FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **1999-09-10**
SEC Accession No. 0000950130-99-005221

SUBJECT COMPANY

COLLEGE TELEVISION NETWORK INC

CIK:**876013**| IRS No.: **133557317** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SC 13D** | Act: **34** | File No.: **005-43624** | Film No.: **99709977**
SIC: **4833** Television broadcasting stations

Mailing Address
3343 PEACHTREE RD NE
SUITE 1600
ATLANTA GA 30326

Business Address
5784 LAKE FORREST DRIVE
SUITE 275
ATLANTA GA 30328
4042569630

FILED BY

STEIN AVY H

CIK:**1038635**
Type: **SC 13D**

Mailing Address
227 W MONROE STREET
SUITE 4300
CHICAGO IL 60606

Business Address
227 W MONROE STREET
SUITE 4300
CHICAGO IL 60606
3124222406

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)
INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)
(Amendment No. 4)1

COLLEGE TELEVISION NETWORK, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

194506101

(CUSIP Number)

Neil H. Dickson, Esq., Morris, Manning & Martin, L.L.P.
3343 Peachtree Road, N.E., 1600 Atlanta Financial Center
Atlanta, Georgia 30326 (404) 233-7000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 31, 1999

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject to this Schedule 13D, and is filing this schedule because of Rule 13D-1 (b)(3) or (4), check the following box. [ ]

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 (b) for other parties to whom copies are to be sent.

(Continued on following pages)

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1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

U-C Holdings, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*: (a) [_] (b) [_]

3. SEC USE ONLY:

4. SOURCE OF FUNDS*: WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware limited liability company

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 0

8. SHARED VOTING POWER: 13,179,876 /2/ /3/

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 18,735,431

/2/ Number of shares reflects one-for-five reverse stock split effected November 12, 1997.

/3/ This figure is the total number of shares of Common Stock of the Issuer owned or controlled by the reporting person as of August 31, 1999. U-C Holdings, L.L.C. ("Holdings"), majority stockholder of the Issuer, purchased 1,000,000 shares of Series A Convertible Preferred Stock of the Issuer ("Series A Preferred") pursuant to a Purchase Agreement, dated August 31, 1999 ("Purchase Agreement"). As of the date of issuance, the Series A Preferred is convertible into 3,333,333 shares of Common Stock, however, it is non-voting until after the effective date of a Schedule 14C Information Statement to be sent to the stockholders in connection with such issuance. The Purchase Agreement also provides that the Issuer has the option to sell to Holdings, before the first anniversary of the Purchase Agreement, an additional 266,667 shares of Series A Preferred, and Holdings has the option to purchase up to an additional 400,000 shares of Series A Preferred if it contributes up to $6,000,000 pursuant to its guarantee of a loan to Armed Forces from Canadian Imperial Bank of Commerce. As of the date of the Purchase Agreement, these additional 666,667 shares of Series A Preferred would be convertible into 2,222,222 shares of Common Stock. On August 31, 1999, Holdings and the Issuer entered into a Cancellation Agreement, whereby the Class D Warrant issued to Holdings on July 23, 1999 was cancelled for no additional consideration. This figure also includes (i) 678,432 shares of Common Stock that may be issued to Holdings upon its conversion of the Convertible Preferred purchased by Holdings on July 23, 1999, and (ii) 924,832 shares of Common Stock that may be purchased by Holdings upon the exercise of Class C Warrants issued to Holdings on October 5, 1998, and April 25, 1997. This number excludes any shares of Common Stock purchasable by Holdings pursuant to certain Equity Purchase Agreements dated April 25, 1997, which give Holdings the right to purchase Common Stock upon the exercise of certain private placement warrants and options.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 18,735,431

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*: [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 86.9%

14. TYPE OF REPORTING PERSON*: OO (limited liability company)

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS:

John R. Willis

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*: (a) [_]
(b) [_]

3. SEC USE ONLY:

4. SOURCE OF FUNDS*: AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION: U.S. Citizen

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 0

8. SHARED VOTING POWER: 13,179,876 /2/ /3/

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 18,735,431

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 18,735,431 /4/

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*: [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11: 86.9%

14. TYPE OF REPORTING PERSON*: IN

/4/ Mr. Willis disclaims such beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings.

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS:

Avy H. Stein

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*: (a) [_]
(b) [_]

3. SEC USE ONLY:

4. SOURCE OF FUNDS*: AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION: U.S. Citizen

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 0

8. SHARED VOTING POWER: 13,179,876 /2/ /3/

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 18,735,431

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 18,735,431 /5/

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*: [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11: 86.9%

14. TYPE OF REPORTING PERSON*: IN

/5/ Mr. Stein disclaims such beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings.

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS:

Daniel M. Gill

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*: (a) [_]
(b) [_]

3. SEC USE ONLY:

4. SOURCE OF FUNDS*: AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED

PURSUANT TO ITEM 2(d) OR 2(e): [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION: U.S. Citizen

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 0

8. SHARED VOTING POWER: 13,179,876 /2/ /3/

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 18,735,431

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 18,735,431 /6/

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*: [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11: 86.9%

14. TYPE OF REPORTING PERSON*: IN

/6/ Mr. Gill disclaims such beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings.

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS:

Daniel H. Blumenthal

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*: (a) [_]
(b) [_]

3. SEC USE ONLY:

4. SOURCE OF FUNDS*: AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION: U.S. Citizen

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 0

8. SHARED VOTING POWER: 13,179,876 /2/ /3/

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 18,735,431

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 18,735,431 /7/

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*: [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11: 86.9%

14. TYPE OF REPORTING PERSON*: IN

/7/ Mr. Blumenthal disclaims such beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings.

Item 1. Security and Issuer.

This Statement on Schedule 13D relates to the shares of Common Stock, $.005 par value, of College Television Network, Inc. (the "Issuer"), formerly UC Television Network Corp. (the "Common Stock"). The address of the principal executive office of the Issuer is College Television Network, Inc., 5784 Lake Forrest Drive, Suite 275, Atlanta, Georgia 30328.

Item 2. Identity and Background.

This Statement is filed by the following persons:

(a) U-C Holdings, L.L.C. ("Holdings"), a limited liability company organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. Holdings' principal business is investing in the securities of the Issuer.

(b) John R. Willis, an individual whose business address is 227 West Monroe

Street, Suite 4300, Chicago, Illinois 60606. Mr. Willis' principal occupation is serving as a Manager and Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., a private equity investment limited partnership. Mr. Willis is a citizen of the United States of America.

(c) Avy H. Stein, an individual whose business address is 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. Mr. Stein's principal occupation is serving as a Manager and Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., a private equity investment limited partnership. Mr. Stein is a citizen of the United States of America.

(d) Daniel H. Blumenthal, an individual whose business address is 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. Mr. Blumenthal's principal occupation is serving as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., a private equity investment limited partnership. Mr. Blumenthal is a citizen of the United States of America.

(e) Daniel M. Gill, an individual whose business address is 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. Mr. Gill's principal occupation is serving as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., a private equity investment limited partnership. Mr. Gill is a citizen of the United States of America.

In addition, information relating to the following entities and persons is provided pursuant to General Instruction C to Schedule 13D:

(g) Willis Stein & Partners, L.P., a limited partnership organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal business of Willis Stein & Partners, L.P. is investing in equity securities. Willis Stein & Partners, L.P. serves as the Managing Member of Holdings.

(h) Willis Stein & Partners, L.L.C., a limited liability company organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal business of Willis Stein & Partners, L.L.C. is serving as the General Partner of Willis Stein & Partners, L.P., a private equity investment limited partnership.

(i) Willis Stein & Partners II, L.P., a limited partnership organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal business of Willis Stein & Partners II, L.P. is investing in equity securities.

(j) Willis Stein & Partners Dutch, L.P., a limited partnership organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal

business of Willis Stein & Partners Dutch, L.P. is investing in equity securities.

(k) Willis Stein & Partners Management II, L.P., a limited partnership organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal business of Willis Stein & Partners Management II, L.P. is serving as the General Partner of Willis Stein & Partners II, L.P. and Willis Stein & Partners Dutch, L.P., private equity investment limited partnerships.

(l) Willis Stein & Partners Management II, L.L.C., a limited liability company organized under the laws of the State of Delaware with its principal business address at 227 West Monroe Street, Suite 4300, Chicago, Illinois 60606. The principal business of Willis Stein & Partners Management II, L.L.C. is serving as the General Partner of Willis Stein & Partners Management II, L.P., a private equity investment limited partnership.

During the past five years, none of the entities or persons listed above has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The funds used to acquire the Series A Preferred of the Issuer described in Item 5 below were taken from the equity contributions to capital of Holdings made by its members. The purchase price of the Series A Preferred reported herein pursuant to the Purchase Agreement (described in Item 4) executed by and between the Issuer and Holdings was $15,000,000.

Item 4. Purpose of Transaction.

On August 31, 1999, the Issuer issued to Holdings 1,000,000 shares of Series A Convertible Preferred Stock, $.001 par value per share ("Series A Preferred") for an aggregate purchase price of $15,000,000 pursuant to a Purchase Agreement between Holdings and the Issuer dated August 31, 1999 (the "Purchase Agreement"). The purpose of Holdings' purchase of shares was to enable the Issuer to raise $15,000,000 in gross proceeds needed for the Issuer's purchase of Armed Forces Communications, Inc., a New York corporation doing business as Market Place Media ("Armed Forces"). Additionally, the Purchase Agreement provides that the Issuer has the option to sell to Holdings, subject to various conditions within the control of Holdings, before the first anniversary of the Purchase Agreement, an additional 266,667 shares of Series A Preferred for an aggregate purchase price of $4,000,000, and Holdings has the

option to purchase up to an additional 400,000 shares of Series A Preferred if it contributes up to $6,000,000 pursuant to its guarantee of a loan to Armed Forces from Canadian Imperial Bank of Commerce and its affiliates.

The conversion ratio of the Series A Preferred into Common Stock is computed by multiplying the number of shares of Series A Preferred to be converted by the $15.00 per share purchase price and dividing the result by the conversion price of the Series A Preferred (the "Conversion Price") then in effect with respect to such shares. On the date of issuance, the Conversion Price was set at $4.50. As of the date hereof the Series A Preferred is non-voting stock, however, after the effective date of a Schedule 14C Information Statement to be sent to the stockholders of the Issuer in connection with the issuance of the Series A Preferred, it gains the right to vote on an as-converted basis to Common Stock based upon the number of shares of Common Stock the Series A Preferred is convertible into on the date of issuance or 3,333,333 shares of voting stock.

If Holdings converted the Series A Preferred based upon the current conversion price it would acquire 3,333,333 shares of Common Stock of the Company after which conversion Holdings would own approximately 84.0% of the outstanding shares of the Common Stock of the Company.

Pursuant to a Cancellation Agreement, dated August 31, 1999, between Holdings and the Issuer, the Issuer cancelled, for no additional consideration, and Holdings consented to such cancellation, the Class D Warrant to purchase 135,686 shares of Common Stock issued to Holdings on July 23, 1999.

The share numbers set forth herein reflect (i) the purchase of shares of Series A Preferred by Holdings pursuant to the Purchase Agreement, (ii) the Issuer's option to issue additional shares of Series A Preferred to Holdings, (iii) the shares issuable upon conversion of the 309,998 shares of Convertible Preferred Stock purchased by Holdings on July 23, 1999, and (iv) the exercise the Warrants issued to Holdings by the Issuer on October 5, 1998 and on April 25, 1997. The persons identified in response to Item 2 of this Statement will make the determination as to when or whether to convert the Series A Preferred.

While they reserve the right to develop plans or proposals in the future regarding the following items, at the present time none of the persons identified in response to Item 2 of this Statement have any plans or proposals which relate to or would result in any of the following:

(a) the acquisition of additional securities of the Issuer, or the disposition of securities of the Issuer;

(b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;

(c) sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;

(d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(e) any material change in the present capitalization or dividend policy of the Issuer;

(f) any other material change in the Issuer's business or corporate structure;

(g) any changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person;

(h) causing a class of securities of the Issuer to be delisted from a national securities exchange or cease to be authorized to be quoted in an inter-dealer quotation system of a registered national security association;

(i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or

(j) any action similar to those enumerated above.

Item 5. Interest in Securities of the Issuer.
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(a) Immediately prior to the consummation of the Purchase Agreement, there were 14,411,755 shares of the Issuer's Common Stock outstanding, of which Holdings directly owned 11,576,612 shares, or 80.3% of the outstanding Common Stock. On of the date of issuance, if Holdings were to (i) convert all of the shares of Series A Preferred it now holds or has the option to purchase, (ii) convert all of the shares of Preferred it now holds, and (iii) exercise the Warrants it holds, including (a) the Warrant issued to Holdings on October 5, 1998, and (b) the Warrant issued to Holdings on April 25, 1997, Holdings would own 18,735,431 shares of the Common Stock, or 86.9% of the Issuer's outstanding Common Stock. This excludes shares issuable to Holdings pursuant to certain Equity Protection Agreements dated April 25, 1997. John R. Willis and Avy H. Stein (collectively, the "Managers"), as the Managers of, and John R. Willis, Avy H. Stein, Daniel M. Gill and Daniel H. Blumenthal (collectively, the "Founding Members"), as the Founding Members of, Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings, may be deemed to share the power to direct the voting and disposition of the shares of Common Stock held by Holdings and may be deemed to beneficially own such shares. Each of the Founding Members disclaims beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners L.P., which is the Managing Member of Holdings.

(b) None of the Founding Members directly owns any shares of the Issuer's Common Stock, but the Founding Members may be deemed to share the power to vote or to direct the vote as well as the power to dispose of or to direct the disposition of all of the shares of Common Stock held by Holdings, by virtue of such persons' status as Managers and/or Founding Members of Willis Stein & Partners, L.L.C., the general partner of Willis Stein & Partners, L.P., which is the Managing Member of Holdings. Each of the Founding Members disclaims beneficial ownership of the securities held by Holdings except to the extent of his indirect beneficial interest as a Founding Member of Willis Stein & Partners, L.L.C., the general partner of Willis Stein L.P., which is the Managing Member of Holdings.

(c) Other than the securities acquired pursuant to the Purchase Agreement and purchased by Holdings described herein, there were no transactions in the class of securities reported on that were effected during the past sixty (60) days or since the most recent filing of Schedule 13D by the persons named in response to Paragraph (a).

(d) Pursuant to the Fourth Amended and Restated Limited Liability Company Agreement of U-C Holdings, L.L.C., dated August 31, 1999 (the "Operating Agreement"), the following persons are members of Holdings and, as such, have the right to receive distributions from Holdings: Jason Elkin, Thomas Gatti, Joseph D. Gersh, James Harder, Peter Kauff, Hollis W. Rademacher, Patrick Doran, Sergio Zyman, Martin Grant, George Giatzis, Willis Stein & Partners, L.P., Willis Stein & Partners II, L.P. and Willis Stein & Partners Dutch, L.P. The sole investment of Holdings is its interest in securities of the Issuer; therefore, any dividends paid by the Issuer to Holdings

will be distributed to the members of Holdings in accordance with the distribution provisions of the Operating Agreement. As a result, the members of Holdings have the right to receive dividends from, as well as the proceeds from the sale of, securities of the Issuer held by Holdings.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The Operating Agreement (described in Item 5(d) above) provides that Willis Stein & Partners, L.P., as the Managing Member of Holdings, shall have the sole authority with respect to the transfer and voting of the securities owned by Holdings. The Operating Agreement contains provisions regarding the transfer and voting of the securities of the Issuer held by Holdings. The Operating Agreement was entered into among the members of Holdings named in response to Item 5(d) above.

Item 7. Material to be Filed as Exhibits.

The following documents are filed as exhibits hereto:

(a) Joint Filing Agreement, dated September 10, 1999, among U-C Holdings, L.L.C., John R. Willis, Avy H. Stein, Daniel M. Gill and Daniel H. Blumenthal.

(b) Second Certificate of Designation of the Series A Convertible Preferred Stock filed with the Corporations Division of the State of Delaware August 31, 1999.

(c) Purchase Agreement between U-C Holdings, L.L.C. and College Television Network, Inc., dated as of August 31, 1999.

(d) Cancellation Agreement between U-C Holdings, L.L.C. and College Television Network, Inc., dated as of August 31, 1999.

(e) Fourth Amended and Restated Limited Liability Company Agreement of U-C Holdings, L.L.C. dated as of August 31, 1999.

(f) Purchase Agreement between U-C Holdings, L.L.C. and College Television Network, Inc., dated as of July 23, 1999 (incorporated by reference to Exhibit 4.1 to Issuer's Form 8-K filed August 3, 1999).

(g) Form of Class C Warrant No. C-2 issued by College Television Network, Inc. to U-C Holdings, L.L.C. (incorporated by reference to Exhibit 4.14 to the Issuer's Registration Statement on Form S-3 (SEC File No. 333-58479), as amended, declared effective on July 28, 1998).

(h) Form of Class C Warrant No. C-1 issued by College Television Network, Inc. to U-C Holdings, L.L.C. (incorporated by reference to Exhibit 4.2 to the Schedule 13D filed on May 5, 1997).

SIGNATURES

After reasonable inquiry, and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct as of this 8th day of September, 1999.

U-C HOLDINGS, L.L.C.

By: Willis Stein & Partners, L.P.
Its Managing Member

By: Willis Stein & Partners, L.L.C.
Its General Partner

By: /s/ Daniel M. Gill

Daniel M. Gill

Its Managing Director

John R. Willis

/s/ Daniel M. Gill

By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

Avy H. Stein

/s/ Daniel M. Gill

By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

Daniel H. Blumenthal

/s/ Daniel M. Gill

By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

/s/ Daniel M. Gill

Daniel M. Gill

EXHIBIT A

JOINT FILING AGREEMENT

The undersigned hereby agree that the Statement on Schedule 13D to which this Agreement is attached, relating to shares of Common Stock, par value $.005 per share, of College Television Network, Inc., and any amendment to such Statement, will be filed on behalf of each of the undersigned.

This Agreement may be executed in two (2) or more counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

Agreed this 10th day of September, 1999.

U-C HOLDINGS, L.L.C.
By: Willis Stein & Partners, L.P.
Its Managing Member
By: Willis Stein & Partners, L.L.C.
Its General Partner

/s/ Daniel M. Gill
By: Daniel M. Gill
Its Managing Director

John R. Willis

/s/ Daniel M. Gill
By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

Avy H. Stein

/s/ Daniel M. Gill
By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

Daniel H. Blumenthal

/s/ Daniel M. Gill

By: Daniel M. Gill pursuant to a Power of Attorney attached hereto and hereby filed with the Commission.

/s/ Daniel M. Gill

Daniel M. Gill

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, John R. Willis, Avy H. Stein, Daniel M. Gill, Beth F. Johnston, and Daniel H. Blumenthal, has made, constituted and appointed, and by these presents does make, constitute and appoint each of John R. Willis, Avy H. Stein, Daniel M. Gill, Beth F. Johnston, and Daniel H. Blumenthal as the undersigned's true and lawful attorney-in-fact and agent, for the undersigned in the undersigned's name, place and stead, to execute, acknowledge, deliver and file, with respect to any company in which Willis Stein & Partners, L.P. has an investment, any and all filings required by Sections 13 and/or 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, including, but not limited to, Statements on Schedule 13D, Statements on Schedule 13G, Forms 3, 4, and 5, and all amendments thereto to be filed by or on behalf of any of the foregoing, hereby ratifying and confirming all that each said attorney-in-fact and agent may do or cause to be done by virtue hereof.

The validity of this Power of Attorney shall not be affected in any manner by reason of the execution, at any time, of other powers of attorney by the undersigned in favor of persons other than each attorney-in-fact named herein.

WITNESS THE EXECUTION HEREOF this 10th day June, 1997 by the undersigned.

/s/ John R. Willis

John R. Willis

/s/ Avy H. Stein

Avy H. Stein

/s/ Daniel M. Gill

Daniel M. Gill

/s/ Beth F. Johnston

Beth F. Johnston

/s/ Daniel H. Blumenthal

Daniel H. Blumenthal

SECOND CERTIFICATE OF DESIGNATION,
POWERS, PREFERENCES AND RIGHTS OF THE
SERIES A CONVERTIBLE PREFERRED STOCK
OF
COLLEGE TELEVISION NETWORK, INC.

Pursuant to the provisions of Section 151(g)

of the General Corporation Law of

the State of Delaware

College Television Network, Inc., (the "Corporation") a corporation organized and validly existing under the General Corporation Law of the State of Delaware, filed its original Certificate of Incorporation with the Corporations Division on August 17, 1989. Under the provisions of and subject to the requirements Section 151(g) of the General Corporation Law of the State of Delaware, the undersigned, desiring (i) to decrease the number of shares of preferred stock of the Corporation subject to the Certificate of Designation, Powers, Preferences and Rights of the Convertible Preferred Stock filed with the Corporations Division on July 22, 1999 (the "Original Certificate of Designation"), and (ii) to set the designation, powers, preferences and rights of the remaining authorized but unissued preferred stock of the Corporation, does hereby certify that the following resolutions were duly adopted by the Board of Directors of the Corporation at a special meeting held on August 30, 1999 and approved by a unanimous vote of the holders of the issued and outstanding Convertible Preferred Stock:

WHEREAS, the Amended and Restated Certificate of Incorporation, dated November 10, 1997 ("Amended Certificate"), authorizes a class of stock designated as preferred stock (the "Preferred Stock"), comprising 2,000,000 shares, par value $0.001 per share, provides that such Preferred Stock may be issued from time to time in one or more series, and vests authority in the Board of Directors of the Corporation, within the limitations and restrictions stated in the FOURTH paragraph of the Amended Certificate, to fix or alter the voting powers, designation, preferences and relative participating, optional or other special rights, rights and terms of redemption, the redemption price or prices and the liquidation preferences of any series of Preferred Stock within the

limitations set forth in the Delaware General Corporation Law;

WHEREAS, the Original Certificate of Designation designated 2,000,000 shares of the authorized Preferred Stock as Convertible Preferred Stock (the "Convertible Preferred");

WHEREAS, it is the desire of the Board of Directors of the Corporation to decrease the number of shares of Convertible Preferred subject to the Original Certificate of Designation;

WHEREAS, as of the date hereof, there are 309,998 issued and outstanding shares of Convertible Preferred;

WHEREAS, based on the foregoing, there are 1,690,002 shares of authorized and unissued Convertible Preferred; and

WHEREAS, the Board of Directors by resolutions in accordance with Section 151(g) of the General Corporation Law of the State of Delaware has reduced the number of shares of Convertible Preferred by 1,609,022, to 309,998; and

WHEREAS, by unanimous written consent, dated as of August 30, 1999, the holders of all of the issued and outstanding shares of Convertible Preferred have approved the decrease in the designated authorized shares of Convertible Preferred; and

WHEREAS, by the action of the Board of Directors to decrease the number of shares of Preferred Stock subject to the Original Certificate of Designation, such authorized but unissued shares of Convertible Preferred shall resume the status which they had prior to the Original Certificate of Designation, i.e. that of Preferred Stock subject to the FOURTH paragraph of the Amended Certificate;

WHEREAS, it is the desire of the Board of Directors of the Corporation to designate a new series of Preferred Stock and to fix the voting powers, designations, preferences and rights, and the qualifications, limitations or restrictions thereof, as provided herein.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation, does hereby reduce the number of shares of Convertible Preferred subject to the Original Certificate of Designation to 309,998;

FURTHER RESOLVED, that the Corporation, does hereby authorize that the 1,690,002 shares of authorized but unissued Convertible Preferred shall resume the status which they had prior to the Original Certificate of Designation and, thereafter, be Preferred Stock subject to the FOURTH paragraph of the Amended Certificate;

FURTHER RESOLVED, that the Corporation, by resolution of the Board of Directors of the Corporation, does hereby cancel any previous rights,

preferences or designations for the authorized but unissued Convertible Preferred which were set forth in the Original Certificate of Designation and does hereby designate 1,690,002 shares of the heretofore authorized but unissued Preferred Stock as Series A Convertible Preferred Stock (the "Class A Convertible Preferred") and does hereby fix the powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions of the Class A Convertible Preferred to be as follows:

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SERIES A PREFERRED STOCK TERMS

Section 1. Dividends.

1A. General Obligation.

(i) When and as declared by the Corporation's board of directors, and to the extent permitted under the General Corporation Law of Delaware, the Corporation shall pay preferential dividends in cash to the holders of the Series A Convertible Preferred Stock (the "Series A Convertible Preferred") as provided in this Section 1. Dividends on each share of the Series A Convertible Preferred (a "Share") shall accrue on a daily basis at the rate of 12% per annum on the Liquidation Value thereof plus all accumulated and unpaid dividends thereon from and including the date of issuance of such Share to and including the first to occur of (i) the date on which the Liquidation Value of such Share (plus all accrued and unpaid dividends thereon) is paid to the holder thereof in connection with the liquidation of the Corporation or the redemption of such Share by the Corporation, (ii) the date on which such Share is converted into shares of Conversion Stock hereunder or (iii) the date on which such share is otherwise acquired by the Corporation.

(ii) Such dividends shall accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of the dividends, and such dividends shall be cumulative such that all accrued and unpaid dividends shall be fully paid or declared with funds irrevocably set apart for payment before any dividends, distributions, redemptions or other payments may be made with respect to any Junior Securities. The date on which the Corporation initially issues any Share shall be deemed to be its "date of issuance" regardless of the

number of times transfer of such Share is made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such Share.

1B. Dividend Reference Dates. To the extent not paid on March 31, June 30, September 30 and December 31 of each year, beginning September 30, 1999 (the "Dividend Reference Dates"), all dividends which have accrued on each Share outstanding during the three-month period (or other period in the case of the initial Dividend Reference Date) ending upon each such Dividend Reference Date shall be accumulated and shall remain accumulated dividends with respect to such Share until paid to the holder thereof. Such accumulated dividends shall not be payable until conversion of such Share into Conversion Stock, unless earlier declared by the Corporation's board of directors.

1C. Distribution of Partial Dividend Payments. Except as otherwise provided herein, if at any time the Corporation pays less than the total amount of Dividends then accrued with respect to the Series A Convertible Preferred, such payment shall be distributed pro rata among the holders thereof based upon the number of Shares held by each such holder.

