FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
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FILER

DATA TRANSMISSION NETWORK CORP

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SIC: **7370** Computer programming, data processing, etc.

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1998.

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-15405.

DATA TRANSMISSION NETWORK CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 47-0669375
(State of Incorporation) (I.R.S. Employer ID Number)

9110 West Dodge Road, Suite 200, Omaha, Nebraska 68114
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (402) 390-2328

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock, $.001 Par Value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No
--- ---

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ].

The aggregate market value of voting stock (based upon the "bid" price as quoted on NASDAQ) of the registrant held by non-affiliates on March 1, 1999 was approximately $259,000,000.

At March 1, 1999, the registrant had outstanding 11,625,320 shares of its common stock.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended December 31, 1998 are incorporated by reference into Parts I, II, and IV.

2. Portions of the Registrant's definitive Proxy Statement filed for the Registrant's Annual Meeting of Stockholders to be held April 28, 1999, are incorporated by reference into Part III.

PART I

ITEM 1. BUSINESS.

(a) General Development of Business:

Data Transmission Network Corporation (the "Company", "DTN") was incorporated on September 17, 1987 to change the name and state of incorporation of its predecessor company, Dataline, Inc. from Nebraska to Delaware pursuant to an Agreement and Plan of Merger dated October 8, 1987. The Company was originally incorporated in Nebraska on April 9, 1984, as Scoular Information Services, Inc., a subsidiary of a regional grain company, later changing its name to Dataline, Inc.

On December 19, 1985 and January 31, 1986, in related transactions, certain employees of the Company purchased all of the outstanding stock of the company from the regional grain company.

In January, 1987, the Company completed an initial public offering of common stock selling 698,085 shares at $5.40 per share (pre-stock split).

(b) Financial Information About Industry Segments:

Financial Information about industry segments for the company is on Page 6, of the company's 1998 Annual Report to stockholders and is incorporated herein by reference.

(c) Narrative Description of Business:

Data Transmission Network Corporation (DTN) began operations in April 1984 and continues to provide comprehensive, time-sensitive information and communication services for a variety of industries via all relevant distribution technologies. DTN had over 159,000 subscribers throughout the U.S. and Canada at the end of 1998 with the majority receiving agricultural, weather, financial and energy related services. A review of these industries and services with the year's highlights are discussed in this report.

The Company's subscription services are targeted at niche business markets and designed to be timely, simple to use, and convenient. The Company's distribution technology provides an efficient means of sending data and information from point to multi-point. The development and enhancement of cost-effective distribution methods such as electronic satellite delivery and the Internet, plus a total commitment to customer service and information quality has enabled the Company to become a major player in the communications industry.

The Company continues take advantage of many engineering and software advancements available for developing and improving distribution in an exciting and growing industry.

INFORMATION DISTRIBUTION TECHNOLOGY

The Company is committed to researching and developing distribution technologies to cost-effectively deliver the timely information that the Company's subscribers demand. DTN supports several information distribution technologies allowing the distribution, reception and display of information. These technologies include small dish Ku-band satellite (Ku), the Internet, FM radio side-band channels (FM), Fax, the vertical blanking interval within a television signal sent via Cable TV (VBI), e-mail, leased lines and DIRECTV.

The first technology used by the Company was FM radio side-band. The Ku technology was added in 1989, providing the ability to reach customers outside the geographic territory of the signal of the FM stations. Fax, VBI, e-mail, Internet, leased lines and DIRECTV have since been added to further expand the distribution network.

The Company provides the equipment necessary for subscribers to receive certain services using FM, Ku or VBI technologies. This equipment includes a DTN receiver, a video monitor, FM antenna or a small 30" Ku-band satellite dish. A keyboard, mouse and printer may be provided depending on the service. DTN is responsible for the normal maintenance and repair of subscriber equipment.

Prior to 1992, the Company utilized a "page-based" receiver and monochrome display system. The monochrome system translates the Company's data stream into text and is capable of receiving and displaying up to 246 different pages of information. The monochrome receiver can also download information to a printer or computer.

In 1992, the Company introduced the Advanced Communications Engine (ACE)

receiver, a color graphics receiver system, expanding the Company's ability to provide information and communication services. The ACE receiver contains multiple processors. One is dedicated to data communications and storage. The second processor is for manipulating data, interacting with the user and displaying high-resolution color pictures, graphics and text. A third processor enables the unit to play audio clips for weather forecasts, voice advertisements or audio alarms set for when a futures contract or stock price reaches a pre-set price. In addition, this processor can send and retrieve information by using an internal modem connected to a phone line. Additional processors may be present, as necessary, based on the method of information distribution technology used, such as satellite, VBI, etc.

The ACE receiver can also download information to a printer or computer. This receiver is equipped with an internal hard drive allowing processed information to be stored, archived and displayed. The receiver's built-in control panel, keyboard or mouse allows subscribers to conveniently view this information.

One of the unique aspects of the Company's information distribution technology is the computer software developed by the Company for use with the broadcast system that feeds data to the ACE receivers. This software manages information from a wide array of input sources, runs routines, sets priorities and then initiates transmission to the satellite. The software provides the capability to individually address each receiver unit placed with a subscriber. This permits the Company to transmit specific information to a specific subscriber or group of subscribers.

The Company leases FM radio side-band channels, satellite channels and VBI space to deliver the information to receivers used by the Company's subscribers. All information is up-linked from Omaha to satellite (except Internet, Fax and other telephone delivery technology) and downlinked from the satellite to subscribers based on their distribution technology.

FM monochrome subscribers receive their information using FM antennas that receive the information via side-band signals transmitted from radio stations. The Ku subscribers utilize a 30" satellite dish, a direct downlink, to receive their information.

Early in 1994, the Company began using a new cable TV distribution technology involving vertical blanking intervals (VBI). The Company has contracted with a major cable TV superstation to transmit information along with the station's TV signal. This technology eliminates the need for FM antennas or satellite dishes and is available to businesses or residences that are wired for cable TV and receive the superstation's service.

The Company has introduced several Internet products since 1995. DTN currently offers services via the Internet for the agricultural, weather, financial and energy industries and plans to expand the services offered using this information distribution technology. A major milestone for DTN's Internet services was the leasing of Internet technology from SmartServ Online, Inc. for the real-time streaming quote service offered by the Company's Financial Services Division (www.dtniq.com)(see page 12).

In 1998, the Company began delivering services to customers via direct leased line circuits. This gives customers in major metropolitan areas the ability to receive the Company's information where options, such as satellite dishes, are impractical. In many instances, this technology provides a redundant delivery method to insure maximum availability of the Company's information.

At the end of 1998, DTN Marine Center, a specialty weather service, began delivering its information via DIRECTV's satellite system. Information is received directly into the subscriber's computer from an 18-inch DIRECTV dish. This initial product rollout is expected to be the first of many using the newest information distribution technology. The new product launch also marks the introduction of DTN for Windows, a software product for the PC using a satellite dish which is capable of operating without an ACE receiver or other external hardware devices.

<TABLE>
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Information Distribution Technologies	Subscribers
<S>	<C>
Ku-Band Satellite	144,800
Internet	4,700

FM Radio Side-band	8,400
VBI	1,300
Lease Lines/DIRECTV	100
Total	159,300

The following is a summary of subscribers by information distribution technology at December 31, 1998. The Company has approximately 15,000 customers receiving information using Fax technology. The e-mail business is primarily a subscriber (an e-mail source) communicating specific messages to a group of subscribers. There are over 1,200 e-mail sources delivering over 3,500 pages of information to subscribers daily.

SERVICES OFFERED

The Company's revenue is derived primarily from six categories: (1) monthly, quarterly or annual subscriptions, (2) equipment sales, (3) additional (optional) services, (4) communication services, (5) advertising and (6) service initiation fees. The percentage of total revenue for each category over the last three fiscal years was:

	1998	1997	1996
Subscriptions	80 %	80 %	76 %
Equipment Sales	3 %	-	-
Optional Services	5 %	5 %	6 %
Communication services	7 %	8 %	9 %
Advertising	3 %	3 %	3 %
Service Initiation Fees	2 %	4 %	6 %

Subscription revenue is generated from monthly, quarterly or annual subscription fees for one of the Company's services. The Company offers a discount to subscribers who pre-pay their subscriptions annually. A more detailed review of each service is found later in this report.

A new business unit of the Company, DTN Kavouras Weather Services, generates equipment sales of weather systems, workstations and weather radar systems. DTN Kavouras Weather Services' weather systems and workstations allow customers to receive weather information provided by the Company for monthly subscriptions. This business unit also builds small and large doppler radar systems.

Optional services are offered to subscribers on an "a la carte" basis, similar to premium channels on cable TV. A third party primarily provides information for these services with DTN receiving a share of the subscription revenue paid by the subscriber. Optional services revenue continues to grow in total dollars at a rate commensurate with the overall growth of the Company due, in part, to new technological innovations using the Internet.

The Company sells communication services allowing companies to cost-effectively communicate a large amount of timely information to their customers or field offices. This category includes revenue generated from FAX and e-mail services. Communications revenue continued to grow in total dollars and management believes this area offers opportunities for future growth.

The Company sells advertising interspersed among the pages of news and information, similar to a newspaper or magazine. The advantage of an electronic advertisement over typical print media is the ability to change or replace the advertising message quickly and as frequently as market conditions dictate. Advertising revenue maintained the same percentage of total revenue due to subscriber and subscription revenue growth as well as the addition of new services with available advertising space.

Service initiation fees are one-time charges for new subscriptions depending on the service and the information distribution technology. DTN also charges an initiation fee for those subscribers who convert to another service (i.e. from a monochrome FM to a Ku color service).

The Agricultural Industry

The DTN Agricultural Division consists of five major services: DTN Ag Services, DTNstant, DTN PROduce, DTNiron, and DTN Cotton Network.

<TABLE>
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	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues	$88,300,000	$87,600,000	$69,700,000
Subscribers at year end	113,800	120,500	116,200

</TABLE>

New subscriptions are primarily sold by the Agricultural Division's own dedicated sales force. These individual sales professionals began working under the direct control of the Ag Division in August 1998. The ag sales force is made up of district sales representatives, in-house sales staff, and independent, commission-only sales representatives. By dissolving the former national sales group into a smaller, more focused staff, the division is able to provide more knowledgeable and service oriented sales professionals for current and prospective customers. DTN AgServices, DTNstant and DTNiron each have their own individual group of sales professionals, selling their basic products. For these three services, the prospective customer base is essentially the same, and these sales professionals are encouraged to sell any of the products associated with Ag when the opportunity presents itself. DTN PROduce deals with a different prospect than the normal livestock and grain farmer, and therefore DTN PROduce sales professionals sell primarily to produce oriented prospects. The Ag Division provides its sales force with leads that are obtained through telemarketing, direct mail, print media advertising, customer referrals, and Internet advertising.

The main competition to these services is the combination of printed advisory services, radio, television, telephone, other satellite information services, Internet services, and the changing of old information-gathering habits.

There are over 200 premium (optional) services available to agricultural subscribers to enhance the primary product subscriptions. These premium services consist of advisory, informational and educational products as well as newswire, association and additional free services. DTN subscribers can customize their DTN unit to meet specific needs by choosing from a broad mix of these "a la carte" services. DTN is continually developing new premium services to meet customer demands by listening closely to the marketplace and to the customer.

Premium services are marketed through a combination of individual free trials, system-wide trials, on-screen advertising, direct mail, invoice stuffers, equipment stuffers, and telemarketing. Premium Services' prices range from $6 to $1,200 per quarter. The average subscription price is $60 per quarter. Effective marketing campaigns helped to increase premium service sales in 1998.

Communication services (DTN InfoMail) plays an important role in providing a cost effective means to reach a large number of targeted customers daily. At the touch of a button, subscribers have instant access to messages 24 hours a day. DTN InfoMail customers receive information tailored to their specific needs. The service provides information for elevators, seed sales reps, agronomists, chemical sales reps and technical advisors, commodity brokers, processing plants, feedlots and anyone with a need to communicate to DTN subscribers. Over 75 new InfoMail providers began messaging in 1998.

Advertising on DTN Ag Services plays a major role in the division's revenue. The Advanced Communication Engine (ACE) satellite receiver, with its animation and inter-active ability, provides an excellent avenue for advertising

sales. With the development of the ag Internet service, (www.agdayta.com), advertising will have a new avenue in which to grow. In 1998, the Ag Division sold over $3.2 million in advertising space to numerous ag industries, ag chemical and seed companies, and equipment and finance businesses.

DTN Ag Services Review

Approximately 80% of DTN Ag Services' subscribers are farmers or livestock producers with the balance consisting primarily of grain elevators, agribusinesses and financial institutions. Subscribers to DTN Ag Services farm

nearly one third of the nations total cropland and market more that 50% of the nation's cattle and hogs.

FarmDayta was the primary competition for DTN AgDaily until May 1996 when DTN acquired Broadcast Partners. The addition of FarmDayta gives DTN AgServices a fully integrated agricultural product line with price entry points across a wide spectrum, expanding the marketing horizons for all DTN agricultural services. DTN maintains the DTN FarmDayta facilities in Des Moines, Iowa.

DTN AgDaily

DTN AgDaily is an agricultural market information, quote and weather service. Subscribers receive delayed commodity futures and options quotes, local cash grain and livestock prices, selected regional and world weather updates, and a variety of daily analysis, commentary and news that affect grain and livestock prices. DTN AgDaily color graphics allows for an advanced weather segment with national and regional radar maps (updated every 15 minutes), infrared satellite cloud cover maps, precipitation, temperature, jet stream, surface wind and snow cover maps, and much more. The subscriber can custom design high resolution charts and/or select from a library that holds over 1,000 charts. The system is capable of custom programming the futures quotes pages to display only the quotes desired. The service also includes information segments for specific crop and livestock enterprises as well as general, business, sport and entertainment news. AgDaily offers crop liability insurance and livestock profitability calculators through use of the inter-activity feature, which allows subscribers to search a comprehensive database.

DTN Pro Series

The DTN Pro/Premier services feature a more advanced AgDaily product. The Pro Series enhanced functionality includes a high interest window to view future or options quotes on any page as well as keyword search that automatically searches the news story database for articles affecting the user's operation. It also allows subscribers to customize a segment with up to five of the user's favorite pages, and a personal library serving as a customized archive segment. There are seven DTN Pro products, all of which include the complete AgDaily service plus additional specific information: Weather Pro, News Pro, Chart Pro, Intraday Pro, Stock Pro, Premier and Premier Plus.

DTN Weather Pro provides 32 programmable pages for creating unique weather information. It allows subscribers to choose from over 70 weather maps including detailed regional, state and zone forecasts, and lets them zoom in on a particular spot on the map. These maps can also be put into motion.

DTN News Pro provides the AP Online service (a service of the Associated Press), an audio summary of the day's agricultural news as well as the general news of the day.

DTN Chart Pro includes 40 pages for programmable charts which allow subscribers to create an extensive "chart book" for analyzing trends, patterns, and cycles.

DTN Intraday Pro offers the ability to chart market sessions minute-by-minute during the trading day. This allows subscribers to choose time intervals for charting to keep them abreast of the markets.

DTN Stock Pro provides access to prices for over 50,000 issues of stocks, bonds and funds. The service includes stock quotes using either the quick quote feature or the programmable quotes pages. Additional features include a personal library for storing news and information and high interest windows allowing subscribers to constantly monitor up to six futures, options, stock or bond quotes.

DTN Premier combines Weather Pro, News Pro, Chart Pro and Intraday Pro into a comprehensive ag marketing and information package.

DTN Premier Plus includes all Pro products (Weather Pro, News Pro, Chart Pro, Intraday Pro, and Stock Pro) into one complete package for farmers, ranchers or agribusinesses needing all the market information available in one convenient location.

DTN FarmDayta

DTN FarmDayta II is an agricultural market information, quote and weather service delivering delayed commodity futures and options quotes, local cash grain and livestock prices, selected regional and world weather updates, and a variety of daily analysis, commentary and news that affects grain and livestock prices.

DTNFarmDayta Elite HD includes all the DTN FarmDayta II features, plus options quotes, charting, weather maps and a receiver with a hard drive, which is critical to maintaining storage of information during a power outage.

DTN FarmDayta Elite Plus includes all of the information provided on the DTN FarmDayta Elite HD, plus more advanced news (Reuters Headline News), quotes, weather (including motion and zoom capabilities) and programmable charts. The Elite Plus product is similar in content to the DTN Pro services. DTN FarmDayta Elite Plus is considered the "top of the line" product in the FarmDayta line.

DTN AgDayta

DTN AgDayta (www.agdayta.com) is the Company's agricultural Internet service. AgDayta combines DTN FarmDayta Elite Plus and DTN Premier Plus to produce the most content rich product offered by DTN Ag Services. DTN AgDayta is designed for the producer preferring to use his/her own personal computer to receive information, or for the individual that is not able to utilize the traditional satellite-based system supplied by DTN. The information on AgDayta includes animated weather maps, satellite and summary maps, short and long range forecast maps, news commentary and analysis, plus unlimited access to futures and option quotes from all the major exchanges. Also available on AgDayta are commodities for energy, finance, currency, metals and other exchanges as well as instant access to daily, weekly and monthly commodity charts. The customization capabilities allow for the organization of information that is most often used for business decisions.

