two Earlier Appraisals will control, and unless that value is lower than the two Earlier Appraisals, in which case the lower of the two Earlier Appraisals will control. If any party fails to appoint an appraiser or if one of the two initial appraisers fails after appointment to submit his appraisal within the required period, the appraisal submitted by the remaining appraiser shall be controlling. The Transferor and the Purchaser shall each bear the cost of its respective appointed appraiser. The cost of the third appraisal shall be shared one-half by the Transferor and one-half by the Purchaser.

(vii) Closing of Purchase. The closing of the purchase shall take place at the office of the Company or such other location as shall be mutually agreeable and the purchase price, to the extent comprised of cash, shall be paid at the closing, and cash equivalents and documents evidencing any deferred payments of cash permitted pursuant to Section 3(b)(iv) above shall be delivered at the closing. At the closing, the Transferor shall deliver to the Purchaser the certificates evidencing the Subject Shares to be conveyed, duly endorsed and in negotiable form with all the requisite documentary stamps affixed thereto.

(viii) Release from Restriction; Termination of Rights. If the offer to sell is not accepted by the Series B Investors within the applicable time provided for acceptance, the Transferor may make a bona fide Transfer to the prospective transferee named (or pursuant to the qualifying limit order described) in the statement attached to the offer in accordance with the agreed upon terms of such Transfer and the Transferee shall acquire the Subject Shares free and clear of the terms of this Agreement, provided, that such Transfer

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shall be made only in strict accordance with the terms therein stated. If the Transferor shall fail to make such Transfer within sixty (60) days following the expiration of the time hereinabove provided for the election by the Series B Investors or, in the event the Purchaser revokes an election to purchase the Subject Shares pursuant to Section 3(b)(v), within sixty (60) days of the date of such notice of revocation, such Shares shall again become subject to all the restrictions of this Section 3.

(ix) Limitations. The provisions of this Section 3 shall not apply to (i) sales by Tag-Along Investors (as defined below) pursuant to Section 3(c) hereof, (ii) Transfers to Permitted Transferees or to the Company, (iii) Transfers by Moog made subsequent to thirty (30)

days after his employment with the Company has been terminated by the Company without cause or upon his death or permanent disability (where applicable as defined in Moog's employment agreement) (iv) Transfers by Golden's estate or personal representative after his death or (v) Transfers by any Management/Founding Investor which, when aggregated with all other Transfers by such Management/Founding Investor, result in the Transfer of less than the greater of (A) five percent (5%) of the Shares owned by the Management/Founding Investor as of the date hereof and (B) fifty thousand (50,000) of the Shares owned by the Management/Founding Investor.

(x) Assignment. The rights granted to the Series B Investors under this Section 3(b) may be freely assigned or otherwise transferred severally by the Series B Investors to any Person acquiring at least twenty percent (20%) of the shares of Series B Preferred Stock originally owned by the original holder of the Series B Preferred Stock.

(c) Tag-Along Rights. In the event the Series B Investors do not exercise their rights of first refusal as to all of the Subject Shares pursuant to Section 3(b) hereto and any Management/Founding Investor intends to consummate the Transfer of any of its Shares (other than Transfers to any Permitted Transferee or to the Company), such Management/Founding Investor (the "Selling Investor") shall notify the Series B Investors (the "Tag-Along Investors") and the Company in writing, of such proposed Transfer and its terms and conditions in the notice specified in Section 3(b) above. Each Tag-Along Investor that so notifies the Selling Investor (pursuant to the same terms and conditions regarding notice set forth in Section 3(b) above) shall have the right to sell, at the same price and on the same terms and conditions as the Selling Investor, an amount of Shares equal to the Shares the third party actually proposes to purchase multiplied by a fraction, the numerator of which

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shall be the number of Shares owned by such Tag-Along Investor on the date of notice and the denominator of which shall be the aggregate number of Shares owned by the Selling Investor and each Tag-Along Investor exercising its rights under this Section 3(c) on the date of notice; provided, however, that if any Tag-Along Investor has, on the date of notice, the ability to immediately liquidate pursuant to Rule 144 of the Securities Act of 1933, as amended, at a price above the then applicable Conversion Price, a number of Shares equal to the number of Shares such Tag-Along Investor would otherwise be entitled to sell pursuant to the rights granted under this Section 3(c), then such Tag-Along Investor shall not be entitled to the benefit of this Section 3(c). The rights granted to the Series B Investors under this Section 3(c) may be freely assigned or otherwise transferred severally by the Series B Investors to any Person acquiring at least twenty percent (20%) of the shares of Series B Preferred Stock originally owned by the original holder of the Series B Preferred Stock.