1D. Participating Dividends. In the event that the Corporation declares or pays any dividends upon the Common Stock (whether payable in cash, securities or other property) other than dividends payable solely in shares of Common Stock, the Corporation shall also declare and pay to the holders of the Series A Convertible Preferred at the same time that it declares and pays such dividends to the holders of the Common Stock, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Convertible Preferred had all of the outstanding Series A Convertible Preferred been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined.

Section 2. Liquidation.

Upon any liquidation, dissolution or winding up of the Corporation (whether voluntary or involuntary), subject to the provisions of any outstanding Senior Securities, each holder of Series A Convertible Preferred shall be entitled to be paid, before any distribution or payment is made upon any Junior Securities, an amount in cash equal to the greater of the following: (a) the aggregate Liquidation Value of all Shares held by such holder (plus all accrued and unpaid dividends thereon) and (b) the aggregate amount that would receivable by such holder of Series A Convertible Preferred if the Series A Convertible Preferred held by such holder had been converted into Conversion Stock in accordance with Section 6 immediately prior to such distribution of payment. Upon such

distribution or payment, the holders of Series A Convertible Preferred shall not be entitled to any further payment. If upon any such liquidation, dissolution or winding up of the Corporation the Corporation's assets to be distributed among the holders of the Series A Convertible Preferred are insufficient to permit payment to such holders of the aggregate among which they are entitled to be paid under this Section 2, then the entire assets available to be distributed
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to the Corporation's stockholders shall be distributed pro rata among such holders of the Series A Convertible Preferred based upon the aggregate Liquidation Value (plus all accrued and unpaid dividends) of the Series A Convertible Preferred held by each such holder. Not less than 60 days prior to the liquidation, dissolution or winding up of the Corporation, the Corporation shall mail written notice of any such liquidation, dissolution or winding up to each record holder of Series A Convertible Preferred, setting forth in reasonable detail the amount of proceeds to be paid with respect to each Share and each share of Common Stock in connection with such liquidation, dissolution or winding up. Upon the election of the holders of a majority of the outstanding Shares, any consolidation or merger of the Corporation into or with any other entity or entities (whether or not the Corporation is the surviving entity), or any sale or transfer by the Corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 2.

Section 3. Priority of Series A Convertible Preferred on Dividends.

So long as any Series A Convertible Preferred remains outstanding, subject to the provision of any outstanding Senior Securities, the Corporation shall not, nor shall it permit any Subsidiary to, redeem, purchase or otherwise acquire directly or indirectly any Junior Securities, provided that the Corporation may repurchase shares of Common Stock from present or former employees or

consultants of the Corporation and its Subsidiaries, nor shall the Corporation directly or indirectly pay any dividend or make any distribution upon any Junior Securities if at the time of or immediately after any such redemption, purchase, acquisition, dividend or distribution the Corporation has failed to pay the full amount of dividends accrued on the Series A Convertible Preferred or the Corporation has failed to make any redemption of the Series A Convertible Preferred required hereunder.

Section 4. Redemptions.

4A. Scheduled Redemptions. At the election of the holders of a
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majority of the outstanding Shares, the Corporation shall redeem all outstanding Shares of Series A Convertible Preferred on July 23, 2006, at a price per Share (the "Redemption Price") equal to the greater of the following: (a) the

Liquidation Value thereof (plus all accrued and unpaid dividends thereon) and (b) the Market Price of the Common Stock issuable upon conversion of the Series A Convertible Preferred.

4B. Redemption Payments. For each Share which is to be redeemed hereunder, the Corporation shall be obligated on the Redemption Date to pay to the holder thereof (upon surrender by such holder at the Corporation's principal office of the certificate representing such Share) an amount in cash from immediately available funds at a price per Share equal the Redemption Price. If funds of the Corporation which are legally available for redemption of Shares on any Redemption Date are insufficient to redeem the total number of Shares to be redeemed on such date, those funds which are legally available shall be used to redeem the maximum possible number of Shares pro rata among the holders of the Shares to be redeemed based upon the aggregate Redemption Price payable to each such holder, subject to the provisions of any outstanding Senior Securities. At any time thereafter when additional funds of the Corporation are legally available for the redemption of Shares, such funds shall immediately be used to redeem the balance of the Shares which the Corporation has become obligated to redeem on any Redemption Date but which it has not redeemed.

4C. Determination of the Number of Each Holder's Shares to be Redeemed. The number of Shares of Series A Convertible Preferred to be redeemed from each holder thereof in redemptions hereunder shall be the number of Shares determined by multiplying the total number of Shares to be redeemed times a fraction, the numerator of which shall be the total number of Shares then held by such holder and the denominator of which shall be the total number of Shares then outstanding.

4D. Dividends After Redemption. No Share shall be entitled to any dividends accruing after the date on which a redemption consideration of such Share (including all accrued and unpaid dividends thereon) is paid to the holder of such Share. On such date, all rights of the holder of such Share shall cease, and such Share shall no longer be deemed to be issued and outstanding.

4E. Redeemed or Otherwise Acquired Shares. Any Shares which are redeemed or otherwise acquired by the Corporation shall be canceled and retired to authorized but unissued shares and shall not reissued, sold or transferred.

Section 5. Voting Rights. The holders of the Series A Convertible Preferred shall be entitled to notice of all stockholders meetings in accordance with the Corporation's bylaws, and after the Shareholder Approval Effective Date, the holders of the Series A Convertible Preferred shall be entitled to vote on all matters submitted to the stockholders for a vote (including the

election of directors), such that the holders of the Series A Convertible Preferred shall vote together with the holders of the Common Stock as a single class, with each Share of Series A Convertible Preferred being entitled to vote on an as-if-converted basis based on the number of shares of Conversion Stock into which such Share of Series A Convertible Preferred is convertible as of the Original Issue Date. Prior to the Shareholder Approval Effective Date, except as otherwise required by applicable law, the Series A Convertible Preferred shall have no voting rights.

Section 6. Conversion.

6A. Conversion Rights and Procedures: Conversion Price.

(i) At any time and from time to time, any holder of Series A Convertible Preferred may convert at its sole option all or any portion of the Series A Convertible Preferred (including any fraction of a Share) held by such holder into a number of shares of Conversion Stock computed by multiplying the number of Shares to be converted by $15.00 and dividing the result by the Conversion Price then in effect.

(ii) Except as otherwise provided herein, each conversion of Series A Convertible Preferred shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Series A Convertible Preferred to be converted have been surrendered for conversion at the principal office of the Corporation (the "Conversion Date"). At the time any such conversion has been effected, the rights of the holder of the Shares converted as a holder of Series A Convertible Preferred shall cease and the Person or Persons in whose name or names any certificate or certificates for shares of Conversion Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Conversion Stock represented thereby.

(iii) The conversion rights of any Share shall terminate on the Redemption Date for such Share unless the Corporation has failed to pay to the holder thereof the Redemption Price in accordance with Section 4A.

(iv) Notwithstanding any other provision contained herein, if a conversion of Series A Convertible Preferred is to be made in connection with a Change in Ownership, a Fundamental Change or other transaction affecting the Corporation, the conversion of any Share of Series A Convertible Preferred may, at the election of the holder thereof, be conditioned upon the consummation of such transaction, in which case such conversion shall not be deemed to be effective until such transaction has been consummated.

(v) As soon as possible after a conversion has been effected (but in any event within ten business days in the case of subsection (a) below), the

Corporation shall deliver to the converting holder:

(a) a certificate or certificates representing the number of shares of conversion Stock issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified;

(b) payment in an amount equal to all dividends accrued in accordance with Section 1 with respect to each Share converted which have not been paid prior thereto plus the amount payable with respect to fractional shares of Conversion Stock in accordance with subsection (xi) below; and

(c) a certificate representing any Shares of Series A Convertible Preferred which were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted.

(vi) The Corporation shall declare the payment of all dividends payable under subsection (v)(b) above. If the Corporation is not permitted under applicable law to pay any portion of the accrued and unpaid dividends on the Series A Convertible Preferred being converted, then the Corporation shall pay such dividends in cash to the converting holder as soon thereafter as funds of the Corporation are legally available for such payment. At the request of any such converting holder, the Corporation shall provide such holder with written evidence of its obligation to such holder.

(vii) Any holders of Series A Convertible Preferred may elect at their sole discretion to convert the cash dividends payable with respect to such holder's Series A Convertible Preferred into an additional number of shares of Conversion Stock determined by dividing the amount of the unpaid dividends to be applied for such purpose by the Conversion Price then in effect with respect to such Shares of Series A Convertible Preferred.

(viii) The issuance of certificates for shares of Conversion Stock upon conversion of Series A Convertible Preferred shall be made without charge to the holders of such Series A Convertible Preferred for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Conversion Stock. Upon conversion of each Share of Series A Convertible Preferred, the Corporation shall take all such actions as are necessary in order to insure that the Conversion Stock issuable with respect to such conversion shall be validly issued, fully paid and nonassessable, free and clear of all taxes, liens, charges and encumbrances with respect to the issuance thereof.

(ix) The Corporation shall not close its books against the transfer of Series A Convertible Preferred or of Conversion Stock issued or issuable upon

conversion of Series A Convertible Preferred in any manner which interferes with the timely conversion of the Series A Convertible Preferred. The Corporation shall assist and cooperate with any holder of Shares required to make any governmental filings or obtain any governmental approval prior to or in connection with

any conversion of Shares hereunder (including, without limitation, making any filings required to be made by the Corporation).

(x) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Conversion Stock, solely for the purpose of issuance upon the conversion of the Series A Convertible Preferred, such number of shares of Conversion Stock issuable upon the conversion of all outstanding Series A Convertible Preferred. All shares of Conversion Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary to assure that all such shares of Conversion Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Conversion Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not take any action which would cause the number of authorized but unissued shares of Conversion Stock to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of the Series A Convertible Preferred.

(xi) If any fractional interest in a share of Conversion Stock would, except for the provisions of this Section 6A(xi), be delivered upon any
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conversion of the Series A Convertible Preferred, the Corporation, in lieu of delivering the fractional share therefor, shall pay an amount to the holder thereof equal to the Market Price of such fractional interest as of the date of conversion.

6B. Conversion Price.

(i) The initial Conversion Price of each Share of Series A Convertible Preferred shall be $4.50. In order to prevent dilution of the conversion rights granted under this Section 6, the Conversion Price shall be
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subject to adjustment from time to time pursuant to this Section 6B.

(ii) If and whenever following the original date of issuance of the Series A Convertible Preferred the Corporation issues or sells, or in accordance with Section 6C is deemed to have issued or sold, any share of Common Stock or
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any warrants, options or other rights to purchase Common Stock (except as provided by Section 6B(iii) below) for (x) consideration per share less than the

Conversion Price in effect immediately prior to such time or (y) consideration per share less than the Market Price of the Common Stock as of the date of issuance, then immediately upon such issue or sale or deemed issue or sale the Conversion Price shall be reduced to the Conversion Price determined by dividing (a) the sum of (1) the product derived by multiplying the Conversion Price in effect immediately prior to such issue or sale by the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (2) the consideration, if any, received by the Corporation upon such issue or sale, by (b) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale.

(iii) Notwithstanding the foregoing, there shall be no adjustment to the Conversion Price hereunder with respect to the granting of stock options to employees, directors, consultants and vendors of the Corporation and its Subsidiaries or the exercise thereof.

6C. Effect on Conversion Price of Certain Events. For purposes of determining the adjusted Conversion Price under Section 6B, the following shall be applicable:

(i) Issuance of Rights or Options. If the Corporation in any manner grants or sells any Options and the price per share for which the Common Stock is issuable upon the exercise of such Options, or upon conversion or exchange of any Convertible Securities issuable upon exercise of such Options, is less than (a) the Conversion Price in effect immediately prior to the time of the granting or sale of such Options or (b) the Market Price of the Common Stock determined as of such time, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the granting or sale of such Options for such price per share. For purposes of this Section 6C(i), the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the granting or sale of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon 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 to the Corporation upon the issuance or sale of such convertible Securities and the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options. No further adjustment of the Conversion Price shall be made when Convertible Securities are actually issued upon the exercise of such Options or when Common Stock is actually issued upon the exercise of

such Options or the conversion or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities and the price per share for which Common Stock is issuable upon conversion or exchange thereof is less than (a) the Conversion Price in effect immediately prior to the time of such issue or sale or (b) the Market Price of the Common Stock determined as of such time, then the maximum number of shares of Common Stock issuable upon conversion or exchange of such Convertible Securities shall be deemed to outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 6C(ii), the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount, if any, 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 (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment of the Conversion Price shall be made when Common Stock is actually issued upon the conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustments of the Conversion Price had been or are to be made pursuant to other provisions of this Section 6, no further adjustment of the Conversion Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Conversion Rate. If (a) the purchase price provided for in any Options, (b) the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities or (c) the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock changes at any time, the Conversion Price in effect at the time of such change shall be immediately adjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold; provided that if such adjustment would result in an increase of the Conversion Price then in effect, no such adjustment shall be made. For purposes of this Section 6C, if the terms of any Option or Convertible Security which was outstanding as of the date of issuance of the Series A Convertible Preferred are changed in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such change; provided that no such change shall at any time cause the Conversion Price hereunder to be increased.

(iv) Calculation of Consideration Received. If any Common Stock, Options or Convertible Security is 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 (net of discounts, commissions and related expenses). If any Common Stock, Options or Convertible Security is 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, except where such consideration consists of securities, in which case the amount of consideration received by the Corporation shall be the Market Price thereof as of the date of receipt. If any Common Stock, Options or Convertible Security is issued to the owners of the non-surviving entity 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 entity as is attributable to such Common Stock, Options or Convertible Security, as the case may be. The fair value of any consideration other than cash and securities shall be determined jointly by the Corporation and the holders of a majority of the outstanding Series A Convertible Preferred. If such parties are unable to reach agreement within a reasonable period of time, the fair value of such consideration shall be determined by an independent appraiser experienced in valuing such type of consideration jointly selected by the Corporation and the holders of a majority of the outstanding Series A Convertible Preferred. The determination of such appraiser shall be final and binding upon the parties, and the fees and expenses of such appraiser shall be borne by the Corporation.

(v) Integrated Transactions. In case any Options are issued in connection with the issue or sale of other securities of the Corporation, together comprising one integrated transaction in which no specific consideration is allocated to such Options by the parties thereto, the Options shall be deemed to have been issued for a consideration of $.01.

(vi) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation or any

Subsidiary, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

(vii) Record Date. If the Corporation takes a record of the holders of Common Stock for the purpose of entitling them (a) the receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (b) 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 upon the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

6E. Limitation on Conversion Prior to Shareholder Approval Effective Date. Notwithstanding the provisions of this Section 6, if on the Conversion Date applicable to any conversion, (A) the Common Stock is then listed for trading on the NASDAQ National Market, the New York Stock Exchange, the American Stock Exchange or The NASDAQ SmallCap Market, (B) the Conversion Price then in effect is such that the aggregate number of shares of Conversion Stock that would then be issuable upon conversion of all outstanding shares of Series A Convertible Preferred, together with any shares of Conversion Stock previously issued upon conversion of Series A Convertible Preferred plus the Common Stock issuable upon conversion of all outstanding Convertible preferred, together with any shares of Common Stock previously issued upon conversion of the Convertible Preferred, would equal or exceed 20% of the number or shares of Conversion Stock outstanding on the Original Issue Date (the "Issuable Maximum"), and (C) the Shareholder Approval Effective Date has not occurred, then the Corporation shall issue to any holder so requesting conversion of the Series A Convertible Preferred its pro rata portion of the Issuable Maximum in the same ratio that the number of shares of Series A Convertible Preferred held by any such holder bears to all shares of Series A Convertible Preferred then outstanding; and, with respect to any shares of Conversion Stock that otherwise would have been issuable to such holder in excess of the Issuable Maximum, the Company shall, as promptly as possible from time to time after a written request by the holder, issue shares of Conversion Stock at a Conversion Price equal to the Per Share Market Value on the Trading Day immediately preceding the date of issuance of each such Share of Series A Convertible Preferred held by such holder as would cause the number of shares of Conversion Stock issuable upon such conversion to exceed the Issuable Maximum.

6F. Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced, and if the Corporation at any time combines (by reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

6G. Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation's assets or other

transaction, in each case which is effected in such a manner that the holders of Common Stock are entitled to receive (either directly or upon subsequent

liquidation) stock, securities or assets with respect to or in exchange for Common Stock, is referred to herein as an "Organic Change." Prior to the
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consummation of any Organic Change, the Corporation shall make appropriate provisions (in form and substance satisfactory to the holders of a majority of the Series A Convertible Preferred then outstanding) to insure that the Series A Convertible Preferred remains outstanding and each of the holders of Series A Convertible Preferred shall thereafter have the right to acquire and receive, in lieu of or in addition to (as the case may be) the shares of Conversion Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series A Convertible Preferred, such shares of stock, securities or assets as such holder would have received in connection with such Organic Change if such holder had converted its Series A Convertible Preferred immediately prior to such Organic Change. In each such case, the Corporation shall also make appropriate provisions (in form and substance satisfactory to the holders of a majority of the Series A Convertible Preferred then outstanding) to insure that the provisions of this Section 6 and Sections 7 and 8 shall thereafter be
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applicable to the Series A Convertible Preferred. The Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument (in form and substance satisfactory to the holders of a majority of the Series A Convertible Preferred then outstanding), 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 acquire.

6H. Certain Events. If any event occurs of the type contemplated by
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the provisions of this Section 6 but not expressly provided for by such
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provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features but excluding such rights granted to employees, directors, consultants and vendors), then the Corporation's Board of Directors shall make an appropriate adjustment in the Conversion Price then in effect so as to protect the rights of the holders of Series A Convertible Preferred; provided that no such adjustment shall increase the Conversion Price as otherwise determined pursuant to this Section 6 or
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decrease the number or shares of Conversion Stock issuable upon conversion of each Share of Series A Convertible Preferred.

6I. Notices.

(i) Immediately upon any adjustment of the Conversion Price, the Corporation shall give written notice thereof to all holders of Series A

Convertible Preferred, setting forth in reasonable detail and certifying the calculation of such adjustment.

(ii) the Corporation shall give written notice to all holders of Series A Convertible Preferred at least 20 days prior to the date on which the Corporation closes its books or takes a record (a) with respect to any dividend or distribution upon Common Stock, (b) with respect to any pro rata subscription offer to holders of Common Stock or (c) for determining rights to vote with respect to any Organic Change, dissolution or liquidation.

(iii) The Corporation shall also give written notice to the holders of Series A Convertible Preferred at least 20 days prior to the date on which any Organic Change shall take place.

Section 7. Liquidating Dividends.

If the Corporation declares or pays a dividend upon the Common Stock payable in a form other than in cash from earnings or earned surplus (determined in accordance with generally accepted accounting principles, consistently applied) except for a stock dividend payable in shares of Common Stock (a "Liquidating Dividend"), then the Corporation shall pay to the holders of Series
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A Convertible Preferred at the time of payment thereof the Liquidating Dividends which would have been paid on the shares of Conversion Stock had such Series A Convertible Preferred been converted immediately prior to the date on which a record is taken for such Liquidating Dividend, or, if no record is taken, the date as of which the record holders of Common Stock entitled to such dividends are to be determined.

Section 8. Purchase Rights.

If at any time the Corporation grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "Purchase Rights"), then each holder of Series A Convertible Preferred shall be
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entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such holder could have acquired if such holder had held the number of shares of Conversion Stock acquirable upon conversion of such holder's Series A Convertible Preferred immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase rights, or if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

Section 9. Events of Noncompliance.

9A. Definition. An Event of Noncompliance shall have occurred if:

(i) the Corporation fails to pay on when due the full amount of dividends then accrued on the Series A Convertible Preferred, whether or not such payment is legally permissible or is prohibited by any agreement to which the Corporation is subject;

(ii) the Corporation fails to make any redemption payment with respect to the Series A Convertible Preferred which it is required to make hereunder, whether or not such payment is legally permissible or is prohibited by any agreement to which the Corporation is subject;

(iii) the Corporation breaches or otherwise fails to perform or observe any other material covenant or agreement set forth herein or in the Purchase Agreement (including, without limitation Section 5.22 and 5.23 thereof) or the Original Purchase Agreement;

(iv) any representation or warranty contained in the Purchase Agreement or the Original Purchase Agreement or required to be furnished to any holder of Series A Convertible Preferred pursuant to the Purchase Agreement or the Original Purchase Agreement, or any information contained in writing required to be furnished by the Corporation or any Subsidiary to any holder of Series A Convertible Preferred, is false or misleading in any material respect on the date made or furnished;

(v) the Corporation or any material Subsidiary makes an assignment for the benefit of creditors; or an order, judgment or decree is entered adjudicating the Corporation or any material Subsidiary bankrupt or insolvent; or any order for relief with respect to the Corporation or any material Subsidiary is entered under the Federal Bankruptcy Code; or the Corporation or any material Subsidiary petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Corporation or any material Subsidiary or of any substantial part of the assets of the Corporation or any material Subsidiary, or commences any proceeding (other than a proceeding for the voluntary liquidation and dissolution of a Subsidiary) relating to the Corporation or any material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against the Corporation or any material Subsidiary and either (a) the Corporation or any such Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein or (b) such petition, application or proceeding is not dismissed within 60 days;

(vi) a judgment in excess of $150,000 is rendered against the Corporation or any material Subsidiary and, within 60 days after entry thereof, such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged;

(vii) the Corporation or any material Subsidiary defaults in the performance of any obligation or agreement if the effect of such default is to cause an amount exceeding $50,000 to become due prior to its stated maturity or to permit the holder or holders of any obligation to cause an amount exceeding $50,000 to become due prior to its stated maturity;

(viii) the Shareholder Approval Effective Date does not occur for any reason on or prior to February 28, 2000; or

(ix) if all outstanding shares of Convertible Preferred have not be reclassified into Series A Convertible Preferred on or before October 15, 1999 (subsections 9A (viii) and (ix) are each referred to as a "Special Event of Noncompliance").

9B. Consequences of Events of Noncompliance.

(i) Immediately upon the occurrence of an Event of Noncompliance (including, without limitation, a Special Event of Noncompliance) has occurred, and for 90 days thereafter that such Event of Noncompliance is continuing, the dividend rate on the Series A Convertible Preferred

shall increase immediately by an increment of one percentage point. Thereafter, until such time as no Event of Noncompliance exists, the dividend rate shall increase automatically at the end of each succeeding 90-day period by an additional increment of one percentage points up the maximum rate permitted by applicable law; provided that in no event shall the dividend rate be increased pursuant to this sentence by more than five percentage points if such Event of Noncompliance is not curable under any circumstances. Any increase of the dividend rate resulting from the operation of this subparagraph shall terminate as of the close of business on the date on which no Event of Noncompliance exists and the dividend rate shall return to the rate as determined according to Section 1, subject to subsequent increases pursuant to this Section 9B.

(ii) If a Special Event of Noncompliance has occurred, the holder or holders of a majority of the Series A Convertible Preferred then outstanding may demand (by written notice delivered to the Corporation) immediate redemption of all or any portion of the Series A Convertible Preferred then outstanding at a price per Share equal to the greater of (a) the Liquidation Value thereof (plus all accrued and unpaid dividends thereon) and (b) the Market Price of the Conversion Stock issuable upon exercise of the Series A Convertible Preferred. The Corporation shall redeem all Series A Convertible Preferred as to which rights under this paragraph have been exercised within 15 days after receipt of the initial demand for redemption.

(iii) If any Event of Noncompliance exists, each holder of Series A Convertible Preferred shall also have any other rights which such holder is

entitled to under any contract or agreement at any time and any other rights which such holder may have pursuant to applicable law.

Section 10. Registration of Transfer.

The Corporation shall keep at its principal office a register for the registration of Series A Convertible Preferred. Upon the surrender of any certificate representing Series A Convertible Preferred at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of Shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of Shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Series A Convertible Preferred represented by such new certificate from the date to which dividends have been fully paid on such Series A Convertible Preferred represented by the surrendered certificate.

Section 11. Replacement.

Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing Shares of Series A Convertible Preferred, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement

shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of Shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Series A Convertible Preferred represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 12. Definitions.

"Change in Ownership" means any sale, transfer or issuance or series of sales, transfers and/or issuances of Common Stock by the Corporation or any holders thereof which results in any Person or group of Persons (as the term "group" is used under the Securities Exchange Act of 1934), other than the holders of Common stock and the Series A Convertible Preferred as of the date of

the Purchase Agreement, owning more than 50% of the Common Stock outstanding at the time of such sale, transfer or issuance or series of sales, transfers and/or issuances.

"Common Stock" means, collectively, the Corporation's Common Stock, par value $0.005, and any capital stock, other than preferred stock of the Corporation, of any class of the Corporation hereafter authorized which is not limited to a fixed sum or percentage of par or stated value in respect to the rights of the holders thereof to participate in dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation.

"Common Stock Deemed Outstanding" means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock deemed to be outstanding pursuant to Sections 6C(i) and 6C(ii) whether or not the Options or Convertible Securities are actually exercisable at such time, but excluding any shares of Common Stock issuable upon conversion of the Series A Convertible Preferred.

"Conversion Stock" means shares of the Corporation's Common Stock; provided that if there is a change such that the securities issuable upon conversion of the Series A Convertible Preferred are issued by an entity other than the Corporation or there is a change in the type or class of securities so issuable, then the term "Conversion Stock" shall mean one share of the security issuable upon conversion of the Series A Convertible Preferred if such security is issuable in shares, or shall mean the smallest unit in which such security is issuable if such security is not issuable in shares.

"Convertible Securities" means any stock or securities directly or indirectly convertible into or exchangeable for Common Stock other than the Series A Convertible Preferred.

"Fundamental Change" means (a) any sale or transfer of more than 50% of the assets of the Corporation and its Subsidiaries on a consolidated basis (measured either by book value in accordance with generally accepted accounting principles consistently applied or by fair market value determined in the reasonable good faith judgment of the Corporation's Board of Directors) in any transaction or series of transactions (other than sales in the ordinary course of business) and

(b) any merger or consolidation to which the Corporation is a party, except for a merger in which the Corporation is the surviving corporation, the terms of the Series A Convertible Preferred are not changed and the Series A Convertible Preferred is not exchanged for cash, securities or other property, and after giving effect to such merger, the holders of the Corporation's outstanding

capital stock possessing a majority of the voting power (under ordinary circumstances) to elect a majority of the Corporation's Board of Directors immediately prior to the merger shall continue to own the Corporation's outstanding capital stock possessing the voting power (under ordinary circumstances) to elect a majority of the Corporation's Board of Directors.