DTN AgBasic

DTN AgBasic was introduced in 1998 and is the most economical agricultural color satellite system offered by DTN. The service came about through requests from prospective customers for a more condensed version of the AgDaily/FarmDayta products. AgBasic was developed as a "start up" color service for the first time DTN customer. The service includes select quotes for 20 futures and two options, the national radar map, local weather, state news, USDA Flash, USDA Pre-Report, state grains and livestock bids, FarmDayta grains, livestock and other commentaries.

DTNstant

DTNstant is a leader in providing satellite delivery of real-time futures and options quotes from the major commodity exchanges and headline commodity news from multiple sources such as the Associated Press, Reuters, Futures World News and Bridge. The service also provides market-leading cash grain and livestock information, in-depth charting capabilities plus all the information available on the DTN AgDaily color service.

In addition, the service provides information for the energy, metals, softs (ie: orange juice, coffee, cocoa), transportation and lumber industries. DTNstant uses compatible software to allow the "pass thru" of data and graphics into a computer's local area network (LAN). With this capability, a DTN ACE receiver can feed information to multiple users/traders on the LAN. This "pass thru" software opens new markets by utilizing information distribution within a customer's LAN, enhancing analytical capabilities.

Other valuable features are user-programmable formulas for data analysis, high interest windows to include news stories, and increased keyboard functionality.

DTNstant operates in a very competitive market with many providers of instant commodity quotes. The primary subscribers are commercial grain companies and elevators, feedlots, commodity brokers and commodity speculators. No other service in the industry offers a more comprehensive news and information service. Due to the nature of this industry, the Company provides on-site service and installation by professional service technicians.

In February 1997, DTN acquired 500 subscribers (mainly grain elevators and brokers) from Market Quoters and Northern Data Services. These subscribers are located in Minnesota, the Dakotas and Iowa. In March of 1997 DTNstant acquired 2,400 subscribers from Market Communications Group LLC (MCG).

The MCG acquisition made it possible to redistribute Reuters news, a renowned leader, to the DTNstant subscribers. The service now provides unparalleled information and strategic news for commodity traders including access to additional international information, news packages for softs (coffee, sugar, cocoa and orange juice), metals and energy.

DTNiron

DTNiron is a cost-effective communication resource for the farm implement, construction, truck and trailer dealers which provides an equipment locator and advertising service for dealers at the wholesale and retail levels.

A detailed implement listing remains on the DTNiron system for a minimum of 30 days, renewable at the dealer's request. Subscribers receive industry news, financial information, economic indicators and information from the DTN AgDaily service.

In 1997, DTNiron added retail equipment listings to its newly developed web site on the Internet (www.dtniron.com). This allows subscribers to gain additional exposure for their listings at no additional charge. Internet users can easily locate equipment for sale by using a drill-down database search engine directing them to DTNiron's complete web listing. Dealers can also receive e-mail from potential buyers or, if they are not e-mail enabled, DTN will call or fax the message to the dealer.

DTN PROduce

DTN PROduce is an authority in providing the produce industry with the timeliest information available through use of satellite technology and the Internet (www.dtn.com/ag/produce). Weather, market conditions, transportation information, and news are the four main components with the greatest impact on a subscriber's daily operation. DTN PROduce has become the industry's accepted source for receiving this information.

Price Link was introduced in 1997 allowing subscribers to send and receive real-time pricing information for a fraction of the time and money of conventional faxing methods. The service allows suppliers to advertise their products or announce available inventories to buyers. Prices can be quickly changed, added or downloaded from the DTN service to a personal computer.

DTN PROduce continues to network itself with the major players in the produce industry by providing the necessary tools to save time, make money and communicate pricing and other information at a fraction of the time and cost of other existing systems.

DTN Cotton Network

DTN Cotton Network is an electronic communications system for the cotton industry designed to operate on a user's personal computer using software developed specifically for cotton accounting and marketing. Based in Lubbock, Texas, with an office in Memphis, Tennessee, the Network serves its customer base in the mid-South and Southeast.

Users dial into a DTN data center via modem to upload bale ownership information and to list cotton for broadcast to prospective buyers. The information is broadcast via DTN Ku-band satellite and passed through a serial port into the personal computers located at both buyer and seller locations.

The Weather Industry

DTN Weather Center Service Review

DTN Weather Services consists of three major components, DTN Weather Center Services, Kavouras, Inc. and Weather Services Corporation (WSC). Kavouras, Inc. was acquired by DTN on July 1, 1998 and is now doing business as DTN Kavouras Weather Services. DTN acquired WSC on December 11, 1998. The addition of these two companies truly makes DTN a leader in the weather industry providing critical weather information and meteorological equipment to small businesses, military, federal government, broadcast television, major utilities, Internet portals and everyone in between.

<TABLE>
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	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues	$25,800,000	$10,700,000	$5,600,000
Subscribers at year end	18,300	13,100	7,900

</TABLE>

DTN Weather Services' future plans are to concentrate on the untapped middle markets where customers number in the tens of thousands. The Internet also provides many additional opportunities for growth such as advertising supported sites, monthly subscription sites, "pay-per-view" sites, etc.

DTN Weather Services employs a dedicated weather sales force made up of nearly 100 sales professionals for its sales and marketing efforts. This sales force is unique to DTN in the weather industry and is a major reason for the success of the division.

Weather information is always in high demand for many small and large businesses as well as individuals planning their vacation and outdoor activities. DTN Weather Services has a handful of competition from several large private weather companies. Television and the Internet also provide some competition on a smaller scale, but lack the timeliness and local information the DTN service provides. DTN Weather Services constantly looks for more and better ways to provide this critical information to its customers in the quickest, most dependable and cost effective way.

DTN Weather Center

DTN Weather Center is a comprehensive weather information system designed to meet the weather information needs of many industries. Markets specifically targeted by DTN Weather Center are golf courses, turf management, emergency management, state transportation departments, public works departments,

construction, broadcast and aviation. DTN Weather Center introduced new products in 1998 designed especially for the broadcast, transportation and safety industries.

DTN Weather Center provides more than 100 full-color maps and other in-depth weather information, from local forecasts and regional radar maps to national infrared satellite images. The service provides short-range (immediate to 48-hour) forecasts, long-range (30-90 day) outlooks and 10-day city forecasts for more than 550 major cities across the United States. A personal programmable segment allows users to customize maps and the archive feature easily stores maps for future reference.

DTN Weather Center provides the important weather information and planning tools to make businesses safer, more profitable and easier to manage.

DTN Aviation Center

DTN Aviation Center is a comprehensive aviation weather package specially designed for pilots, airports and Fixed Based Operators (FBO's), supplying them with the extensive flight-plan information found on many premier "online" systems.

This package includes U.S. and regional depiction maps, 24-hour low-level significant weather prognosis, U.S. region winds and temperatures aloft and also METAR (the aviation acronym for airport observations) and TAF (Terminal Aerodome Forecast) information. Subscribers use DTN Aviation Center during flight services to visualize current weather conditions while creating their flight plans. This service also aids in determining alternate route destinations.

Subscribers choose from the Level I service, designed for the local/regional flyers up to 18,000 feet, or the Level II service, designed for pilots and airports flying nationally up to 45,000 feet. The Level II service also provides European flight information.

DTN Broadcast Weather

DTN Broadcast Weather is a weather and news information service designed for the broadcast industry. Along with the comprehensive local, regional and national weather forecasts and information, subscribers receive National Oceanic and Atmospheric Administration Warnings & Alerts (NOAA).

Learfield World & National News Summary provides hourly summaries of international and national news. The segment contains 20 pages, formatted for about two to three minutes of "rip and read". Announcers can organize the material, print it out or read it right off the DTN screen.

DTN Contractor Weather

DTN Contractor Weather is designed for the construction industry and includes construction-related news and information, which gives subscribers a competitive advantage. This service provides valuable weather information necessary for important day-to-day business decisions.

Job site weather management options include the DTN Weather Alert Paging System, which provides immediate notification of severe weather directly to the user's alpha pager, and DTNonline (Weather Center's Internet service). NOAA Weather Wire and Severe Weather Maps are included in DTN Contractor Weather Level II, along with the subscriber's choice of the Weather Alert Paging System

or DTNonline.

The service is a practical tool in improving employee safety, saving labor and material costs, and providing effective scheduling and staffing management for the construction industry.

DTN Forestry Center

DTN Forestry Center provides critical forest fire information to subscribers. Previously, district forest service offices relied on a modem network assembled in the late 1960's for crucial information on forest fire locations and fire weather forecasts. With DTN Forestry Center, forecast service district managers quickly access fire weather text bulletins along with a comprehensive set of weather maps.

Bulletins provided for the forest service markets are Forest Weather Forecasts, Red Flag Warnings, Fire Danger Indexes, Fire Weather Observations and Fire Weather Notices. A special chapter of fire weather maps provides additional information such as Haines Fire Index, Current and Forecast Relative Humidity, Current and Forecast Wind Speed and Direction, upper air analysis from 5,000 to 10,000 feet, and moisture index information from both the Crop Moisture Index and Palmer Drought Index.

DTN Marine Center

DTN Marine Center provides satellite-delivered weather information for all areas of the marine industry. The service provides information necessary for cost-effective, efficient decision making regarding towing, shipping, salvage and recreation. It includes Lake and Marine Text Bulletins, Buoy Reports, Lake and Marine Maps and Tide Tables, as well as general weather information and sea conditions.

New to the product in 1998 was the addition of DTN OnBoard, a service allowing the user to receive DTN Marine Center through a DIRECTV dish on their PC while at anchor or underway. Sea Surface Temperatures are also available as an optional service.

DTN Transportation Weather

DTN Transportation Weather is designed for anyone responsible for road maintenance or whose business depends on road conditions. Comprehensive local, regional and national weather forecasts and information are available to transportation professionals, allowing them to make informed decisions regarding the weather.

Subscribers have the choice of the DTN Weather Alert Paging System or DTNonline (DTN Weather Center's Internet service). The Weather Alert Paging system provides immediate notification of severe weather directly to the user's alpha pager. DTNonline enables the subscriber to make management decisions based on weather at home or away from the office with a PC.

NOAA Weather Wire and Severe Weather Maps, Travel Cast Maps and Road Conditions, and EarthSAT Winter Weather Information are important features of this product.

DTN Travel Center

DTN Travel Center is an interactive hotel guest service designed for the hospitality and travel industries. The service targets hotels and motels with 50+ rooms and includes NEXRAD Real-Time Radar Maps, travel forecasts and road conditions, detailed city and national forecasts, national and world news, sports and sports scores. In addition, the service provides business and financial news and market quotes and indexes.

DTN Travel Center provides a comprehensive weather and news information package for both the business and vacation traveler.

DTN Turf Manager

DTN Turf Manager is available to businesses and individuals involved in turf-related operations such as golf courses, lawn maintenance, landscaping and sod farms. The service provides the weather and chemical information needed for effective turf management, making the safest, most cost-effective use of chemicals, labor and other resources.

Material Safety Data Sheets (MSDS) are available with Turf Manager, along with the C&P Press Turf Product Index, an information database of more than 275 turf pesticides. Plant Protection Chemical Product Labels were added to the service in 1998. This important segment provides full information on chemicals

used in turf care and management.

ThorGuard, the only lightning prediction system available, warns of lightning strikes before they happen and is available as an optional service. Evapotranspiration Tables provide regional evapotranspiration rates to plan for watering and chemical application.

Golf information, such as ESPN Sports Ticker, the National Golf Course Directory, GCSAA News and USGA News, is provided with DTN Turf Manager.

DTN Weather Safety Center

DTN Weather Safety Center provides weather information for anyone who is responsible for protecting lives and property from the hazards of severe weather. NOAA Weather Wire, the most comprehensive warning and alert system available today, is available with the service, along with radar and satellite images, local, regional and national outlooks.

DTN Weather Safety Center is invaluable for emergency management professionals. Coupled with the DTN Weather Alert Paging System, subscribers receive immediate notification of severe weather directly to their alpha pagers. Weather watches, warnings and storm movement, along with local weather updates twice daily for an 8-county area of the user's choice, are included in the service.

DTN Kavouras Weather Service

Meteorological Equipment

Triton Doppler Radar Series

Triton Doppler Radar Series is a complete line of advanced, fully coherent Klystron or TWT-based Doppler weather radars, representing the most powerful, the most accurate, the most versatile and the most cost-effective Doppler radar performance in the world. Users include broadcast television, aviation, universities, government and military.

Triton RT

Triton RT is a real-time 3-D and 2-D weather and news graphics animation system focused on, but not limited to, the broadcast television market. This product uses weather data to create an informative and exciting weather show.

MetWork FileServer

MetWork FileServer is a robust and dynamic network solution for real-time dissemination of meteorological information based on the versatile and efficient NT format, supporting standard Internet communications protocol and various network configurations.

Meteorological Services

Storm Pro

Storm Pro is a workstation that integrates real-time Doppler weather radar with a geographic information data system to create an accurate display with broadcast-quality appearance. The display can be individualized for a unique and defining look important in the television market.

StormSentry

StormSentry is around-the-clock storm tracking software that identifies dangerous weather cells, analyzes their characteristics, their locations, their speeds, their directions, their estimated times of arrival...all automatically.

StormWatch

StormWatch is customizable software that monitors either a weather wire or a DTN Kavouras MetWork Fileserver to generate color-coded maps and/or a crawl message for important watch, warning or advisory weather situations. StormWatch also allows a television station to edit and prioritize information for their viewing areas.

SchoolWatch

SchoolWatch is customizable software for the Triton RT that helps television stations easily update, prioritize and display late-start and school closing information. This software can also be configured to update information on a station's web site.

Data and Customizable Forecasting Services provides a broad range of standard data for a wide variety of markets. In addition, DTN Kavouras staff provides 24-hour, 365 days a year coverage for tailor-made forecasts to meet

customers' special needs.

The Financial Services Industry

DTN Financial Services offers five primary information services, DTN.IQ (www.dtniq.com), DTN Real--Time, DTN SPECTRUM, DTN Wall Street and DTN FirstRate as well as a suite of business applications for the financial professional through National Datamax, Inc., a wholly owned subsidiary.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues	$13,400,000	$10,300,000	$8,600,000
Subscribers at year end	15,800	12,900	11,300

</TABLE>

These services offer a complete line of fully integrated information for financial professionals and individual investors. As a full-service provider, DTN Financial Services brings together a broad selection of financial information to accurately cover the markets, real-time or delayed quotes, real-time business newswires, and an array of back-office applications including client management systems and trading capabilities. DTN Financial Services' main objective is to provide comprehensive, in-depth financial information at an affordable cost to its subscribers. This objective is critical due to the highly competitive nature of the industry.

DTN Financial Services integrates information from a variety of sources such as Bridge, Liberty Brokerage and Market News Service, ZionsBank, UPI, New York Times, PR Newswire, Business Wire, Futures World News, Dow Jones, AP Online and others. In addition, a la carte, optional services offer subscribers an even greater variety of financial data including stock selection and timing advice, earnings estimates, fundamental stock market data, U.S. Treasury quotes and other financial market-related services. This combination allows each service to maintain its competitive advantage in the market.

Subscribers include individual investors, independent brokers, financial advisors and financial institutions. With competition coming from sources such as commodity news services, diversified media companies and smaller niche providers, DTN Financial Services continues to differentiate itself in the market by offering services that are broader in scope, yet remain strategically priced.

DTN Financial Services revenue grew 29% in 1998, continuing its bullish 27% compounded revenue growth for the past five years.

DTN.IQ

In May 1998, DTN Financial Services acquired a technology license from SmartServ Online (SSOL) along with their existing Internet customers. This license granted DTN exclusive rights to market a real-time Internet-delivered quote and news service previously developed by SmartServ Online. Renamed DTN.IQ (www.dtniq.com), it was released in June 1998, with new pricing and functionality.

DTN.IQ has begun to fulfill its initial promise of satisfying the needs of investors and traders who prefer to use the Internet as a market data delivery channel. By year-end, DTN.IQ had begun to generate positive cash flow and had become the fastest-growing service released by DTN Financial Services.

In addition to providing streaming real-time quotes and news, DTN.IQ offers functionality not found in other DTN services. Primary among these is the ability to retrieve a chart on any security at any time with up to two years of daily history or five days of tick history. In addition, DTN.IQ takes full advantage of 32-bit architecture, complete windowing capability, and the flexibility of Internet delivery.

DTN RealTime

DTN REALTIME delivers real-time stock and stock option quotes as well as real-time futures quotes, fixed income government securities quotes, market statistics and indicators, news, commentary and other time-sensitive financial market information. The service is delivered at a rate of 18,800 characters per second, roughly three times faster than a computer modem operating at 56 kbs. DTN REALTIME is two to four times faster than other dedicated, competitive, real-time quote services.

As an adjunct service with DTN REALTIME, NASDAQ Level II quotes were made available in the fourth quarter of 1998, an important step in DTN's effort to gain market share among institutional customers. Level II quotes offer institutional money managers and active day-traders more detailed information on the bid and asked prices offered by NASDAQ market makers.

DTN REALTIME was the first DTN service delivered directly to a PC without displaying information on a proprietary system or stand-alone unit. This allows users maximum flexibility in displaying and manipulating the data.