(d) Right of First Offer - Equity or Debt Financings.

(i) If at any time after the date hereof, the Company proposes to issue any Debt or Equity other than (i) the issuance of the Series B Preferred Stock to the Series B Investors, the Series C Preferred Stock, the Notes, the Warrants, or any shares issuable as a result of the conversion or exercise thereof, (ii) pursuant to the acquisition of another person by the Company, whether by purchase of stock, merger, consolidation, purchase of all or substantially all of the assets of such person or otherwise, or (iii) pursuant to an employee stock option plan, stock bonus plan, stock purchase plan or other management equity program approved by the

Company's Board of Directors including the affirmative vote of at least one Series B Director (collectively, "Exempt Issuances"), the Company shall:

(A) give written notice setting forth in reasonable detail (1) the designation and all of the terms and provisions of the securities (whether Debt or Equity) proposed to be issued (the "Proposed Securities"), including, where applicable, the voting powers, preferences and relative participating, optional or other special rights, and the qualification, limitations or restrictions thereof and interest rate and maturity; (2) the price and other terms of the proposed sale of such securities; (3) the amount of such securities proposed to be issued; and (4) such other information as the Investors may reasonably request in order to evaluate the proposed issuance; and

(B) offer to issue to the Series B Investors the Proposed Securities.

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(ii) The Series B Investors must exercise their purchase rights hereunder within fifteen (15) business days after receipt of such notice from the Company. The Series B Investors shall purchase the Proposed Securities as they shall agree among themselves.

(iii) If the Series B Investors shall not have elected to exercise their purchase rights hereunder prior to the expiration of the offering period described above, the Company will be free to sell the Proposed Securities during the ninety (90) days following such expiration on terms and conditions no more favorable to the purchasers thereof than those offered to the Series B Investors. Any Proposed Securities offered or sold by the Company after such 90-day period must be reoffered to the Series B Investors pursuant to this Section 3(d).

(iv) The election by the Series B Investors not to exercise their right of first refusal under this Section 3(d) in any one instance shall not affect their right (other than in respect of a reduction in their percentage holdings) as to any subsequent proposed issuance. Any sale of such Debt or Equity by the Company without first giving the Series B Investors the rights described in this Section 3(d) shall be void and of no force and effect.

(v) The rights granted to the Series B Investors under this Section 3(d) may be freely assigned or otherwise transferred severally by the Series B Investors to any Person acquiring at least twenty percent (20%) of the shares of Series B Preferred Stock originally owned by the original holder of the Series B Preferred Stock.

(e) Subscription Right.

(i) Notwithstanding the foregoing, if the Company issues such Proposed Securities pursuant to Section 3(d) in a transaction other than an Exempt Issuance after the Series B Investors have failed to exercise their purchase rights under such section, the Company shall nonetheless:

(A) offer to sell to each such Series B Investor, on the same terms and subject to the same conditions as the sale of the Proposed Securities to non-Series B Investors, a portion of the Proposed Securities equal to a percentage determined by dividing (x) the number of shares of Common Stock owned by such Series B

Investor (calculated in the same manner as provided in Section 2(a) above), by (y) the total number of shares of Common Stock then outstanding, including for purposes of this calculation all shares of Common Stock issuable upon conversion in full of any then outstanding convertible or exercisable securities.