"Junior Securities" means any capital stock or other equity securities of the Corporation, except for the Series A Convertible Preferred and any outstanding Senior Securities.

"Liquidation Value" of any Share as of an particular date shall be equal to $15.00, as adjusted for stock splits, stock dividends, recapitalizations and other similar events.

"Market Price" of any security means the average of the closing prices of such security's sales on all securities exchanges on which such security may at the time be listed, or, if there has been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such security is not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of 30 days ending on the Trading Day prior to the day as of which "Market Price" is being determined and the 30 consecutive business days prior to such day. If at any time such security is not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the "Market Price" shall be the fair value thereof determined jointly by the Corporation and the holders of a majority of the Series A Convertible Preferred. If such parties are unable to reach agreement within a reasonable period of time, such fair value shall be determined by an independent appraiser experienced in valuing securities jointly selected by the Corporation and the holders of a majority of the Series A Convertible Preferred. The determination of such appraiser shall be final and binding upon the parties, and the Corporation shall pay the fees and expenses of such appraiser.

"Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

"Original Issue Date" shall mean the date of the first issuance of any shares of the Series A Convertible Preferred regardless of the number of transfers of any particular shares of Series A Convertible Preferred and regardless of the number of certificates which may be issued to evidence such Series A Convertible Preferred.

"Original Purchase Agreement" means that certain purchase agreement dated as of July 23, 1999 by and between the Company and U-C Holdings, L.L.C., a Delaware limited liability company, as such agreement may from time to time be amended in accordance with its terms.

"Purchase Agreement" means that certain purchase agreement dated as of August 31, 1999 by and between the Company and U-C Holdings, L.L.C., a Delaware limited liability company, as such agreement may from time to time be amended in accordance with its terms.

"Per Share Market Value" means on any particular date (a) the closing bid price per share of the Conversion Stock on such date on The NASDAQ SmallCap Market, the NASDAQ National Market or other registered national stock exchange on which the Conversion Stock is then listed or if there is no such price on such date, then the closing bid price on such exchange or quotation system on the date nearest preceding such date, or (b) if the Conversion Stock is not listed then on The NASDAQ SmallCap Market, the NASDAQ National Market or any registered national stock exchange, the closing bid price for a share of Conversion Stock in the over-the-counter market, as reported by NASDAQ or in the National Quotation Bureau Incorporated or similar organization or agency succeeding to its functions of reporting prices) at the close of business on such date, or (c) if the Conversion Stock is not then reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the "Pink Sheet" quotes for the relevant conversion period, as determined in good faith by the holder.

"Person" means an individual, a partnership, a corporation, a limited liability company, a limited liability, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Redemption Date" as to any Share means the applicable date specified herein; provided that no such date shall be a Redemption Date unless the redemption consideration determined in accordance with Section 4A is actually paid in full on such date, and if not so paid in full, the Redemption Date shall be the date on which such amount is fully paid.

"Senior Securities" means the 309,998 shares of Convertible Preferred Stock of the Company, $.001 par value (the "Convertible Preferred"), or such lesser amount as may be outstanding at any time, plus any other shares or preferred stock hereafter authorized which have been approved by the holders of a majority of the outstanding shares of Convertible Preferred.

"Shareholder Approval Effective Date" means either (a) the date of the approval by a majority of the total votes cast on the proposal, in person or by proxy, at a meeting of the shareholders of the Corporation held in accordance with the Corporation's Certificate of Incorporation and bylaws, of the issuance by the Corporation of shares of Conversion Stock exceeding the Issuable Maximum as a consequence of the conversion of Series A convertible Preferred into Conversion Stock at a price less than the greater of the book or market value on the Original Issue Date as and to the extent required pursuant to Rule 4460(i) of the NASDAQ Stock Market, Inc.'s Marketplace Rules (or any successor or replacement provision thereof) ("Shareholder Approval") or (b) 20 business days after the mailing of an information statement on Schedule 14C under the Exchange Act reflecting such Shareholder Approval having been obtained by written consent in accordance with the Corporation's Certificate of Incorporation, bylaws and applicable law.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing general partner of such limited liability company, partnership, association or other business entity.

"Trading Day" means (a) a day on which the Conversion Stock is traded on The NASDAQ SmallCap Market, the NASDAQ National Market or other registered national stock exchange on which the Conversion Stock has been listed, or (b) if the Conversion Stock is not listed on The NASDAQ SmallCap Market, the NASDAQ National Market or any registered national stock exchange, a day on which the Conversion Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (c) if the Conversion Stock is not quoted on the OTC Bulletin Board, a day on which the Conversion Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding its functions of reporting policies).

Section 13. Amendment and Waiver.

No amendment, modification or waiver shall be binding or effective with respect to any provision of Sections 1 to 14 without the prior written consent of the holders of a majority of the Series A Convertible Preferred outstanding at the time such action is taken; provided further that no change in the terms contained herein may be accomplished by merger or consolidation of the Corporation with another corporation or entity unless the Corporation has obtained the prior written consent of the holders of the majority of the Series A Convertible Preferred then outstanding.

Section 14. Notices.

Except as otherwise expressly provided hereunder, all notices referred herein shall be in writing and shall be delivered by registered or certified mail, return receipt requested and postage prepaid, or by reputable overnight courier service, charges prepaid, and shall be deemed to have been given when so mailed or sent (i) to the Corporation, at its principal executive offices and (ii) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated by any such holder).

IN WITNESS WHEREOF, College Television Network, Inc., has caused this Second Certificate to be executed by its duly authorized representative as of August 30, 1999.

COLLEGE TELEVISION NETWORK, INC.,
a Delaware corporation

By: /s/ Martin Grant

Martin Grant, President

PURCHASE AGREEMENT

DATED AS OF

AUGUST 31 1999

BY AND BETWEEN

COLLEGE TELEVISION NETWORK, INC.

AND

U-C HOLDINGS, L.L.C.

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SCHEDULES AND EXHIBITS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, dated as of August 31, 1999, by and between College Television Network, Inc., a Delaware corporation having an office at 5784 Lake Forrest Drive, Suite 275, Atlanta, GA 30328 (the "Company"), and U-C Holdings, L.L.C., a Delaware limited liability company (the "Purchaser").

On the terms and subject to the conditions set forth herein, the Company has agreed to issue and sell to the Purchaser, and the Purchaser has agreed to purchase from the Company, 1,000,000 shares of the Company's series A convertible preferred stock, $.001 par value per share ("Series A Convertible Preferred") for an aggregate purchase price of $15,000,000.

On the terms and subject to the conditions set forth herein, upon the written notice from the Company pursuant to Section 3.3, Purchaser agrees to purchase, and the Company agrees to issue and sell to the Purchaser, from time to time after the date of this Agreement, additional shares of Series A Convertible Preferred for an aggregate purchase price of up to $10,000,000 less the Guaranty Amount, as defined below.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

ARTICLE I
DEFINITIONS

"Additional Purchased Securities" shall mean shares of Series A Convertible Preferred purchased by the Purchaser at each Subsequent Closing from time to time pursuant to Section 3.2 and Section 3.3.

"Affiliated Group" shall mean an affiliated group as defined in Section 1504 of the IRC (or any analogous combined, consolidated or unitary group defined under state, local or foreign income tax law) of which Company is or has been a member.

"Annual Report" shall mean the annual report of the Company on Form 10-KSB for the fiscal year ended December 31, 1998, which has been filed with the SEC.

"Board" shall mean the board of directors of the Company.

"Business Day" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of Illinois or the State of Georgia.

"Capitalization Chart" shall have the meaning set forth in

Section 5.1.

"Certificate of Incorporation" shall mean the Restated Certificate of Incorporation of the Company filed on November 10, 1997 with the Secretary of State of the State of Delaware, and amended by the Articles of Amendment to the Restated Certificate of Incorporation, filed on May 29, 1998 with the Secretary of State of the State of Delaware, and as modified by the Original Certificate of Designation, filed on July 22, 1999, and by the Second Certificate of Designation, filed on or about the date hereof, and as the same may be further amended from time to time.

"Charges" shall mean (A) all federal, state, county, city, municipal, local, foreign or other governmental (including, without limitation, PBGC taxes at the time due and payable, levies, assessments, charges, liens, claims or encumbrances upon or relating to (i) the Company's employees, payroll, income or gross receipts, (ii) the Company's ownership or use of any of its assets, or (iii) any other aspect of the Company's business, or (B) any liability of the Company for the payment of any amounts of the type described in clause (A) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any tax return relating thereto).

"Class C Warrant" shall mean the Company's Class C Warrants listed on the Capitalization Chart attached hereto as Exhibit C.

"Closing" shall mean each of the Initial Closing and each Subsequent Closing, and "Closing Date" shall mean each of the Initial Closing Date and each Subsequent Closing Date.

"COBRA" shall have the meaning set forth in Section 5.19(l)

"Common Stock" shall mean the common stock of the Company with par value $.005 per share.

"Controlled Group" shall mean all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

"Convertible Preferred" shall mean the convertible preferred stock, par value $.001 per share, of the Company having the rights and preferences set forth in the Original Certificate of Designation.

"Environmental Laws" shall mean all federal, state and local laws, statutes, ordinances and regulations, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any judicial or

administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree or judgment, relative to the applicable Real Estate, relating to the regulation and protection of human health, safety, the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation).

Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. ss. 9601 et seq.) ("CERCLA"); the Hazardous Material Transportation Act, as amended (49 U.S.C. ss. 1801 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. ss. 136 et seq.); the Resource Conservation and Recovery Act, as amended (42 U.S.C. ss. 6901 et seq.) ("RCRA"); the Toxic Substance Control Act, as amended (15 U. S.C. ss. 2601 et seq.); the Clean Air Act, as amended (42 U. S.C. ss. 740 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. ss. 1251 et seq.); the Occupational Safety and Health Act, as amended (29 U.S.C. ss. 651 et sec.) ("OSHA"); and the Safe Drinking Water Act, as amended (42 U.S.C. ss. 300f et seq.), and any and all regulations promulgated thereunder, and all analogous state and local counterparts or equivalents and any transfer of ownership notification or approval statutes.

"Environmental Liabilities and Costs" shall mean all liabilities, obligations, responsibilities, remedial actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including, without limitation, all fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim, suit, action or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law (including, without limitation, any thereof arising under any Environmental Law, permit, order or agreement with any Governmental Authority) and which relate to any health or safety condition regulated under any Environmental Law or in connection with any other environmental matter or Spill or the presence of a hazardous substance or threatened Spill of any Hazardous Substance.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time and any regulations promulgated thereunder.

"ERISA Affiliate" shall mean, with respect to the Company, any trade or business (whether or not incorporated) under common control with the Company and which, together with the Company, are treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the IRC, excluding the Purchaser and each other Person which would not be an ERISA Affiliate if the Purchaser did not own any issued and outstanding shares of Stock of the Company.

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

"Financials" shall mean the financial statements referred to in Section 5.7 hereof.

"Fiscal Year" shall mean the twelve month period ending December 31. Subsequent changes of the fiscal year of the Company shall not change the term "Fiscal Year," unless the Purchaser shall consent in writing to such change.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranty Amount" shall mean at any given time the sum of (i) the maximum amount which could be payable at such time by the Purchaser pursuant to the Guaranty, plus (ii) the aggregate amount of payments actually made by the Purchaser from time to time pursuant to the Guaranty plus (iii) the maximum amount which could be payable at such time and by Willis Stein & Partners II, L.P., a Delaware limited partnership (the "Fund"), and by Willis Stein & Partners Dutch, L.P., a Delaware limited partnership ("Dutch" and together with the Fund, the "Funds"), pursuant to the guaranty dated as of August 31, 1999, by each of the Fund and Dutch in favor of Canadian Imperial Bank of Commerce ("CIBC") and/or its affiliates or co-lenders (the "Fund Guaranty"), plus (without duplication for subparagraph (i) above) (iv) the aggregate amount of any payments actually made by each of the Fund and Dutch from time to time pursuant to the Fund Guaranty.

"Guaranteed Indebtedness" shall mean, as to any Person, any obligation of such Person guaranteeing any Indebtedness, lease, dividend, or other obligation ("primary obligations") of any other Person (the "primary obligor") in any manner including, without limitation, any obligation or arrangement of such Person (a) to purchase or repurchase any such primary obligation, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) to indemnify the owner of such primary obligation against loss in respect thereof.

"Guaranty" means that certain Guaranty, dated as of August 31, 1999, by the Purchaser in favor of CIBC and/or its affiliates or co-lenders.

"Hazardous Substances" shall have the meaning set forth in Section 5.10(a) hereof.

"Indebtedness" of any Person shall mean (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (including, without limitation, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers acceptances, whether or not matured, but not including obligations to trade creditors incurred in the ordinary course of business), (ii) all obligations evidenced by notes, bonds, debentures or similar instruments, (iii) all indebtedness created or arising under any conditional sale or other title retention agreements with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are

limited to repossession or sale of such property), (iv) all capital lease obligations required to be capitalized in accordance with GAAP, (v) all Guaranteed Indebtedness, (vi) all Indebtedness referred to in clause (i), (ii), (iii), (iv) or (v) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness and (vii) all liabilities under Title IV of ERISA.

"Initial Closing" shall have the meaning set forth in Section 2.3 hereof and "Initial Closing Date" shall have the meaning set forth in Section 2.3 hereof.

"Initial Purchased Securities" shall mean the Series A Convertible Preferred purchased by the Purchaser at the Initial Closing pursuant to Section 2.2 of this Agreement.

"IRC" shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto.

"IRS" shall mean the Internal Revenue Service, or any successor thereto.

"Lien" shall mean any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority, or other security agreement or preferential arrangement of any kind or nature whatsoever

(including without limitation, any title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest as to assets owned by the relevant Person under the Uniform Commercial Code or comparable law of any jurisdiction).

"Material Adverse Effect" shall mean material adverse effect on the business, assets, operations, prospects or financial or other condition of the Company.

"Material Contracts" shall mean (i) all of the Company's contracts, agreements, leases or other instruments to which the Company is a party or by which the Company or its properties are bound, which in the Company's good faith judgment are required to be disclosed as exhibits to the Company's annual report on Form 10-KSB, (ii) all of the Company's loan agreements, bank lines of credit agreements, indentures, mortgages, deeds of trust, pledge and security agreements, factoring agreements, conditional sales contracts, letters of credit or other debt instruments, (iii) all material operating or capital leases for equipment to which the Company is a party, (iv) all non-competition and similar agreements other than as contained in employment agreements to which the Company is a party, (v) all contracts for the employment of any officer or employee, (vi) all consulting agreements, (vii) any guarantees by the Company, (viii) all distributor and sales agency agreements, (ix) all other material contracts not made in the ordinary course of business, and (x) all material contracts relating to the operation of the Company or, the production of or programming for the Company or related to the technology utilized by the Company.

"MPM" shall mean Armed Forces Communications, Inc., a New York corporation doing business as Market Place Media.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001 (a)(3) of ERISA, and to which Company or any ERISA Affiliate is making, is obligated to make, has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"Options" shall mean the options listed on the Capitalization Chart attached hereto as Exhibit C.

"Original Certificate of Designation" shall mean the Certificate of Designation filed with the Secretary of State of the State of Delaware on July 22, 1999 which contains the terms and preferences of the Company's Convertible Preferred.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" shall mean all "employee benefit plans", as

defined in Section 3(3) of ERISA, and any other employee benefit arrangements or payroll practices, including, without limitation, severance pay, sick leave, vacation pay, salary continuation for disability, consulting or other compensation agreements, retirement, deferred compensation, bonus, stock purchase, hospitalization, medical insurance, life insurance and scholarship programs (the "Plans") maintained by the Company or to which the Company
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contributed, contributes or is obligated to contribute thereunder, and (ii) all "employee pension plans", as defined in Section 3(2) of ERISA, maintained by the Company or any of its ERISA Affiliates to which the Company or any of its ERISA Affiliates contributed, contributes or is obligated to contribute thereunder.

"Permitted Indebtedness" shall mean, with respect to the

Company, (i) taxes or assessments or other governmental charges or levies, either not yet due and payable or to the extent that nonpayment thereof is permitted by the terms of this Agreement; (ii) obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation; (iii) bids, tenders, contracts (other than contracts for the payment of money) or leases to which the Company is a party as lessee made in the ordinary course of business, (iv) public or statutory obligations of the Company; (v) all deferred taxes and (vi) all unfunded pension fund and other employee benefit plan obligations and liabilities but only to the extent permitted to remain unfunded under applicable law.

"Person" shall mean any individual, sole proprietorship,
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partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Private Placement Warrants" shall mean the Company's private
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placement warrants listed on the Capitalization Chart attached hereto as Exhibit C.

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"Registration Rights Agreement" shall mean the Registration

Rights Agreement between Company and the Purchaser, dated as of April 25, 1997, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Restricted Securities" shall mean (i) the Initial Purchased

Securities and the Additional Purchased Securities issued hereunder, and (ii) any securities issued and exchanged with respect to the securities referred to in clause (i) by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, reclassification, merger, consolidation or other reorganization. As to any particular Restricted Securities, such securities shall cease to be Restricted Securities when they have been (a) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, (b) been distributed to the public through a broker, dealer or market maker pursuant to Rule 144 (or any similar provision then in force) under the Securities Act or become eligible for sale pursuant to Rule 144(k) (or any similar provision then in force) under the

Securities Act or (c) been otherwise transferred and new certificates for them not bearing the Securities Act legend set forth in Section 8.1 have been delivered by Company in accordance with Section 8.2. Whenever any particular securities cease to be Restricted Securities, the holder thereof shall be entitled to receive from Company, without expense, new securities of like tenor nor bearing a Securities Act legend of the character set forth in Section 8.1.

"SEC" shall mean the U.S. Securities and Exchange Commission, or any successor thereto.

"Second Certificate of Designation" means the Second Certificate of Designation of the Company containing the terms of the Company's Series A Convertible Preferred, having the rights and preferences set forth on Exhibit A attached hereto.

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

"Series A Convertible Preferred" shall mean the Series A Convertible Preferred stock of the Company defined in the recitals and having the rights and preferences set forth in the Second Certificate of Designation.

"Shareholder Approval" shall have the meaning as such term is defined in the Second Certificate of Designation.

"Spill" shall have the meaning set forth in Section 5.10.

"Stock" shall mean all shares, options, warrants, general or limited partnership interests, limited liability company membership interest, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including, without limitation, common stock, preferred stock, or any other equity security (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"Subsequent Closing" shall have the meaning set forth in Section 3.3 hereof and "Subsequent Closing Date" shall have the meaning set forth in Section 3.3 hereof.

"Subsidiary" shall mean, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class

or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person and/or one or more Subsidiaries of such Person, and (b) any partnership or other entity in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

"Transaction Documents" shall mean this Agreement, the Registration Rights Agreement, the Second Certificate of Designation, the Guaranty, the Fund Guaranty, the CIBC Credit Agreement (defined in Section 5.24) and all certificates and other documents related to the transactions contemplated hereby and thereby.

"Warrants" shall mean the Company's Private Placement Warrants and Class C Warrants.

References to this "Agreement" shall mean this Purchase and Recapitalization Agreement, including all amendments, modifications and supplements and any exhibits or schedule to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with GAAP consistently applied. That certain terms or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement, as a whole, including the exhibits and schedules hereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement. Wherever from the context it appears appropriate, each term

stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

ARTICLE II
INITIAL CLOSING

Section 2.1 Authorization of Initial Purchased Securities. At or prior to the Initial Closing, the Company shall have duly authorized the issuance and sale of the Initial Purchased Securities.

Section 2.2 Purchase of Initial Purchased Securities. Subject to the terms and conditions set forth in this Agreement, on the Initial Closing Date (as defined below), the Purchaser will purchase from the Company, and the Company will sell to the Purchaser, an aggregate of 1,000,000 shares of Series A

Convertible Preferred for a purchase price of $15 per share (the "Per Share Price") for an aggregate purchase price of $15,000,000 (the "Initial Purchase Price"). The Initial Purchase Price will be payable in full by the Purchaser on the Initial Closing Date in cash by wire transfer of immediately available funds to an account designated by the Company.

Section 2.3 Initial Closing. The closing of the purchase and sale of the Initial Purchased Securities (the "Initial Closing") shall take place simultaneously with the execution of this Agreement (the "Initial Closing Date") at the New York office of Kirkland & Ellis located at 153 East 53rd Street, New York, New York, or such other place as shall be mutually agreed to by the parties hereto. On the Initial Closing Date, the Company will deliver to the Purchaser a certificate representing the shares of Series A Convertible Preferred representing the Initial Purchased Securities to be purchased by the Purchaser registered in the name of the Purchaser against delivery by the Purchaser of the Initial Purchase Price by payment of cash by wire transfer of immediately available funds to the Company in accordance with Section 2.2 hereof.

ARTICLE III
SUBSEQUENT CLOSINGS

Section 3.1 Authorization of Additional Purchased Securities. At or prior to the first Subsequent Closing, the Company shall duly authorize the issuance and sale of the Additional Purchased Securities to be purchased at such Subsequent Closing.

Section 3.2 Purchase of Additional Purchased Securities. Subject to the terms and conditions set forth in this Agreement, from time to time after the Initial Closing and until:

(a) the first anniversary of the Initial Closing, with respect to the purchase of Additional Purchased Securities upon the Company's written notice in accordance with Section 3.3(a) below, the Purchaser may purchase from the Company at any Subsequent Closing Additional Purchased Securities, up to a cumulative total amount (assuming a Guaranty Amount

equal to zero/1/) of 666,667 shares of Series A Convertible Preferred, at price per share equal to the Per Share Price for an aggregate purchase price of up to $10,000,000 less the Guaranty Amount; and

(b) so long as both the Guaranty and the Fund Guaranty remain outstanding, or the Purchaser and the Funds have any outstanding obligations thereunder, the Purchaser shall have the right to purchase from the Company at any Subsequent Closing, in accordance with Section 3.3(b) below,

Additional Purchased Securities up to an aggregate number of shares equal to the quotient obtained by dividing the initial Guaranty Amount by the Per Share Price, at a price per share equal to the Per Share Price for an aggregate purchase price of up to the initial Guaranty Amount.

With respect to either Section 3.2(a) and Section 3.2(b) above, the aggregate purchase price for the Additional Purchased Securities purchased at any Subsequent Closing shall be equal to the Per Share Price multiplied by the number of shares of Series A Convertible Preferred purchased at such Subsequent Closing.

Section 3.3 Subsequent Closings. Subject to the terms and conditions herein (including the satisfaction of the conditions set forth in Article VII), upon either (a) the Company's written notice specifying (i) the proposed Subsequent Closing Date (which shall not be less than 20 nor more than 60 Business Days after delivery of such notice), (ii) the amount of Additional Purchased Securities to be purchased and (iii) such other information as may be requested by the Purchaser or (b) a payment by the Purchaser with respect to the Guaranty, or a payment by either the Fund or Dutch with respect to the Fund Guaranty, in each case whether as a result of a call by CIBC or a voluntary investment which has the effect of reducing the amount outstanding under the Guaranty, which the Purchaser and the Funds may elect to make such payment by the purchase of a number of Additional Purchased Securities equal to the quotient obtained by dividing the amount of such payment by the Per Share Price for an aggregate purchase price equal to the amount of such payment then the closing of each such purchase and sale of the Additional Purchased Securities (each, a "Subsequent Closing") shall take place on such proposed Subsequent Closing Date, or other date mutually agreed to by the parties hereto (the "Subsequent Closing Date"), at the offices of Kirkland & Ellis at 200 East Randolph Street, Chicago, Illinois or at 153 East 53rd Street, New York, New York, or such other place as shall be mutually agreed to by the parties hereto. On each Subsequent Closing Date, the Company will deliver to the Purchaser a certificate representing the number of shares of Series A Convertible Preferred purchased at such Subsequent Closing purchased at such Subsequent Closing which together represent the Additional Purchased Securities purchased by the Purchaser at such Subsequent Closing to be registered in the name of the Purchaser against delivery by the Purchaser of the purchase price therefor by payment of cash to the Company in accordance with Section 3.2.

/1/ As of the date hereof, the Guaranty Amount is equal to $6,000,000 and the Purchaser may purchase up to an additional amount of 266.667 ($10 million less $6 million divided by $15) shares of Series A Convertible Preferred.

ARTICLE IV
PURCHASER'S REPRESENTATIONS

As of the Initial Closing and as of each Subsequent Closing, the Purchaser makes the following representations and warranties to the Company, each and all of which shall survive the execution and delivery of this Agreement and each Closing hereunder:

Section 4.1 Investment Intention. The Purchaser is purchasing the Initial Purchased Securities and the Additional Purchased Securities for its own account, for investment purposes and not with a view to the distribution thereof. The Purchaser will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of any of the Initial Purchased Securities or the Additional Purchased Securities (or solicit any offers to buy, purchase, or otherwise acquire any of the Initial Purchased Securities or the Additional Purchased Securities), except in compliance with the Securities Act.

Section 4.2 Accredited Investor. The Purchaser is an "accredited investor" (as that term is defined in Rule 501 of Regulation D under the Securities Act) and by reason of its business and financial experience, it has such knowledge, sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of the prospective investment, is able to bear the economic risk of such investment and it is able to afford a complete loss of such investment.

Section 4.3 Corporate Existence. The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

Section 4.4 Corporate Power: Authorization: Enforceable Obligations. The execution, delivery and performance by the Purchaser of the Transaction Documents to be executed by it: (i) are within Purchaser's power, as applicable; (ii) have been duly authorized by all necessary action, as applicable; (iii) are not in contravention of any provision of the Purchaser's governing documents, as applicable; and (iv) will not violate any law or regulation, or any order or decree of any court or governmental instrumentality binding on the Purchaser. The Purchaser has full power and authority to perform its obligations under the Transaction Documents. The Transaction Documents to which the Purchaser is a party have each been duly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

ARTICLE V
COMPANY'S REPRESENTATIONS, WARRANTIES AND COVENANTS

As of the Initial Closing and as of each Subsequent Closing, the Company makes the following representations, warranties and covenants to the Purchaser, each and all of which shall survive the execution and delivery of this Agreement and each Closing hereunder:

Section 5.1 Capitalization.