As part of the service, subscribers are offered free use of DTN's Chameleon software to display market data, news and other financial information. Chameleon also provides market condition alarms, news alerts and archiving, charting, and portfolio monitoring. There are several other popular third-party software programs available for formatting, manipulating, analyzing and displaying market data and news on a single PC or networked PC's.

DTN SPECTRUM

DTN SPECTRUM is an enhanced version of DTN Wall Street utilizing the ACE receiver technology. The service provides advanced quote selection and custom programming along with alarms, news search and charting capabilities appealing to a broad market of individual investors and investment professions.

An extension of DTN SPECTRUM is the DTN SPECTRUM RT service. DTN SPECTRUM RT provides real-time futures and commodity quotes along with exchange-delayed stock quotes, news and other information.

DTN Wall Street

DTN Wall Street provides exchange-delayed quotes on stocks, bonds, mutual and money market funds, futures, interest rates, currencies and real-time index quotes. This service also provides in-depth economic, financial and business news and other time-sensitive financial market information such as company-specific news and earnings. The service allows subscribers to custom program the system to track their selection of financial quotes.

The majority of subscribers to DTN Wall Street are individual investors, independent brokers, financial advisors and financial institutions.

DTN FirstRate

DTN FirstRate is a service for the mortgage industry providing wholesale mortgage rates in an easy-to-use standard format and intraday interest rate information indicating the direction of mortgage loan rates. This service also provides subscribers with snapshots of real-time rates from Fannie Mae and Freddie Mac plus other news, commentary and analysis for mortgage lenders.

DTN FirstRate+ is an enhanced color version of DTN FirstRate. This service provides additional features which are well received by subscribers. Features include keyword search, quick quote, alarms and zoom capabilities for weather.

National Datamax

In June 1998, DTN Financial Services acquired National Datamax, Inc. (NDM), a provider of software and data services to financial planners and independent broker-dealers. Within the financial services industry, NDM enjoys strong name recognition and was one of the first firms to offer its unique business solutions.

NDM solves two distinct problems faced by brokers. By consolidating client account information from a variety of sources, NDM assists the broker in presenting a comprehensive financial picture to his/her clients, no matter how many securities or fund families are involved.

Brokers also need analysis tools to help them pinpoint the best investment options for their clients. NDM offers fundamental data combined with sophisticated scanning routines that help select appropriate mutual funds, variable annuities and stocks based on client-defined risk/reward parameters.

NDM represents a key element in DTN's strategy to become an important player in the institutional marketplace as well as add value to basic information delivery.

The Energy Industry

Energy related services include DTNergy for the refined fuels, natural gas industries and electric industries.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues	$16,100,000	$14,300,000	$12,200,000
Subscribers at year end	8,400	8,400	7,700

</TABLE>

DTNergy Service Review

DTNergy provides pricing information and communication services for the refined fuels industry. This service consists of several pages of delayed energy futures and options quotes plus selected news and financial information.

DTNergy is designed to connect refiners (producers of refined fuels) to wholesalers (distributors of refined fuels). The refiner sends refined fuel prices to wholesalers authorized to receive this information. The refiner is also capable of sending terminal alerts, electronic funds transfer notifications, invoices, and other communications to the wholesaler. The DTNergy system carries more than two million messages a month for this industry. Subscribers can also select from a variety of optional services providing additional prices or news related to the petroleum industry.

The strength of the DTNergy Refined Fuel service is the ability to deliver, within seconds, accurate refiner terminal prices and other vital communications to the wholesalers. This service is more reliable, timely and less expensive than the competition, which utilize telephone delivered printer-only systems and FAX services.

DTNergy generates revenue from two primary sources, the wholesaler and the refiner. Wholesalers currently pay a monthly subscription fee of $40 for the monochrome Ku-band satellite service. Refiners pay fees based on the number and length of communications sent to wholesalers.

Refiners use DTNergy communications to link to their wholesalers with the implementation in 1997 of EDI (Electronic Data Interchange) fuel invoices. EDI/VAN (Value Added Network) services help automate customers' business processes by converting refiner text invoices into an industry standard format. Once these invoices are in a standard format, the invoice data is transferred into a customer's accounting system from the ACE unit.

DTNergy also provides an information service for the natural gas and electric industries. Subscribers receive instant or delayed NYMEX energy futures and options quotes, a comprehensive weather package and industry specific news and market information. This service targets energy producers and generators, transporters, marketers, utilities and larger energy consumers.

Other Industries and Services

DTNauto Service Review

DTNauto is a communication and information service for the automobile industry. This service offers automobile dealers precision information for valuing trade-ins and locating used car inventory. DTNauto provides a host of convenient features for the industry such as the ability for automobile auction companies and manufacturers to communicate directly with the dealers.

DTNauto provides information on more than 125 pre-auction automobile listings, results of past auctions, new and used car industry news, weather and other news. The service allows subscribers to perform searches of upcoming and past auction listings for specific automobile information.

DTNauto offers a variety of optional services providing information on credit reporting (CREDCO), vehicle histories (CARFAX), warranty information (The Warranty Guide) and residual value of leased vehicles (Lease Guide). The CARFAX and CREDCO optional services extensively utilize the internal modem to send and receive information. These services create a comprehensive information service placing the "subscriber in the driver's seat".

DTN Joint Venture Services

DTN joined forces with several companies to market their services using DTN technology. These services are DAT Transportation Terminal, TracElectric and

DTN Missing Children Information Center (MCIC).

DAT

The DAT (Dial-A-Truck) Transportation Terminal service, located in Beaverton, OR, is an information communication system for the trucking industry. The service provides load and truck matching performed on a database of 80,000 listings updated daily.

DAT allows subscribers to input their listings into the DTN receiver and send this information to a database using the internal modem. The service provides subscribers with the ability to perform extensive searches to locate loads and trucks and to set alarms alerting users of a match.

The service also provides regional radar weather maps of major highways and interstate systems, transportation news, diesel fuel prices and other financial information related to the trucking industry.

DAT targets all freight brokers and carriers throughout the United States, Canada and Mexico.

Trac Electric

TracElectric is an equipment locator service for the electrical equipment industry. This service provides over 100 pages of new, remanufactured, surplus and used electrical equipment listings. The service connects buyers and sellers throughout the United States and Canada.

Missing Children Information Center

DTN Missing Children Information Center (MCIC) provides instant transmission of data regarding children in danger to local, regional, national and Canadian outlets. In an effort to assist parents, police and the National Center for Missing and Exploited Children (NCMEC) in locating missing children and the criminals involved, photos and information regarding these children are posted as a public service on all DTN color systems.

As a result of the close working relationship with NCMEC a national kiosk program has been developed. Plans are underway to identify sponsors for the kiosk units to be placed in high-pedestrian traffic areas such as shopping malls, airports, grocery stores, theaters, government buildings, etc.

Employee Data

At December 31, 1998 the company had approximately 1,100 full and part-time employees.

(d) Financial Information about Foreign and Domestic Operations and Export Sales:

Not applicable

ITEM 2. PROPERTIES.

The Company leases its executive and administrative offices in Omaha, Nebraska. Approximately 108,000 square feet of office space is leased for these offices for periods up through May 2005. The Company also occupies approximately 19,000 square feet of office space located in Urbandale, Iowa, through the Broadcast Partners acquisition. As part of the acquisition of Kavouras, Inc., the Company acquired a building in Burnsville, Minnesota with approximately 52,000 square feet which is Kavouras' headquarters. the Company also leases office space in Lubbock, Texas; Memphis, Tennessee; San Diego, California; Milwaukee, Wisconsin; and Lexington, Massachusetts for business operations related to acquisitions.

In addition, the Company leases three distribution centers for the purpose of storing and distributing the electronic equipment needed by subscribers to receive the company's services. The main distribution center is located in Omaha, Nebraska and occupies approximately 28,000 square feet. The Company also serves its Canadian subscribers with a 2,500 square foot distribution center located in Winnipeg, Manitoba. Approximately 7,000 square feet, located in Urbandale, Iowa, was added to the Company's distribution center by way of the 1996 acquisition. The leases related to these distribution centers are for various periods up through December, 2003.

The information set forth in Footnote 10 "Leases" on page 59 of the Company's 1998 Annual Report to Stockholders is incorporated herein by reference.

ITEM 3. LEGAL PROCEEDINGS.

The Company is not a party to nor is its property subject to any material pending legal proceedings, other than ordinary routine litigation incidental to its business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matter was submitted to a vote of the security holders of the Company during the fourth quarter of the fiscal year ended December 31, 1998.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information on the current executive officers of the company is as follows:

<TABLE>
<CAPTION>

Name	Title	Age	Year Joined the Company
<S>	<C>	<C>	<C>
Roger R. Brodersen	Chairman of the Board and Chief Executive Officer	53	1984
Greg T. Sloma	President and Chief Operating Officer	47	1993
Brian L. Larson	Vice President, Chief Financial Officer and Secretary	38	1993
James J. Marquiss	Senior Vice President, Director of Business Research and Product Development	54	1986
Roger W. Wallace	Senior Vice President and President, Ag Services Division	42	1984
Charles R. Wood	Senior Vice President and President, Financial Services Division	58	1989
William R. Davison	Vice President and President, Ag Services	44	1989
Scott A. Fleck	Vice President and Director of Engineering	31	1991
H. Wade German	Vice President, Business Research	57	1992
Daniel A. Petersen	Corporate Controller and Treasurer	33	1990
Joseph Urzendowski	Vice President, Operations	35	1992

</TABLE>

The executive officers serve annual terms, and are elected by the board of directors at their annual board of directors meeting in April of each year.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS.

Information concerning the market for the Company's common stock, the number of stockholders of record and the Company's dividend history is on pages

63 and 65 of the Company's 1998 Annual Report to Stockholders and is incorporated herein by reference.

Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

The company's most restrictive loan covenant restricts cash dividend payments to 25% of net income after taxes in the previous four quarters.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data for the Company is on page 40 of the company's 1998 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis of financial condition and results of operations is on pages 41 through 48 of the Company's 1998 Annual Report to Stockholders and is incorporated herein by reference.

Certain Factors That May Affect Future Results

From time to time, information provided by the Company, statements made by its employees or information included in its filings with the Securities and Exchange Commission (including this Form 10-K and documents incorporated by referenc) may contain statements which are not historical facts, so-called "forward-looking statements". These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company's actual future results may differ significantly from those stated in any forward-looking statements. Forward-looking statements involve a number of risks and uncertainties, including, but not limited to, product demand, pricing, market acceptance, inflation, risks in product and technology development, product competition, acquisitions, key personnel, and other risk factors detailed in this Annual Report on Form 10-K and in the Company's other Securities and Exchange Commission filings.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements of the Company, together with the Independent Auditors' Report, are on pages 49 through 62 of the Company's 1998 Annual Report to Stockholders and are incorporated herein by reference.

Supplementary quarterly financial information is on page 63 of the Company's 1998 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None

PART III

ITEM 10. DIRECTORS OF THE REGISTRANT.

Information concerning the present directors of the Company and all persons nominated to become directors at the Annual Meeting of Stockholders of the Company to be held April 28, 1999, is contained in the section captioned "Election of Directors" of the Proxy Statement for such annual meeting. Such section is on pages 2 through 3 of such Proxy Statement, and is incorporated herein by reference. Information concerning the registrant's executive officers is furnished in a separate item captioned "Executive Officers of the Company", included in Part I of this Form 10-K.

Compliance With Section 16(a) Of The Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and holders of more than 10% of the Company's common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. The Company believes that during the fiscal year ended December 31, 1998, its executive officers, directors and holders of more than 10% of the Company's common stock complied with all Section 16(a) filing requirements, except that

Mr. German and Mr. Sloma each filed one late report covering one transaction each. In making these statements, the Company has relied solely upon a review of Forms 3 and 4 furnished to the Company during its most recent fiscal year, Forms 5 furnished to the Company with respect to its most recent fiscal year, and written representations from reporting persons that no Form 5 was required.

ITEM 11. EXECUTIVE COMPENSATION.

Information concerning executive compensation paid by the Company is contained in the sections captioned "Executive Compensation" and "Compensation Committee Report on Executive Compensation" on pages 8 through 12 of the Proxy Statement for the Annual Meeting of Stockholders of the Company to be held April 28, 1999, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information concerning the ownership of equity securities of the Company by certain beneficial owners and management is contained in the sections captioned "Ownership By Certain Beneficial Owners" and "Election of Directors" on pages 2 through 7 of the Proxy Statement for the Annual Meeting of Stockholders of the Company to be held April 28, 1999, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information concerning transactions with management and others and indebtedness of management is contained in the section captioned "Transactions with Management" on page 19 of the Proxy Statement for the Annual Meeting of Stockholders of the Company to be held April 28, 1999 and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(A) 1. Financial Statements:

The Registrant's financial statements, together with the Independent Auditors' Report, are incorporated herein by reference to the 1998 Annual Report to Stockholders, pages 49 through 62. With the exception of the aforementioned information and the information incorporated by reference into Items 2,5,6,7 and 8 of this report, the Annual Report to Stockholders for the year ended December 31, 1998, is not to be deemed filed as a part of this report. The supplemental financial information listed below should be read in conjunction with the financial statements in the Annual Report to Stockholders for the year ended December 31, 1998.

(A) 2. Financial Statement Schedule: Page

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the financial statements or notes thereto.

(B) Reports on Form 8-K:

1. The Registrant filed a report on 8-K dated June 11, 1998 related to the Agreement to Lease Space on a more powerful satellite. The Registrant filed a report on 8-K dated July 16, 1998 related to the acquisition of the capital stock of Kavouras, Inc. The Registrant filed a report on 8-K/A dated September 11, 1998 related to the acquisition of the capital stock of Kavouras, Inc.

No reports on Form 8-K were filed by the Registrant during the fourth quarter of the year ended December 31, 1998.

(C) Exhibits:

(3) (a) Certificate of Incorporation of Registrant.

(b) By-Laws of Registrant. (These documents are filed as exhibits to the Registrant's Registration Statement on Form S-1 as filed December 4, 1987.)

(4) (a) Specimen certificate representing shares of Common Stock, $.001 par value, of Registrant. (This document is filed as an exhibit to the Registrant's Registration Statement on Form S-1 as filed November 4, 1988.)

(b) Certificate of Incorporation of Registrant. (This document is filed as an exhibit to the Registrant's Registration Statement on Form S-1 as filed December 4, 1987.)

(10) (a) Registrant's Stock Option Plan of 1989.
(This document is included as an exhibit to the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 26, 1989.)

(b) Registrant's Non-employee Directors Stock Option Plan.
(This document is included as an exhibit to the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 26, 1989.)

(c) Form of indemnification agreement between the Registrant and the Officers and Directors of the Registrant.
(This document is filed as an exhibit to the Registrant's Registration Statement on Form S-1 as filed May 22, 1989.)

(d) First Amendment to Registrant's Employee Stock Option Plan of 1989.

(e) First Amendment to Registrant's Non-employee Directors Stock Option Plan.
(These documents are included as exhibits to the Registrant's Proxy Statement for the Annual Meeting of Stockholders held on April 25, 1990.)

(f) Second Amendment to Registrant's Employee Stock Option Plan of 1989.

(g) Second Amendment to Registrant's Non-employee Directors Stock Option Plan.
(These documents are included as exhibits to the Registrant's Proxy Statement for the Annual Meeting of Stockholders held on April 24, 1991.)

(h) Third Amendment to Registrant's Stock Option Plan of 1989.

(i) Third Amendment to Registrant's Non-Employee Directors Stock Option Plan.

(j) Fourth Amendment to Employee Stock Option Plan of 1989.

(k) Fourth Amendment to Non-Employee Directors Stock Option Plan .
(These documents are included as exhibits to the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held April 27, 1994).

(l) Restated and amended Non-Employee Directors Stock Option Plan.
(This document is included as an exhibit to the Registrant's Proxy Statement for the annual meeting of stockholders to be held April 26, 1995).

(m) Senior Subordinated Note dated June 30, 1994 between the Registrant and Equitable Capital Private Income and Equity Partnership II, L.P.
(These documents are included as exhibits to the Registrant's Annual Report on Form 10-K as filed March 28, 1995).

(n) Lease agreement dated May 2, 1995 between the Registrant and The Prudential Insurance Company of America.

(o) First Amendment to lease agreement dated May 2, 1995 between the Registrant and The Prudential Insurance Company of America.

(p) Purchase and service agreement dated July 13, 1995 between the Registrant and Knight-Ridder Financial.

(q) Senior Subordinated Notes and Warrant Purchase Agreement dated June 30, 1994 between Registrant and Equitable Capital Private Income and Equity Partnership II, L.P.

(r) First Amendment to Senior Subordinated Notes and Warrant Purchase Agreement dated June 30, 1994 between Registrant and Equitable Capital Private Income and Equity Partnership II, L.P.

(These documents are included as exhibits to the Registrant's Annual Report on Form 10-K as filed March 22, 1997).

(s) Independent Sales Representative Agreement dated September 1, 1997, between Registrant, Huston, Inc., and Phil Huston.

(t) Second Amendment to the lease agreement dated May 2, 1995, between the Registrant and The Prudential Insurance Company of America.

(u) Third Amendment to the lease agreement dated May 2, 1995, between the Registrant and The Prudential Insurance Company of America.

(v) Fourth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(w) Second Amendment to the Senior Subordinated Notes and Warrant Purchase Agreement dated June 30, 1994, between the Registrant and Equitable Capital Private Income and Equity Partnership II, L.P.