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(ii) Each such Series B Investor must exercise its purchase rights under this Section 3(e) within five (5) business days after receipt of such notice from the Company of such subscription right. If all of the Proposed Securities offered to such Series B Investors are not fully subscribed by such Series B Investors, the remaining (unsubscribed) Proposed Securities will be reoffered to the Series B Investors purchasing their full allotment upon the terms set forth in this Section 3(e), until all such Proposed Securities are fully subscribed for or until all such Series B Investors have subscribed for all such Proposed Securities which they desire to purchase, except that such Series B Investors must exercise their purchase rights within five days after receipt of all such reoffers. To the extent that the Company offers two or more securities in units, Series B Investors must purchase such units as a whole and will not be given the opportunity to purchase only one of the securities making up such unit.

(iii) Upon the expiration of the offering periods described above, the Company will be free to sell such Proposed Securities that the Series B Investors have not elected to purchase during the ninety (90) days following such expiration on terms and conditions no more favorable to the purchasers thereof than those offered to such holders. Any Proposed Securities offered or sold by the Company after such 90-day period must be reoffered to the Investors pursuant to this Section 3(e)

(iv) The election by a Series B Investor not to exercise its subscription rights under this Section 3(e) in any one instance shall not affect its right (other than in respect of a reduction in its percentage holdings) as to any subsequent proposed issuance. Any sale of such securities by the Company without first giving the Series B Investors the rights described in this Section 3(e) shall be void and of no force and effect.

(v) The rights granted to the Series B Investors under this Section 3(e) may be freely assigned or otherwise transferred severally by the Series B Investors to any Person acquiring at least twenty percent (20%) of the shares of Series B Preferred Stock originally owned by the original holder of the Series B Preferred Stock.

(f) The terms of this Section 3 shall terminate and be of no further force and effect as of the date the Series B Investors and their Affiliates own (on an as-converted and as-exercised basis) less than fifteen percent (15%) of the Common Stock.

4. TERMINATION.

(a) The Agreement shall terminate on the earlier of (1) the date which the Series B Investors and the Management/Founding Investors owning a majority of the shares of Common Stock (excluding outstanding options) owned by the Management/Founding Investors shall have agreed in writing to terminate this Agreement or (2) ten (10) years from the date hereof.

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5. BLOCKING RIGHTS.

(a) In addition to any other rights provided by law, the Company shall not, and shall not permit any subsidiary (a "Subsidiary") to, without first obtaining the affirmative vote or written consent of the Series B Investors that own a majority of the outstanding shares of Series B Preferred Stock:

(i) amend the Company's articles of incorporation or bylaws in any manner.

(ii) merge, consolidate, or otherwise combine the Company with or into any other entity, or effect any sale, lease, license, assignment (for the benefit of creditors or otherwise), transfer or other conveyance or disposition of any material portion of the assets of the Company or any of its Subsidiaries, or any consolidation, merger or share exchange involving the Company or any Subsidiary or any reclassification or other change of any stock, or any recapitalization, or any dissolution, liquidation or winding up of the Company;

(iii) acquire, by purchase, exchange, merger, consolidation or other business combination, lease, assignment, or other transfer or conveyance, or series of transfers or conveyances, of, all or substantially all of the properties or assets of any other corporation, entity or business (as determined in accordance with Rule 11-01(d) of Regulation S-X promulgated by the Securities and Exchange Commission), or enter into a joint venture or partnership with any other entity, in each case involving the payment of consideration or contribution by the Company or any Subsidiary in an aggregate amount or value in excess of $1,000,000;

(iv) purchase, redeem or otherwise acquire for value (or pay into or set aside as a sinking fund for such purpose) any of the capital stock of the Company; provided, that this provision shall not apply to the repurchase of shares of capital stock from directors, officers, employees or consultants or of advisers to the Company or any Subsidiary pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, including the termination of employment by or service to the Company or any Subsidiary;

(v) permit any Subsidiary to issue or sell, or obligate itself to issue or sell, except to the Company or a wholly owned Subsidiary, any stock of such Subsidiary, if after giving effect to such issuance or sale, the Company or a wholly owned Subsidiary would own less than eighty percent (80%) of the outstanding stock of such Subsidiary on a fully diluted basis;

(vi) authorize, issue or obligate itself to issue any stock or similar security, including, without limitation, securities containing equity features and securities containing profit participation features, or any security convertible or exchangeable, with or without consideration, into or for