(a) The "Capitalization Chart" attached hereto as

Exhibit C sets forth a true and complete description of all authorized, issued and outstanding shares of Common Stock, Convertible Preferred and Series A Convertible Preferred of the Company by including a description of (i) the number of shares of each class of Stock of the Company issued and outstanding and (ii) the number and class of all outstanding warrants, options and other securities convertible into, or exchangeable for, shares of Common Stock or other securities of the Company. After giving effect to the purchase of the Initial Purchased Securities, 1,155,426 shares of Common Stock are reserved for issuance upon exercise of the Private Placement Warrants, 924,832 shares of Common Stock are reserved for issuance upon exercise of the Class C Warrants, 4,366,660 shares of Common Stock are reserved for issuance upon conversion of the Series A Convertible Preferred outstanding as of the date hereof (including the Series A Convertible Preferred purchased at the Initial Closing), and 2,915,933 shares of Common Stock are reserved for issuance upon exercise of the Options.

(b) All issued and outstanding Stock of the Company listed on the Capitalization Chart is duly authorized, validly issued, fully paid and non-assessable. Schedule 5.1 hereto or the Annual Report contains a complete and correct list of all stockholders of the Company owning, to the knowledge of the Company, more than 5% of the outstanding Stock of the Company and the number of shares or warrants owned by each. Except as set forth on Schedule 5.1 or the Annual Report and except as to the outstanding Series A Convertible Preferred, Options and Warrants, (i) there is no existing option, warrant, call, commitment or other agreement to which the Company is a party requiring, and there are no convertible securities of the Company outstanding which upon conversion would require, the issuance of any additional shares of Stock of the Company or other securities convertible into shares of equity securities of the Company, (ii) there are no agreements or obligations (contingent or otherwise) requiring the Company to repurchase or otherwise acquire or retire any shares of its capital stock or any warrants, options or other rights to acquire its capital stock, and (iii) there are no agreements to which the Company is a party or, to the knowledge of the Company, to which any stockholder or warrant holder of the Company is a party, with respect to the voting or transfer of the Stock of the Company. Except as set forth on Schedule 5.1 or the Annual Report, there are no stockholders' preemptive rights or rights of first refusal or other similar rights with respect to the issuance of the Initial Purchased Securities or the Additional Purchased Securities by the Company. True and correct copies of the Certificate of Incorporation and by-laws of the Company have been delivered to the Purchaser.

Section 5.2 Authorization and Issuance of the Initial Purchased Securities, and the Additional Purchased Securities. The issuance of the to the Initial Purchased Securities, and the Additional Purchased Securities purchased pursuant to the Guaranty or the Fund Guaranty, has been duly authorized by all necessary corporate action on the part of the Company and, upon delivery to the Purchaser of certificates therefor against payment in accordance with the terms hereof, the Initial Purchased Securities and the Additional Purchased Securities will have been validly issued and fully paid and nonassessable, free and clear of all pledges, liens, encumbrances and preemptive rights, subject to reclassification of the Convertible Preferred into the Series

A Convertible Preferred in accordance with Section 6.1(d). The issuance of
shares upon the conversion of the Series A Convertible Preferred has been duly authorized by all necessary corporate action on the part of the Company and, when issued upon conversion of the Series A Convertible Preferred, such Common Stock will have been validly issued and fully paid and non-assessable.

Section 5.3 Securities Laws. In reliance on the representations of the Purchaser contained in Section 4.1 and 4.2, the offer, issuance, sale and delivery of the Initial Purchased Securities and the Additional Purchased Securities, as provided in this Agreement, are exempt from the registration requirements of the Securities Act and all applicable state securities laws, and are otherwise in compliance with such laws. Neither the Company nor any Person acting on its behalf has taken or will take any action (including, without limitation, any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of the Initial Purchased Securities or the Additional Purchased Securities under the Securities Act and the rules and regulations of the SEC thereunder) which might subject the offering, issuance or sale of the Initial Purchased Securities or the Additional Purchased Securities to the registration requirements of Section 5 of the Securities Act. No information contained in the documents filed with the SEC contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances under which made.

Section 5.4 Corporate Existence: Compliance with Law. The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) except as indicated on Schedule 5.4, is duly qualified as a foreign corporation and in good standing under the laws of Massachusetts, New York, Illinois, California, Arizona and Georgia and each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification (except for jurisdictions in which such failure to so qualify or to be in good standing would not have a Material Adverse Effect); (iii) has the requisite corporate power and authority and the legal right to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease, and to conduct its business as now being conducted in all material respects; (iv) has, or has applied for, all material licenses, permits, consents or approvals from or by, and has made all material filings with, and has given all material notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct; (v) is in compliance with its Certificate of Incorporation and by-laws in all material respects; and (vi) is in compliance with all applicable provisions of applicable laws, including, but not limited to, the Securities Act and the Exchange Act, except for such non-

compliance which would not have a Material Adverse Effect. The Company has timely filed all reports with the SEC as is required by the Securities Act and Exchange Act and the Rule 144 exemption is available to qualified holders of Stock of the Company.

Section 5.5 Subsidiaries. Except with respect to the acquisition of MPM and as listed on the Schedule 5.5, there currently exist no

Subsidiaries of the Company and the Company has no equity interest in any other Person.

Section 5.6 Corporate Power: Authorization: Enforceable Obligations. The execution, delivery, and performance by the Company of this Agreement, the other Transaction Documents to which it is a party and all instruments and documents to be delivered by the Company, the issuance and sale of the Initial Purchased Securities, and the Additional Purchased Securities purchased pursuant to the Guaranty or the Fund Guaranty, and the consummation of the other transactions contemplated by any of the foregoing (subject to the reclassification of the Convertible Preferred into the Series A Convertible Preferred in accordance with Section 6.1(d)): (i) are within the Company's corporate power and authority, (ii) have been duly authorized by all necessary or proper corporate action; (iii) are not in contravention of any provision of the Company's Certificate of Incorporation or by-laws; (iv) will not violate any law or regulation, or any order or decree of any court or governmental instrumentality; (v) will not conflict with or result in the breach or termination of, constitute a default under or accelerate any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Company is a party or by which the Company or any of their property is bound, (vi) will not result in the creation or imposition of any Lien upon the capital stock or any of the property of the Company; and (vii) do not require the consent or approval of, or any filing with, any Governmental Authority or any other Person (except to the extent previously obtained or made). Except for the Shareholder Approval, the execution, delivery and performance of this Agreement and the transactions contemplated herein do not require approval or consent of the shareholders or other holders of Stock of the Company or the approval or authorization of any Governmental Authority, NASDAQ (except for the listing of additional shares pursuant to NASD Rule 4310(c)(17) regarding notice of issuance of additional securities), other securities exchange or any other Person. Each of this Agreement and the other Transaction Documents shall have been duly executed and delivered by the Company and each shall then constitute a legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.7 Financial Statements.

(a) The audited financial statements of the Company dated as of December 31, 1998 (the "Financials") have been prepared in accordance with the books and records of the Company, present fairly the financial condition of the Company as of the respective dates

indicated and the results of operations for the respective periods indicated, and have been prepared in accordance with GAAP applied on a consistent basis.

(b) Except as set forth on Schedule 5.7 or the Annual Report, the Company has no material obligations, contingent or otherwise,

including, without limitation, liabilities for Charges, long-term leases or long-term commitments which are not reflected in the Financials, other than those incurred since December 31, 1998, in the ordinary course of business (none of which is a liability resulting from breach of contract, breach of warranty, tort, infringement, or any claim or lawsuit).

(c) No dividends or other distributions have been declared, paid or made upon any Stock of the Company, nor has any Stock of the Company been redeemed, retired, purchased or otherwise acquired for value by the Company since December 31, 1998.

Section 5.8 Ownership of Property.

(a) The Company does not own any real estate. Except as set forth on Schedule 5.8 or the Annual Report, the Company owns, has a valid leasehold interest in, or has a valid license to use, all material assets, properties and rights, whether tangible or intangible, necessary for the conduct of its business as presently conducted and as presently proposed to be conducted.

(b) All real property leased by the Company is set forth on Schedule 5.8 or the Annual Report. Each of such leases is valid and enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity)) and is in full force and effect. Except as set forth on Schedule 5.8 or the Annual Report, the Company is not in default of its obligations under any material lease or has it delivered or received any notice of default under any such lease, nor to the knowledge of the Company has any event occurred which, with the giving of notice, the passage of time or both, would constitute a default under any such lease.

Section 5.9 Material Contracts: Indebtedness. Each Material Contract is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commerical reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity)), and the Company has no knowledge that any Material Contract is not a valid and binding agreement against the other parties thereto. Except as set forth in Schedule 5.9 or the Annual Report, the Company is not in material default or breach (whether with or without the passage of

time, the giving of notice or both) or in receipt of any claims of default or breach in either case that could reasonably be expected to have a Material Adverse Effect, nor to the Company's knowledge is any third party in default or breach, under or with respect to any Material Contract. Except as set forth on

Schedule 5.9 or the Annual Report, the Company has no Indebtedness, except
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Permitted Indebtedness and except for indebtedness under that certain Credit Agreement, dated as of July 13, 1999, by and between the Company and LaSalle Bank National Association.

Section 5.10 Environmental Protection.

(a) To the Company's actual knowledge without independent investigation, all real property owned, leased or otherwise operated by the Company and each Subsidiary (a "Facility") is free of contamination from
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any substance, waste or material (i) currently identified to be toxic or hazardous pursuant to, or which may result in liability under, any Environmental Law or (ii) within the definition of a substance which is toxic or hazardous under any Environmental Law, including, without limitation, any asbestos, PCB, radioactive substance, methane, volatile hydrocarbons, industrial solvents, oil or petroleum or chemical liquids or solids, liquid or gaseous products, or any other material or substance which has in the past or could at any time in the future cause or constitute a health, safety, or environmental hazard to any Person or property or result in any Environmental Liabilities and Costs ("Hazardous Substance") of more than $25,000 or which, in either case, could
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have a Material Adverse Effect. Nor has the Company caused or suffered to occur any release, Spill, migration, leakage, discharge, spillage, uncontrolled loss, seepage, or filtration of Hazard Substances at or from the Facility (a "Spill")
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which could result in Environmental Liabilities and Costs in excess of $25,000.

(b) The Company and each Subsidiary has generated, treated, stored and disposed of any Hazardous Substances in full compliance with applicable Environmental Laws, except for such non-compliances which would not have a Material Adverse Effect.

(c) The Company and each Subsidiary has obtained, or has applied for, and is in full compliance with and in good standing under all permit required under Environmental Laws (except for such failures which would not have a Material Adverse Effect). The Company does not have any knowledge of any proceedings to substantially modify or to revoke any such permit.

(d) There are no investigations, proceedings or litigation pending or, to the Company's knowledge, threatened, affecting or against the Company or the Facilities relating to Environmental Laws or Hazardous Substances.

(e) Since April 25, 1997, the Company has not received any communication or notice (including, without limitation, requests for information) indicating the potential of Environmental Liabilities and Costs against the Company.

Section 5.11 Labor Matters.

(a) There are no strikes or other labor disputes against the Company pending or to the Company's knowledge threatened. Hours worked by and payment made to employees of the Company have not been in violation of the Fair Labor Standards Act or any other applicable law dealing

with such matters. All payments due from the Company on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the Company. There is no organizing activity involving the Company pending or, to the Company's knowledge, threatened by any labor union or group of employees that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. There are no representation proceedings pending or, to the Company's knowledge, threatened with the National Labor Relations Board, and no labor organization or group of employees of the Company has made a pending demand for recognition. Except as set forth on Schedule 5.11, there are no complaints or charges against the Company pending or, to the Company's knowledge, threatened to be filed with any federal, state, local or foreign court, governmental agency or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by the Company of any individual.

(b) The Company is not, and during the five years preceding the date hereof was not, a party to any labor or collective bargaining agreement and there are no labor or collective bargaining agreements which pertain to employees of the Company.

Section 5.12 Taxes. All federal, state, local and foreign tax returns, reports and statements required to be filed by the Company and each Affiliated Group have been timely filed with the appropriate Governmental Authority except where the failure to file such report or statement would not have a Material Adverse Effect and all such returns, reports and statements are true, correct and complete in all material respects. All Charges and other impositions due and payable for the periods covered by such returns, reports and statements have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof or any such fine, penalty, interest or late charge has been paid. Proper and accurate amounts have been withheld by the Company from its employees, independent contractors, or other third parties for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective governmental agencies. The Company has not executed or filed with the IRS or any other Governmental Authority any agreement or other document extending, or having the effect of extending, the period for assessment or collection of any Charges. No tax audits or other administrative or judicial proceedings are pending or threatened with regard to any Charges for which the Company may be liable and which would reasonably be expected to have a Material Adverse Effect and no assessment of Charges is proposed against the Company. The Company has not filed a consent pursuant to IRC Section 341(f) or agreed to have IRC Section 341(f)(2) apply to any dispositions of subsection (f) assets (as such term is defined in IRC Section 341(f)(4)). None of the property owned by the Company is property which such the Company is required to treat as being owned by any other Person pursuant to the provisions of Section 168(f)(8) of the Internal

Revenue Code of 1954, as amended, and in effect immediately prior to the enactment of the Tax Reform Act of 1986 or is "tax-exempt" use property, within the meaning of IRC Section 168(h). The Company has not agreed or has been requested to make any adjustment under IRC Section 481(a) by reason of a change in accounting method or otherwise. The Company has no obligation under any written tax sharing agreement. The Company is not a party to or bound by any tax allocation or tax sharing agreement and has no current or potential contractual obligation to indemnify any other person with respect to any Charges. The

Company has not made any payments, and is not and will not become obligated (under any contract entered into on or before the Initial Closing Date) to make any payments, that will be non-deductible under Section 280G of the IRC (or any corresponding provision of state, local or foreign income tax law). The Company will not be required (A) as a result of a change in method of accounting for a taxable period ending on or prior to the Initial Closing Date, to include any adjustment in taxable income for any taxable period (or portion thereof) ending after the Initial Closing Date or (B) as a result of any deferred intercompany gain described in Treasury Regulation Sections 1. 1502-13 of former Treasury Regulations Section 1. 1502-14 or any excess loss account described in Treasury Regulation Section 1. 1502-19 (or any corresponding or similar provision or administrative rule of federal, state, local or foreign income tax law), to include any item of income in taxable income for any taxable period (or portion thereof) ending after the Initial Closing Date, in each case, which would reasonably be expected to have a Material Adverse Effect. The Company has not been a member of an Affiliated Group other than one of which the Company was the common parent, or filed or been included in a combined, consolidated or unitary income tax return, other than one filed by the Company.

Section 5.13 No Litigation. Except as set forth on Schedule 5.13, no action, claim or proceeding is now pending or, to the knowledge of the Company, threatened against the Company (or to the Company's knowledge, pending or threatened against or affecting any of the officers, directors or employees of the Company with respect to its business or proposed business activities), or pending or threatened by the Company against any third party, at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state, or local government or of any agency or subdivision thereof, or before any arbitrator or panel of arbitrators.

Section 5.14 Brokers. No broker or finder acting on behalf of the Company brought about the consummation of the transactions contemplated pursuant to this Agreement and the Company has no obligation to any Person in respect of any finder's or brokerage fees (or any similar obligation) in connection with the transactions contemplated by this Agreement. The Company is solely responsible for the payment of all such finder's or brokerage fees.

Section 5.15 Management and Labor Agreements. Except as set forth on Schedule 5.15 or the Annual Report, there are no management agreements covering officers of the Company.

Section 5.16 Patents, Trademarks, Copyrights and Licenses. The Company owns all licenses, patents, patent applications, copyrights, service marks, trademarks and registrations and applications for registration thereof, and trade names necessary to continue to conduct its business as heretofore conducted by it and now being conducted by it. To the Company's knowledge, the

Company conducts its businesses without infringement or claim of infringement of any license, patent, copyright, service mark, trademark, trade name, trade secret or other intellectual property right of others and the Company has received no notices claiming any such infringement. To the Company's knowledge, there is no infringement by others of any license, patent, copyright, service mark, trademark, trade name, trade secret or other intellectual property right

of the Company.

Section 5.17 No Material Adverse Effect. To the Company's knowledge, no event has occurred since April 25, 1997 which has had or could be reasonably expected to have a Material Adverse Effect; provided, however, the Purchaser acknowledges that it has been advised that the Company has operated at a loss and has had negative cash flow since October 31, 1998.

Section 5.18 ERISA.

(a) During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement, (i) no steps have been taken to terminate any Pension Plan and (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could result in the incurrence by the Company of any material liability, fine or penalty, other than the obligations of the Company to fund the benefits provided under the Pension Plan.

(b) All contributions (if any) have been made to any Multiemployer Plan that are required to be made by the Company or any other member of the Controlled Group under the terms of the plan or of any collective bargaining agreement or by applicable law; neither the Company nor any member of the Controlled Group has withdrawn or partially withdrawn from any Multiemployer Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, might result in a withdrawal or partial withdrawal from any such plan; and neither the Company nor any member of the Controlled Group has received any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the IRC, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

(c) The Pension Plans and the trusts maintained pursuant thereto are exempt from federal income taxation under Section 501 of the IRC, and nothing has occurred with respect to the operation of the Pension Plans which could cause the loss of such qualification or exemption or the imposition of any liability, penalty, or tax under ERISA or the IRC.

(d) All contributions required by law or pursuant to the terms of the Plans (without regard to any waivers granted under Section 412 of the IRC) to any funds or trusts established thereunder or in connection therewith have been made by the due date thereof (including

any valid extension) and no accumulated funding deficiencies exist in any of the Pension Plans subject to Section 412 of the IRC.

(e) There is no "amount of unfunded benefit liabilities" as defined in Section 4001 (a) (18) of ERISA in any of the respective Pension Plans, which are subject to Title IV of ERISA. Each of the respective Pension Plans are fully funded in accordance with the actuarial assumptions used by the PBGC to determine the level of funding required in the event of the termination of the Pension Plan and all benefit liabilities do not

exceed the assets of such Pension Plans.

(f) There have been no "reportable events" as that term is defined in Section 404 of ERISA and the regulations thereunder with respect to the Pension Plans subject to Title IV of ERISA which would require the giving of notice, or any event requiring disclosure under Sections 4041(c)(3)(C), 4063(a) or 4068(f) of ERISA.

(g) There is no material violation of ERISA with respect to the filing of applicable reports, documents, and notice, regarding the Plans with the Secretary of Labor and the Secretary of the Treasury or the furnishing of such documents to the participants or beneficiaries of the Plans.

(h) To the knowledge of the Company, there are no pending actions, claims or lawsuits which have been asserted or instituted against the Plans, the assets of any of the trusts under such Plans or the plan sponsor or the plan administrator, or against any fiduciary of the Plans with respect to the operation of such Plans (other than routine benefit claims), nor does the Company have knowledge of facts which could form the basis for any such claim or lawsuit.

(i) All amendments and actions required to bring the Plans into conformity in all material respects with all of the applicable provisions of ERISA and other applicable laws have been made or taken except to the extent that such amendments or actions are not required by law, regulation or order pronounced by the IRS, to be made or taken until a date after the applicable Closing Date.

(j) The Plans have been maintained, in all material respects, in accordance with their terms and with all provisions of ERISA (including rules and regulations thereunder) and other applicable Federal and state law, and the Company or "party in interest" or "disqualified person" with respect to the Plans has engaged in a "prohibited transaction" within the meaning of Section 4975 of the IRC or Section 406 of ERISA.

(k) Neither the Company nor any ERISA Affiliate has terminated any Pension Plan subject to Title IV, or incurred any outstanding liability under Section 4062 of ERISA to the PBGC, or to a trustee appointed under Section 4042 of ERISA.

(l) Neither the Company nor any ERISA Affiliate maintains retiree life and retiree health insurance plans which are Welfare Plans and which provide for continuing benefits or coverage for any participant or any beneficiary of a participant except as may be required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").

The Company and each ERISA Affiliate which maintains a Welfare Plan has complied with the notice and continuation requirements of COBRA and the regulations thereunder in all material respects.

(m) Neither the Company nor any ERISA Affiliate has contributed or been obligated to contribute to a Multiemployer Plan as of the applicable Closing.

(n) Neither the Company nor any ERISA Affiliate has withdrawn in a complete or partial withdrawal from any Multiemployer Plan prior to the applicable Closing Date, nor has any of them incurred any liability due to the termination or reorganization of a Multiemployer Plan.

Section 5.19 Registration Rights. Except as listed on Schedule 5.19 and except pursuant to the Registration Rights Agreement or as set forth in the Annual Report, the Company is not under obligation to register any of its securities pursuant to the Securities Act.

Section 5.20 Required Filings. As of the date hereof, the Company has made all required filings under the Securities Act and Exchange Act and all information contained in such filings are true and correct in all material respects and do not contain any untrue information or omit to state a material fact necessary to make any statements contained in such filings not misleading in light of the circumstances under which they were made.

Section 5.21 Full Disclosure. No information contained in this Agreement, any other Transaction Document, the Financials or any written statement furnished by or on behalf of the Company pursuant to the terms of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

Section 5.22 Schedule 14C: Shareholder Approval. The Company shall upon receiving Shareholder Approval use its best efforts to prepare and file as promptly as practicable with the SEC a Schedule 14C Information Statement (with respect to Rule 4460(i) of the NASDAQ Stock Market, Inc.'s Marketplace Rules) required under the Exchange Act and take all actions necessary to have such Schedule 14C Information Statement become effective as promptly as practicable (but in no event later than February 28, 2000).

Section 5.23 Schedule 14C: Reclassification. Within 14 calendar days of the date hereof, the Company shall as promptly as practicable prepare and file with the SEC a Schedule 14C Information Statement (with respect to the reclassification of the Convertible Preferred into the Series A Convertible Preferred) required under the Securities Exchange Act of 1934 and take all actions necessary to have such Schedule 14C Information Statement become effective as promptly as practicable and immediately upon such effectiveness the Company shall file a Plan of Reclassification and amendment to its Designation of Preferred Stock redesignating the Convertible Preferred into Series A Preferred Stock (but in no event later than 45 calendar days after the date hereof).

Section 5.24 Credit Agreement. All of the representations and warranties contained in that certain Credit Agreement, dated as of the date hereof, by and between MPM, CIBC, as Agent, CIBC World Markets Corp., and the several banks and lending institutions made party thereto from time to time, are true and correct as of the date hereof and are hereby incorporated herein by reference.

Section 5.25 Use of Proceeds. The Company shall make use of the proceeds from the purchase of the Initial Purchased Securities for the

limited purpose of acquiring MPM pursuant to the Stock Purchase Agreement, dated as of dated as of July 16, 1999, between the Company and MPM, and all representations and warranties of the Company contained therein are true and correct as of the date hereof and, to the knowledge of the Company, all other representations and warranties contained therein are true and correct as of the date hereof, and all such representations and warranties are hereby incorporated herein by reference.

ARTICLE VI
CONDITIONS PRECEDENT TO INITIAL CLOSING

Section 6.1 Conditions Precedent. The obligation of the Purchaser to purchase the Initial Purchased Securities pursuant to Section 2.2 hereof at the Initial Closing is subject to the condition that the Purchaser shall have received and the following shall have been delivered to the Purchaser on the Initial Closing Date, each dated the Initial Closing Date unless otherwise indicated, in form and substance satisfactory to the Purchaser, and the following actions shall occur on or before the Initial Closing Date, unless waived by the Purchaser:

(a) A favorable opinion of Morris, Manning & Martin, L.L.P. counsel to the Company, substantially in the form attached hereto as Exhibit B.

(b) Resolutions of the Board or an executive committee or special finance committee of the Company, certified by the Secretary or Assistant Secretary of the Company, as of the Initial Closing Date, to be duly adopted and in full force and effect on such date, authorizing, in the case of the Board, (i) the consummation of each of the transactions contemplated by this Agreement and (ii) officers to execute and deliver this Agreement and each other Transaction Document to which it is a party.

(c) A copy of governmental certificate, dated the most recent practicable date prior to the Initial Closing Date, with telegram updates where available, showing that the Company is organized and in good standing in the State of Delaware and is qualified as a foreign corporation and in good standing in all other jurisdictions in which it is qualified to transact business.

(d) A copy of the organizational charter and all amendments thereto of the Company, certified as of a recent date by the Secretary of State of the State of Delaware, as amended to reflect (i) the reduction in the number of shares of Convertible Preferred authorized in the Original

Certificate of Designation from 2,000,000 shares to 309,998 shares of Convertible Preferred and (ii) the filing of the Second Certificate of Designation (with respect to the designation of the Series A Convertible Preferred). A copy of the Plan of Reclassification of the Company, dated as of the date hereof and approved by the Board and the shareholders of the Company in accordance with Delaware General Corporation Law, shall be filed with the Secretary of State of the State of Delaware) (the "Charter") after the filing of the Schedule 14C referenced in Section 5.23 (the "Plan of Reclassification"),

and copies of the Company's by-laws, both certified by the Secretary or Assistant Secretary of the Company as true and correct as of the Initial Closing Date.

(e) Certificates of the Secretary or an Assistant Secretary of the Company, dated the Initial Closing Date, as to the incumbency and signatures of the officers of the Company executing this Agreement, the Initial Purchased Securities, each other Transaction Document to which it is a party and any other certificate or other document to be delivered pursuant hereto or thereto, together with evidence of the incumbency of such Secretary or Assistant Secretary.

(f) A copy of all third party consents and approvals (including, without limitation, the consent of LaSalle Bank National Association, to the extent required) that are necessary for the consummation of the transactions contemplated hereby or that are required in order to prevent a breach of or default under, a termination or modification of, or acceleration of the terms of, any contract, agreement or document required to be listed on the attached Schedule 5.9 or the Annual Report, in each case on terms and conditions
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reasonably satisfactory to the Purchaser.

(g) A copy of all governmental and regulatory consents and approvals that are necessary for the consummation of the transactions contemplated hereby, in each case on terms and conditions satisfactory to the Purchaser.

(h) No suit, action or other proceeding shall be pending before any court or governmental regulatory body or authority in which it is sought to restrain or prohibit the transactions contemplated hereby, or that could have a Material Adverse Effect, and no injunction, judgment, order, decree or ruling with respect thereto shall be in effect.

(i) Since the December 31, 1998, there shall have been no material adverse change or material adverse development in the business, financial condition, business prospects, operating results, assets, operations or customer, supplier or employee relations of the Company.