(These documents are included as exhibits to the Registrant's Annual Report on Form 10-K as filed March 27, 1997).

(x) Fifth Amendment to Employee Stock Option Plan of 1989.

(This document is included as an exhibit to the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on April 23, 1997).

(y) Purchase and Sale of Assets Agreement dated January 2, 1997, between the Registrant, and Northern Data Communications and Market Quoters, Inc.

(z) Purchase and Service Agreement dated October 24, 1997, between the Registrant and the Arkansas Farm Bureau.

(aa) Purchase and Restrictive Covenant Agreement dated March 14, 1997, between the Registrant and Market Communications Group, LLC.

(ab) Asset Purchase Agreement dated July 1, 1997, between the Registrant and Cotton Communications Network, Inc.

(ac) Fifth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(ad) Sixth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(ae) Seventh Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(af) Eighth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(ag) Ninth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(ah) Tenth Amendment to the lease agreement dated May 2, 1995, between the Registrant and LAFP-SF, Inc., successors in interest to The Prudential Insurance Company of America.

(ai) 1997 Revolving Credit Agreement dated February 26, 1997, between the Registrant and a group of banks.

(aj) First Amendment to the 1997 Revolving Credit Agreement dated February 26, 1997, between the Registrant and a group of banks.

(ak) Second Amendment to the 1997 Revolving Credit Agreement dated February 26, 1997, between the Registrant and a group of banks.

(al) 1997 Term Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(am) 1997 Security Agreement dated February 26, 1997 between the Registrant and a group of banks.

(an) Sixth Amendment to Non-Employee Directors Stock Option Plan.

(ao) Seventh Amendment to Non-Employee Directors Stock Option Plan. (These documents are included as exhibits to the Registrant's Annual Report on Form 10-K as filed March 30, 1998).

(ap) Asset Purchase Agreement dated February 5, 1998 between the Registrant and Market Information of Colorado, Inc.

(aq) Asset Purchase Agreement dated March 3, 1998 between the Registrant, CDS Group, Inc. and Tim Huggins.

(ar) Stock Acquisition Agreement dated March 30, 1998 among the Registrant, Stephen P. Kavouras and the Stephen P. Kavouras Revocable Trust under agreement dated September 13, 1995 and the Irrevocable GST Trust for Stephen P. Kavouras under agreement dated July 29, 1997.

(as) Stock Purchase Agreement dated March 30, 1998 among the Registrant, Stephen P. Kavouras and the Stephen P. Kavouras Revocable Trust under agreement dated September 13, 1995 and the Irrevocable GST Trust for Stephen P. Kavouras under agreement dated July 29, 1997.

(at) License Agreement dated April 6, 1998 between Kavouras, Inc. and Earthwatch Communications, Inc.

(au) Option Agreement dated April 6, 1998 between Kavouras, Inc. and Earthwatch Communications, Inc.

(av) Asset Purchase Agreement dated April 23, 1998 between the Registrant and SmartServ Online.

(aw) Stock Purchase Agreement dated May 27, 1998 between the Registrant and Donald W. Bowles, Excel Interfinancial Corporation, Charter Financial Holdings, LLC, Steven L. Reynolds, and Douglas Vanderbilt.

(ax) Purchase Agreement dated October 14, 1998 between the Registrant, Asset Growth Corporation, Marcia C. Kennedy and Scott L. Brown.

(ay) Agreement and Plan of Merger dated November 12, 1998 between the Registrant, Weather Services Corporation and ABRY Broadcast Partners II, L.P.

(az) Issue of Common Stock Purchase Warrant dated December 11, 1998 to Peter R. Leavitt, pursuant to the Agreement and Plan of Merger dated as of November 12, 1998 between the Registrant, Merger Sub, WSC, and ABRY.

(ba) Issue of Common Stock Purchase Warrant dated December 11, 1998 to ABRY Broadcast Partners II, LP pursuant to the Agreement and Plan of Merger dated as of November 12, 1998 between the Registrant Merger Sub, WSC, and ABRY.

(bb) Amendment dated January 12, 1999 to Stock Purchase Agreement dated May 27, 1998 between the Registrant and Donald W. Bowles, Excel Interfinancial Corporation, Charter Financial Holdings, LLC, Steven L. Reynolds, and Douglas Vanderbilt.

(bc) Letter of Intent dated January 26, 1999 to merge wholly owned subsidiary of the Registrant with SmartServ Online, Inc.

(bd) Consent to Prepayment of Subordinated Debt dated March 16, 1998 between Registrant and a group of banks.

(be) Third Amendment to the 1997 Revolving Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bf) Fourth Amendment to the 1997 Revolving Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bg) Fifth Amendment to the 1997 Revolving Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bh) First Amendment to the 1997 Term Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bi) Second Amendment to the 1997 Term Credit Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bj) First Amendment to the 1997 Security Agreement dated February 26, 1997 between the Registrant and a group of banks.

(bk) 1998 Revolving Credit Agreement dated December 7, 1998 between the Registrant and a group of banks.

(bl) First Amendment to the 1998 Revolving Credit Agreement dated December 7, 1998 between the Registrant and a group of banks.

(bm) 1998 Term Credit Agreement dated December 7, 1998 between the Registrant and a group of banks.

(bn) 1998 Security Agreement dated December 7, 1998 between the Registrant and a group of banks.

(bo) Subsidiary Security Agreement dated June 1, 1998 between National Datamax, Inc. and a group of banks.

(bp) Subsidiary Security Agreement dated July 1, 1998 between Kavouras, Inc. and a group of banks.

(12) Not applicable.
(13) Registrant's 1998 Annual Report to Stockholders.
(This document is hereby incorporated by reference.)
(16) None.
(18) None.
(21) Subsidiaries.
(22) None.
(23) Consent of Deloitte & Touche LLP.
(24) None.
(27) Financial Data Schedule.
(28) None.
(99) Proxy Statement for the Annual Meeting of Stockholders of the Registrant to be held April 28, 1999. (This document is hereby incorporated by reference.)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Data Transmission Network Corporation,
a Delaware Corporation

By: /s/ Roger R. Brodersen

Roger R. Brodersen
Chief Executive Officer

Dated March 23, 1999.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

<S>		<C>
By:	/s/ Roger R. Brodersen --- Roger R. Brodersen, Chairman of the Board, Chief Executive Officer and Director	March 23, 1999
By:	/s/ Greg T. Sloma --- Greg T. Sloma, President and Chief Operating Officer and Director	March 23, 1999
By:	/s/ Roger W. Wallace --- Roger W. Wallace, Senior Vice President, President-Ag Services Division and Director	March 23, 1999
By:	/s/ Scott A. Fleck --- Scott A. Fleck, VP and Director of Engineering	March 23, 1999
By:	/s/ Brian L. Larson --- Brian L. Larson, Vice President, Chief Financial Officer, and Secretary	March 23, 1999
By:	/s/ David K. Karnes --- David K. Karnes, Director	March 23, 1999
By:	/s/ J. Michael Parks --- J. Michael Parks, Director	March 23, 1999
By:	/s/ Jay E. Ricks --- Jay E. Ricks, Director	March 23, 1999
By:	/s/ Peter H. Kamin --- Peter H. Kamin, Director	March 23, 1999

</TABLE>

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Data Transmission Network Corporation
Omaha, Nebraska

We have audited the considered financial statements of Data Transmission Network Corporation as of December 31, 1998 and 1997, and for each of the three years in the period ended December 31, 1998 and have issued our report thereon dated February 12, 1999; such financial statements and report are included in the 1998 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the financial statement schedule of Data Transmission Network Corporation, listed in Item 14(a)2. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
February 12, 1999

Schedule II

DATA TRANSMISSION NETWORK CORPORATION

VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 1998, 1997, AND 1996

<TABLE>
<CAPTION>

Description	Balance at Beginning of Period	Charged to Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Allowance for doubtful accounts:					
<S>	<C>	<C>		<C>	<C>
Year ended December 31, 1998:	$810,000	$1,294,000	-	$804,000	$1,300,000
Year ended December 31, 1997:	$520,000	$ 842,000	-	$552,000	$ 810,000
Year ended December 31, 1996:	$300,000	$ 672,000	-	$452,000	$ 520,000

</TABLE>

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made 5th day of February, 1998 between Data Transmission Network Corporation, a Delaware corporation ("DTN"), located at 9110 West Dodge Road, Suite 200, Omaha, Nebraska 68114, and Market Information of Colorado, Inc. ("MIC"), a Colorado corporation located at 12445 E. 39th Ave., Suite 305, Denver, CO 80439.

RECITALS

A. DTN is the owner and operator of an electronic information system using satellite data terminals (the "System") which continuously transmits information to DTN's subscribers ("DTN Subscribers"). DTN provides various information services (the "Services"), including a real time commodity service (DTNstant), to DTN Subscribers over the System.

B. MIC is engaged in the business of sales, installation, and service of systems which provide stock, commodities, and financial data using Trade Station, Ensign and Market Center software to subscribers. Those subscribers using Ensign and Market Center software ("MIC Subscribers") shall be included in this Agreement.

C. MIC owns certain equipment such as data receivers, Ku satellite receivers, LNBs cable, and satellite dishes. Some of this equipment may be used by DTN in providing information to DTN Subscribers on the System. Other equipment may be provided by DTN to replace MIC equipment for MIC Subscribers' conversion to the Services.

D. MIC desires for DTN to make the Services available to the MIC Subscribers and MIC is willing to promote DTN's Services as provided in this Agreement. DTN desires to provide its Services to the MIC Subscribers who contract to receive such Services.

E. DTN, at its option, desires to purchase certain of MIC's equipment used by it in transmitting information to MIC Subscribers, and DTN is willing to purchase such equipment pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the aforementioned recitals and the covenants and conditions herein contained, the parties hereto agree as follows:

1. Sale and Purchase. DTN agrees to purchase from MIC, and MIC agrees to sell to DTN the equipment and accessories now owned by MIC and currently being used by the MIC Subscribers to receive MIC's information service. MIC represents that there are approximately 100 Terminals installed with approximately 70 MIC Subscribers. Such equipment and accessories may include a data receiver, Ku satellite receiver, LNB, cable, and satellite dish. A "Terminal" is defined as an independent location with hardware and software for individual viewing of data displayed by either the Ensign/Vista or Market Center, but not Trade Station, software. For purposes of this Agreement, the term "Converted Subscribers" shall mean those MIC Subscribers who convert to and

become DTN Subscribes during the Transition Period upon the terms set forth in this Agreement, including the minimum requirement of a 1-year subscription term. The Units used by Converted Subscribers which are to be sold to DTN are collectively referred to in this Agreement as the "Converted Subscriber Units". For purposes of this Agreement, the term "Transition Period" shall mean prior to

July 1, 1998, although the final day for MIC Subscribers to receive data from the current MIC source is March 31, 1998. Units shall not include any equipment of MIC Terminals not converted. For purposes of this Agreement, all Converted Subscriber Terminals and Units shall be referred to in the aggregate as the "Purchased Equipment".

2. Payments. In consideration for the Purchased Equipment and for the services to be performed by MIC pursuant to this Agreement, DTN agrees to pay MIC, and MIC agrees to accept from DTN as payment in full, $1330 per Terminal for real time Subscribers as (1) listed in Exhibit A; and (2) Terminals from Subscribers with Trade Station software but agreeing to convert during the Transition Period and $865 per Terminal for delayed Subscribers. DTN shall have no obligation to pay MIC for Subscribers who convert to and become DTN Subscribers who are not listed in Exhibit A or are listed in Exhibit A and are leasing their computer from MIC but do not wish to convert because they do not want to purchase their own computer. MIC shall be responsible for any sales or related taxes which may occur as a result of the payments made to MIC under this Agreement. DTN shall remit payment to MIC consisting of 2/3 of total as of the Date of the Agreement, 1/6 of total on April 16, 1998 and the remainder on June 30, 1998. MIC may add terminals to Exhibit A in their ordinary course of business until March 31, 1998.

3. Conversion. For purposes of this Agreement the Conversion Period will be the period of time from the date of this Agreement until April 15, 1998. MIC and DTN shall share the responsibility for obtaining the DTN subscription agreement signed by the MIC Subscriber for the Terminal(s) that will operate the DTN Service. An MIC Subscriber will not be considered as a Converted Terminal until the subscription agreement is accepted by DTN in Omaha, Nebraska. Conversion Agents, who will be responsible for converting the MIC Subscribers, will install a DTN ACE Databox configured to receive the DTN Service and determine whether any existing equipment can be utilized. MIC will be responsible for the cost of retrieving any equipment that is not utilized. MIC and DTN will share the expenses incurred by two of the Conversion Agents, Leonard Kotta and John Salewske, during this Conversion period. DTN shall be responsible for providing other Conversion Agents required to complete the conversion of the MIC Subscribers which will include entering into a separate agreement with Spectrum Communications, as independent contractor, to retain their services during this Conversion period.

4. Transition. DTN shall be responsible for installing the DTN equipment for the Converted Subscriber Terminals and providing the necessary

assistance and support to assure MIC Subscribers a smooth conversion to the System. DTN will be responsible for training these new DTN Subscribers on how to use the DTN equipment. Under a separate agreement, DTN shall retain Spectrum Communications as an independent contractor through December 31, 1998 to provide continuous support services for the Converted Subscribers. DTN will begin billing for its service on the first of the month following installation of the services.

5. Term. The term of this Agreement shall be until June 30, 1998.

6. Promotion. During the term of this Agreement, MIC agrees to encourage MIC Subscribers to use DTN's services, to promote to MIC Subscribers the DTN services provided on the System, and to be available for occasional phone-call assistance to DTN and Spectrum Communications during the Transition Period. MIC agrees to cooperate with DTN to market DTN's services to MIC

Subscribers; provided, however, MIC shall not be required to incur out-of-pocket costs for such marketing, except as specifically below:

During the Conversion Period, MIC shall solicit (via telephone call, written correspondence, or face to face meeting) each MIC Subscriber to enter into DTN's standard form of subscription agreement for the DTN Service on the System for at least a 12 month subscription term. MIC agrees at its expense to send during the Conversion Period to each MIC Subscriber a letter recommending DTN's Services to such MIC Subscriber, which letter is to be accompanied by promotional materials furnished by DTN. Such letter shall be in a form satisfactory to both DTN and MIC.

7. Bill of Sale. Concurrently with payment by DTN to MIC as specified in paragraph 2 above, MIC agrees to sell, transfer, assign and convey to DTN the Purchased Equipment by duly executed warranty bill of sale and assignment, free and clear of all liens, encumbrances, security interests, leasehold interest, actions, claims, and equities of any kind whatsoever. MIC agrees to take such actions from time to time as may in the reasonable judgment of DTN to be necessary or advisable to confirm the title of DTN to any of the items of personal property acquired by DTN from MIC pursuant to this Agreement. DTN shall be entitled to possession of the Purchased Equipment upon the payment to MIC for such equipment.

8. Bulk Sales Transfer. If applicable, DTN waives compliance by MIC with the Bulk Sales provisions of the Uniform Commercial Code or any equivalent statute, and MIC agrees to indemnify DTN and to hold DTN harmless from any loss or expense arising by reason of such non-compliance.

9. Representations of MIC. MIC warrants, represents and convenants to and with DTN that MIC is the sole and lawful owner and has good and merchantable

title to all of the Purchased Equipment to be acquired by DTN pursuant to this Agreement and that, upon the transfer and assignment of such property to DTN by warranty bill of sale and assignment as hereinbefore mentioned, DTN will acquire good and merchantable title thereto, free and clear of interests, leasehold interests, and claims of any kind whatsoever. MIC further warrants, represents and convenants to and with DTN that the Purchased Equipment, when it is received by DTN, will be in the same condition as it was when located at the MIC Subscriber sites and, otherwise, DTN accepts the Purchased Equipment in its present condition. The representations, warranties, and convenants contained in this Agreement shall survive the date of this Agreement and shall be binding upon the parties hereto and their successors and assigns until four (4) days following receipt by DTN of the equipment.

10. Indemnification. Each party hereto agrees to indemnify and hold harmless the other part, its officers, directors, employees, and agents from and against any and all claims, demands, liability, loss, cost, damage, penalty or expense, including attorney's fees and costs of settlement, resulting from or arising out of the failure of the indemnifying party to observe any covenant or condition set forth in this Agreement, and the inaccuracy of any representations made by the indemnifying party in this Agreement.

11. Covenant Not to Compete. After the Conversion Period, MIC and its owners shall not, directly or indirectly, whether as an agent, consultant, independent contractor, owner, partner or otherwise:

a) Solicit for itself or others, or advise or recommend to any other person that such person solicit, any customer or prospective customer of DTN or any current or future subscriber of MIC, for the purpose of obtaining the business of such customer or subscriber, in competition with DTN; or

b) Offer, transmit, facilitate or promote the distribution or transmission to MIC subscribers of information services in competition with DTN.

The phrase "in conjunction with DTN" shall mean any business that distributes or transmits via any electronic information system the same or similar type of information as is currently offered by MIC.

The convenants contained in this paragraph are independent of one another and are severable. In the event any part of the covenants set forth in this Section shall be held to be invalid or unenforceable, the remaining parts thereof will continue to be valid and enforceable. MIC acknowledges that the restrictions contained in this paragraph are reasonable and necessary to protect the goodwill of that portion of the business of MIC being acquired by DTN hereunder.

12. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions contained in this Agreement, which provisions shall remain in full force and effect.

13. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent or of partnership, joint venture, or any association whatsoever between the parties, it being expressly understood and agreed that each party shall be an independent contractor with respect to the other party in connection with the work performed hereunder. Except as otherwise provided in this Agreement, each party shall bear its own expenses with respect to the subject matter of this Agreement.

14. Notices. Any and all written notices, communications or payments shall be made to the respective parties as follows or at such other address as the party may indicate in a written notice to the other party of this Agreement:

DTN	9110 West Dodge Road, Suite 200 Omaha, Nebraska 68114
Market Information	POB 4400, 22 Shoshone Lane Frisco, Colorado 80443

15. Choice of Law. This Agreement shall be subject to and interpreted in accordance with the laws of the State of Nebraska.

16. Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives, and assigns; provided, however, that the rights, duties, and privileges of MIC hereunder may not be assigned or otherwise transferred by it, in whole or in part, without the prior written consent of DTN which may be withheld for any reason.

18. Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter of this Agreement and shall supersede all prior offers, negotiations, and agreements with respect to such subject matter. Any provision of any party's invoices, statements, orders, acknowledgments, or other forms which is inconsistent with or in addition to the provisions of this Agreement shall be of no force or effect unless specifically consented to in writing by the party to be charged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DATA TRANSMISSION NETWORK CORPORATION.
a Delaware corporation

By:/s/ Jim Payne

Jim Payne, Vice President

MARKET INFORMATION OF COLORADO, INC.,
a Colorado corporation

By:/s/ Don Sather

Don Sather, Vice President

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS, that Market Information of Colorado, Inc. (Seller), a Colorado corporation, in consideration of One Hundred and Thirty-Three Thousand Two Hundred and Five Dollars ($133,205.00), to MIC, in hand paid and with further promise to pay by Data Transmission Network Corporation (Buyer), a Delaware corporation, the receipt whereof is hereby acknowledged, has bargained and sold, and by these presents does grant, assign and transfer to Buyer all equipment as listed on the Exhibit A hereto attached.

TO HAVE AND TO HOLD the same unto the said Buyer forever, the said Seller covenants and agrees to and with the Buyer, to WARRANT AND DEFEND the sale of said property, goods and chattels, against all and every person or persons whomever.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its Vice President thereunto duly authorized on this 5th day of February, 1998, at Minneapolis, Minnesota.

Market Information of Colorado, Inc.

By:/s/ Don Sather

Don Sather, Vice President

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into this 3rd day of March, 1998, by and among CDS Group, Inc., a Tennessee corporation ("Seller"), Data Transmission Network Corporation, a Delaware corporation ("Buyer"), and Tim Huggins, an individual (the "Stockholder").

RECITALS:

A. Seller is engaged in the business of selling computer hardware, selling and licensing computer software, and supporting such hardware and software through hardware maintenance contracts and software support contracts (the "Business").

B. Seller desires to sell substantially all of the assets used by it in the conduct of the Business with respect to those customers receiving any portion of Seller's services related to the cotton industry (the "Cotton Customers"), and Buyer desires to acquire such assets.

C. Stockholder, as the owner of all of the issued and outstanding stock of Seller, joins in this Agreement to confirm certain representations, warranties and agreements of Seller herein and to indemnify Buyer in connection with certain matters.

In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller, Stockholder and Buyer, intending to be legally bound, agree as follows:

1. Purchase and Sale. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the following assets of the Business (except the Excluded Assets as defined at the end of this Paragraph 1), to-wit:

(a) All of Seller's motor vehicles, equipment, inventory, supplies, furniture, trade fixtures, leasehold improvements, tools, promotional materials, and other tangible personal property used in the conduct of the Business, including but not limited to the items listed on Schedule 1 attached hereto and incorporated herein by this reference;

(b) All of Seller's intangible property used in the Business to the extent assignable, including but not limited to rights, privileges, benefits and interests under all contracts, agreements, consents and licenses; computer software used or useful in the Business (including but not limited to the software listed on Schedule 1 attached hereto); permits or certificates of occupancy; agreements, leases and arrangements with respect to intangible or tangible property or interests therein; agreements with suppliers and the Cotton Customers; and Seller's rights in and to the trade name "Cotton Data Systems";

(c) All of Seller's accounts receivable, prepaid items, and unbilled costs and fees arising from or with respect to the Cotton Customers, including, without limitation, the accounts receivable and unbilled costs and fees generated from Seller's general accounting software services to the Cotton Customers, but excluding those items generated from Seller's customers who are not the Cotton Customers;

(d) All of Seller's information, files, records, data, plans, and recorded knowledge, including customer and supplier lists, related to the Business and similar or related data, but excluding those items related exclusively to Seller's customers other than the Cotton Customers; and

(e) All of Seller's goodwill pertaining to or arising out of the Business.

The term "Excluded Assets" means (i) Seller's cash and cash equivalents, in hand or in bank accounts, and all securities of Seller, (ii) Seller's computer software furnished exclusively to customers other than the Cotton Customers, (iii) contracts with customers other than the Cotton Customers, (iv) any records not relating to the Business and all corporate, accounting and tax records relating to the Business, and (v) Seller's rights under this Agreement.

2. Purchase Price. Buyer agrees to pay, and Seller agrees to accept, as the entire aggregate purchase price for the assets of Seller being acquired by Buyer pursuant to Paragraph 1, the lesser of (i) the aggregate amount of Seller's unpaid liabilities described on Schedule 2 attached hereto or (ii) the sum of $250,000 (hereinafter referred to as the "Purchase Price"). The Purchase Price may be paid by Buyer to Seller or, at the sole discretion of Buyer, directly to the creditors of Seller in amounts not to exceed Seller's liabilities to such creditors as designated by Seller. The Purchase Price shall be paid upon the execution of this Agreement, except for that portion of the Purchase Price related to unsecured creditors as set forth on Schedule 2, which shall be paid in compliance with the Tennessee Uniform Commercial Code Bulk Transfers Act.

3. Assumption of Liabilities. Buyer shall assume, agree to perform, and discharge when due only those obligations of Seller arising out of the contracts, leases and agreements listed on Schedules 7(j) and 7(k) with respect to the period from and after the date of this Agreement (the Assumed Liabilities"). Seller and Buyer agree that, other than the Assumed Liabilities, Buyer does not agree to assume and shall have no responsibility for any of the debts, obligations or liabilities of Seller (the "Excluded Liabilities"), all of which shall remain the sole responsibility of and shall be paid and discharged by Seller as they become due. The Excluded Liabilities include without limitation all of the following:

(a) Any tax liability or tax obligation of Seller, its directors,

officers, shareholders and agents which has been or may be asserted by any taxing authority, including without limitation any such liability or obligation arising out of or in connection with this Agreement or the transactions contemplated hereby.

(b) Any liability or obligation of Seller whether incurred prior to, at or subsequent to the date of this Agreement for any amounts due or which may become due to any person or entity who is or has been a holder of any debt or equity security of Seller.

(c) Any trade account payable or note payable of Seller or any contract obligation of Seller (other than the Assumed Liabilities) whether incurred prior to, at or subsequent to the date of this Agreement.

(d) Any liability or obligation arising out of any litigation, suit, proceeding, action, claim or investigation, at law or in equity or in arbitration, related to Seller's operation of the Business prior to the date of this Agreement.

(e) Any claim, liability or obligation, known or unknown, contingent or otherwise, the existence of which is a breach of, or inconsistent with, any representation, warranty or covenant of Seller set forth in this Agreement.

(f) Any liability or obligation specifically stated in this Agreement or the Schedules hereto as not to be assumed by Buyer.

4. Transfer Documents. Concurrently with the execution of this Agreement, Seller shall sell, transfer, assign, convey, and deliver to Buyer the assets referred to in Paragraph 1 by duly executed titles, warranty bill of sale and assignment, and other good and sufficient instruments of sale, assignment, conveyance and transfer as shall be required to effectively vest in Buyer all of Seller's right, title, and interest in and to such assets, free and clear of all liens, encumbrances, security interests, actions, claims and equities of any kind whatsoever. Seller agrees to take such actions as may be necessary to make available for use by Buyer in Tennessee the trade name "Cotton Data Systems. Buyer shall be entitled to possession of such assets upon the execution of this Agreement.

5. Additional Documents. Concurrently with the execution of this Agreement, Seller shall cause its legal counsel to execute and deliver to Buyer the opinion of such counsel in the form of Exhibit "A" hereto. Concurrently with the execution of this Agreement, Seller and Buyer shall enter into a lease of the premises used by Seller in the conduct of the Business (plus additional space as described therein) in the form of Exhibit 2 hereto.

6. Obligations to Employees. Seller agrees that it shall be responsible for

any obligations to any of its employees which heretofore may have arisen or hereafter may arise by reason of any services rendered by such employees, including but not limited to salaries, bonuses, vacation pay, retirement benefits, and other fringe benefits; and Seller hereby agrees to pay all of such obligations directly to the employees involved when due. Seller agrees timely to pay all payroll tax, withholding, and unemployment compensation payments required to be made with respect to the compensation of such employees and to hold Buyer harmless therefrom. Seller shall furnish to Buyer such evidence of Seller's compliance with the provisions of this paragraph as Buyer reasonably may request from time to time.

7. Representations and Warranties. Seller and the Stockholder jointly and severally warrant, represent and covenant to and with Buyer:

(a) That Seller has full right and lawful authority to enter into this Agreement and to sell the items of personal property to be acquired by Buyer pursuant to this Agreement; that Seller's performance of its obligations under this Agreement will not violate any agreement, document, trust (constructive or otherwise), order, judgment or decree to which Seller is a party or by which it is bound; and that, upon the transfer and assignment of such property to Buyer as hereinbefore mentioned, Buyer will acquire good and merchantable title thereto, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever.

(b) That Seller is the sole and lawful owner of and has good and marketable title to all of the items of personal property to be acquired by Buyer pursuant to this Agreement, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever.

(c) All material items of tangible personal property to be acquired by Buyer pursuant to this Agreement are in good operating condition, subject to normal wear.

(d) That there are no suits, arbitrations or other legal or governmental proceedings pending or threatened against Seller which might conceivably affect the title to the items of personal property to be acquired by Buyer pursuant to this Agreement.

(e) That Seller has duly and timely filed all federal, state, and local tax returns of every kind whatsoever required to be filed on or before the date of this Agreement and has paid in full the tax liability shown on such returns; that no unpaid deficiencies are in existence which have been asserted against Seller by any official or agency as a result of the filing of such returns; and that, to the knowledge of Seller, there is not now pending any examination with respect to any

such returns nor does Seller know of any impending examination with respect to any such returns.

(f) That promptly after the date of this Agreement Seller shall pay all sales and use taxes imposed on or collectible by Seller and shall furnish to Buyer evidence that all of Seller's sales and use taxes have been paid.

(g) The property to be acquired by Buyer pursuant to this Agreement includes all rights and property necessary to the conduct of the Business by Buyer in the manner it is presently conducted by Seller and no property excluded from Paragraph 1 hereof constitutes property or rights material to the Business.

(h) There is no fact, development, or threatened development with respect to the markets, products, customers, vendors, suppliers, operations, assets or prospects of the Business which are known to Seller which would materially adversely affect the business, operations or prospects of the Business considered as a whole, other than such conditions as may affect as a whole the economy generally.

(i) The financial statements of Seller for the year ended December 31, 1997, furnished to Buyer fairly and accurately represent the financial operations of the Business for such year.

(j) That Seller has listed on Schedule 7(j) all of Seller's contracts (oral or written) with the Cotton Customers and suppliers of the Business; Seller has no other contracts (oral or written) with the Cotton Customers or suppliers of the Business. Seller has delivered to Buyer true, correct and complete copies of all written contracts relating to the Business (other than those related exclusively to customers other than the Cotton Customers), and written summaries of the terms of all oral contracts relating to the Business (other than those related exclusively to customers other than the Cotton Customers), and all of such contracts are presently in full force and effect and are assignable to Buyer. Seller has not received any notices from any of the Cotton Customers or suppliers of the Business that indicate that they intend to terminate any of such contracts and, except as reflected in the copies delivered to Buyer or on Schedule 7(j), such contracts have not been amended and Seller and the other parties to such contracts are not in default in any material respect under such contracts. Seller has not been apprised and does not currently believe or have reason to believe that any of the Cotton Customers plan to cancel or reduce the volume under any of their contracts.

(k) That Schedule 7(k) contains a complete list of all of Seller's

contracts (oral and written) relating to the Business (other than those related exclusively to customers other than the Cotton Customers), if any, other than the contracts with customers and suppliers listed on Schedule 7(j). Seller has delivered to Buyer true, correct and complete copies of all such other written contracts relating to the Business and written summaries of the terms of all such other oral contracts relating to the Business, and all of such contracts are presently in full force and effect and are assignable, and, except as reflected in the copies delivered to Buyer or on Schedule 7(k), such contracts have not been amended and Seller and the other parties to such contracts are not in default in any material respect under such contracts.

8. Indemnification. Seller and the Stockholder jointly and severally agree to indemnify Buyer and to hold Buyer harmless from any and all loss, damage, cost, or expense incurred or sustained by Buyer by reason of the failure of any warranty or representation contained in this Agreement to be true or as a result of Seller's failure to abide by any covenant or agreement on its part contained in this Agreement.

9. Bulk Sales. Seller has taken any and all actions required under the bulk transfer laws of the State of Tennessee with respect to the transactions contemplated by this Agreement and will satisfy on or before the date of this Agreement (or make arrangements satisfactory to Buyer in its sole discretion to satisfy) all creditor claims, excluding Assumed Liabilities.

10. Survival. The representations, warranties, and covenants on the part of Seller and/or the Stockholder contained in this Agreement shall survive the closing of this Agreement and shall be binding upon Seller and the Stockholder and their heirs, legal representatives, successors and assigns.

11. Payment of Liabilities. Seller agrees to pay as promptly as possible any and all liabilities of Seller existing on the date of this Agreement and to hold Buyer harmless therefrom. Buyer and Seller agree that Buyer is not assuming and shall have no responsibility for any of the debts, obligations, or liabilities of Seller, including but not limited to any liabilities or obligations of Seller (whether fixed, absolute, contingent, known, unknown, direct, indirect, or otherwise) whether incurred or accrued before or after the date of this Agreement, which in any way relate to the performance or non-performance of, or any other liability or obligation relating to any service or product furnished or sold by Seller prior to or after the date of this Agreement, and Seller hereby agrees to hold Buyer harmless from any cost or expense arising out of or relating to any such debts, obligations, or liabilities; provided, however, such indemnification by Seller does not extend to any Assumed Liabilities.

12. Transfer Taxes. Seller shall pay all sales and other similar taxes

imposed on or collectible by Seller or Buyer by reason of the transfer of the property being acquired by Buyer pursuant to this Agreement.

13. Noncompete. For a period of three (3) years after the date of this Agreement, Seller and the Stockholder and their affiliates shall not, directly or indirectly, whether as a shareholder, partner or investor possessing any ownership interest, or as principal, agent, employee, proprietor, independent contractor, consultant or in any other capacity:

(a) Solicit for itself or others, or advise or recommend to any other person that such person solicit, any of the Cotton Customers for the purpose of competing with Buyer in the Business.

(b) Offer, sell, license, lease, facilitate or promote the use of any computer software or related services in competition with Buyer in that portion of the Business serving the cotton industry anywhere within those territories in the United States of America in which Seller was conducting the Business on the date of this Agreement.

If any court having jurisdiction at any time hereafter shall hold any of such restrictive covenants to be unenforceable or unreasonable as to its scope, territory, or period of time, and such court in its judgment or decree shall declare or determine the scope, territory, or period of time which such court deems to be reasonable, then such scope, territory or period of time, as the case may be, shall be deemed automatically to have been reduced to that declared or determined to be reasonable by such court. Notwithstanding the foregoing, if any clause or provision of this paragraph shall be unenforceable, then such clause or provision shall be deemed to be deleted from this paragraph, but every other clause and provision shall continue in full force and effect. These covenants are an integral part of the asset purchase transaction contemplated by this Agreement and Buyer would not have entered into this Agreement in the absence of such covenants. Seller and the Stockholder acknowledge that the agreements contained in this paragraph are reasonable and necessary to protect the Business being purchased by Buyer and that any breach thereof will result in irreparable injury to Buyer for which Buyer has no adequate remedy at law. Seller and the Stockholder therefore agree that, in the event either of them breaches any of the agreements contained in this paragraph, Buyer shall be authorized and entitled to seek from any court of competent jurisdiction (i) a temporary restraining order, (ii) preliminary and permanent injunctive relief, (iii) an equitable accounting of all profits or benefits arising out of such breach, and (iv) direct, incidental, and consequential damages resulting from such breach. Such rights or remedies shall be cumulative and in addition to all other rights or remedies to which Buyer may be entitled.

14. Entire Agreement. This document constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended, or terminated except by a written agreement specifically referring to

this Agreement and signed by all of the parties hereto.

15. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

16. Further Instruments. The parties hereto shall execute and deliver such additional instruments and documents as may be reasonably requested by any of them in order to carry out the purposes and intent of this Agreement and to fulfill their respective obligations.