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any stock or similar security, or any security carrying any warrant or right to subscribe for or purchase any stock or similar security, or any such warrant or right (an "Equity Security") except in exchange for (a) cash (if otherwise permitted), (b) shares issuable upon exercise or conversion of the Series B Preferred Stock, the Series C Preferred Stock or the warrants to purchase common stock issued to Landmark Communications, Inc. or

certain of its affiliates or transferees (collectively, "Landmark") (the "Warrants") in connection with the Company's issuance and sale of a Senior Secured Note to Landmark in the aggregate principal amount of $5,000,000 dated July 30, 2001 (as may be amended, the "Senior Secured Note"), or (c) shares of Common Stock or options to purchase Common Stock pursuant to an option or incentive plan approved by the Board of Directors, provided such approval included the affirmative vote of one of the Series B Directors (an "Approved Plan") provided the aggregate number of options, warrants or any other type of rights or equity securities issued and outstanding under any such Approved Plan shall not exceed 7,953,954 plus up to 1,800,000 options issued in connection with the cancellation of options issued under the Company's 1997 Stock Option Plan and reissuance under an Approved Plan as contemplated by the Purchase Agreement;

(vii) authorize or issue, or obligate itself to issue (a) any shares of Series B Preferred Stock or capital stock exchangeable or convertible into Series B Preferred Stock to any person other than to a Series B Investor or (b) Equity Securities ranking senior to or on a parity with the Series B Preferred Stock as to dividend or redemption rights, liquidation preferences, conversion rights, voting rights or otherwise, or reclassify any Equity Security such that it ranks senior to or on a parity with the Series B Preferred Stock as to dividend or redemption rights, liquidation preferences, conversion rights, voting rights or otherwise;

(viii) increase or decrease (other than by the redemption or conversion of the Series B Preferred Stock as provided herein) the total number of authorized shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock or issue any additional shares of any such series of Preferred Stock or declare or pay any dividends or declare or make any other distribution, direct or indirect (other than a dividend payable solely in shares of Common Stock or paid in kind on the Series B Preferred Stock) on account of any Equity Security or set apart any sum for any such purpose;

(ix) adopt any stock option, stock purchase or similar incentive plan or arrangement other than an Approved Plan, amend any Approved Plan or amend any stock option, restricted stock award, stock purchase right or other incentive award or grant issued or granted pursuant to an Approved Plan;

(x) enter into or permit any Subsidiary to enter into any agreement, indenture or other instrument which contains any provisions restricting the Company's obligation to make prepayments or payments in kind

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under or redemptions of the Senior Secured Note or pay dividends, make payments in kind or effect redemptions of the Series B Preferred Stock;

(xi) enter into any transaction with an officer, director, employee or holder of more than five percent (5%) of the Company's capital stock (other than with the holders of the Series B Preferred Stock or Landmark or its affiliates) or any affiliate thereof other than in the ordinary course of business;

(xii) enter into any agreement which restricts the Company from engaging in any business practice without the approval of the majority of the Board of Directors, including the affirmative vote of the Series B Directors;

(xiii) create any Subsidiary;

(xiv) amend, alter or rescind any term of the Forbearance Agreement between the Company and American National Bank dated as of June 15, 2001, as amended July 27, 2001, or the Forbearance Agreement between the Company and Midwest Guaranty Bank dated as of July 27, 2001;

(xv) create, incur or become or remain liable with respect to any indebtedness in an aggregate amount in excess of $500,000, or make (or permit any Subsidiary to make) any loan or advance to, or own any stock or other securities of, any corporation, partnership, or other entity other than a Subsidiary which is at least eighty percent (80%) owned by the Company;

(xvi) make any loan or advance to any person, including, without limitation, any employee or director of the Company or any Subsidiary, except travel advances and similar expenditures in the ordinary course of business or under the terms of an Approved Plan, or guarantee directly or indirectly any indebtedness, except for trade accounts of any Subsidiary arising in the ordinary course of business;

(xvii) amend, modify or waive compliance with the terms of any employment agreements with employees of the Company, including without limitation any non-competition, non-solicitation or non-disclosure clauses contained therein or elsewhere;