(j) The Company shall have delivered to the Purchaser a copy of the fairness opinion (the "Fairness Opinion") relating to the
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transaction contemplated herein from Texada Capital Corporation, which fairness opinion shall indicate that the price for the Series A Convertible Preferred purchased pursuant to Section 2.2 is fair to the Company and its stockholders
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(other than as to the Purchaser).

(k) The Initial Purchased Securities shall have been delivered to the Purchaser.

(l) The number of shares of Convertible Preferred authorized in the Original Certificate of Designation shall have been reduced by duly authorized Board action from 2,000,000 shares to 309,998 shares of Convertible Preferred and the Second Certificate of Designation containing the terms of the Series A Convertible Preferred, Plan of Reclassifications and redesignations of the Convertible Preferred to Series A Convertible Preferred,

shall have been duly adopted by Board action and filed with the Secretary of the State of Delaware.

(m) WSP shall receive a fairness opinion from CIBC relating to the transaction contemplated herein, which fairness opinion shall indicate that the transactions herein are fair to Willis Stein & Partners, L.P. and its affiliates.

ARTICLE VII
CONDITIONS PRECEDENT TO SUBSEQUENT CLOSING

Section 7.1 Conditions Precedent. The obligation of the Purchaser to purchase the Additional Purchased Securities at any Subsequent Closing pursuant to Section 3.2 hereof is subject to the condition that the Purchaser shall have received and the following shall have been delivered to the Purchaser on each Subsequent Closing Date, each dated as of such Subsequent Closing Date unless otherwise indicated, in form and substance satisfactory to the Purchaser, and the following actions shall occur on or before each Subsequent Closing Date, unless waived in writing by the Purchaser:

(a) The representations and warranties of the Company contained in Article V shall be true and correct in all material respects as if made on such Subsequent Closing Date.

(b) There shall not have occurred or be continuing any "Event of Noncompliance" or "Special Event of Noncompliance" with respect to the Series A Convertible Preferred, as such terms are defined in the Second Certificate of Designation.

(c) If the proposed use of the funds is to consummate an acquisition, then the Purchaser shall have completed its business, legal, accounting and other due diligence investigation and evaluation of the Company and its affiliates and shall be satisfied in its sole discretion with the result thereof and with the documentation relating to such acquisition.

(d) If the proposed use of the funds is for working capital purposes, then the Purchaser shall be satisfied in its sole discretion with the intended use of funds.

(e) The Purchaser shall have received all necessary internal approvals for the purchase of such Additional Purchases Securities and shall be satisfied with the use of proceeds of its financing in each case in its sole discretion.

(f) The Purchaser shall have received a favorable opinion of Morris, Manning

& Martin L.L.P., counsel to the Company, substantially in the form attached hereto as Exhibit B.

(g) The Purchaser shall have received funding from its members in amounts sufficient to pay the purchase price for the Additional Purchased Securities.

(h) Resolutions of the board of directors, executive committee or special finance committee of the Company, certified by the Secretary or Assistant Secretary of the Company, as of each Subsequent Closing Date, to be duly adopted and in full force and effect on such date, authorizing the consummation of each purchase of Additional Purchased Securities.

(i) A copy of governmental certificate, dated the most recent practicable date prior to each Subsequent Closing Date, with telegram updates where available, showing that the Company is organized and in good standing in the State of Delaware and is qualified as a foreign corporation and in good standing in all other jurisdictions in which it is qualified to transact business.

(j) A copy of the organizational charter and all amendments thereto of the Company, certified as of a recent date by the Secretary of State of the State of Delaware, and copies of the Company's by-laws, certified by the Secretary or Assistant Secretary of the Company as true and correct as of each Subsequent Closing Date.

(k) Certificates of the Secretary or an Assistant Secretary of the Company, dated as of Subsequent Closing Date, as to the incumbency and signatures of the officers of the Company executing the purchase of the Additional Purchased Securities and any other certificate or other document to be delivered pursuant hereto or thereto, together with evidence of the incumbency of such Secretary or Assistant Secretary.

(l) A copy of all third party consents and approvals (including, without limitation, the consent of LaSalle Bank National Association and/or CIBC, in each case only to the extent required) that are necessary for the consummation of the transactions contemplated hereby or that are required in order to prevent a breach of or default under, a termination or modification of, or acceleration of the terms of, any contract, agreement or document in each case on terms and conditions reasonably satisfactory to the Purchaser.

(m) A copy of all governmental and regulatory consents and approvals that are necessary for the consummation of the transactions contemplated hereby, in each case on terms and conditions satisfactory to the Purchaser.

(n) No suit, action or other proceeding shall be pending before any court or governmental regulatory body or authority in which it is sought to restrain or prohibit the transactions contemplated hereby, or that could have a Material Adverse Effect, and no injunction, judgment, order, decree or ruling with respect thereto shall be in effect.

(o) Since the Initial Closing Date, there shall have been no material adverse

change or material adverse development in the business, financial condition, business prospects, operating results, assets, operations or customer, supplier or employee relations of the Company.

(p) the Fairness Opinion shall not have been withdrawn, revised or amended in any way and, at the request of the Purchaser, the Company shall have delivered to the Purchaser an updated Fairness Opinion relating to the transaction contemplated herein, which fairness opinion shall indicate that the price for the Additional Purchased Securities purchased at

each Subsequent Closing pursuant to Section 3.2 is fair to the Company and its stockholders.

(q) The Additional Purchased Securities shall be delivered to the Purchaser.

(r) Prior to or as of each Subsequent Closing, the Company shall have duly authorized a sufficient number of shares of Series A Convertible Preferred to permit the issuance of the Additional Purchased Securities purchased at each such Subsequent Closing, and the Company shall have duly authorized a sufficient number of shares of Common Stock for the conversion of such Additional Purchased Securities pursuant to terms and provisions listed in the Second Certificate of Designation.

(s) The Shareholder Approval Effective Date (as defined in the Second Certificate of Designation) shall have occurred on or prior to February 28, 2000 in accordance with Section 5.22.

(t) The Company shall have filed the Plan of Reclassification with the Secretary of State of the State of Delaware, and such filing shall have become effective within 45 days after the date hereof in accordance with Section 5.23, and the Company shall have reduced the number of authorized shares of Convertible Preferred to zero.

(u) There shall have been no material change in the Market Price (as defined in the Second Certificate of Designation) of, or in the public market for, the Common Stock or the public markets generally.

(v) Such other documents as the Purchaser may reasonably request.

ARTICLE VIII
SECURITIES LAW MATTERS

Section 8.1 Legends.

(a) Each certificate representing the Initial Purchased Securities or the Additional Purchased Securities shall bear a legend substantially in the following form:

"THE STOCK REPRESENTED BY THIS CERTIFICATE HAS BEEN ACQUIRED

BY THE HOLDER FOR ITS OWN ACCOUNT, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION OF SUCH STOCK. THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION THEREFROM."

Section 8.2 Transfer of Restricted Securities

(a) Restricted Securities are transferable only

pursuant to (i) public offerings registered under the Securities Act, (ii) Rule 144 or Rule 144A of the Securities and Exchange Commission (or any similar rule or rules then in force) if such rule is available and (iii) subject to the conditions specified in subparagraph (b) below, any other legally available means to transfer.

(b) In connection with the transfer of any Restricted Securities (other than a transfer described in clause (i) or (ii) of subparagraph (a) above), the holder thereof shall deliver written notice to the Company describing in reasonable detail the transfer or proposed transfer, together with an opinion of counsel which (to the Company's reasonable satisfaction) is knowledgeable in securities law matters to the effect that such transfer of Restricted Securities may be effected without registration of such Restricted Securities under the Securities Act. In addition, if the holder of the Restricted Securities delivers to the Company an opinion of counsel that no subsequent transfer of such Restricted Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated transfer deliver new certificates or instruments, as the case may be, for such Restricted Securities which do not bear the Securities Act legend set forth in Section 8.1 above. If the Company is not required to deliver new certificate or
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instruments, as the case may be, for such Restricted Securities not bearing such legend, the holder thereof shall not transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditioned contained in this Section 8.2.

(c) Upon the request of a holder of Restricted Securities, the Company shall promptly supply to such holder or such holder's prospective transferees all information regarding the Company required to be delivered in connection with a transfer pursuant to Rule 144 or 144A of the Securities and Exchange Commission.

(d) If any Restricted Securities become eligible for sale pursuant to Rule 144(k), the Company shall, upon the request of the holder of such Restricted Securities, remove the legend set forth in Section 7.1 from
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the certificates or instruments, as the case may be, representing such Restricted Securities.

ARTICLE IX
EXPENSES

The Company shall pay all reasonable out-of-pocket expenses of (i) the Purchaser in connection with the preparation, review or negotiation of the Transaction Documents and the transactions contemplated thereby, including cost incurred in connection with the Initial Closing and each Subsequent Closing, (ii) stamp and other taxes which may be payable in respect of the execution and delivery of this Agreement, the issuance and delivery of the Initial Purchased Securities or the Additional Purchased Securities, and the issuance and delivery of any Common Stock upon the conversion of the Series A Convertible Preferred and (iii) the Purchaser or its managing member in connection with (A) any amendment, modification or waiver, or consent with respect to, any of the Transaction Documents, and (B) any attempt by the Purchaser or its managing member to enforce any of its rights against the Company or any other Person under or pursuant to of any of the Transaction Documents (including the reasonable fees and expenses of all of its counsel and

consultants retained in connection with the Transaction Documents and the transactions contemplated thereby).

ARTICLE X
LIMITATION ON CLAIMS OF THE PURCHASER

Section 10.1 Limitation.

(a) The Purchaser shall not bring any action or claim against the Company for damages for a breach of any representation, warranty or covenant contained herein by the Company until such damages exceed $100,000 at which time the Purchaser may bring an action for all claims.

(b) The Company shall not bring any action or claims against the Purchaser for damages for a breach of any representation, warranty or covenant contained herein by the Purchaser until such damages exceed $100,000, at which time the Company may bring an action for all claims.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by another, or whenever any of the parties desires to give or serve upon another any such communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and either shall be delivered in person with receipt acknowledged or by registered or certified mail, return receipt requested, postage prepaid, or by telecopy and confirmed by telecopy answerback addressed as follows:

If to the Purchaser:

U-C Holdings, L.L.C.
227 W. Monroe Street, Suite 4300
Chicago, Illinois 60606
Attn: Avy H. Stein
Daniel M. Gill
Telecopy No.: (312) 422-2424

with a copy to:

Kirkland & Ellis
200 E. Randolph Street
Chicago, Illinois 60601
Attn: Margaret A. Gibson, Esq.
Telecopy No.: (312) 861-2200

If to the Company:

College Television Network, Inc.
5784 Lake Forrest Drive

Suite 275
Atlanta, GA 30328
Attn: Jason Elkin
Telecopy No.: (404) 256-9168

with copies to:

Morris, Manning & Martin, L.L.P.
3343 Peachtree Road, N.E.
1600 Atlanta Financial Center
Atlanta, Georgia 30326
Attn: Neil H. Dickson, Esq.
Telecopy No.: (404) 365-9532

or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly given or served on the date on which personally delivered, with receipt acknowledged, telecopied and confirmed by telecopy answerback, or three (3) Business Days after the same shall have been deposited with the United States mail.

Section 11.2 Binding Effect: Benefits. Except as otherwise
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provided herein, this

Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

Section 11.3 Amendment. No amendment or waiver of any
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provision of this Agreement or any other Transaction Document nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Company and the Purchaser, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action, of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

Section 11.4 Successors and Assigns: Assignability. Neither
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this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company without the prior written consent of the Purchaser. All covenants contained herein shall bind and inure to the benefit of the parties hereto and their respective successors and assigns (including any subsequent holder of any of the Initial Purchased Securities, the

Additional Purchased Securities or any Common Stock issuable upon exercise of the Initial Purchased Securities or the Additional Purchased Securities).

Section 11.5 Remedies. The Purchaser, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate. In any action or proceeding brought to enforce any provision of this Agreement or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

Section 11.6 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 11.7 Severability. In the event that any one or more of the provisions contained in this Agreement shall be determined to be invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision or provisions in every

other respect and the remaining provisions of this Agreement shall not be in any way impaired.

Section 11.8 Entire Agreement. This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way.

Section 11.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 11.10 Publicity. Neither the Purchaser nor the Company shall issue any press release or make any public disclosure regarding the transactions contemplated hereby unless such press release or public disclosure is approved by the other party in advance. Notwithstanding the foregoing, each of the parties hereto may, in documents required to be filed by it with the SEC or other regulatory bodies, make such statements with respect to the transactions contemplated hereby as each may be advised by counsel is legally necessary or advisable, and may make such disclosure as it is advised by its counsel is required by law.

Section 11.11 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with, the laws of the Delaware without regard to the principles thereof relating to conflict of laws. Service of process on the parties in any action arising out of or relating to this Agreement shall be effective if mailed to the parties in accordance with

Section 11.1 hereof. The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement.

Section 11.12 No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

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IN WITNESS WHEREOF, the Company and the Purchaser has executed this Agreement as of the day and year first above written.

COLLEGE TELEVISION NETWORK, INC.

By: /s/ Martin Grant

Its: President

U-C HOLDINGS, L.L.C.

By: WILLIS STEIN & PARTNERS, L.P.
Its: Managing Member

By: Willis Stein & Partners, L.L.C.
Its: General Partner

By: /s/ Daniel M. Gill
Daniel M. Gill
Its: Managing Director

CANCELLATION AGREEMENT

THIS CANCELLATION AGREEMENT (the "Agreement") dated as of August 31, 1999, is made by and between College Television Network, Inc., a Delaware corporation having an office at 5784 Lake Forrest Drive, Suite 275, Atlanta, GA 30328 (the "Company"), and U-C Holdings, L.L.C., a Delaware limited liability company (the "Purchaser").

WHEREAS, the Company and the Purchaser entered into a Purchase Agreement, dated as of July 23, 1999 (the "Purchase Agreement") whereby, in addition to other transactions contained therein, the Purchaser purchased from the Company a Class D Warrant to purchase 135,686 shares of the Company's common stock, par value $0.005 (the "Class D Warrant").

WHEREAS, the Company and the Purchaser now wish to cancel and terminate the Class D Warrant in accordance with Section 11(g) thereof.

NOW, THEREFORE, the parties hereto agree as follows:

1. Cancellation. The Purchaser hereby agrees, unconditionally and without reservation, to surrender and deliver the Class D Warrant to the Company for cancellation, as of the date hereof, without any payment of cash or other consideration to the Purchaser and the Company agrees to cancel such Class D Warrant upon receipt from the Purchaser.

2. Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and their assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the Purchaser and the Company or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

3. Amendment. No amendment to this Agreement shall be effective unless the same shall be in writing and signed by the Company and Purchaser.

4. Entire Agreement. This Agreement contains the entire agreement and

understanding between the parties with respect to the subject matter hereof and supersede all prior agreements and understanding, whether written or oral, relating to such subject matter in any way.

5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

6. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with, the laws of the Delaware without regard to the principles thereof relating to conflict of laws. Service of process on the parties in any action arising out of or relating to this Agreement shall be effective if mailed to the parties in accordance with Section 9.1 of the Purchase Agreement. The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement.

7. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

* * * * *

IN WITNESS WHEREOF, the Company and the Purchaser has executed this Termination Agreement as of the day and year first above written.

COLLEGE TELEVISION NETWORK, INC.

By: /s/ Peter Kauff

Its: Asst. Secretary

U-C HOLDINGS, L.L.C.

By: WILLIS STEIN & PARTNERS, L.P.
Its: Managing Member

By: Willis Stein & Partners, L.L.C.
Its.: General Partner

By:/s/ Daniel M. Gill

Daniel M. Gill
Its: Managing Director

EXHIBIT K

U-C HOLDINGS, L.L.C.

A Delaware Limited Liability Company

FOURTH AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

Dated as of August 31, 1999

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

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FOURTH AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF U-C HOLDINGS, L.L.C.
A Delaware Limited Liability Company

THIS FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF U-C HOLDINGS, L.L.C. (this "Agreement"), dated as of August 31, 1999, for good and valuable consideration, is adopted by, executed and agreed to by Willis Stein & Partners, L.P., a Delaware limited partnership ("WSPI"), Willis Stein & Partners II, L.P., a Delaware limited partnership ("WSPII"), Willis Stein & Partners Dutch, L.P., a Delaware limited partnership ("Dutch") and the other Persons listed on Schedule A hereto. This Agreement was originally executed on April 25, 1997 and was amended and restated on May 15, 1997 (which such restated agreement was amended, but not restated, from time to time thereafter) and was further amended and restated in its entirety on July 23, 1999 and is now further amended and restated in its entirety as of the date hereof.

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Act" means the Delaware Limited Liability Company Act, Title 6, Sections 18-106 to 18-1107 and any successor statute, as amended from time to time.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(i) Crediting to such Capital Account any amounts which such Member is obligated to restore to the Company pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debiting to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6). This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" means, with respect to a Person, another Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Applicable Class A Percentage" means, on any date of determination, the lesser of (i) 20% or (ii) 20% of the quotient obtained by dividing (A) the number of outstanding Class A Management Units on such date by (B) 2,000.

"Applicable Class B Percentage" means, on any date of determination, the lesser of (i) 5% or (ii) 5% multiplied by the quotient obtained by dividing (A) the number of outstanding Class B Management Units on such date by (B) 500.

"Book Value" means, with respect to any Company property, the Company's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulation Sections 1.704-1(b)(2)(iv)(d)-(g).

"Business Day" means any day other than a Saturday, a Sunday or a

holiday on which national banking associations in the State of Illinois are closed.

"Capital Contribution" means the aggregate contributions made by a Member to the capital of the Company. The aggregate Capital Contributions as of the date hereof of each Member is shown opposite such Member's name on Schedule A, as the same may be amended from time to time.

"Cash Inflows" means, with respect to the Investors, all payments or distributions of cash received by such Investors directly from the Company with respect to the Investor Units issued to the Investors pursuant to this Agreement (including, without limitation, distributions made to the Investors pursuant to Section 5.4).

"Cash Outflows" means, with respect to the Investors, all Capital Contributions made by such Investors with respect to Investor Units issued to the Investors pursuant to this Agreement (including, without limitation, contributions made by the Investors pursuant to Section (5.4).

"Class A Investor Units" means (i) any Class A Investor Units originally issued to the Investors pursuant to this Agreement and designated as Class A Investor Units on Schedule A, (ii) any Class A Investor Units otherwise acquired by a Person holding Class A Investor Units and (iii) any Class A Investor Units issued with respect to the Class A Investor Units referred to in clauses (i) or (ii) by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization. A Class A Investor Unit will continue to be a Class A Investor Unit in the hands of any Person to which such Unit is transferred.

"Class B Investor Units" means (i) any Class B Investor Units originally issued to the Investors pursuant to this Agreement and designated as Class B Investor Units on Schedule A, (ii) any Class B Investor Units otherwise acquired by a Person holding Class B Investor Units and (iii) any Class B Investor Units issued with respect to the Class B Investor Units referred to in clauses (i) or (ii) by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization. A Class B Investor Unit will continue to be a Class B Investor Unit in the hands of any Person to which such Unit is transferred.

"Class A Management Units" means (i) the Class A Management Units (A) issued and outstanding as of the date hereof and held by Jason Elkin, Joseph D. Gersh, Peter Kauff, George Giatzis, and Martin Grant or (B) allocated to the Pool pursuant to this Agreement and designated as Class A Management Units on Schedule A and (ii) any Class A Management Units issued with respect to such Class A Management Units by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization. A Class A Management Unit will continue to be a Class A Management Unit in the hands of any Person to which such Unit is transferred.

"Class B Management Units" means (i) the Class B Management Units (A) originally issued and outstanding pursuant to this Agreement to the applicable persons listed on Schedule A or (B) allocated to the Pool pursuant to this Agreement and designated as Class B Management Units on Schedule A and (ii) any Class B Management Units issued with respect to such Class B Management Units by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization. A Class B Management Unit will continue to be a Class B Management Unit in the hands of any Person to which such Unit is transferred.

"Class A Investor IRR" means the annual interest rate (compounded annually) which, when used to calculate the net present value of (i) all Cash Inflows received by any holder of Class A Investor Units with respect to the Round One Investment and (ii) all Cash Outflows made to any holder of Class A

Investor Units with respect to the Round One Investment through the date of determination, causes such net present value to equal zero. Any Class A Investor IRR calculation required pursuant to this Agreement shall be determined by the Company's regular outside accounting firm. For purposes of any such net present value calculation, each Cash Inflow and each Cash Outflow specified above shall be deemed to have been received or made on the first day of the month nearest to the actual date of such payment.

"Class B Investor IRR" means the annual interest rate (compounded annually) which, when used to calculate the net present value of (i) all Cash Inflows received by any holder of Class B Investor Units with respect to the Round Two Investment and (ii) all Cash Outflows made to any holder of Class B Investor Units with respect to the Round Two Investment through the date of determination, causes such net present value to equal zero. Any Class B Investor IRR calculation required pursuant to this Agreement shall be determined by the Company's regular outside accounting firm. For purposes of any such net present value calculation, each Cash Inflow and each Cash Outflow specified above shall be deemed to have been received or made on the first day of the month nearest to the actual date of such payment.

"Class A Investor Yield" means at any time an amount calculated on a daily basis (without daily compounding) at the rate of 12.5% per annum, compounded annually, on the Unreturned Class A Investor Capital and the Unpaid Class A Investor Yield.

"Class B Investor Yield" means at any time an amount calculated on a daily basis (without daily compounding) at the rate of 12.5% per annum, compounded annually, on the Unreturned Class B Investor Capital and the Unpaid Class B Investor Yield.

"Class R Management Units" means (i) the Class R Management Units originally issued to Jason Elkin and Joseph D. Gersh and designated as Class R Management Units on Schedule A and (ii) any Class R Management Units issued with respect to such Class R Management Units by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization.

A Class R Management Unit will continue to be a Class R Management Unit in the hands of any person to which such Unit is transferred.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute. Such term shall be deemed to include any future amendments to the Code or any successor statute to the extent the Managing Member determines that any such amendments do not adversely affect the relative economic interests of the Members hereunder.

"Company" means U-C Holdings, L.L.C., a Delaware limited liability company.

"CTN" means College Television Network, Inc., a Delaware corporation.

"Entity" means any general partnership, limited partnership, corporation, association, cooperative, joint stock company, trust, limited liability company, business trust, joint venture, unincorporated organization, governmental entity (or any department, agency or political subdivision thereof) or other entity.

"Equity Protection Agreements" means those certain Equity Protection Agreements dated as of April 25, 1997 by and between the Company and CTN, as amended and modified from time to time.

"Family Group" means a Unitholder's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of such Unitholder and/or such Unitholder's spouse and/or descendants.

"Fiscal Year" of the Company means the Company's annual accounting period ending on December 31.

"Investor" means any holder of Class A Investor Units or Class B

Investor Units, and "Investors" shall mean all such Investors collectively.

"Investor Units" means, collectively, the Class A Investor Units and
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the Class B Investor Units.

"Losses" for any period means all items of Company loss, deduction and
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expense for such period determined in accordance with Section 4.2.

"Management Holder" means any holder of Management Units.

"Management Units" means, collectively, the Class A Management Units,
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the Class B Management Units and the Class R Management Units.

"Member" means any Person executing this Agreement as of the date of
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this Agreement as a Member or hereafter admitted to the Company as a Member in accordance with this Agreement and the Act, but does not include any Person who has ceased to be a member of the Company or no longer owns Units. The Members shall constitute the "members" (as that term is defined in the Act) of the Company.

"Person" means any individual or Entity, and the heirs, executors,
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administrators, legal representatives, successors and assigns of such Person where the context so permits.

"Permitted Transferee" means (i) with respect to any Unitholder who is
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a natural person, a member of such Unitholder's Family Group and any Transferee pursuant to applicable laws of descent and distribution and (ii) with respect to any Unitholder which is an Entity, any of such Unitholder's Affiliates.

"Pool" means, collectively, (i) any Class B Management Units that have
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not been allocated to any Member or have become unallocated due to repurchase by the Company and (ii) those certain Class A Management Units listed as of the date hereof on Schedule A across from the caption "Unallocated Pool".

"Preferred Units" means (i) any Preferred Units originally issued to
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WSPI, WSPII or Dutch pursuant to this Agreement and designated as Preferred Units on Schedule A, and (ii) any Preferred Units issued with respect to the
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Preferred Units referred to in clause (i) by way of dividend or Unit split or in connection with a combination of Units, recapitalization, merger or other reorganization. A Preferred Unit will continue to be a Preferred Unit in the hands of any Person to which such Unit is transferred.

"Profits" for any period means all items of Company income and gain
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for such period determined in accordance with Section 4.2.

"Required Interests" means each of (i) the Members holding at least a
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majority of the Investor Units and (ii) the Members holding at least a majority of the Management Units.

"Restricted Securities" means (i) the securities issued hereunder, and
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(ii) any securities issued with respect to the securities referred to in clause (i) above in connection with a conversion, combination of shares, recapitalization, merger, consolidation or other reorganization.

"Round One Investment" means all Capital Contributions made on or
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after April 25, 1997 and on and before July 23, 1999 plus any Capital Contributions made with respect to the securities purchased on or before July 23, 1999 and all Capital Contributions made after July 23, 1999 to fund the exercise of any Warrants and the Equity Protection Agreements pursuant to

Section 3.5(c).

"Round Two Investment" means all Capital Contributions made after July 23, 1999 other than Capital Contributions made with respect to a Round One Investment.

"Round One Proceeds" means any and all proceeds or other distributions on or with respect to any securities purchased or otherwise acquired or received (including any other securities issued with respect to such securities by way of an interest payment, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization) by the Company from CTN with the proceeds of the Round One Investment.

"Round Two Proceeds" means any and all proceeds or other distributions on or with respect to any securities purchased or otherwise acquired or received (including any other securities issued with respect to such securities by way of an interest payment, stock dividend or stock split or in connection with

a combination of shares, recapitalization, merger, consolidation or other reorganization) by the Company from CTN with the proceeds of the Round Two Investment.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Subsidiary" shall mean, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person and/or one or more Subsidiaries of such Person, and (b) any partnership, limited liability company or other entity in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

"Taxable Year" means the Company's taxable year ending December 31 (or part thereof, in the case of the Company's last taxable year), or such other year as is (i) required by Section 706 of the Code or (ii) determined by the Managing Manager.