17. Further Actions. Seller agrees to take such actions from time to time as may in the reasonable judgment of Buyer or its counsel be necessary or advisable to confirm the title of Buyer to any of the items of property acquired by Buyer from Seller pursuant to this Agreement.

18. Governing Law. This agreement shall be construed in accordance with the laws of the State of Nebraska.

19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions contained in this Agreement, which provisions shall remain in full force and effect.

20. Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

21. Schedules and Exhibits. All references to Schedules and Exhibits herein, unless otherwise stated, means the schedules and exhibits attached to this Agreement which are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DATA TRANSMISSION NETWORK
CORPORATION, a Delaware corporation

By:/s/Jim Payne

Jim Payne, Vice President

CDS GROUP, INC., a Tennessee corporation

By:/s/ Tim Huggins

Tim Huggins, President

EXHIBIT "A"

[Insert form of opinion of Seller's counsel]

EXHIBIT "B"

[Insert form of lease]

SCHEDULE 1

List of Certain Assets

Tangible Personal Property

Computer Software

SCHEDULE 2

List of Seller's Unpaid Liabilities

SCHEDULE 7(j)

Contracts with Cotton Customers and Suppliers

SCHEDULE 7(k)

List of Other Contracts

AGREEMENT REGARDING STOCK ACQUISITION

AGREEMENT REGARDING STOCK ACQUISITION (the "Agreement") dated as of March 30, 1998, by and among DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation ("Buyer"), STEPHEN P. KAVOURAS, an individual, and the STEPHEN P. KAVOURAS REVOCABLE TRUST UNDER AGREEMENT DATED SEPTEMBER 13, 1995 and the IRREVOCABLE GST TRUST FOR STEPHEN P. KAVOURAS UNDER AGREEMENT DATED JULY 29, 1997 (the "Trusts") (the Trusts and Stephen P. Kavouras being sometimes referred to herein collectively as the "Principals" and individually as a "Principal").

WHEREAS, the Trusts are the owners, in the aggregate, of 130 of the 155 5/12 issued and outstanding shares of Common Stock of Kavouras, Inc., a Minnesota corporation (the "Company);

WHEREAS, Stephen P. Kavouras is a current beneficiary of each of the Trusts and, accordingly, is the beneficial owner of a majority of the outstanding shares of Common Stock of the Company;

WHEREAS, contemporaneously with the execution of this Agreement, Buyer and certain of the shareholders of the Company named therein have executed that certain Stock Purchase Agreement dated as of even date herewith (the "Stock Purchase Agreement") and submitted such Stock Purchase Agreement to the other shareholders of the Company for execution (all such shareholders being referred to herein collectively as "Sellers"); and

WHEREAS, Principals have agreed to execute this Agreement for the purpose of making certain representations, warranties, covenants, agreements, and indemnifications for the benefit of Buyer to induce Buyer to enter into the Stock Purchase Agreement, which Buyer would not do absent such actions by Principals.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and agreements herein contained, and the benefits to be received by the Trusts pursuant to the Stock Purchase Agreement, Buyer and Principals agree as follows:

ARTICLE I
SALE OF SHARES AND CLOSING

1.01 Sale of Shares. Subject to the terms and conditions therein stated, pursuant to the Stock Purchase Agreement, Sellers have agreed to sell, assign, transfer and deliver to Buyer all of the issued and outstanding shares of Common Stock of the Company (the "Shares"), and Buyer has agreed to purchase the Shares from Sellers.

1.02 Closing. Subject to the terms and conditions of the Stock Purchase Agreement, the sale referred to in Section 1.01 (the "Closing") shall take place

at the offices of Faegre & Benson, LLP, Minneapolis, Minnesota, on such date as

the parties thereto shall by written instrument designate, but no later than ten (10) days after the later to occur of (i) the expiration or termination of all applicable waiting periods with respect to each of the antitrust filings referred to in Section 5.01(b) hereof (including any extensions thereof) or (ii) the receipt of all FCC approvals referred to in Section 5.01(c). Such time and date are herein referred to as the "Closing Date".

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF PRINCIPALS

As of the date hereof (except as otherwise specified herein and except as set forth in the disclosure schedule accompanying this Agreement) (the "Disclosure Schedule"), each Principal jointly and severally represents and warrants to Buyer as follows:

2.01 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing (except in jurisdictions where the concept of good standing does not exist) under the laws of the jurisdiction of its incorporation, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of its business, as now being conducted, makes such qualification necessary and where the failure to so qualify, be licensed or be in good standing would, when taken together with all other such failures, affect materially and adversely the financial condition or business of the Company. Schedule 2.01 of the Disclosure Schedule sets forth a complete list of the jurisdictions in which the Company is qualified or licensed to do business. Buyer has heretofore received true and complete copies of the Articles of Incorporation and By-laws (or other similar charter documents), as currently in effect, of the Company.

2.02 Capitalization; Title to Stock.

(a) The authorized capital stock of the Company consists of 250 shares of common stock, no par value (the "Common Stock"), of which 155 5/12 shares are issued and outstanding as of the date hereof and no shares are held in the Company's treasury. Sellers are the beneficial and record owners of all the Company's outstanding shares of Common Stock. All of the outstanding shares of Common Stock of the Company are duly authorized, validly issued, fully paid and nonassessable. Except for the sale to Buyer as contemplated by the Stock Purchase Agreement, there are no outstanding options, warrants, calls or other rights to subscribe for or purchase or acquire from the Company or Principals or any affiliate of the Company, or any plans, contracts or commitments providing for the issuance of, or the granting of rights to acquire (i) any capital stock of the Company or (ii) any securities convertible into or exchangeable for any

capital stock of the Company. The Company is not contractually obligated to repurchase, redeem or otherwise acquire any of its outstanding shares of capital stock.

(b) Each Trust (i) has good and valid title, beneficially and of record, to the respective Shares set forth opposite its name on Schedule 1 attached to the Stock Purchase Agreement, free and clear of all liens, encumbrances and rights of others, (ii) is in rightful possession of duly and validly authorized and

issued certificates evidencing its ownership of record of the Shares, and (iii) has full right, power and authority to sell, transfer, convey and deliver to Buyer, in accordance with the terms of the Stock Purchase Agreement, good and valid title, beneficially and of record, to all of such Shares being sold by such Trust to Buyer thereunder, free and clear of all liens, encumbrances and rights of others.

2.03 Subsidiaries. Except as set forth on Schedule 2.03 of the Disclosure Schedule, (a) the Company has no subsidiaries, and (b) there is no corporation, partnership, joint venture or other person or entity in which the Company, directly or indirectly, has, or pursuant to any agreement or agreements has or will have, a right or obligation to acquire or make by any means, an interest or investment (including, without limitation, equity ownership, proprietary interest, loans, guarantees of indebtedness and other similar obligations).

2.04 Authority Relative to the Transactions Contemplated by this Agreement. Each Principal has all necessary power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized on behalf of each Principal and no other proceedings on behalf of Principals are necessary to approve and authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Principals, and (assuming the valid execution and delivery of this Agreement by Buyer) constitutes a valid and binding agreement of Principals, enforceable against Principals in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

2.05 Consents and Approval; No Violation. Except as set forth on Schedule 2.05 of the Disclosure Schedule, neither the execution and delivery of this Agreement or the Stock Purchase Agreement by Principals and Sellers, as the case may be, nor the consummation by Principals or Sellers of the transactions contemplated hereby or thereby, nor compliance by any Principal or Seller with the provisions hereof or thereof, will (i) require any Principal, the Company or any Seller to file or register with, notify, or obtain any permit, authorization, consent or approval of, any governmental or regulatory authority

except (A) for filings with the Federal Trade Commission ("FTC") and with the Antitrust Division of the United States Department of Justice (the "Antitrust Division") pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 as amended (the "HSR Act") and the rules and regulations thereunder or (B) for those requirements which become applicable to the Company as a result of the specific regulatory status of Buyer or as a result of any other facts that specifically relate to the business activities in which Buyer is engaged or (C) for filings with the Federal Communications Commission ("FCC") pursuant to Section 25.119 of the FCC Rules, 47 C.F.R. Sec. 25.119, with regard to the Company's FCC licenses for satellite earth station facilities and Section 5.5 of the FCC Rules, 47 C.F.R. Sec. 5.5, with regard to the Company's experimental FCC authorizations, as listed on Schedule 2.05 of the Disclosure Schedule or (D) for any requirements of federal or state securities laws; (ii) conflict with or breach any provision of the Articles of Incorporation, By-laws or trust agreement (or other similar governing documents) of the Company or any Principal; (iii) violate or breach a provision of, or constitute a default (or

an event which, with notice or lapse of time or both would constitute a default) under, any of the terms, covenants, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which any Principal or the Company is a party, or by which any Principal or the Company or any of their respective properties or assets may be bound, except for such breaches or defaults which when considered together do not have a material adverse effect on the transactions contemplated by this Agreement or the Stock Purchase Agreement, or on the assets, liabilities, business or financial condition of the Company, taken as a whole; or (iv) assuming compliance with all antitrust laws (including the HSR Act), violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to any Principal or the Company or any of their material assets, except for violations which, when considered together, do not have a material adverse effect on the transactions contemplated by this Agreement or the Stock Purchase Agreement, or on the assets, liabilities, business or financial condition of the Company, taken has a whole.

2.06 Financial Statements. Principals have delivered to Buyer the audited consolidated balance sheets of the Company as of December 31, 1996 and 1995, and the related consolidated statements of operations and retained earnings and cash flows for the years then ended, including the notes thereto, together with the reports thereon of Coopers & Lybrand, L.L.P. (the "Audited Financial Statements"). The Audited Financial Statements (i) have been prepared in accordance with the books and records of the Company, and (ii) present fairly the financial position of the Company as of December 31, 1996 and 1995, respectively, and the results of operations for the years then ended, all in conformity with generally accepted accounting principles. Principals have also delivered to Buyer the unaudited balance sheets of the Company as of December 31, 1997 and February 28, 1998, and the related statements of income, changes in

capital accounts and changes in financial position for the periods then ended (the "Unaudited Financial Statements"). The Unaudited Financial Statements (x) have been prepared in accordance with the books and records of the Company, and (y) present fairly the financial position of the Company as of December 31, 1997 and February 28, 1998, respectively, and the results of operations for the periods then ended, provided that Buyer acknowledges that the Unaudited Financial Statements were prepared internally and have not been audited or prepared in accordance with generally accepted accounting principles. (The Audited Financial Statements and Unaudited Financial Statements are sometimes referred to collectively herein as the "Financial Statements"). The Unaudited Financial Statements do not contain any items of special or nonrecurring income or any other income not earned in the ordinary course of business except as expressly disclosed therein or as set forth in Schedule 2.06 of the Disclosure Schedule.

2.07 [Intentionally left blank.]

2.08 Absence of Certain Changes or Events. Except (i) as set forth in Schedule 2.08 of the Disclosure Schedule, (ii) as disclosed in the other Schedules hereto, or (iii) as reflected in the Financial Statements, since February 28, 1998, the Company has not (a) taken any action specified in Sections 4.01 (a)-(o) herein (other than actions taken after the date hereof with the consent of Buyer), (b) suffered any material adverse change in its

assets, liabilities, business, results of operations or financial condition, (c) suffered any damage, destruction or casualty loss adversely affecting any material assets of the Company, or (d) entered into any transaction, or conducted its business or operations, other than in the ordinary and usual course of business, consistent with past practices.

2.09 Title and Related Matters. (a) Except as set forth on Schedule 2.09 of the Disclosure Schedule, the Company does not own any real property. All of the material properties, rights and assets, tangible and intangible, now used in or sufficient for the conduct by the Company of its business as presently conducted are either owned, leased or licensed by the Company. The interests of the Company in its properties, rights and assets (whether owned or as a lessee) are free and clear of all Liens other than (i) Liens for taxes and installments of any special assessments not yet due and payable, (ii) Liens which do not materially affect the use by, or value to, the Company of its rights and assets, (iii) other covenants, conditions, Liens, restrictions, easements, charges or encumbrances that are of record against the real property owned or leased by the Company, (iv) mechanics, carriers workers, repairers and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not delinquent and which are not, individually or in the aggregate, material to the Company, (v) zoning, entitlement, building and other land use regulations imposed by governmental agencies and (vi) Liens set forth on Schedule 2.09 of the Disclosure Schedule. The term "Liens" shall mean any pledge, lien, security

interest, conditional sale agreement, or other similar encumbrance.

(b) Except as set forth on Schedule 2.09 of the Disclosure Schedule, the real properties owned or leased by the Company are used and operated in substantial compliance and in conformity in all material respects with all applicable laws, leases, contracts, commitments, licenses and permits. With respect to all buildings which are owned or leased by the Company, except for restrictions under applicable zoning laws and ordinances, no condition, law or regulation precludes or restricts the use of such properties for the purposes for which they are used.

2.10 Material Contracts. Except as set forth in Schedule 2.10 of the Disclosure Schedule, the Company does not have nor is it bound by (a) any agreement, contract or commitment relating to the employment of any person by the Company, or any bonus, commission, severance or termination pay, deferred compensation, pension, profit sharing, stock option, employee stock purchase, retirement or other employee benefit plan, (b) any agreement, indenture or other instrument which contains restrictions with respect to payment of dividends or any other distribution in respect of its capital stock, (c) any agreement, contract or commitment relating to capital expenditures in excess of $10,000, (d) any loan or advance to, or investment in, any other person other than cash advances in the ordinary course of business consistent with past practice, or any agreement, contract or commitment relating to the making of any such loan, advance or investment except for cash advances in the ordinary course of business consistent with past practice, (e) any debt obligation for borrowed money or any guarantee or other contingent liability in respect of any indebtedness or obligation of any other person (other than the endorsement of negotiable instruments for collection and other similar transactions in the ordinary course of business), (f) any management, distributorship, sales, service (personal or otherwise), consulting or any other similar type of contract, (g) any agreement, contract or commitment limiting the freedom of the

Company to engage in any line of business or to compete with any other person or in any area, (h) any other agreement, contract or commitment which contains an existing obligation of the Company to pay $25,000 or more and is not cancelable without penalty within 30 days, (i) any outstanding powers of attorney or proxies granted to any person for any purpose whatsoever, (j) any contract or oral or written agreement for the acquisition of any other person, (k) any agreement as to which the United States Government, any state, local or municipal government or any foreign government or any agency or instrumentality of any of the foregoing is a party, exclusive of any such agreement which contains solely the provisions set forth in a form contract used by the Company in its ordinary course of business, which forms have been previously made available to Buyer, or (l) any proposed contract or agreement which upon acceptance of a customer or third party would create a binding obligation upon the Company and which would not be cancelable without penalty within thirty (30) days and would involve a commitment to pay $25,000 or more annually (all such

oral or written agreements, contracts, arrangements and commitments are hereinafter referred to as the "Material Contracts"). True, complete and correct copies of all such written contracts, commitments, agreements or arrangements described on Schedule 2.10 of the Disclosure Schedule will have been made available to Buyer prior to Closing. To the best knowledge of Principals, Schedule 2.10 of the Disclosure Schedule contains a complete list of all such oral contracts, agreements, commitments or arrangements and identifies which of such contracts are oral in nature. Except as set forth on Schedule 2.10 of the Disclosure Schedule, under the Material Contracts, there are no defaults on the part of the Company or events which, with notice or lapse of time or both, would constitute defaults on the part of the Company, which defaults, individually or in the aggregate, would have a material adverse effect on the assets, liabilities, business, results of operation or financial condition of the Company taken as a whole. No Principal or the Company has received any notice from the other party to such Material Contracts of the termination or threatened termination thereof and no Principal has knowledge of the occurrence of any event which would allow such other party to terminate such Material Contract except as otherwise disclosed in the Disclosure Schedule. Except as set forth on Schedule 2.10 of the Disclosure Schedule or any other Schedule hereto, no indebtedness of the Company will be accelerated by its terms, or result from the consummation of the transactions contemplated hereby.

Schedule 2.10 of the Disclosure Schedule contains a complete list of all agreements providing for the payment of severance pay to employees of the Company (the "Termination Benefits Agreements"). Except as expressly indicated on Schedule 2.10 of the Disclosure Schedule, no event has occurred under any of the Termination Benefits Agreements which alone or upon the giving of notice or the passage of time or both would obligate the Company to make any payment under any of the Termination Benefits Agreements.

2.11 Major Customer Contracts. Schedule 2.11 of the Disclosure Schedule identifies the twenty customer agreements that yielded the greatest amount of revenues to the Company for the month of February, 1998 (the "Major Customer Contracts"). With respect to the Major Customer Contracts:

(a) The Company is the party that provides the services under each of the Major Customer Contracts and, except as set forth in Schedule 2.11 of the Disclosure Schedule, no Major Customer Contract contains provisions to the effect that it will be subject to termination or renegotiation as a result of the transactions contemplated hereby;

(b) Prior to Closing Principals will have made available to Buyer correct and complete copies of all of the Major Customer Contracts and all amendments thereto and all extensions and renewals thereof;

(c) Except as set forth on Schedule 2.11 of the Disclosure Schedule, no notice of termination of a Major Customer Contract has been received by the

Company, and no such customer has indicated in writing its intention to terminate a Major Customer Contract;

(d) There are no credits, monies or the like in excess of $1,000 due to any customer who is a party to a Major Customer Contract other than pursuant to the terms of the Major Customer Contracts;

(e) Except as set forth on Schedule 2.11 of the Disclosure Schedule, the Company has not received any written notice of any warranty or indemnity claims by any customer under a Major Customer Contract which has not been settled to the satisfaction of the customer claimant;

(f) Except as set forth on Schedule 2.11 of the Disclosure Schedule, the Company has not received any written notice of default from any customer under any of the Major Customer Contracts; and

(g) Except as set forth in Schedule 2.11 of the Disclosure Schedule, the Company has not received any notice of the filing by or against any customer who is a party to a Major Customer Contract of a petition in bankruptcy, assignment for the benefit of creditors, a petition seeking reorganization, composition, liquidation, dissolution or similar arrangement.