(xviii) hire, terminate or replace the Chief Executive Officer, the President/Chief Operating Officer, Chief Financial Officer, Chief Technology Officer, or Executive Vice President--Business Development;

(xix) enter into any material agreements, joint venture agreements, license agreements revenue sharing agreements, or other arrangements which allocate revenues to a third party or obligate the Company to pay any kind of fees which, individually, would exceed $250,000 per year, or $750,000 over the term of such arrangement, or which when combined with all similar arrangements would involve fees in excess of $2,000,000; or

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(xx) enter into any material agreements, joint venture agreements, license agreements revenue sharing agreements, alliances or other arrangements which allocate revenues to a third party or obligate the Company to perform any services which on an arms length basis calculated at fair market value, individually would exceed $250,000 per year, or $750,000 over the term of such arrangement, or which when combined with all similar arrangements would involve in kind services on an arms length basis calculated at fair market value in excess of $2,000,000.

6. CONVERSION COVENANT.

The Series B Investors hereby agree not to request the conversion of their shares of Series B Preferred Stock until the earliest of (i) the first anniversary of the date hereof, (ii) a Change of Control (as defined under the Charter), and (iii) any breach under the Purchase Agreement or any default under the Senior Secured Note or that certain Amended and Restated

Loan and Security Agreement between the Company and Landmark Communications, Inc. dated as of July 30, 2001.

7. INTERPRETATION OF THIS AGREEMENT.

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

Affiliate: shall mean any Person or entity, directly or indirectly controlling, controlled by or under common control with such Person or entity.

Debt shall mean any indenture, mortgage, deed of trust, credit agreement, loan, note or any other evidence of indebtedness.

Equity shall mean a grant by the Company at any time and in any manner of Common Stock or any rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (whether directly or by assumption in a merger or otherwise).

Exchange Act: shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Permitted Transferee: shall mean, in the case of any Investor other

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than a Management/Founding Investor, any Affiliate of such Investor and, in the case of Management/Founding Investors, members of such Management/Founding Investor's family, heirs, executors or legal representatives trusts or any other person formed or used for the benefit of such Management/Founding Investor's family for purposes of estate planning; provided, in each instance, that such transferee agrees to be bound by the provisions of this Agreement as if such transferee were an original signatory hereto.

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.

Securities: shall have the meaning set forth in Section 2(1) of the Securities Act.

Securities Act: shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Transfer: shall mean any sale, assignment, pledge, hypothecation, or other disposition or encumbrance.

(b) Accounting Principles. Where the character or amount of any asset or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with U.S. generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

(c) Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

(e) Section Headings. The headings of the sections and subsections

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of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

8. MISCELLANEOUS.

(a) Notices.

(i) All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or mailed by overnight courier or by registered or certified mail, postage prepaid:

(A) if to any of the Investors, at the address or facsimile number of such Investor shown on Schedule I, Schedule II or Schedule III, or at such other address as the Investor may have furnished the Company and the other Investors in writing, with a copy to Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019 (facsimile: (212) 728-8111), Attention: William J. Grant, Jr., and a copy to Willcox & Savage, P.C., 1800 Bank of America Center, Norfolk, VA 23510 (facsimile: (757) 628-5566), Attention: Thomas C. Inglima; and

(B) if to the Company, at 360 N. Michigan Avenue, 19th Floor, Chicago, IL 60601 (facsimile: (312) 853-0456), Attention: Robert Gorman, or at such other address as it may have furnished in writing to each of the Investors, with a copy to Jaffe, Raitt, Heuer & Weiss, P.C., One Woodward Avenue, Suite 2400, Detroit, MI 48226 (facsimile: (313) 961-8358), Attention: Peter Sugar.