"Transfer" means any sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or other direct or indirect disposition or encumbrance of an interest (including, without limitation, by operation of law) or the acts thereof. The terms "Transferee," "Transferred," and other forms of the word "Transfer" shall have correlative meanings.

"Treasury Regulations" means the income tax regulations promulgated under the Code and effective as of the date hereof. Such term shall be deemed to include any future amendments to such regulations and any corresponding provisions of succeeding regulations to the extent the Managing Member determines that any such amendments and succeeding regulations do not adversely affect the relative economic interests of the Members hereunder.

"Unitholder" means any holder of a Unit.

"Unpaid Class A Investor Yield" means at any time with respect to any Class A Investor Unit an amount equal to the excess, if any, of (a) the aggregate Class A Investor Yield accrued through such date with respect to such Class A Investor Unit, over (b) all prior distributions made by the Company with respect to such Class A Investor Unit pursuant to Section 5.2(b) and Section 5.4(a) and Section 12.4.

"Unpaid Class B Investor Yield" means at any time with respect to any Class B Investor Unit an amount equal to the excess, if any, of (a) the

aggregate Class B Investor Yield accrued through such date with respect to such Class B Investor Unit, over (b) all prior distributions made by the Company with respect to such Class B Investor Unit pursuant to Section 5.3(b), Section 5.4(a) and Section 12.4.

"Unreturned Class A Investor Capital" means at any time the aggregate Capital Contributions with respect to the Class A Investor Units reduced by all prior distributions made to the holders of Class A Investor Units by the Company pursuant to Section 5.2(a).

"Unreturned Class B Investor Capital" means at any time the aggregate Capital Contributions with respect to the Class B Investor Units reduced by all prior distributions made to the holders of Class B Investor Units by the Company pursuant to Section 5.3(a).

"Warrants" means those certain Class C Warrants to purchase common stock of CTN issued to the Company by CTN on April 25, 1997, to purchase common stock of CTN issued to the Company by CTN from time to time.

1.2 Other Definitions. Each of the following defined terms has the meaning given such term in the Section set forth opposite such defined term:

<TABLE>
<CAPTION>

Defined Term	Section
<S>	<C>
"Agreement"	Preamble
"Board"	6.5
"Capital Account"	4.1
"Certificate"	2.1
"Certificated Units"	11.8
"Defaulting Member"	3.8
"Indemnifying Member"	13.9
"Management Notes"	5.6
"Management Directors"	6.5(a)(ii)
"Managing Member"	6.1
"Other Directors"	6.5(a)(iii)
"Passive Investment"	2.4
"Post-Distribution Capital Contribution"	5.3(f)
"Proceeding"	8.2
"Remaining Assets"	12.2(d)
"Tax Matters Member"	9.2
"Unit"	3.4

</TABLE>

1.3 Construction. Whenever the context requires, the gender of allused in this Agreement includes the masculine, feminine and neuter. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Schedules are to schedules attached hereto, each of which is made a part hereof for all purposes.

ARTICLE II

ORGANIZATION

2.1 Formation. The Company has been organized as a Delaware limited liability company by the filing of a Certificate of Formation (the "Certificate") under and pursuant to the Act. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement, to the extent permitted by the Act, shall control.

2.2 Name. The name of the Company is "U-C Holdings, L.L.C." and all

Company business shall be conducted in that name or such other names that comply with applicable law as the Managing Member may select from time to time.

2.3 Registered Office; Registered Agent; Principal Office; Other Offices. The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Managing Member may designate from time to time in the manner provided by law. The principal office of the Company shall be at such place as the Managing Member may designate, from time to time, which need not be in the State of Delaware, and the Company shall maintain records there.

2.4 Purposes. The nature of the business or purposes to be conducted or promoted by the Company is to engage in any lawful act or activity for which limited liability companies may be organized under the Act. The Company may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the Company to possess any purpose or power, or to do any act or thing, forbidden by law to a limited liability company organized under the laws of the State of Delaware. The Company shall not (i) create, incur, assume or suffer to exist any indebtedness for borrowed money or issue evidences of indebtedness or guaranty indebtedness, or secure the same by a mortgage, pledge or other lien on the assets of the Company, or (ii) enter into or engage in any transaction which is reasonably likely to cause WSPI or any of its limited partners which are exempt from income taxation under Code (S) 501(a) and, if applicable, any pension plan that any such trust may be a part of, to recognize unrelated business taxable income as defined in Code (S)(S) 512 and 514. Without limiting the generality of the preceding sentence, the Company shall not: (i) engage in any trade or business other than the passive investment in securities of a corporation (a "Passive Investment") or (ii) create, incur, assume or suffer to exist any indebtedness for borrowed money or issue evidences of indebtedness or guarantee indebtedness in connection with a Passive Investment, or secure the Passive Investment by a mortgage, pledge or other lien on the assets of the Company, for any length of time. It is understood and agreed to by the Members and the Company that the Negative Pledge Agreement, dated as of July 26, 1999, by and between the Company and LaSalle Bank National Association, and the Guaranty, dated as of August 31, 1999, from the Company in favor of Canadian Imperial Bank of Commerce, as Agent, and the lender institutions referenced therein, are both hereby approved by the Members and neither such agreements shall in any way be deemed to be a violation of this Section 2.4.

2.5 Term. The term of the Company commenced on the date the Certificate was filed with the office of the Secretary of State of Delaware and shall continue in existence until December 31, 2007 or termination and dissolution of the Company as determined under Section 12.1 of this Agreement.

2.6 No State-Law Partnership. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or the Company shall be a partner or joint venturer of any other Member or the Company, for any purposes other than federal and, if applicable, state tax purposes, and this Agreement shall not be construed to the contrary. The Members intend that the Company shall be treated as a partnership for federal and, if applicable, state income tax purposes, and each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

ARTICLE III

MEMBERSHIP; MEMBER UNITS

3.1 Members. The name and address of each Member, the number of Units of each class owned by such Member at any time, the percentage of each class of Units owned by such Member, and the Capital Contribution and Capital Account of such Member with respect to such Units (as determined in accordance with Section 4.1) shall be set forth next to each Member's name on Schedule A hereto, as amended from time to time in accordance with this Agreement. Each Person listed

on Schedule A, upon (i) his or its execution of this Agreement or counterpart thereof and (ii) receipt (or deemed receipt) of such Person's Capital Contribution as set forth on Schedule A, is hereby admitted to the Company as a Member of the Company. No Member shall be required to make any additional Capital Contribution except as required by applicable law or by Section 3.5. The Members acknowledge that George Giatzis is no longer an employee of CTN, that the Company has exercised its option pursuant to George Giatzis employment agreement with CTN (to which the Company is a party) to repurchase all 200 Class A Management Units held by George Giatzis, but that as of the date hereof such repurchase has not been completed, that the Company and George Giatzis have not agreed to the related repurchase price with respect to 66 of those Class A Management Units, and that at such time as such repurchase has been completed and the repurchase price is no longer in dispute, all 200 Class A Management Units will be allocated to the Pool.

3.2 Liability of Members. Except as otherwise required by applicable law and as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in his capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, liabilities, commitments or any other obligations of the Company or for any losses of the Company, and therefore, a Member shall be liable only to make the payments provided herein. In accordance with the Act and the laws of the State of Delaware, a member of a limited liability company may, under certain circumstances, be required to return amounts previously distributed to such member. It is the intent of the Members that no distribution to any Member pursuant to Article V hereof shall be deemed a return of money or other property paid or distributed in violation of the Act.

3.3 No Authority to Bind Company. No Member (in such Member's capacity as a Member) shall have the authority or power to represent or act for or on behalf of the Company, to do any

act that would be binding on the Company or to make any expenditures or incur any obligations on behalf of the Company other than the Managing Member. Each Member hereby consents to the exercise by the Managing Member of the powers conferred on such Managing Member by law and this Agreement.

3.4 Member Units. Each Member's interest in the Company, including such Member's interest, if any, in the capital, income, gains, losses, deductions and expenses of the Company and the right to vote, if any, on certain Company matters as provided in this Agreement, shall be represented by "Units" (each, individually, a "Unit," and any number of Units, including fractions thereof, "Units"). As of the date hereof, the Units are comprised of "Class A Investor Units," "Class B Investor Units," "Preferred Units," "Class A Management Units," "Class B Management Units" and "Class R Management Units". The ownership by a Member of any Class A Investor Units, Class B Investor Units, Preferred Units, Class A Management Units, Class B Management Units and/or Class R Management Units shall entitle such Member to allocations of Profits and Losses and other items and distributions of cash and other property with respect to such Units as set forth in Article V hereof. Ownership of a Unit by a Member shall entitle such Member to one (1) vote on any matter voted on by all Members as provided in this Agreement and/or as required by applicable law. The Managing Member may cause the Company to issue to a Member certificates representing the Units held by such Member.

3.5 Issuance of Additional Units and Interests; Admission of New Members; Additional Capital Contributions.

(a) Subject to obtaining the consent of the Required Interests and as otherwise provided in this Agreement, the Managing Member shall have the right to cause the Company to issue (i) additional Units or other interests in the Company (including other classes or series thereof having different rights), (ii) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Units or other interests in the Company and (iii) warrants, options or other rights to purchase or otherwise acquire Units or other interests in the Company; provided, however, that at any time following

the date hereof, the Company shall not issue Units to any Person unless such Person shall have executed a joinder agreement in form satisfactory to the Managing Member pursuant to which such Person agrees to be bound by the provisions of this Agreement; provided further that no consent of the Required Interests shall be required in connection with the issuance of the Management Notes on July 23, 1999 or on August 31, 1999. The Managing Member shall determine the terms and conditions governing the issuance of such additional interests, including the number and designation of such additional interests, the preference (with respect to distributions, in liquidation or otherwise) over any other Units and any required contributions in connection therewith. Subject to Section 3.5(b) below, a Person to which the Company issues Units or other interests in the Company shall be admitted as a Member of the Company only with the prior written consent of the Managing Member and if such Person has executed and delivered a counterpart of this Agreement. Notwithstanding the foregoing, the Managing Member shall have the right, without obtaining the consent of the Required Interests or any Member, to cause the Company to issue additional Investor Units in connection with the repurchase by the Company of any Units held by any Member pursuant to an agreement with such Member on the same terms with respect to such repurchased units. At least 10 days prior to the issuance and sale of any additional Investor Units in connection with any such repurchase, the Company shall give written notice of such issuance to the Investors (other than any Investor whose Units are being repurchased) and, to the extent permitted under applicable securities laws without material expenditure by the Company, each such Investor shall be entitled to purchase in connection with such issuance a number of additional Investor Units equal to such Investor's pro rata share

(based upon the number of Investor Units held by such Investor and the number of Investor Units held by all Investors other than any Investor whose Units are being repurchased) of such additional Investor Units. Any Investor Units which remain unpurchased after such offer to such Investors, shall be reoffered to such Investors on a pro rata basis until all of such Investor Units shall have been purchased. Each such Investor may elect to purchase additional Investor Units by delivering written notice of such election to the Company together with the purchase price therefor (in the form specified in the Company's notice) within 10 days after receipt of the Company notice. Each purchasing Investor shall be entitled to purchase such additional Investor Units at the same price and on the same terms as such Investor Units are offered by the Company to the other Investors.

(b) Notwithstanding anything herein to the contrary, Jason Elkin shall have the right in his sole discretion, without obtaining the consent of the Required Interests or any Member, to (i) cause the Company to issue those certain Class A Management Units contained in the Pool as of the date hereof or hereafter added to the Pool pursuant to Section 3.9, or (ii) cause the Company to issue any Class B Management Units, or allocate any unallocated Class B Management Units from the Pool, in an amount not to exceed an aggregate issued and outstanding number equal to 500 Class B Management Units, in each case to employees of any Subsidiary of the Company (including, without limitation, employees of CTN but excluding Jason Elkin); provided, however, that prior to any such issuance, Jason Elkin shall require such employees to enter into agreements providing for the repurchase of such Management Units upon termination of employment and shall obtain the consent of the Managing Member solely with respect to adequacy of any repurchase rights in favor of the Company regarding such Class A Management Units or Class B Management Units; and provided further that the Company shall not issue Class A Management Units or Class B Management Units, or allocate any unallocated Class A Management Units or Class B Management Units from the Pool, to any Person unless such Person shall have executed a joinder agreement in form satisfactory to the Managing Member pursuant to which such Person agrees to be bound by the provisions of this Agreement, which such form has already been approved by the Managing Member. In the event Jason Elkin ceases to be an employee of any Subsidiary of the Company (including, without limitation, CTN) or ceases to be a Member, the Managing Member shall have the right to issue any additional Class A Management Units or Class B Management Units, or allocate any unallocated Class A Management Units or Class B Management Units from the Pool.

(c) Notwithstanding anything to the contrary in Section 3.5(a) above, each Investor shall be required to make additional Capital Contributions to the Company from time to time with respect to the Investor Units held by such Investor when and as called by the Managing Member upon ten days prior written notice solely to fund the exercise by the Company of the Warrants or the exercise by the Company of the purchase rights granted pursuant to the Equity Protection Agreements. The amount of any such additional Capital Contribution by such Investor shall be limited to such Investor's pro rata share (based upon the number of outstanding Investor Units held by such Investor and the number of outstanding Investor Units held by all Investors) of the aggregate Capital

Contribution being made by all Investors pursuant to such capital call by the Managing Member. No additional Investor Units will be issued in connection with any such additional Capital Contribution, unless otherwise decided by the Managing Member.

3.6 Representations, Warranties and Agreements of the Members. Each Member hereby represents and warrants (severally as to itself only) that:

(a) The Units have been purchased by such Member and not by any other Person, with the Member's own funds or by issuance of Management Notes and not with the funds of any other Person other than pursuant to the issuance of Management Notes, and for the account of such Member, not as a nominee or agent and not for the account of any other Person. Such Member has purchased the Units for investment for an indefinite period, not with a view to the sale or distribution of any part of all thereof by public or private sale or other disposition.

(b) Such Member has been advised that the Units have not been registered under the Securities Act or registered or qualified under any other securities law, on the ground, among others, that no distribution or public offering of the Units is to be effected and the Units will be issued by the Company in connection with a transaction that does not involve any public offering within the meaning of Section 4(2) of the Securities Act, or the rules and regulations of the Securities and Exchange Commission and under comparable exemptive provisions of the securities laws, rules and regulations of other jurisdictions. Such Member understands that the Company is relying in part on the Member's representations as set forth herein for purposes of claiming such exemptions and that the basis for such exemptions may not be present if, notwithstanding such Member's representations, such Member has in mind merely acquiring Units for resale on the occurrence or non-occurrence of some predetermined event. Such Member has no such intention.

(c) Such Member has such knowledge and experience in financial and business matters that such Member is capable of evaluating the merits and risks of an investment in Units and has the capacity to protect such Member's own interests in connection with such Member's proposed investment in Units.

(d) Such Member acknowledges that such Member has been furnished with such financial and other information concerning the Company as such Member considers necessary in connection with such Member's investment in Units. Such Member has carefully reviewed such information and is thoroughly familiar with the proposed business, operations, properties and financial condition of the Company and has discussed with representatives of the Company any questions the Purchase may have had with respect thereto. Such Member understands: (i) the risks involved in this offering, including the speculative nature of the investment; (ii) the financial hazards involved in this offering, including the risk of losing such Member's entire investment; (iii) the lack of liquidity and restrictions on transfers of Units; and (iv) the tax consequences of this investment. Such Member has consulted with such Member's own legal, accounting, tax, investment and other advisers with respect to the tax treatment of an investment by such Member in Units and the merits and risks of an investment in Units. Such Member is an "accredited investor" as defined under the Securities Act or has provided written notice to the Company that such Member is not an "accredited investor" prior to purchasing any Units or other interest in the Company.

(e) The execution, delivery and performance by such Member of this Agreement have been duly authorized by such Member. This Agreement constitutes a valid and binding obligation of such Member, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(f) Such Member understands that the Units will be "restricted securities" as that term is defined in Rule 144 under the Securities Act and, accordingly, that the Units must be held indefinitely unless they are subsequently registered under the Securities Act and qualified under any other applicable securities law or exemptions from such registration and qualification are available. Such Member understands that the Company is under no obligation to register or qualify Units under the Securities Act, or any other securities law.

(g) Such Member is a resident of the jurisdiction set forth in such Member's address on Schedule A.

3.7 Capital Contributions. Each Member has made the Capital Contributions

to the Company in cash or assets in the amount set forth opposite such Member's name on Schedule A hereto. Upon receipt of such Capital Contribution set forth opposite such Member's name on Schedule A, such Member shall be deemed to own the number of Units set forth opposite such Member's name on Schedule A.

3.8 Defaulting Members. If any Member (a "Defaulting Member") fails to make full payment of any portion of any additional Capital Contribution called by the Managing Member pursuant to Section 3.5(c), the Managing Member may undertake any one or more of the following steps:

(a) The Managing Member may pursue and enforce all rights and remedies the Company may have against such Defaulting Member, including a lawsuit to collect the overdue amount, with interest calculated thereon at a rate equal to 12%.

(b) Notwithstanding anything herein to the contrary, from and after any date on which a Defaulting Member's fails to make any additional Capital Contribution pursuant to Section 3.5(c), if such Defaulting Member continues to hold Units, such Defaulting Member shall have no right to receive any distributions from the Company until such time as the amount of distributions that would have been made to the Defaulting Member shall have been reduced by an amount equal to the sum of (A) an amount equal to 18% per annum, compounded annually, of the unpaid additional Capital Contribution and (B) an amount equal to the unpaid Capital Contribution, and such reduced amount shall have been distributed to the Investors other than the Defaulting Member pursuant to Section 5.2(a) and Section 5.3(a).

3.9 Repurchased Units. Any Units issued pursuant to this Agreement which are subsequently held by the Company as a result of any repurchase of such Units by the Company or otherwise, shall not be considered outstanding Units for any purpose hereunder, including any Class A Management Units and Class B Management Units allocated to the Pool. Any Management Units repurchased by the Company shall be reallocated to the Pool; provided that any Management Units repurchased by the Company may only be subsequently reissued for a purchase price equal to or greater than the consideration received in connection with such repurchase.

ARTICLE IV

CAPITAL ACCOUNTS

4.1 Establishment and Determination of Capital Accounts. A capital account ("Capital Account") shall be established for each Member in accordance with the Treasury Regulations under Section 704(b) of the Code. In accordance with such Treasury Regulations, the Capital Account of each Member shall consist of such Member's Capital Contribution as listed on Schedule A as of the date hereof, and shall be (i) increased by any additional Capital Contributions made by such Member pursuant to the terms of this Agreement and such Member's share of items of income and gain allocated to such Member pursuant to Article V and (ii) decreased by such Member's share of items of loss, deduction and expense allocated to such Member pursuant to Article V and any distributions to such Member of cash or the fair market value of any other property (net of liabilities assumed by such Member and liabilities to which such property is subject) distributed to such Member. Any references in this Agreement to the Capital Account of a Member shall be deemed to refer to such Capital Account as the same may be increased or decreased from time to time as set forth above. The Capital Account maintenance rules set forth in this Section 4.1 are intended to be consistent with the capital account maintenance rules of Treasury Regulation Section 1.704-1(b)(2)(iv).

4.2 Computation of Amounts. For purposes of computing the amount of any item of income, gain, loss, deduction or expense to be reflected in Capital Accounts, the determination, recognition and classification of each such item shall be the same as its determination, recognition and classification for federal income tax purposes; provided that (a) any income that is exempt from

federal income tax shall be added to such taxable income or losses; (b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), shall be subtracted from such taxable income or losses; (c) if the Book Value of any Company property is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(e) (in connection with a distribution of such property) or (f) (in connection with a revaluation of Capital Accounts), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property; (d) if property that is reflected on the books of the Company has a Book Value that differs from the adjusted tax basis of such property, depreciation, amortization and gain or loss with respect to such property shall be determined by reference to such Book Value; and (e) the computation of all items of income, gain, loss, deduction and expense shall be made without regard to any election pursuant to Section 754 of the Code that may be made by the Company, unless the adjustment to basis of Company property pursuant to such election is reflected in Capital Accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

4.3 Interest; Withdrawal. No Member shall be paid interest on any Capital Contributions to the Company or on the balance of such Member's Capital Account. No Member shall have any right (a) to demand the return of such Member's Capital Contributions or any other distribution from the Company (whether upon resignation, withdrawal or otherwise), except upon dissolution of the Company pursuant to Article XII hereof, or (b) to cause a partition of the Company's assets.

ARTICLE V

DISTRIBUTIONS; ALLOCATIONS OF PROFITS AND LOSSES

5.1 Generally. Subject to the provisions of Section 18-607 of the Act, the Managing Member shall have sole discretion regarding the amounts and timing of distributions to Members, in each

case subject to the retention and establishment of reasonable reserves of, or payment to third parties of, such funds as the Managing Member deems necessary with respect to the reasonable business needs of the Company which shall include the payment or the making of provision for the payment when due of the Company's obligations, including the payment of any management or administrative fees and expenses or any other obligations.

5.2 Distributions Round One Investment. Except as provided in Sections 5.4 and 5.6, distributions to be made with respect to any Round One Proceeds at any time shall be made in the following order and priority:

(a) First, to the holders of Class A Investor Units pro rata according to their ownership of outstanding Class A Investor Units until the aggregate distributions with respect to the Class A Investor Units made pursuant to this Section 5.2(a) reduces the aggregate Unreturned Class A Investor Capital to zero;

(b) Second, to the holders of Class A Investor Units pro rata according to their Unpaid Class A Investor Yield until the aggregate distributions with respect to the Class A Investor Units made pursuant to this Section 5.2(b) and Section 5.4(a) reduces the aggregate Unpaid Class A Investor Yield to zero;

(c) Third, to the holders of the Class R Management Units pro rata according to their ownership of the outstanding Class R Management Units until the aggregate distributions with respect to the Class R Management Units made pursuant to this Section 5.2(c) equals $750,000;

(d) Fourth, to the holders of the Class A Management Units pro rata according to their ownership of the outstanding Class A Management Units until the aggregate distributions with respect to the Class A Management Units made pursuant to this Section 5.2(d) equals the Applicable Class A Percentage of all

distributions made pursuant to Section 5.2(b) and this Section 5.2(d);

(e) Fifth, until such time as the Class A Investor IRR for each holder of Class A Investor Units equals 30%, the Applicable Class A Percentage to the holders of Class A Management Units pro rata according to their ownership of outstanding Class A Management Units and the remainder to the holders of Class A Investor Units pro rata according to their ownership of outstanding Class A Investor Units;

(f) Sixth, after such time as the Class A Investor IRR equals 30% for each holder of Class A Investor Units (i) to the holders of Class A Management Units the Applicable Class A Percentage, pro rata according to their ownership of outstanding Class A Management Units and (ii) the remainder to the holders of Class B Management Units, pro rata according to their ownership of outstanding Class B Management Units, until the aggregate distributions with respect to the Class B Management Units made pursuant to this Section 5.2(f) is equal to the Applicable Class B Percentage of the aggregate distributions made pursuant to Section 5.2(b), (d), (e) and this Section 5.2(f) with respect to the Class A Investor Units and Management Units; and

(g) Seventh, the Applicable Class A Percentage to the holders of Class A Management Units pro rata according to their ownership of outstanding Class A Management Units, the Applicable

Class B Percentage to the holders of the Class B Management Units pro rata according to their ownership of outstanding Class B Management Units and the remainder to the holders of Class A Investor Units pro rata according to their ownership of outstanding Class A Investor Units.

(h) Notwithstanding Sections 5.2(d) through (g), if subsequent to the making of any distribution pursuant to Sections 5.2(d) through (g), a Capital Contribution with respect to any Class A Investor Units occurs (a "Post-Distribution Class A Capital Contribution"), then in such case (i) the amount that would otherwise be distributed to holders of Class B Management Units pursuant to Sections 5.2(f) and (g) shall be reduced (and such amount shall be distributed in accordance with Sections 5.2(a) through (e) hereof) by an amount equal to the excess, if any, of (x) the aggregate amount of all distributions previously made to the holders of Class B Management Units pursuant to Sections 5.2(f) and (g) over (y) the aggregate amount of the distributions that would have been made to the holders of Class B Management Units pursuant to Sections 5.2(f) and (g) if all Post-Distribution Class A Capital Contributions had been taken into account for purposes of determining whether the Class A Investor IRR equaled or exceeded 30% for each holder of Class A Investor Units on the date of such distributions and (ii) the amount that would otherwise be distributed to holders of Class A Management Units pursuant to Sections 5.2(d) through (g) and clause (i) of this Section 5.2(h) shall be reduced (and such amount shall be distributed in accordance with Section 5.2(a) and (b) hereof) by an amount equal to the excess of (x) the aggregate amount of all distributions previously made to the holders of Class A Management Units pursuant to Sections 5.2(d) through (g) over (y) the aggregate amount of the distributions that would have been made to the holders of Class A Management Units pursuant to Sections 5.2(d) through (g) if all Post-Distribution Class A Capital Contributions had been taken into account for purposes of determining whether the Unpaid Class A Investor Yield had been reduced to zero for all holders of Class A Investor Units on the date of such distributions.

(i) Attached hereto as Schedule B is an illustrative example of the

operation of this Section 5.2.

5.3 Distributions Round Two Investment. Except as provided in Sections 5.4 and 5.6 hereof, distributions to be made with respect to any Round Two Proceeds at any time shall be made in the following order and priority:

(a) First, to the holders of Class B Investor Units pro rata according to their ownership of outstanding Class B Investor Units until the aggregate distributions with respect to the Class B Investor Units made pursuant to this Section 5.3(a) reduces the aggregate Unreturned Class B Investor Capital to zero;

(b) Second, to the holders of Class B Investor Units pro rata according to their Unpaid Class B Investor Yield until the aggregate distributions with respect to the Class B Investor Units made pursuant to this Section 5.3(b) reduces the aggregate Unpaid Class B Investor Yield to zero;

(c) Third, to the holders of the Class A Management Units pro rata according to their ownership of the outstanding Class A Management Units until the aggregate distributions with respect to the Class A Management Units made pursuant to this Section 5.3(c) equals the Applicable Class A Percentage of all distributions made pursuant to Section 5.3(b) and this Section 5.3(c);

(d) Fourth, until such time as the Class B Investor IRR for each holder of Class B Investor Units equals 30%, the Applicable Class A Percentage to the holders of Class A Management Units pro rata according to their ownership of outstanding Class A Management Units and the remainder to the holders of Class B Investor Units pro rata according to their ownership of outstanding Class B Investor Units;

(e) Fifth, after such time as the Class B Investor IRR equals 30% for each holder of Class B Investor Units (i) to the holders of Class A Management Units the Applicable Class A Percentage, pro rata according to their ownership of outstanding Class A Management Units and (ii) the remainder to the holders of Class B Management Units, pro rata according to their ownership of outstanding Class B Management Units, until the aggregate distributions with respect to the Class B Management Units made pursuant to this Section 5.3(e) is equal to the Applicable Class B Percentage of the aggregate distributions made pursuant to Section 5.3(b), (c), (d) and this Section 5.3(e) with respect to the Class B Investor Units and Management Units; and

(f) Sixth, the Applicable Class A Percentage to the holders of Class A Management Units pro rata according to their ownership of outstanding Class A Management Units, the Applicable Class B Percentage to the holders of the Class B Management Units pro rata according to their ownership of outstanding Class B Management Units and the remainder to the holders of Class B Investor Units pro rata according to their ownership of outstanding Class B Investor Units.