2.12 Leases. Schedule 2.12 of the Disclosure Schedule sets forth an accurate list of (a) all written leases under which the Company is a lessee or lessor of real property or office space and (b) all other leases to which the Company is a party (as lessee) involving annual rental payments in excess of $12,000. All rents and additional rent due to date on such leases have been paid and in each case, the lessee has been in peaceable possession since the commencement of the original term of such lease or arrangement and is not in default thereunder. Except as set forth on Schedule 2.12 of the Disclosure Schedule, there is not, with respect to leases referred to in clauses (a) and (b) above, any existing default, or an event of default, or event which, with or without notice or lapse of time or both, would constitute a default or an event of default, on the part of the Company.

2.13 Proprietary Rights; Computer Programs, Databases and Software. Schedule 2.13 of the Disclosure Schedule contains a complete list of all trademarks, trade names, assumed names, service marks, logos, patents, patent applications (both United States and foreign), copyrights and copyright registrations, and any applications for registration and registrations therefor presently owned or held by the Company or with respect to which the Company owns or holds any license or other direct or indirect interest (collectively, the

"Proprietary Rights"); and no other material Proprietary Rights are used in or, to the knowledge of Principals, are necessary for the conduct of the business of the Company as such business is presently conducted. Unless otherwise indicated in such Schedule 2.13 of the Disclosure Schedule, the Company owns sufficient

right, title and interest in and to the material Proprietary Rights for the conduct of its business. To the knowledge of Principals, no material Proprietary Rights used by the Company conflict with or infringe the rights of any other person. No claims have been asserted by any person with respect to the ownership, validity, license or use of the Proprietary Rights and no Principal knows of any basis for such claim. The Company has taken reasonable measures which it believes to be appropriate to maintain and protect the Proprietary Rights. The Company has the right to use all material Proprietary Rights, to provide and sell the services and products provided and sold by it, and to conduct its business as heretofore conducted, and, except as set forth on Schedule 2.13 of the Disclosure Schedule, the consummation of the transactions contemplated hereby and by the Stock Purchase Agreement will not alter or impair any such rights. Except as set forth on Schedule 2.13 of the Disclosure Schedule, no person is known to be infringing on or violating the Proprietary Rights used by the Company.

(b) Prior to the Closing, copies of the license agreements relating to all computer programs, databases and software used by the Company shall have been made available to Buyer. The Company owns, leases or licenses and has the right to use computer programs, databases and software which are sufficient and adequate to operate the business of the Company as it is presently being conducted. Except as set forth on Schedule 2.13 of the Disclosure Schedule, all such computer programs, databases and software and the source codes thereof have been maintained only at the Company's offices at 11400 Rupp Drive, Burnsville, Minnesota. Except as set forth in Schedule 2.13 of the Disclosure Schedule, the Company has not sold, licensed, leased or otherwise transferred or granted any interest or rights to any of its computer programs, databases or software to any other person.

2.14 Litigation. Schedule 2.14 of the Disclosure Schedule sets forth a complete list and an accurate description of all claims, actions, suits, proceedings and (to the knowledge of Principals) investigations pending or, to the knowledge of Principals, threatened, by or against or involving the Company or its business and, in the case of collection claims which have been asserted, those involving claims in excess of $3,000. Based solely on the advice of its counsel with respect to probable outcomes, but without in any manner guaranteeing those outcomes, Principals do not believe that any such pending or threatened claims, actions, suits, proceedings or investigations, if adversely determined, would, individually or in the aggregate, materially adversely affect the business, financial condition, results of operations or prospects of the Company taken as a whole or the transactions contemplated hereby and by the Stock Purchase Agreement. The Principals do not know of any reasonable basis for any other such claim, action, suit, proceeding or investigation. The Company is not subject to any judgment, order or decree entered in any lawsuit or proceeding which may have a material adverse effect on any of its operations, business practices or on its ability to acquire any property or conduct business in any area.

2.15 Employee Benefit Matters. (a) Except as disclosed on Schedule 2.15(a) of the Disclosure Schedule hereto and as described in subparagraph (b) (i)

below, neither the Company nor any member of the Control Group (within the meaning of section 414(b) of the Internal Revenue Code of 1986, as amended (the "Code") maintains, contributes to, or has any current obligation to, for, on behalf of or with respect to current or former employees of the Company, any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), multiemployer plan (as defined in ERISA Section 3(37)), stock purchase plan, stock option plan or deferred compensation agreement, plan or funding arrangement (collectively "Employee Plans").

(b) (i) The only employee welfare benefit plans (as defined in ERISA Section 3(1)) maintained by the Company are set forth on Schedule 2.15(b) of the Disclosure Schedule (collectively "Company Plans"). Copies of the Company Plans have been furnished to Buyer.

(ii) For each Company Plan:

(A) each such Company Plan which is intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meets such requirements in all material respects;

(B) there is no disqualified benefit (as such term is defined in Code Section 4976(b)) which would subject Sellers, the Company or Buyer to a tax under Code Section 4976(a);

(C) each and every such Company Plan which is a group health plan (as such term is defined in Code Section 162 (i)(3)) complies and has complied with the applicable requirements of Code Section 162(k), Title XXII of the Public Health Service Act and the applicable provisions of the Social Security Act in all material respects; and

(D) each such Company Plan (including any such plan covering former employees of the Company) may be amended or terminated by the Company or Buyer on or at any time after the Closing Date.

2.16 Governmental Authorizations and Regulations. The Company has all material licenses, franchises, permits and other governmental authorizations necessary to the conduct of its business, as presently conducted, and the same are in full force and effect. The business of the Company is being conducted in compliance in all material respects with all applicable laws, ordinances, rules and regulations of all governmental authorities relating to its properties or applicable to its business and in compliance in all material respects with all applicable licenses, franchises, permits and other governmental authorizations. Except as set forth on Schedule 2.16 of the Disclosure Schedule, the Company has not received any notice of any alleged violation of any of the foregoing.

2.17 Labor Matters. Except as set forth in Schedule 2.17 of the Disclosure

Schedule, (i) the Company is in compliance in all material respects with all applicable laws respecting health and occupational safety, employment and employment practices, terms and conditions of employment and wages and hours (including, without limitation, the Federal Immigration Reform and Control Act

of 1986), (ii) there is no unfair labor practice complaint against the Company pending or threatened before the National Labor Relations Board, (iii) there are no proceedings pending or threatened before the National Labor Relations Board with respect to the Company, (iv) there are no discrimination charges (relating to sex, age, religion, race, color, national origin, ethnicity, handicap or veteran status or any other basis protected by relevant law) pending before any federal, state or local agency or authority against the Company or any of its employees, (v) no grievance which might have a material adverse effect upon the Company is currently pending, (vi) the Company is not bound by any collective bargaining agreement and there is no collective bargaining agreement currently being negotiated by the Company and (vii) the Company has not experienced any material labor difficulty during the past three years.

2.18 Insurance. The Company maintains insurance coverage which Principals believe to be sufficient for compliance with all requirements of law and of all agreements to which the Company is a party and Principals believe such insurance provides adequate insurance coverage for the business of the Company. With respect to all policies, all premiums currently payable or previously due and payable with respect to all periods up to and including the date hereto have been paid and no notice of cancellation or termination has been received with respect to any such policy. Such policies will remain in full force and effect through the respective dates set forth in such policies without the payment of additional premiums, unless called for in its original terms.

2.19 Tax Matters. (a) Except as set forth in Schedule 2.19 of the Disclosure Schedule, the Company and its subsidiaries have filed within the time and in the manner prescribed by law all Federal, state, local and foreign tax returns and tax reports which are required on or before the date hereof to be filed by, or with respect to, them. Such returns and reports accurately reflect all liability for taxes of the Company and its subsidiaries for the periods covered thereby. All Federal, state, local and foreign income, profits, franchise, sales, use, occupancy, excise, withholding, payroll, employment and other taxes and assessments (including interest and penalties) payable by, or due from, the Company or its subsidiaries have been fully paid or adequately disclosed and provided for in the Financial Statements of the Company.

(b) The Company has not filed any election or caused any deemed election under Section 338 of the Code.

(c) Except as set forth in Schedule 2.19 of the Disclosure Schedule, (i) neither the Company nor any of its subsidiaries is delinquent in the payment of any Taxes (as defined in Section 8.10(f) hereof), and (ii) no extensions of time

have been granted to the Company or any of its subsidiaries to file any return required by applicable law to be filed by it prior to the date hereof, which have expired without such return having been filed.

(d) The federal income tax returns of the Company (or returns of any consolidated group which include the Company) have not been examined by the Internal Revenue Service (the "IRS"). No foreign income tax return of the Company or any of its subsidiaries has been examined by the tax authority having jurisdiction thereover.

(e) The Company has not participated (nor will the Company participate prior to the Closing) in or cooperate with an international boycott within the meaning of Section 999 of the Code.

(f) Except as set forth in Schedule 2.19 of the Disclosure Schedule, all transactions which could give rise to a substantial understatement of federal income tax (within the meaning of Section 6661 of the Code) were adequately disclosed on the returns required in accordance with Section 6661(b)(2)(8) of the Code.

2.20 Transactions with Affiliates. Except as expressly provided in this Agreement or as set forth in Schedule 2.20 of the Disclosure Schedule, the Company does not owe any amount or have any liability (contingent or otherwise), contract, commitment, arrangement or obligation to or with Sellers or any persons known by any Principal to be affiliates of any Seller. Except as set forth on Schedule 2.20 of the Disclosure Schedule, no Principal owns, directly or indirectly, any interest that will survive the Closing in, or is a director or employee of, or consultant to, any organization that is a competitor in the United States, supplier, licensor, customer, creditor or debtor of the Company. No Seller or Principal or persons known by any Principal to be affiliates of any Seller have any material interest in any significant property, real or personal, tangible or intangible, of the Company.

2.21 Accounts Receivable. Except as set forth on Schedule 2.21 of the Disclosure Schedule, the accounts receivable reflected on the January 31, 1998 balance sheet contained in the Financial Statements and all accounts receivable arising between January 31, 1998 and the date hereof arose from bona fide transactions in the ordinary course of business. Except as set forth on Schedule 2.21 of the Disclosure Schedule, no account has been assigned or pledged to any other person, firm or corporation and no defense or setoff to any such account has been asserted by the account obligor.

2.22 Environmental Matters. Except as set forth in Schedule 2.22 of the Disclosure Schedule:

(a) The Company is in material compliance with, and has not done anything to be in material violation of, the terms and conditions of all environmental

permits, licenses, and other authorizations required under all applicable federal, state and local laws relating to the environment, or the premises owned, leased or occupied by them.

(b) To the knowledge of Principals, there are no conditions at, on, under or related to, the real property listed in Schedule 2.09 of the Disclosure Schedule as being owned by the Company (collectively, the "Premises") which presently poses a significant hazard to human health or the environment. There has been no production, use, treatment, storage in underground tanks, pits, or surface impoundments, transportation or disposal by the Company of any Hazardous Substance, as hereinafter defined, on the Premises, nor any release or threatened release by the Company of any Hazardous Substance, pollutant or contaminant into or upon or over the Premises or into or upon ground or surface water at or within 2,000 feet of the boundaries of the Premises in such form or

quantities so as to create any material liability for the Company. To the knowledge of Principals, except as set forth in Schedule 2.22 of the Disclosure Schedule, there are no asbestos or asbestos-containing materials incorporated into the buildings or interior improvements that are part of the Premises or other assets to be indirectly transferred pursuant to this Agreement. For purposes of this Agreement, "Hazardous Substance" shall mean, any hazardous or toxic substance, material or waste which is regulated by any local governmental authority, or any State or the United States Government.

(c) Principals have delivered to Buyer copies of all engineering and environmental studies, such as site analyses and core sampling, environmental reports, test results, notices, or other similar information, pertaining to the Premises that the Company has in its possession, or to which it is entitled to possession (the "Environmental Reports") and, except as set forth in Schedule 2.22, the Principals know of no event or occurrence which would cause the Environmental Reports to no longer be accurate. Buyer, at Buyer's expense, may cause to be made engineering and environmental studies, such as site analyses and core sampling, in order to determine the environmental condition of the Premises.

2.23 Brokers and Finders. No Principal has employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representation or promise of any of them in connection with the transactions contemplated hereby.

2.24 Books and Records. The minute books of the Company, as previously made available to Buyer, constitute the only written records maintained by the Company of all meetings of and corporate actions or written consents by the respective stockholders and Boards of Directors of the Company. Except as set forth in Schedule 2.24 of the Disclosure Schedule, the Company does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any

means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership or license and direct control of the Company.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof, Buyer represents and warrants to Principals as follows:

3.01 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.02 Authority Relative to this Agreement. Buyer has all necessary power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of

Directors of Buyer and no other proceedings on the part of Buyer or its stockholders are necessary to approve and authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of this Agreement by Principals) constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

3.03 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement or the Stock Purchase Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby or thereby, nor compliance by Buyer with any of the provisions hereof or thereof, will (i) require Buyer to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority except (A) for filings with the FTC and with the Antitrust Division pursuant to the HSR Act and the rules and regulations thereunder or (B) for those requirements which become applicable to Buyer as a result of the specific regulatory status of the Company or as a result of any other facts that specifically relate to the business activities in which the Company is or proposes to be engaged; (ii) conflict with or breach any provision of the Certificate of Incorporation or by-laws of Buyer; (iii) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any of the terms, covenants conditions or provisions of any note, bond mortgage, indenture deed of trust,

license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Buyer is a party, or by which Buyer or any of its properties or assets may be bound, except for such breach or default which would not have a material adverse effect on the transactions contemplated by this Agreement taken as a whole; or (iv) assuming compliance with all antitrust laws (including the HSR Act) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Buyer or any of its material assets, which violation would have a material adverse effect on the transactions contemplated by this Agreement taken as a whole.

3.04 Litigation; Compliance with Law. Buyer is not a party to any action or proceeding which seeks, or is subject to, any outstanding order, writ, injunction or decree, which restrains or enjoins consummation of the transactions contemplated hereby or which otherwise challenges the transactions contemplated hereby and (ii) there is no litigation, administrative, arbitral or other proceeding, or petition or complaint or, to the knowledge of Buyer, investigation before any court or governmental or regulating authority or body pending or, to the knowledge of Buyer, threatened against or relating to Buyer that would materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement.

3.05 Brokers and Finders. Buyer has not employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representations or promise of Buyer, in connection with the transactions contemplated hereby.

3.06 Purchase for Investment. Buyer will acquire all of the outstanding stock of the Company to be purchased by it hereunder for its own account for investment and not with a view toward any resale or distribution thereof. Buyer understands that the Shares have not been registered under the Securities Act of 1933, as amended, or the securities laws of any states and, accordingly, the Shares may not be resold by Buyer unless registered under the 1933 Act and applicable state securities laws, or sold in transactions which are exempt from registration thereunder.