(ii) Any notice so addressed shall be deemed to be given: if delivered by hand or facsimile, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

(b) Reproduction of Documents. This Agreement and all documents relating thereto, including, without limitation, (i) consents, waivers and modifications which may hereafter be executed, (ii) documents received by a party pursuant hereto, and (iii) financial statements, certificates and other information previously or hereafter furnished to a party, may be reproduced by such party by photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and such party may destroy any original document so reproduced. All parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by each Investor in the

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regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

(d) Entire Agreement; Amendment and Waiver. This Agreement and the Purchase Agreement constitute the entire understanding of the parties hereto relating to the subject matter hereof and supersede all prior understandings among such parties. This Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of each Series B Investor and the Management/Founding Investors and Significant Investors owning a majority of the shares of Common Stock (excluding outstanding options) owned by the Management/Founding Investors and Significant Investors. This Agreement shall not become effective and the terms and provisions herein shall be of no force and effect unless and until all parties hereto have executed and delivered the Agreement.

(e) Severability. In the event that any part or parts of this Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

(g) Injunctive Relief. The Company and the Investors hereby declare that it is impossible to measure in money the damages which will accrue to the parties hereto by reason of the failure of any Investor or the Company to perform any of its obligations set forth in this Agreement. Therefore, in addition to and not in limitation of any other rights and remedies, the Company and each of the Investors shall have the right to specific performance of such obligations (without the showing of special, imminent or irreparable damages and without any obligation to post bond or other security or Surety), and if any party hereto shall institute any action or proceeding to enforce the provisions hereof, each of the Company and the Investors hereby waives the claim or defense that the party instituting such action or proceeding has an adequate remedy at law.

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SIGNATURE PAGES FOLLOW]

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

COOLSAVINGS, INC.

By: ________________________________
Name:
Title:

LANDMARK VENTURES VII, LLC

By: ________________________________
Name:
Title:

HUGH R. LAMLE

____

RICHARD H. ROGEL

____

RONALD G. ZACK, M.D.

____

STEVEN M. GOLDEN

____

[Shareholders Agreement]

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STEVEN M. GOLDEN REVOCABLE LIVING TRUST DATED 3/3/98

By:____
Name:
Title:

STEVEN M. GOLDEN L.L.C.

By:____
Name:
Title:

MATTHEW MOOG

____

MOOG INVESTMENT PARTNERS LP

By:____
Name:
Title:

ROBERT J. KAMERSCHEN

____

HLBL FAMILY PARTNERS LP

By:____
Name:
Title:

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HUGH AND BETSY LAMLE FOUNDATION

By:_______________________________________
Name:
Title:

RICHARD ROGEL LIMITED PARTNERSHIP

By:_______________________________________
Name:
Title:

RICHARD H. ROGEL REVOCABLE LIVING
TRUST DATED 3/21/90

By:_______________________________________
Name:
Title:

RICHARD ROGEL -- CHARITABLE
REMAINDER TRUST

By:_______________________________________
Name:
Title:

SCHEDULE 1

Series B Investors

Name	Address
Landmark Ventures VII, LLC	150 W. Brambleton Avenue Norfolk, VA 23510

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Facsimile: (757) 664-2164
Attention: Guy R. Friddell, III
Executive Vice President
and General Counsel

SCHEDULE II

Series C Investors

Name	Address
Hugh R. Lamle	M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, New York 10036-2699
Richard H. Rogel	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Ronald G. Zack, M.D.	18211 W. Twelve Mile Road Lathrup Village, MI 48076

SCHEDULE III

Management/Founding Investors

Name	Address
Steven M. Golden	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Steven M. Golden Revocable Living Trust dated 3/3/98; Steven M. Golden as Trustee	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Steven M. Golden L.L.C.	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601
Matthew Moog	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601

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Moog Investment Partners LP	360 N. Michigan Ave., 19/th/ Floor Chicago, Illinois 60601

SCHEDULE IV

Significant Investors

Name and Address	
Robert J. Kamerschen	
HLBL Family Partners LP	M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, New York 10036-2699
Hugh and Betsy Lamle Foundation	M.D. Sass Investor Services, Inc. 1185 Avenue of the Americas New York, New York 10036-2699
Richard Rogel Limited Partnership]	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Richard H. Rogel Revocable Living Trust dated 3/21/90	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620
Richard Rogel -- Charitable Remainder Trust	416 Shooting Star P.O. Box 1659 Avon, Colorado 81620

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