(g) Notwithstanding Sections 5.3(b) through (f), if subsequent to the making of any distribution pursuant to Sections 5.3(b) through (f), a Capital Contribution with respect to any Class B Investor Units occurs (a "Post-Distribution Capital Contribution"), then in such case (i) the amount that would otherwise be distributed to holders of Class B Management Units pursuant to Sections 5.3(e) and (f) shall be reduced (and such amount shall be distributed in accordance with Sections 5.3(a) through (d) hereof) by an amount equal to the excess, if any, of (x) the aggregate amount of all distributions previously made to the holders of Class B Management Units pursuant to Sections 5.3(e) and (f)

over (y) the aggregate amount of the distributions that would have been made to the holders of Class B Management Units pursuant to Sections 5.3(e) and (f) if all Post-Distribution Capital Contributions had been taken into account for purposes of determining whether the Class B Investor IRR equaled or exceeded 30% for each holder of Class B Investor Units on the date of such distributions and (ii) the amount that would otherwise be distributed to holders of Class A Management Units pursuant to Sections 5.3(c) through (f) and clause (i) of this Section 5.3(g) shall be reduced (and such amount shall be distributed in accordance with Section 5.3(a) and (b) hereof) by an amount equal to the excess of (x) the aggregate amount of all distributions previously made to the holders of Class A Management Units pursuant to Sections 5.3(c) through (f) over (y) the aggregate amount of the distributions that would have been made to the holders of Class A Management Units pursuant to Sections 5.3(b) through (f) if all Post-Distribution Capital Contributions had been taken into account for purposes of determining whether the Unpaid Class B Investor Yield had been reduced to zero for all holders of Class B Investor Units on the date of such distributions.

(h) Attached hereto as Schedule C is an illustrative example of the operation of this Section 5.3.

5.4 Management Unit Holdback. Notwithstanding Sections 5.2 and 5.3 hereof:

(a) No distribution shall be made with respect to any Class A Management Unit until the Unpaid Class A Investor Yield and the Unpaid Class B Investor Yield have each been reduced to zero. Any distribution to which holders of Class A Management Units would be entitled pursuant to the terms of Section 5.2 or 5.3 (as applicable) without regard to this Section 5.4 that is not distributed by reason of application of the first sentence of this Section 5.4 shall be held by the Company or, if requested by WSPI, shall be distributed to WSPI, WSPII or Dutch. If, as a result of any distribution pursuant to Section 5.2 or 5.3 hereof, the Unpaid Class A Investor Yield and the Unpaid Class B Investor Yield have each been reduced to zero, any amounts not distributed with respect to the Class A Management Units pursuant to the first sentence of this Section 5.4 shall (prior to any other distributions under Section 5.2 or 5.3 hereof) be distributed to the holders of Class A Management Units, pro rata according to their ownership of the outstanding Class A Management Units. If any amounts required to be distributed with respect to the Class A Management Units pursuant to the preceding sentence had previously been distributed to WSPI, WSPII or Dutch pursuant to the second sentence of this Section 5.4, WSPI, WSPII or Dutch (as applicable) shall contribute such amount to the Company (which contributions shall be deemed to be Capital Contributions hereunder).

(b) No distribution shall be made with respect to any Class B Management Unit until the Class A Investor IRR equals or exceeds 30% for all holders of Class A Investor Units and the Class B Investor IRR equals or exceeds 30% for all holders of Class B Investor Units. Any distribution to which holders of Class B Management Units would be entitled pursuant to the terms of Section 5.2 or 5.3 (as applicable) without regard to this Section 5.4 that is not distributed by reason of application of the first sentence of this Section 5.4 shall be held by the Company or, if requested by WSPI, WSPII or Dutch, shall be distributed to (i) the Investors until the Unpaid Class A Yield and the Unpaid Class B Yield have each been reduced to zero for all holders of Class A Investor Units and Class B Investor Units and (ii) thereafter in accordance with Sections 5.2(d) and (e) and Sections 5.3(c) and (d) hereof. If, as a result of any distribution pursuant to Section 5.2 or 5.3 hereof, the Class A Investor IRR equals or exceeds 30% for all holders of Class A Investor Units and the Class B Investor IRR equals or exceeds 30% for all holders of Class B Investor Units, any amounts not distributed with respect to the Class B Management Units

pursuant to the first sentence of this Section 5.4 shall (prior to any other distributions under Section 5.2 or 5.3 hereof) be distributed to the holders of Class B Management Units, pro rata according to their ownership of the outstanding Class B Management Units. The Investors and/or any holder of Class A Management Units who or that received a distribution pursuant to the second sentence of this Section 5.4(b) shall contribute to the Company an amount equal to such person's appropriate share of the amount required to be distributed to holders of Class B Management Units pursuant to the immediately preceding sentence.

5.5 Allocation of Profits and Losses.

(a) Except as set forth in Section 5.5(b) hereof, for each Fiscal Year of the Company, all Profits and Losses shall be allocated to the Members' Capital Accounts in a manner such that, as of the end of such Fiscal Year, the Capital Account of each Member (which may be either a positive or negative balance) shall be equal to (a) the amount which would be distributed to such Member, determined as if the Company were to liquidate all of its assets for the Book Value thereof and distribute the proceeds thereof pursuant to Section 12.2 hereof, minus (b) the sum of (i) such Member's share of partnership minimum gain (as determined according to Treasury Regulation Sections 1.704-2(d) and (g)(3)) and partner minimum gain (as determined according to Treasury Regulation Section 1.704-2(i)) and (ii) the amount,

if any, which such Member is obligated to contribute to the capital of the Company as of the last day of such Fiscal Year.

(b) If any Unitholder that unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, then Profits for such Taxable Year shall be allocated to such Unitholder in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.3(b) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

5.6 Capital Contributions.

(a) Notwithstanding anything to the contrary contained in Sections 5.2 and 5.3, the Members acknowledge that the Management Holders paid a portion of their Capital Contributions by the delivery of promissory notes to the Company, which notes outstanding as of the date hereof are listed on Schedule A (as amended and restated from time to time, the "Management Notes") and that all principal and accrued interest with respect to the Management Notes which is paid to the Company by such Management Holders shall be distributed solely to the holders of the Preferred Units. Each of the Management Holders acknowledges and agrees that until such time as all principal and accrued interest with respect to the Management Note of such Management Holder is paid in full, such Management Holder shall have no right to receive any distributions from the Company and all distributions which would have been paid by the Company to such Management Holder shall be retained by the Company as payment with respect to the Management Note of such Management Holder and distributed in accordance with the immediately preceding sentence until such Management Notes and all accrued and unpaid interest thereon is paid in full.

(b) Of the aggregate Capital Contributions made by WSPI, an amount equal to the aggregate principal amount of all Management Notes issued with respect to the Round One Investment shall be treated as contributed with respect to Preferred Units, and the remainder shall be treated as contributed with respect to Class A Investor Units. Of the aggregate Capital Contributions made by WSPII or Dutch, an amount equal to the aggregate principal amount of all Management Notes issued with respect to the Round Two Investment shall be treated as contributed with respect to Preferred Units, and the remainder shall be treated as contributed with respect to Class B Investor Units. The Company and the Members acknowledge and agree that the principal amount of any Management Note shall be treated as a Capital Contribution and included in the Capital Account of the Member issuing such Management Note as of the original date of issuance of such Management Note, or as of the date of assumption of such Management Note, and that any assumption of the obligation to repay any such Management

Note shall be treated as an assumption of the rights and obligations associated with such related Capital Contribution.

5.7 Tax Allocations; Code Section 704(c).

(a) The income, gains, losses, deductions and expenses of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and expenses among the Members for computing their Capital Accounts,

except that if any such allocation is not permitted by the Code or other applicable law,

the Company's subsequent income, gains, losses, deductions and expenses shall be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, deduction and expense with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution.

(c) If the Book Value of any Company asset is adjusted pursuant to Section 4.2, subsequent allocations of items of taxable income, gain, loss, deduction and expense with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c).

(d) Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations pursuant to this Section 5.7 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of profits, losses, other items or distributions pursuant to any provisions of this Agreement.

(e) The Company and the Members agree to use the "traditional method" with respect to Section 704(c) of the Code.

ARTICLE VI

MANAGEMENT OF THE COMPANY

6.1 Managing Member. Except as otherwise required by the Act, the business and affairs of the Company shall be managed by or under the direction of a "manager" (as that term is defined in the Act) who shall be a Member (the "Managing Member"). The initial Managing Member shall be WSPI. Except as otherwise expressly provided for in this Agreement, the Members hereby consent to the exercise by the Managing Member of all such powers and rights conferred on it by the Act with respect to the management and control of the Company. The Managing Member shall have the power on behalf and in the name of the Company to carry out any and all of the objectives and purposes of the Company and to perform all acts and enter into and perform all contracts and other undertakings which the Managing Member, in its sole discretion, deems necessary or advisable or incidental thereto, including the power to dispose of or vote any security held by the Company (including any securities of CTN) or exercise or convert any right to acquire securities held by the Company (including the Warrants, convertible preferred stock of CTN and the Equity Protection Agreements). Notwithstanding the foregoing and except as explicitly set forth in this Agreement, if a vote, consent or approval of the Members is required by the Act or other applicable law with respect to any act to be taken by the Company or matter considered by the Managing Member, the Members agree that they shall be deemed to have consented to or approved such act or voted on such matter in accordance with the determination of the Managing Member on such act or matter. No Member, in his or its capacity as a Member, shall have any power to act for, sign for or do

any act that would bind the Company. The Managing Member shall devote such time and effort to the affairs of the Company as he or it may deem appropriate for the oversight of the management and affairs of the Company.

6.2 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more other Persons the Managing Member's rights and powers to manage and control the business and affairs of the Company, including to delegate to agents and employees of a Member or the Company, and to delegate by a written agreement with, or otherwise to, other Persons. The Managing Member may authorize any Person (including, without limitation, any Member) to enter into and perform under any document on behalf of the Company.

6.3 Resignation; Vacancy; Removal. The Managing Member may resign by delivering his or its written resignation to the Company and to the other Members. Such resignation shall be effective fourteen (14) business days following receipt of such resignation by the Company unless some later time is specified in such resignation. If a vacancy in the position of Managing Member should for any reason occur, a replacement Managing Member shall be appointed by WSPI. Any subsequent Managing Member may be removed only by WSPI. The initial Managing Member may not be removed for any reason.

6.4 Compensation. The Managing Member shall not be entitled to compensation from the Company in connection with its activities as Managing Member; provided that the foregoing shall not prevent the Managing Member from receiving reimbursement for out-of-pocket expenses incurred by the Managing Member on behalf of the Company, receiving distributions as a Member pursuant to this Agreement or otherwise receiving compensation from the Company for actions unrelated to its activities as Managing Member.

6.5 Board Membership of Subsidiaries.

(a) The Managing Member and each other Member shall cause the Company to vote all voting securities of CTN over which the Company has voting control and shall take all other necessary or desirable actions within its control (including in its capacity as a member of the Board, as defined below) so that the following individuals shall be elected to the board of directors of CTN (the "Board") and shall remain directors of the Board until removed in accordance with Sections 6.5(b) and 6.5(c):

(i) two representatives designated by the holders of a majority of the Investor Units (the "Investor Directors"), which Investor Directors shall initially be Avy H. Stein and Daniel M. Gill;

(ii) Jason Elkin, Peter Kauff and Martin Grant (the "Management Directors"), so long as each such Management Director is employed by CTN; and

(iii) up to six additional representatives designated by the holders of a majority of the Investor Units, who shall initially include Thomas McMillian (the "Other Directors").

(b) The removal from the Board (with or without cause) of any Investor Director or any Other Director shall only be upon written request of the Managing Member and under no other circumstances.

(c) Each Management Director shall be removed from the Board automatically if such Management Director ceases to be employed by CTN for any reason.

(d) In the event that any representative designated hereunder ceases to serve as a member of the Board during his term of office for any reason, the resulting vacancy on the Board shall be filled by a representative designated by the same group or Person that designated such prior representative.

ARTICLE VII

MEMBERS

7.1 Membership Status; Resignation. A Transfer by a Member of all of such

Member's Units shall be deemed to be a resignation by such Member effective upon consummation of such Transfer and such Member shall not be entitled to any distributions or payments of any kind from the Company as a consequence of such transfer and the transferee shall be entitled to succeed to the rights, benefits and interests in all such Units. Transfers may only be made pursuant to Article XI hereof. To the fullest extent permitted by law, a Member may not resign or withdraw as a Member of the Company without the consent of the Managing Member, which consent may be withheld in its sole discretion.

7.2 No Participation in Management. The management of the business and affairs of the Company shall be vested in whole in the Managing Member in accordance with Article VI of this Agreement. Except with respect to the execution and filing of the Certificate, as otherwise specifically provided by this Agreement or required by the Act, no Member, acting solely in the capacity of Member, shall participate in the management of or be an agent of the Company or have any authority to act for or bind the Company.

7.3 Voting Rights Generally; Voting of Units. Except as expressly provided in this Agreement or as may be required by the Act, Members shall have no voting, approval or consent rights. Each Member shall be entitled to one (1) vote for each Unit held by such Member upon any matter upon which Members are entitled to vote submitted to a vote at a meeting of the Members called by the Managing Member. Any action required to, or which may be, taken by Members may be taken without a meeting if consented thereto in a writing setting forth the action so taken and signed by the Members who constitute a Required Interest and who are entitled to vote with respect to the subject matter thereof.

7.4 Conflicts of Interest. The Company may transact business with any Member, its Affiliates and each of their respective stockholders, directors, officers, controlling persons, members, partners and employees; provided, the terms of those transactions are no less favorable than those the Company could obtain from unrelated third parties or are approved by a majority of the Members who have no direct or indirect interest in that transaction.

7.5 Outside Activities. Each Member of the Company, in its capacity as such, its Affiliates and each of their respective stockholders, directors, officers, controlling persons, members, partners and employees may at any time and from time to time may engage in and own interests in other business ventures of any and every type and description, independently or with others (including ones in competition with the Company) with no obligation to offer to the Company or any other Member or officer the right to participate therein. Neither the Company nor any Member of the Company shall have any rights by virtue of this Agreement or the limited liability company relationship created hereby in any such business interests or activities of any such Person.

7.6 Confidentiality. Each Member agrees to maintain the confidentiality of all proprietary, nonpublic information, documents and materials relating to the business of the Company or any of its Subsidiaries which the Member now or in the future may possess, except to the extent disclosure of any such information is required by law or authorized by the Company or reasonably occurs in connection with disputes over the terms of this Agreement.

ARTICLE VIII

EXCULPATION AND INDEMNIFICATION

8.1 Exculpation. No Member (including the Managing Member) shall have any duty to the Company or to any Member of the Company except as expressly set forth herein. No Member (including the Managing Member) shall be liable to any other Member or the Company for any loss or damage suffered by the Company or any Member unless such loss or damage is caused by such Member's gross negligence, willful misconduct, intentional violation of law or material breach of this Agreement. No Member (including the Managing Member) shall be liable for errors in judgment or for any acts or omissions that do not constitute gross negligence, willful misconduct, intentional violation of law or material breach of this Agreement. Any Member (including the Managing Member) may consult with counsel and accountants in respect of Company affairs, and provided such Member acts in good faith reliance upon the advice or opinion of such counsel or accountants, such Member shall not be liable for any loss or damage suffered by

the Company or any Member in reliance thereon. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 18-406 of the Act.

8.2 Right to Indemnification. Subject to the limitations and conditions as provided in this Article VIII, each Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative (hereinafter a "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that such Person, or a Person of whom such Person is the legal representative, is or was a Member of the Company or while a Member of the Company is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, shall be indemnified by the Company (to the extent of the Company's assets and without requiring any additional Capital Contributions not otherwise required by this Agreement) to the fullest extent permitted under applicable law, as the same exist or may hereafter be amended (but, in the

case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such Person in connection with such Proceeding; provided that (a) such Person's course of conduct was pursued in good faith and believed by such Person to be in the best interests of the Company and (b) such course of conduct did not constitute gross negligence or willful misconduct on the part of such Person and otherwise was in accordance with the terms of this Agreement. Indemnification under this Article VIII shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this Article VIII shall be deemed contractual rights, and no amendment, modification or repeal of this Article VIII shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article VIII could involve indemnification for negligence or under theories of strict liability.

8.3 Advance Payment. The right to indemnification conferred in this Article VIII shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by a Person of the type entitled to be indemnified under Section 8.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such Person in advance of the final disposition of a Proceeding shall be made only upon delivery to the Company of a written affirmation by such Person of his or her good faith belief that he has met the standard of conduct necessary for indemnification under Article VIII and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified Person is not entitled to be indemnified under this Article VIII or otherwise.

8.4 Indemnification of Employees and Agents. The Company shall indemnify and advance expenses to any officer, director, partner, employee, agent of the Managing Member or of any other Member or the Company to the same extent and subject to the same conditions that it may indemnify and advance expenses to the Members including the Managing Member under this Article VIII.

8.5 Appearance as a Witness. Notwithstanding any other provision of this Article VIII, the Company may pay or reimburse reasonable out-of-pocket expenses

incurred by any Member including the Managing Member or such Managing Member's officers, directors, employees, partners and agents in connection with such Person's appearance as a witness or other participation in a Proceeding related to or arising out of the business of the Company at a time when such Person is not a named defendant or respondent in the Proceeding.

8.6 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article VIII shall not be exclusive of any other right which a Person indemnified pursuant to this Article VIII may have or hereafter acquire under any law (common or statutory), any agreement, any provision of the Certificate or this Agreement, any vote of Members or otherwise.

8.7 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Person indemnified pursuant to this Article VIII as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE IX

TAXES

9.1 Tax Returns. The Company shall cause to be prepared and filed all necessary federal and state income tax returns for the Company, including making any elections the Managing Member may deem appropriate and in the best interests of the Members. Each Member shall furnish to the Managing Member all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.2 Tax Matters Partner. The Managing Member shall be the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code (the "Tax Matters Member"). The Tax Matters Member is authorized to represent the Company before the Internal Revenue Service and any other governmental agency with jurisdiction, and to sign such consents and to enter into settlements and other agreements with such agencies as the Managing Member deems necessary or advisable.

ARTICLE X

BOOKS, REPORTS

10.1 Maintenance of Books. The Company shall keep appropriate books and records of accounts and shall keep appropriate minutes of the proceedings of its Members and any committees. The Fiscal Year of the Company shall be the calendar year.

10.2 Member Tax Information. Within forty-five (45) days after the end of each Taxable Year, the Company will cause to be delivered to each Person who was a Member at any time during such Taxable Year a Form K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of such Member's federal, state and local income tax returns.

ARTICLE XI

TRANSFERS

11.1 Assignment by Members. Subject to Section 3.5(b) regarding the rights of Elkin to allocate Units contained in the Pool, no Management Holder shall transfer any Management Units of

the Company, or offer to Transfer all or any part of such Management Holder's Management Units of the Company (whether voluntarily or involuntarily) without the consent of the Managing Member, which consent may be withheld in the Managing Member's sole discretion, except for a transfer of Management Units to the Company to be allocated to the Pool. Each transferee of Units or other interest in the Company shall as a condition prior to such Transfer execute a joinder agreement in a form satisfactory to the Managing Member pursuant to which such transferee shall agree to be bound by the provisions of this Agreement (it being understood that any such Transfer shall have the effect of Transferring an economic interest in such Units and shall not have the effect of Transferring any other rights of a Member unless such Transferee is admitted as a substitute Member pursuant to Section 11.3). Any Transfer by a Member of any part of Units to a Person who is not a Member shall not relieve such Member of any of its obligations with respect to such Units.

11.2 Void Transfers. Any Transfer by any Member of any Units or other interest in the Company (a) in contravention of this Agreement (including, without limitation, the failure of the transferee to execute a counterpart in accordance with Section 11.1), or (b) which would cause the Company to not be treated as a partnership for U.S. federal income tax purposes, shall be void and ineffectual and shall not bind or be recognized by the Company or any other party. No purported assignee pursuant to a void transfer shall have any right to any profits, losses or distributions of the Company.

11.3 Substituted Member.

(a) An assignee of any Units or other interest in the Company held by a Member, or any portion thereof, shall become a substituted Member entitled to all the rights of a Member if and only if the assignor gives the assignee such right, and prior written consent to such assignment and substitution has been obtained from the Managing Member, which consent may be withheld in such Managing Member's sole discretion.

(b) The Company and the Members shall be entitled to treat the record owner of any Units or other interest in the Company as the absolute owner thereof and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such Units or other interest in the Company, which assignment is permitted pursuant to the terms and conditions of Section 11.1 and Section 11.3 hereof, has been received and accepted by the Managing Member and recorded on the books of the Company.

(c) Upon the admission of a substituted Member, Schedule A attached hereto shall be amended to reflect the name, address and Units of such substituted Member and to eliminate the name and address of and other information relating to the assigning Member with regard to the assigned Units.

11.4 Effect of Assignment.

(a) Any Member who shall make a permitted assignment under this Agreement of any Units or other interest in the Company shall cease to be a Member of the Company with respect to such Units or other interest and shall no longer have any rights or privileges of a Member with respect to such Units or other interest, except that unless and until the assignee of such Member is admitted as a substituted Member in accordance with the provisions of this Article XI, such assigning Member shall retain the statutory rights and obligations of an assignor member under applicable law, including, but not by way of limitation, the right to vote.

(b) Any Person who acquires in any manner whatsoever any Units or other interest in the Company, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefits of the acquisition thereof to have agreed to be subject to and bound by of all the terms and conditions of this Agreement that any predecessor in such Units or other interest in the Company of such Person was subject to or by which such predecessor was bound. With respect to a permitted assignment, the Company shall use the "closing of the books method"

for all allocation purposes.

(c) Following an assignment of any Units or other interest that is permitted under this Agreement, the transferee of such Units or interest shall be treated as having made all of the Capital Contributions in respect of, and received all of the distributions received in respect of, such Units or interest, shall succeed to the Capital Account associated with such Units or interest and shall receive allocations and distributions under Articles V and XII in respect of such Units or interest as if such transferee were a Member.

11.5 Permitted Transfers. Subject in all events to the general restrictions on Transfers contained in Sections 11.1, 11.2 and 11.3, the restrictions contained in the first sentence of Section 11.1 shall not apply to any Transfer of Units by any Unitholder among such Unitholder's Permitted Transferees so long as such Permitted Transferee shall agree in writing to be bound by the provisions of this Agreement prior to any such Transfer.

11.6 Deliveries for Transfer.

(a) In connection with the Transfer of any Restricted Securities, the holder thereof will deliver written notice to the Company describing in reasonable detail the Transfer or proposed Transfer. In addition, in the case of any Certificated Units (as defined below), if the holder of such Restricted Securities delivers to the Company an opinion of counsel satisfactory to the Company that no subsequent Transfer of such Restricted Securities will require registration under the Securities Act, the Company will promptly upon such contemplated Transfer deliver new certificates or instruments, as the case may be, for such Restricted Securities which do not bear the restrictive legend relating to the Securities Act as set forth below. If the Company is not required to deliver new certificates or instruments, as the case may be, for such Restricted Securities not bearing such legend, the holder thereof will not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this Section 11.6.

(b) Notwithstanding any other provisions of this Article XI, no Transfer of Units or any other interest in the Company may be made unless in the opinion of counsel (who may be counsel for the

Company), satisfactory in form and substance to the Managing Member and counsel for the Company (which opinion may be waived, in whole or in part, at the discretion of the Managing Member), such Transfer would not violate any federal securities laws or any state or provincial securities or "blue sky" laws (including any investor suitability standards) applicable to the Company or the interest to be transferred, or cause the Company to be required to register as an Investment Company under the Investment Company Act of 1940, as amended. Such opinion of counsel shall be delivered in writing to the Company prior to the date of the Transfer.

11.7 Prospective Transferees. Subject to the terms of this Agreement, the Company agrees to cooperate, as may reasonably be requested, in order to provide any information and access to any information to any prospective transferee in connection with a proposed Transfer.

11.8 Legend. In the event that certificates representing the Units are issued ("Certificated Units"), such certificates will bear a legend stating that the Transfer of the Units is subject to the conditions specified in this Agreement.

11.9 Effective Date. Any Transfer and any related admission of a Person as a Member in compliance with this Article XI shall be deemed effective on such date that the transferee or successor in interest complies with the requirements of this Agreement.

ARTICLE XII

DISSOLUTION, LIQUIDATION AND TERMINATION

12.1 Dissolution. The Company shall be dissolved and its affairs shall be wound up on the first to occur of the following:

(a) the expiration of its term pursuant to Section 2.5;

(b) prior to April 25, 2002, the written consent of the Required Interests to dissolve the Company;

(c) after April 25, 2002, the written determination of the Managing Member (in its self-discretion) to dissolve the Company;

(d) upon the determination of the Managing Member in the event of a sale of all or substantially all the Company's assets or in the event the Company no longer owns any securities of CTN; and

(e) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

The death, retirement, resignation, expulsion, incapacity, bankruptcy or dissolution of a Member, or the occurrence of any other event that terminates the continued membership of a Member in the Company,

shall not cause a dissolution of the Company, and the Company shall continue in existence subject to the terms and conditions of this Agreement.

12.2 Liquidation and Termination. On dissolution of the Company, the Managing Member shall act as liquidator or may appoint one or more Members as liquidator. The liquidator(s) shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator(s) shall continue to operate the Company properties with all of the power and authority of the Managing Member and the Members. The steps to be accomplished by the liquidators are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator(s) shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the liquidator(s) shall cause the notice described in the Act to be mailed to each known creditor of and claimant against the Company in the manner described thereunder;

(c) the liquidator(s) shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidator(s) may reasonably determine); and

(d) the remaining assets of the Company (the "Remaining Assets") shall be distributed to the Members in accordance with Sections 5.2 through 5.4 and 5.6 hereof. The Remaining Assets shall be distributed by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation).

All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses and liabilities theretofore incurred or for which the Company has committed prior to the date of termination, and those costs, expenses and liabilities shall reduce the amount to be distributed to the distributees in accordance with Sections 5.2 through 5.4 and 5.6 pursuant to this Section 12.2. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the Company and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of the Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds. Any Company assets distributed

in kind will first be written up or down to their fair market value, thus creating Profits or Losses (if any), which shall be allocated in accordance with Section 5.5.

12.3 Management Holder Give Back.

(a) If, subsequent to the making of any distribution pursuant to Section 5.2(d) through (g), one or more Post-Distribution Class A Capital Contributions occurred, then, after the final distribution

of assets of the Company among the Members as provided in Section 12.2 and Article V, the following Capital Contributions and distributions shall be made:

(i) To the extent that the amount that would otherwise have been distributed to holders of Class B Management Units pursuant to Section 5.2(f) and (g) and Section 12.2(d) was not reduced in distributions subsequent to such Post-Distribution Class A Capital Contributions by an amount equal to the excess described in Section 5.2(h)(i), then (A) the holders of Class B Management Units shall make a Capital Contribution to the Company (pro rata according to their respective ownership of Class B Management Units) in an amount equal to the lesser of (I) the extent to which such reduction was less than such excess described in Section 5.2(h)(i) or (II) the aggregate amount distributed to holders of Class B Management Units pursuant to Sections 5.2, 5.4(b) and 12.2(d) (but, with respect to distributions pursuant to Section 5.4(b), only to the extent such distributions were made with respect to distributions that would have been made pursuant to Section 5.2, but for the first sentence of Section 5.4(b)), and (B) the amount contributed to the Company pursuant to clause (A) of this Section 12.3(a)(i) shall be distributed in accordance with Section 5.2(a) through (e), and

(ii) To the extent that the amount that would otherwise have been distributed to holders of Class A Management Units pursuant to Section 5.2(d) through (g) and Section 12.2(d) was not reduced in distributions subsequent to such Post-Distribution Class A Capital Contributions by an amount equal to the excess described in Section 5.2(h)(ii), then (A) the holders of Class A Management Units shall make a Capital Contribution to the Company (pro rata according to their respective ownership of Class A Management Units) in an amount equal to the lesser of (I) the extent to which such reduction was less than such excess described in Section 5.2(h)(ii) or (II) the aggregate amount distributed to holders of Class A Management Units pursuant to Sections 5.2, 5.4(a) and 12.2(d) (but, with respect to distributions pursuant to Section 5.4(a), only to the extent such distributions were made with respect to distributions that would have been made pursuant to Section 5.2 but for the first sentence of Section 5.4(a)), and (B) the amount contributed to the Company pursuant to clause (A) of this Section 12.3(a)(ii) shall be distributed in accordance with Section 5.2(a) and (b).

(b) If, subsequent to the making of any distribution pursuant to Section 5.3(c) through (f), one or more Post-Distribution Capital Contributions occurred, then, after the final distribution of assets of the Company among the Members as provided in Section 12.2 and Article V, the following Capital

Contributions and distributions shall be made:

(i) To the extent that the amount that would otherwise have been distributed to holders of Class B Management Units pursuant to Section 5.3(d) through (f) and Section 12.2(d) was not reduced in distributions subsequent to such Post-Distribution Class B Capital Contributions by an amount equal to the excess described in Section 5.3(g)(i), then (A) the holders of Class B Management Units shall make a Capital Contribution to the Company (pro rata according to their respective ownership of Class B Management Units) in an amount equal to the lesser of (I) the extent to which such reduction was less than such excess described in Section 5.3(g)(i) or (II) the aggregate amount distributed to holders of Class B Management Units pursuant to Sections 5.3, 5.4(b) and 12.2(d) (but, with respect to distributions pursuant to Section 5.4(b), only to the extent such distributions were made with respect to distributions that would have been made pursuant to Section 5.3 but for the first sentence of Section 5.4(b)), and (B) the amount contributed to the Company pursuant to clause (A) of this Section 12.3(b)(i) shall be distributed in accordance with Section 5.3(a) through (d); and

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(ii) To the extent that the amount that would otherwise have been distributed to holders of Class A Management Units pursuant to Section 5.3(c) through (f) and Section 12.2(d) was not reduced in distributions subsequent to such Post-Distribution Class B Capital Contributions by an amount equal to the excess described in Section 5.3(g)(ii) then (A) the holders of Class A Management Units shall make a Capital Contribution to the Company (pro rata according to their respective ownership of Class A Management Units) in an amount equal to the lesser of (I) the extent to which such reduction was less than such excess described in Section 5.3(g)(ii) or (II) the aggregate amount distributed to holders of Class A Management Units pursuant to Sections 5.3, 5.4(a) and 12.2(d) (but, with respect to distributions pursuant to Section 5.4(a), only to the extent such distributions were made with respect to distributions that would have been made pursuant to Section 5.3 but for the first sentence of Section 5.4(a)), and (B) the amount contributed to the Company pursuant to clause (A) of this Section 12.3(b)(ii) shall be distributed in accordance with Section 5.3(a) and (b).

12.4 Deficit Capital Accounts. Except as otherwise provided in Section 12.3, and notwithstanding any custom or rule of law to the contrary, to the extent that any Member has a deficit Capital Account balance, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.5 Cancellation of Certificate. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Managing Member (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5 and take such other actions as may be necessary to terminate the Company.

ARTICLE XIII

GENERAL PROVISIONS

13.1 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and shall be deemed delivered: (a) upon delivery if delivered in person; (b) three (3) business days after deposit in the United States mail, addressed to the recipient, postage paid, and registered or certified with return receipt requested; (c) upon transmission if sent via telecopier, with a confirmation copy sent via overnight mail, provided that confirmation of such overnight delivery is received; or (d) one (1) business day after deposit with a national overnight courier provided that confirmation of such overnight delivery is received. All notices, requests and consents to be sent to a Member must be sent to or made at the address given for that Member on Schedule A, or such other address as that Member may specify by notice to the other Members. Any notice, request, or consent to the Company or the Managing Member must be given to the Managing Member at the address for the Managing Member set forth on Schedule A. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

13.2 Entire Agreement. This Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.3 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.4 Amendment, Modification or Waiver. Except as otherwise expressly provided herein, this Agreement may be amended, modified or waived from time to time only by a written instrument adopted by the Managing Member; provided, however, that (a) except as otherwise expressly provided herein, an amendment or modification reducing disproportionately a Member's Units or other interest in profits or losses or in distributions or increasing a Member's Capital Contribution shall be effective only with that Member's consent, (b) an amendment, modification or waiver to this Agreement which affects the liabilities, obligations or rights of a particular class of Units in a manner which is more adverse than such amendment, modification or waiver affects the rights of all classes of Units shall be effective only with the consent of the holders of a majority of the outstanding Units of such class, and (c) an amendment, modification or waiver reducing the Required Interests for any consent or vote in this Agreement shall be effective only with the consent or vote of Members having the interest theretofore required, and provided further that the Managing Member may amend and modify the provisions of this Agreement and Schedule A hereto to the extent necessary to reflect the issuance of new Units or other interests in the Company as contemplated by Section 3.5 as determined in good faith by the Managing Member.

13.5 Binding Effect. Subject to the restrictions on Transfers set forth in this Agreement, this Agreement is binding on and shall inure to the benefit of the Members and their respective heirs, legal representatives, successors and assigns.

13.6 Governing Law; Severability. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Agreement and any provision of the Certificate or any mandatory provision of the Act, the applicable provision of the Certificate or the Act shall control. If any provision of this Agreement or the application thereof to any Person or circumstance is held

invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.7 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments

and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

13.8 Waiver of Certain Rights. Each Member irrevocably waives any right it may have to demand any distributions or withdrawal of property from the Company or to maintain any action for dissolution of the Company or for partition of the property of the Company.

13.9 Indemnification and Reimbursement for Payments on Behalf of a Member. If the Company is obligated to pay any amount to a governmental agency (or otherwise makes a payment) because of a Member's status or otherwise specifically attributable to a Member (including, without limitation, federal, state or local withholding taxes, state personal property taxes, state unincorporated business taxes, state personal property replacement taxes, etc.), then such Member (the "Indemnifying Member") shall indemnify the Company in full for the entire amount paid (including, without limitation, any interest, penalties and expenses associated with such payments). The amount to be indemnified shall be charged against the Capital Account of the Indemnifying Member, and, at the option of the Members, either:

(a) promptly upon notification of an obligation to indemnify the Company, the Indemnifying Member shall make a cash payment to the Company equal to the full amount to be indemnified (and the amount paid shall be added to the Indemnifying Member's Capital Account but shall not be treated as a Capital Contribution), or

(b) the Company shall reduce distributions which would otherwise be made to the Indemnifying Member, until the Company has recovered the amount to be indemnified (and, notwithstanding Section 4.1, the amount withheld shall not be treated as a Capital Contribution).

The provisions of this Section 13.9 shall survive a liquidation, dissolution or termination of the Company.

13.10 Notice to Members of Provisions. By executing this Agreement, each Member acknowledges that it has actual notice of (i) all of the provisions hereof (including, without limitation, the restrictions on the transfer set forth in Article XI) and (ii) all of the provisions of the Certificate.

13.11 Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

13.12 Consent to Jurisdiction. Each Member irrevocably submits to the non-exclusive jurisdiction of the United States District Court for the Northern District of Illinois and the state courts of the State of Illinois, sitting in Chicago, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each Member further agrees that service of any process, summons, notice or document by U.S. certified or registered mail to such Member's respective address set forth above shall be effective service of process in any action, suit or proceeding in Illinois with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each Member irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the United States District Court for the Northern District of Illinois or the state courts of the State of Illinois, sitting in Chicago, and hereby irrevocably and unconditionally waives and

agrees not to plead or claim in any such court that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum.

13.13 Headings. The headings used in this Agreement are for the purpose of reference only and will not otherwise affect the meaning or interpretation of any provision of this Agreement.

13.14 Remedies. The Company and the Members shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement (including costs of enforcement) and to exercise any and all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company or any Member may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation or threatened violation of the provisions of this Agreement.

13.15 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective successors and assigns nor shall anything in this Agreement relieve or discharge the obligation or liability of any other Person to any party to this Agreement, nor shall any provision give any other Person any right of subrogation or action over or against any party to this Agreement.

* * * * * *

IN WITNESS WHEREOF, the Members have executed this Fourth Amended and Restated Limited Liability Company Agreement as of the date first set forth above.

MEMBERS:

WILLIS STEIN & PARTNERS, L.P.

By: Willis Stein & Partners, L.L.C.
Its: General Partner

By: /s/ Daniel M. Gill

Daniel M. Gill
Its: Managing Director

WILLIS STEIN & PARTNERS II, L.P.

By: Willis Stein & Partners Management II, L.P.
Its: General Partner

By: Willis Stein & Partners Management II, L.L.C.
Its: General Partner

By: /s/ Daniel M. Gill

Daniel M. Gill
Its: Managing Director

WILLIS STEIN & PARTNERS DUTCH, L.P.

By: Willis Stein & Partners Management II, L.P.
Its: General Partner

By: Willis Stein & Partners Management II, L.L.C.
Its: General Partner

By: /s/ Daniel M. Gill

Daniel M. Gill
Its: Managing Director

MEMBERS (continued)

/s/ Hollis W. Rademacher
_____
Hollis W. Rademacher

/s/ Jason Elkin
_____
Jason Elkin

/s/ Joseph D. Gersh
_____
Joseph D. Gersh

/s/ James Harder
_____
James Harder

/s/ Thomas Gatti
_____
Thomas Gatti

/s/ Peter Kauff
_____
Peter Kauff

/s/ Patrick Doran
_____
Patrick Doran

/s/ Sergio Zyman
_____
Sergio Zyman

/s/ Martin Grant
_____
Martin Grant

/s/ George Giatzis
_____
George Giatzis

SCHEDULE B

[TO COME]

U-C Holdings, LLC
7/21/99
Schedule of Investor Units

<TABLE>
<CAPTION>

Jason Elkin	Issue Date	Maturity Date	Amount	Pledged Units	Status	Purpose
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Note	12-May-97	1-Jan-03	$333,333.40	333,334		Initial Investment
Note	20-May-98	1-Jan-03	$180,834.00	166,667		Purchase from Dobson
Note	2-Oct-98	1-Jan-03	$283,057.00	283,057		Rights Offering
			$797,224.40			

Peter Kauff	Issue Date	Maturity Date	Amount	Pledged Units	Status	
Note	2-Oct-98	1-Jan-03	$94,352.00	[_____]		
Note	20-May-98	1-Jan-03	$180,834.00	166,666		Purchase from Dobson
			$275,186.00	#VALUE!		(diference is due to accrued interest).

Joseph Gersh	Issue Date	Maturity Date	Amount	Pledged Units	Status	Purpose
Note	12-May-97	1-Jan-03	$333,333.30	333,333	expired	Initial Investment
Note	2-Oct-98	1-Jan-03	$188,704.00	166,667		Rights Offering
			$522,037.30	$500,000.00		(diference is due to accrued interest).

John Dobson	Issue Date	Maturity Date	Amount	Pledged Units	Status	Purpose
Note	12-May-97	12-May-98	$333,333.30	333,333 forfeited	expired	Initial Investment

</TABLE>

U-C Holdings, LLC
7/21/99
Schedule of Investor Units

<TABLE>
<CAPTION>

	Original Investment (units) 4/25/97	[FT 1] Original Investment (dollars) 4/25/97	John Dobson Transfer on (units) 5/20/98	John Dobson Transfer on (dollars) 5/20/98	Rights Offering (units) 7/2/98
<S>	<C>	<C>	<C>	<C>	<C>
Willis Stein	15,200,000	$15,200,000	0	$0	8,604,918
Hollis Rademacher	75,000	$75,000	0	$0	42,458
Jason Elkin	333,334	$333,334	166,667	$180,834	283,057
Joseph Gersh	333,333	$333,333	0	$0	188,704
Peter Kauff	0	$0	166,666	$180,834	94,352
John Dobson	333,333	$333,333	(333,333)	$0	0
John DeSimon	0	$0	0	$0	0
James Harder	0	$0	0	$0	0
Mark Goldstein	0	$0	0	$0	0
Marisusan Trout	0	$0	0	$0	0
Thomas Gatti	0	$0	0	$0	0
Sergio Zyman	0	$0	0	$0	0
Pat Doran	0	$0	0	$0	0
George Giatzis	0	$0	0	$0	0
total	16,275,000	$16,275,000	0	$361,668	9,213,489

<CAPTION>

	Rights Offering (dollars) 7/2/98	Joseph Gersh Transfer on (units) 2/19/99	Joseph Gersh Transfer on (dollars) 2/19/99	Total Class A Investor Units (units) 7/15/99	Total Class A Investor Units (dollars) 7/15/99
<S>	<C>	<C>	<C>	<C>	<C>
Willis Stein	$8,604,918	0	$0	23,804,918	$23,804,918
Hollis Rademacher	$42,458	0	117,458		$117,458
Jason Elkin	522,037	1,305,095	$514,168		

Joseph Gersh	(522,037)	0	$333,333		
Peter Kauff	0	261,018	$180,834		
John Dobson	0	0	$333,333		
John DeSimon	0	0	$0		
James Harder	0	0	$0		
Mark Goldstein	0	0	$0		
Marisusan Trout	0	0	$0		
Thomas Gatti	0	0	$0		
Sergio Zyman	0	0	$0		
Pat Doran	0	0	$0		
George Giatzis	0	0	$0		
total	$8,647,376	0	$0	25,488,489	$25,284,044

</TABLE>

FT 1: Jason Elkin issued a Promissory Note on May 12, 1997 due on May 12 1998 for $333,333.40 for his purchase of Investor Units Jospeh Gerh issued a Promissory Note on May 12, 1997 due on May 12 1998 for $333,333.30 for his purchase of Investor Units John Dobson issued a Promissory Note on May 12, 1997 due on May 12 1998 for $333,333.30 for his purchase of Investor Units

Note 1: J. Dobson forfeited his Class A Investor Units for failure to pay the purchase price pursuant to the Management Note and the Payment and Release Agreement. One half of his Investor Units was reissued by the Company to Jason Elkin and the other half to Peter Kauff for $180,834 each pursuant to the First Amendment to the Second Amended and Restated Limited Liability Company Agreement, dated as of May 20, 1999.

Note 2: J. Gersh transferred all of his Investor Units to Jason Elkin pursuant to a Payment Agreement and General Release, dated as of 2/19/99, and pursuant to the Note dated 2/12/97 and related Pledge Agreement and the Note dated 5/12/97 and the related Pledge Agreement.

SCHEDULE A - As of August 31, 1999

<TABLE>
<CAPTION>

Name and Address of Members	Number of Class A Investor Units		Capital Account with respect to the Class A Investor Units		% of Class A Investor Units
<S>	<C>		<C>		<C>
Willis Stein & Partners, L.P. 227 West Monroe Street Suite 4300 Chicago, Il 60606 Telecopy: (312) 422-2424 (312) 422-2400	5/15/97 10/2/98 7/23/99 subtotal	15,200,000 8,604,918 4,342,829 28,147,747	5/15/97 10/2/98 7/23/99 subtotal	$15,200,000 $8,604,918 $4,342,829 $28,147,747	93.3947778%
Attention: Avy H. Stein Daniel M. Gill					
Willis Stein & Partners II, L.P. (same as above)					
Willis Stein & Partners Dutch, L.P. (same as above)					
Hollis W. Rademacher 55 West Monroe Suite 2530 Chicago, IL 60603 Telecopy: (312) 444-9519 (312) 444-9369	5/15/97 10/2/98 7/23/99 subtotal	75,000 42,458 21,428 138,887	5/15/97 10/2/98 7/23/99 subtotal	$75,000 $42,458 $21,428 $138,887	0.4608295%
Jason Elkin [FT 1] 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328	5/15/97 5/20/98 10/2/98 2/19/99 7/23/99 subtotal	333,334 166,667 283,057 522,037 238,094 1,543,189	5/15/97 5/20/98 10/2/98 2/19/99 7/23/99 subtotal	$333,334 $166,667 $283,057 $522,037 $238,094 $1,543,189	5.1203312%
Joseph D. Gersh					

5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328						
James Harder 1497 Sandburg Drive Schaumburg, IL 60173						
Thomas Gatti 20 Sutton Place South New York, NY 10026						
Peter Kauff [FT 2] 909 Third Avenue, 9th Fllor New York, NY 10022	5/20/98 10/2/98 7/23/99 subtotal	166,666 94,352 47,619 308,636	5/20/98 10/2/98 7/23/99 subtotal	$166,666 $94,352 $47,619 $308,636		1.0240615%
Patrick Doran 4780 Outlook Way Marietta, Georgia 30066						
Sergio Zyman						
Martin Grant [FT 3] 2 Sleepy Hollow Chappaqua, NY 10514						
George Giatzis [FT4]						
Unallocated Pool						
Total		30,138,459		$30,138,459		100.000%

<CAPTION>

Name and Address of	Number of Class B Investor		Capital Account with respect to the Class B		% of Class B	Number of Class R Investor Units
<S>	<C>		<C>		<C>	<C>
Willis Stein & Partners, L.P. 227 West Monroe Street Suite 4300 Chicago, Il 60606 Telecopy: (312) 422-2424 (312) 422-2400 Attention: Avy H. Stein Daniel M. Gill						
Willis Stein & Partners II, L.P. (same as above)	8/31/99 subtotal	13,335,374 13,335,374	8/31/99 subtotal	$13,335,374 $13,335,374		88.9025%
Willis Stein & Partners Dutch, L.P. (same as above)	8/31/99 subtotal	673,843 673,843	8/31/99 subtotal	$673,843 $673,843		4.4923%
Hollis W. Rademacher 55 West Monroe Suite 2530 Chicago, IL 60603 Telecopy: (312) 444-9519 (312) 444-9369	8/31/99 subtotal	69,124 69,124	8/31/99 subtotal	$69,124 $69,124		0.4608%
Jason Elkin [FT 1] 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328	8/31/99 subtotal	768,050 768,050	8/31/99 subtotal	$768,050 $768,050	5.1203%	65
Joseph D. Gersh 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328						35
James Harder 1497 Sandburg Drive Schaumburg, IL 60173						

Thomas Gatti 20 Sutton Place South New York, NY 10026						
Peter Kauff [FT 2] 909 Third Avenue, 9th Fllor New York, NY 10022	8/31/99	153,609	8/31/99	$153,609		
	subtotal	153,609	subtotal	$153,609	1.0241%	
Patrick Doran 4780 Outlook Way Marietta, Georgia 30066						
Sergio Zyman						
Martin Grant [FT 3] 2 Sleepy Hollow Chappaqua, NY 10514						
George Giatzis [FT4]						
Unallocated Pool						
Total		15,000,000		15,000,000	100%	100

<CAPTION>

Name and Address of Members	Capital Account with respect to Class R Mgmt. Units	Number of Class A Mgmt. Units	Capital Account w/r/t Class A Mgmt Units	% of Class A Mgmt. Units	Number of Class B Mgmt Units	Capital Account with respect to Class A Mgmt Units
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Willis Stein & Partners, L.P. 227 West Monroe Street Suite 4300 Chicago, Il 60606 Telecopy: (312) 422-2424 (312) 422-2400 Attention: Avy H. Stein Daniel M. Gill						
Willis Stein & Partners II, L.P. (same as above)						
Willis Stein & Partners Dutch, L.P. (same as above)						
Hollis W. Rademacher 55 West Monroe Suite 2530 Chicago, IL 60603 Telecopy: (312) 444-9519 (312) 444-9369						
Jason Elkin [FT 1] 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328	$65	1,100	$1,100	55.00%		
Joseph D. Gersh 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328	$35	100	$100	5.00%		
James Harder 1497 Sandburg Drive Schaumburg, IL 60173					100	$100
Thomas Gatti 20 Sutton Place South New York, NY 10026					100	$100
Peter Kauff [FT 2] 909 Third Avenue, 9th Fllor New York, NY 10022		100	$100	5.00%		
Patrick Doran 4780 Outlook Way					50	$50

Marietta, Georgia 30066						
Sergio Zyman					200	$200
Martin Grant [FT 3] 2 Sleepy Hollow Chappaqua, NY 10514		300	$300	15.00%	50	$50
George Giatzis [FT4]		200	$200			
Unallocated Pool		200	$200	10.00%		
Total	$100	2,000	$2,000	90%	500	$500

<CAPTION>

Name and Address of Members	% of Class B Mgmt Units	Number of Preferred Units		Capital Account with respect to Preferred Units		% Preferred Units	Total Ending Capital Account
<S>	<C>	<C>		<C>		<C>	<C>
Willis Stein & Partners, L.P. 227 West Monroe Street Suite 4300 Chicago, Il 60606 Telecopy: (312) 422-2424 (312) 422-2400		05/15/97 10/02/98 7/23/99	$1,000,000 $566,113 $285,713	1,000,000 566,113 285,713			
			1,851,826	$1,851,826			
						100%	$28,147,747.00
Attention: Avy H. Stein Daniel M. Gill							
Willis Stein & Partners II, L.P. (same as above)		8/31/99	921,590	$44,332.00			$13,379,706.00
Willis Stein & Partners Dutch, L.P. (same as above)		8/31/99	921,590	$877,327.00			$1,551,170.00
Hollis W. Rademacher 55 West Monroe Suite 2530 Chicago, IL 60603 Telecopy: (312) 444-9519 (312) 444-9369							$138,887
Jason Elkin [FT 1] 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328							$2,311,239
Joseph D. Gersh 5784 Lake Forrest Drive Suite 275 Atlanta, GA 30328							
James Harder 1497 Sandburg Drive Schaumburg, IL 60173	20.00%						
Thomas Gatti 20 Sutton Place South New York, NY 10026	20.00%						
Peter Kauff [FT 2] 909 Third Avenue, 9th Fllor New York, NY 10022							$462,245
Patrick Doran 4780 Outlook Way Marietta, Georgia 30066	10.00%						
Sergio Zyman	40.00%						
Martin Grant [FT 3] 2 Sleepy Hollow Chappaqua, NY 10514	10.00%						
George Giatzis [FT4]							
Unallocated Pool							

Total	100%	2,773,485	$2,773,485	100%	$45,990,994

</TABLE>

FT 1 The Investor Units owned by Jason Elkin are subject to a Pledge Agreement to secure payment of promissory notes issued by Jason on May 12, 1997 in the principal amount of $333,333.4, May 20, 1998 in the principal amount of $180,834, October 2, 1998 in the principal amount of $238,057, March 1, 1999 in the principal amount of $581,281.75, July 23, 1999 in the principal amount of $238,092 and on August 31, 1999 in the principal amount of $768,045, all for an aggregate amount of $2,384,643. The difference between this aggregate balance and the related Units shown above is due to the capitalization of interest into principal related to transfers of units but not included as a Capital Contribution pursuant to the terms of this Agreement.

FT 2 The Investor Units owned by Peter Kauff are subject to a Pledge Agreement to secure payment of promissory notes issued by Jason on May 20, 1998 in the principal amount of $180,834, May 20, 1998 in the principal amount of $94,352, July 23, 1999 in the principal amount of $47,620, and August 31, 1999 in the principal amount of $153,615, all for an aggregate amount of $476,421. The difference between this aggregate balance and the number of Units shown above is due to the capitalization of capitalization of interest into principal related to transfers of units but not included as a Capital Contribution pursuant to the terms of this Agreement.

FT 3 Martin Grant has an Option to purchase Class A Investor Units from J. Elkin in an amount equal to .5% of total Class A Investor Units.

FT 4 George Giatzis is no longer an employee of the Company, but as of the date hereof, the Company has not finalized the repurchase of his 200 Class A Management Units. Upon completion of such repurchase and at such time as the repurchase price is not in dispute, the 200 Class A Management Units will be allocated to the Pool.