ARTICLE IV
COVENANTS OF THE PARTIES

4.01 Conduct of Business of the Company. During the period from the date of this Agreement to the Closing Date, and except as otherwise expressly provided in this Section 4.01 or Schedule 4.01 of the Disclosure Schedule, Principals will cause the Company to (i) conduct its business and operations according to its ordinary course of business consistent with past practice, (ii) use its reasonable best efforts to preserve intact its business organization and its relationship with licensors, suppliers, distributors, employees, customers and others having business relationships with them, except as may otherwise be

agreed by Principals and Buyer, and (iii) use its reasonable best efforts to maintain the Major Customers Contracts in full force and effect in accordance with their terms up to the Closing Date. As used in this Article IV and elsewhere in this Agreement, the term "reasonable best efforts" shall not require the party using such efforts to make any payment to any other party which it is not otherwise required to pay. Without limiting the generality of the foregoing and except as otherwise expressly provided in Schedule 4.01 of the Disclosure Schedule, prior to the Closing without the prior written consent of Buyer, Principals will not permit the Company to:

(a) change or amend its Articles of Incorporation or By-laws (or similar governing documents);

(b) (i) create, incur or assume any debt, liability or obligation, direct or indirect, whether accrued, absolute, contingent or otherwise, other than normal trade obligations incurred in the ordinary course of business consistent with past practice and borrowings by the Company in the ordinary course under its current lines of credit or (ii) pay any debt, liability or obligation of any kind other than current liabilities incurred in the ordinary course of business consistent with past practice and current maturities of existing long-term debt or (iii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person, or make any loans or advances to any person, except in the ordinary course of business consistent with past practice; provided, however, that without the prior written consent of Buyer, the Company shall not enter into a new agreement to provide services or products to a reseller of such services or products or to a competitor of Buyer (except in either case with respect to renewals of agreements with current customers in the ordinary course) or amend any Major Customer Contract in a material adverse manner to the Company;

(c) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of the Company, or redeem or otherwise acquire any of the capital stock of the Company or split, combine or otherwise similarly change the capital stock of the Company or authorize the creation or issuance of or issue or sell any shares of its capital stock or any securities or obligations convertible into or exchangeable for, or giving any person any right to acquire from it, any shares of its capital stock, or agree to take any such action;

(d) (i) change in any manner the rate or terms of compensation or bonus payable or to become payable to any director, officer or employee or (ii) change in any manner the rate or terms of any insurance, pension, severance, or other employee benefit plan, payment or arrangement made to, for or with any employees;

(e) discharge or satisfy any lien other than in the ordinary course of

business and consistent with past practice, or subject to any Lien any assets or properties, except for any Liens that would otherwise be permitted under Section 2.09 hereof;

(f) except as otherwise permitted in this Section 4.01, enter into any agreement or commitment for any borrowing, capital expenditure or capital financing in excess of $50,000 individually or in the aggregate;

(g) sell, lease, transfer or dispose of any of its properties or assets, waive or release any rights of material value, or cancel, compromise, release or assign any indebtedness owed to it or any claims held by it in each case other than in the ordinary course of business consistent with past practice;

(h) make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any material property or assets of any other individual, firm, corporation or entity, except in the ordinary course of business consistent with past practice;

(i) except as required by generally accepted accounting principles (A) utilize accounting principles different from those used in the preparation of the Financial Statements, (B) change in any manner its method of maintaining its books or accounts and records from such methods as in effect on the date of the Financial Statements, or (C) accelerate booking of revenues or the deferral of expenses, other than as shall be consistent with past practice and in the ordinary course of business;

(j) take any action to permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination or cancellation replacement policies providing substantially the same coverage and which are obtainable on substantially the same economic terms are in full force and effect; provided, however that if the Company shall receive notice of any such cancellation or termination, it shall so notify Buyer promptly upon receipt thereof and, if feasible upon the payment of a premium which is not materially

greater than the premium payable under such terminated or canceled policy, obtain simultaneously with such termination or cancellation such replacement policies;

(k) enter into any collective bargaining agreement;

(l) settle or compromise any claim, suit or cause of action involving more than $10,000;

(m) license, transfer, grant, waive, release, permit to lapse or otherwise fail to preserve any of the material Proprietary Rights, dispose of or permit to

lapse any material license, permit or other form of authorization, or dispose of any customer list;

(n) terminate, materially amend or fail to perform any of its material obligations under any Material Contract; or

(o) enter into an agreement to do any of the things described in clauses (a) through (n) above.

4.02 Current Information. During the period from the date of this Agreement to the Closing, unless already disclosed in Schedule 4.01 of the Disclosure Schedule, Principals will promptly notify Buyer in writing of any significant development not in the ordinary course of business consistent with past practice or of any material adverse change in the assets, liabilities, business, financial condition, prospects or results of operation of the Company and of any governmental complaints, investigations or hearings of which they or the Company have been advised involving the Company, or the institution or threat of the institution of any litigation or proceedings involving the Company of which they or the Company have been advised.

4.03 Access to Information. Between the date of this Agreement and the Closing Date, Principals will cause the Company to (i) afford Buyer and its designated representatives full access to the premises, books and records of the Company, and (ii) cause the Company's officers, and use its reasonable best efforts to cause the Company's advisors (including, without limitation, their auditors, attorneys and other advisors) to furnish Buyer and its designated representatives (including Buyer's auditors, accountants, attorneys and representatives) with financial and operating data and other information with respect to the business and properties of the Company for the purpose of permitting Buyer to make such investigation of the business, properties, financial and legal condition of the Company as Buyer deems necessary or desirable to familiarize itself therewith. Any information delivered to Buyer hereunder shall be subject to that certain Confidentiality Agreement between the Company and Buyer dated as of December 30, 1997.

4.04 Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the respective party that incurred such cost or expense (it being understood, however, that all reasonable legal fees and expenses so incurred by Principals shall be paid by Company.

4.05 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement and except as otherwise provided herein, all of the parties hereto will use their reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective

the transactions contemplated by this Agreement and the Stock Purchase Agreement. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or the Stock Purchase Agreement or to put Buyer in possession of all of the Shares of the Company or the Company in possession of all of its assets, each party to this Agreement will, or will cause its affiliates as the case may be, to take all such necessary action including, without limitation, the execution and delivery of such further instruments and documents as may reasonably be requested by the parties hereto for such purposes or otherwise to complete or perfect the transactions contemplated by this Agreement and the Stock Purchase Agreement.

4.06 Consents. Each of the parties hereto will use its reasonable best efforts to obtain the written consents of all persons and governmental authorities required to be obtained by each such party and necessary to the consummation of the transactions contemplated by this Agreement and the Stock Purchase Agreement. In addition, Principals shall cause the Company to use its reasonable best efforts to obtain the written consent of all persons to the material contracts shown on Schedule 2.05 of the Disclosure Schedule as requiring consent to the transactions contemplated by this Agreement and the Stock Purchase Agreement, except those contracts with Norwest Bank Minnesota, National Association and the Small Business Administration Certified Development Company Program "504" Notes.

4.07 Filings. (a) Buyer, Principals and Sellers will promptly file with the FTC and the Antitrust Division pursuant to the HSR Act all requisite documents and notifications in connection with the transactions contemplated by this Agreement and the Stock Purchase Agreement. Buyer and each Principal will coordinate and cooperate with each other in exchanging such information and providing such reasonable assistance as the others may require to comply with the HSR Act. Buyer acknowledges and agrees that it is responsible for the filing fee required under the HSR Act.

(b) Buyer will, and Principals will cause the Company to, promptly file with the FCC all requisite applications in connection with the transfer of control of all FCC-licensed satellite earth station facilities and experimental FCC authorizations currently held by the Company. In addition, Buyer will, and Principals will cause the Company to, promptly file with the FCC all requisite applications in connection with the transfer of control of all FCC equipment authorizations currently held by the Company pursuant to Section 2.935 of the FCC Rules, 47 C.F.R. Sec. 2.935 and an application for international communications services pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. Sec. 214. With regard to the foregoing FCC filings, Buyer will, and Principals will cause the Company to, coordinate and cooperate with each other in exchanging such information and providing such reasonable assistance as the other may require to comply with the FCC Rules. Buyer acknowledges and agrees that it is responsible for the FCC filing fees required for these filings pursuant to the FCC Rules.

4.08 Disclosure Supplements. From time to time prior to the Closing, Principals will promptly supplement or amend ("Disclosure Supplements") any Schedules referred to in this Agreement with respect to any matter hereafter arising which, if existing or occurring at or prior to the date of this Agreement, Principals determine would have been required to be set forth or described in a Schedule or which is necessary to correct any information in a Schedule or in any representation or warranty of Principals which has been rendered inaccurate thereby. The representations and warranties of Principals shall be amended by the Disclosure Supplements in all respects and for all purposes other than for the purposes of determining satisfaction of the conditions to Closing set forth in Article V.

4.09 Public Announcements. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement pursuant to Section 7.01 hereof, Principals and Buyer will consult with each other before any of them or the Company issues any press releases or otherwise makes any public statements (including statements made to employees of the Company) with respect to this Agreement and the Stock Purchase Agreement and the transactions contemplated hereby and thereby.

4.10 Transfer Taxes. All transfer taxes (including all stock transfer taxes, if any) incurred in connection with this Agreement or the Stock Purchase Agreement and the transactions contemplated hereby or thereby will be borne by the respective Sellers, and such Sellers will, at their own expense, file all necessary tax returns and other documentation with respect to all such transfer taxes, and, if required by applicable law, the other parties hereto will (and will cause the Company to) join in the execution of any such tax returns or other documentation.

4.11 No Solicitation. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement pursuant to Section 7.01 hereof, Principals shall not, and Principals shall cause the Company not to, initiate, solicit, encourage, or participate in, any discussions with, or provide any information to, any corporation, partnership, person, entity or group, other than Buyer and its employees and agents, concerning any merger, consolidation, sale of assets or similar transaction involving the Company, or any sale of Shares or capital stock of the Company, including securities convertible into or exchangeable for such securities, by the issuer (any such transaction being referred to herein as an "Acquisition Proposal"). Principals will suspend any pre-existing discussions involving any Acquisition Proposal and will immediately advise Buyer if the Company or Principals receive any Acquisition Proposal from any corporation, partnership, person, entity or group.

4.12 Access to Customers and Suppliers. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement pursuant to Section 7.01 hereof, Principals will cause the Company to permit a representative of Buyer to accompany a representative of the Company when they meet with or talk to the officers and employees of the customers and suppliers of the Company. In addition, Principals will cause the Company to permit a representative of Buyer to meet with or talk to the officers and employees of

the customers and suppliers of the Company, provided, however, that the Company shall have a right to have a representative present at such meetings and discussions.

4.13 Bank Accounts. Principals will cause the Company to deliver to Buyer at least 3 business days prior to the Closing an accurate and complete list showing the name and address of each bank in which the Company has an account or safe deposit box, the number of any such account or any such box and the names of all persons authorized to draw thereon or to have access thereto.

4.14 Employees of the Company; Benefits. (a) It is the intent of the parties that Principals will not be responsible for, and that the Company will be responsible for, any amounts required by law or policies of general application, including, but not limited to, the Worker Adjustment and Retraining Notification Act and any similar state laws that are applicable to the Company, to be paid as a result of termination or layoff of any employee of the Company.

(b) Effective on the Closing Date, Buyer shall provide or cause the Company to provide (or continue to provide) to each person who is and remains employed by the Company after the Closing, including without limitation each such person on medical, disability, family or other leave of absence immediately prior to the Closing (collectively, the "Employees"), employee benefit plans (hereafter, "Buyer's Plans") which are those generally provided from time to time by Buyer to its employees at substantially the same level of employment. Nothing in this Section 4.15(c) shall obligate the Buyer or the Company to continue to maintain any of Buyer's Plans for any specific period of time after the Closing or to continue employment of such Employees. Buyer may satisfy the foregoing obligations by causing the Company to continue such plans of the Company set forth on Schedules 2.15(a) and 2.15(b) effective as of the date hereof as Buyer desires but only if such plans provide for a comparable level of benefit as is provided under the applicable Buyer Plan. Buyer also may delay the transition of the Employees to Buyer's Plans to the next available open enrollment period or entry date under the applicable Buyer Plan.

(c) For purposes of eligibility, vesting and entitlement to vacation, if permitted by Buyer's Plans, each Employee shall be given credit under Buyer's Plans (including without limitation the vacation policy(ies) included within Buyer's Plans) for such Employee's service with the Company prior to the Closing Date to the extent such service was credited under the Company's plans effective immediately prior to the Closing; and, if permitted by Buyer's Plans, each Employee and covered dependent thereof shall be allowed to participate in each of Buyer's Plans without regard to preexisting conditions, waiting periods, or actively at work requirements and, if permitted by Buyer's Plans, will receive credit toward deductibles and co-payments for expenses under the Company's medical and dental plans prior to Closing. Each Employee shall be credited under the vacation policy(ies) included within Buyer's Plans with all vacation accrued by such Employee prior to the Closing Date under the vacation policy(ies)

included within the Company's plans effective prior to the Closing and not used by such Employee prior to the Closing Date; provided, however, no Employee shall be credited with more than two (2) weeks of unused vacation accrued from plan years preceding the plan year in which Closing occurs. Upon termination after the Closing of any Employee's employment with the Company, Buyer shall pay or cause the Company to pay to such Employee the amount of all vacation accrued by such Employee prior to the Closing Date and not used by such Employee prior to

such termination of employment, excluding unused vacation in excess of two (2) weeks accrued from plan years preceding the plan year in which Closing occurs.

(d) Following the Closing, Buyer shall cause the Company to create a pool of $1,800,000 to be distributed by the Chief Executive Officer of the Company to certain key employees of the Company as fully paid, non-contingent retention bonuses.

4.15 Employment Agreement. At the Closing, Stephen P. Kavouras and the Company shall enter into an employment agreement in the form attached hereto as Exhibit A, dated as of the Closing Date.

4.16 Non-Competition Agreement. At the Closing, Stephen P. Kavouras and the Buyer shall enter into a Confidentiality and Non-Competition Agreement in the form attached hereto as Exhibit B, dated as of the Closing Date.

4.17 Radac Patent Agreement. At or prior to the Closing, Stephen P. Kavouras shall, at no expense to the Company or Buyer, terminate his rights to receive any royalties, fees or other payments pursuant to the Agreement for Title Transfer of Radac Patent dated May 6, 1986, between Stephen P. Kavouras and the Company, and shall transfer to the Company, in form sufficient for filing in the U.S. Patent and Trademark Office, all of its right, title and interest in the Radac patent which is the subject of such agreement.

4.18 1997 Audited Financial Statements. Prior to Closing, Principals shall cause the Company to deliver to Buyer the audited consolidated balance sheets of the Company as of December 31, 1997, and the related consolidated statements of operations and retained earnings and cash flows for the year then ended, including the notes thereto, together with the unqualified report thereon of Coopers & Lybrand, L.L.P. (the "1997 Audited Financial Statements"). Principals will jointly and severally represent and warrant to Buyer at Closing, on the form of certificate attached hereto as Exhibit D, that the 1997 Audited Financial Statements (i) have been prepared in accordance with the books and records of the Company, and (ii) present fairly the financial position of the Company as of December 31, 1997, and the results of operations for the year then ended, all in conformity with generally accepted accounting principles.

4.19 Tax Matters. Principals shall cause all tax allocation, tax sharing and similar agreements, if any, to which the Company is or was a party at any

time on or before the Closing Date to be terminated as of the Closing Date. After the Closing, the Company shall have no obligation for the payment of any amount pursuant to any such agreement, except as expressly provided for in the Financial Statements. Principals agree that they will cause the Company to prepare its fiscal 1997 U.S. federal income tax returns based upon the 1997 Audited Financial Statements. Principals agree that they will not permit the Company to amend its U.S. federal income tax returns relating to periods prior to January 1, 1997 in a manner that would adversely affect the Company or Buyer, without the consent of Buyer.

4.20 Meteognosis S.A.. Prior to Closing, Principals shall cause the Company to divest itself of any ownership interest in Meteognosis S.A., a Greek corporation, without incurring any additional material liability with respect to such investment not reflected on the Financial Statements.

ARTICLE V
CONDITIONS

5.01 Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party hereto to effect the transactions contemplated by this Agreement and the Stock Purchase Agreement shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) No statute, rule, regulation, executive order, decree, injunction or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental authority, nor shall any action or proceeding brought by any governmental authority or agency be pending, which (i) prevents, restricts or delays or seeks to prevent, restrict or delay the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement, or (ii) seeks a material amount of monetary damages in connection with the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement.

(b) Sellers, Principals and Buyer and any other person (as defined in the HSR Act) required in connection with the transactions contemplated hereby and in the Stock Purchase Agreement to file a Notification and Report Form for Certain Mergers and Acquisitions with the Antitrust Division and the FTC pursuant to the HSR Act shall have made such filings and all applicable waiting periods with respect to each such filing (including any extensions thereof) shall have expired or been terminated.

(c) Buyer and the Company shall have filed with the FCC all requisite applications in connection with the transfer of control of all FCC-licensed satellite earth station facilities, experimental FCC authorizations, and equipment authorizations currently held by the Company pursuant to the FCC

Rules, and each such application shall have been approved by the FCC.

(d) Each condition to closing set forth in the Stock Purchase Agreement shall have been fulfilled at or prior to Closing, or such condition shall have been waived by the party whose obligations under such Stock Purchase Agreement were contingent upon such condition.

(e) Seventy-five percent (75%) of the shares held by non-interested shareholders of the Company (as defined in Section 280(g) of the Internal Revenue Code of 1986, as amended) shall have approved the payments to be made to Stephen P. Kavouras under the Employment Agreement and the Confidentiality and Non-Competition Agreement.

5.02 Conditions to the Obligations of Principals to Effect the Transactions Contemplated Hereby. The obligations of Principals to effect the transactions contemplated by this Agreement and the Stock Purchase Agreement shall be further subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by any Principal in writing:

(a) Buyer shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement and the Stock Purchase Agreement required to be performed and complied with by it at or prior to the Closing and all representations and warranties of Buyer contained in this Agreement and the Stock Purchase Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (as if the Closing Date was the date of this Agreement), and Principals shall have received certificates to that effect signed by the President or any Vice President of Buyer together with such other documents, instruments and writings required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement and the Stock Purchase Agreement or otherwise reasonably required by Buyer in connection herewith or therewith.

(b) Principals shall have received an opinion from counsel to Buyer, dated the Closing Date, to the effect set forth in Exhibit C hereto.

(c) Buyer shall have delivered to Principals a copy of the Certificate of Incorporation of Buyer, including all amendments thereto, certified by the Secretary of State of the State of Delaware and (ii) a certificate from the Secretary of the State of Delaware to the effect that Buyer is in good standing in such State.

(d) No actions or proceedings which have a material likelihood of success shall have been instituted or, to the knowledge of Buyer, threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(e) All material consents, waivers, authorizations, licenses and approvals, if any, necessary to permit Principals and Sellers to consummate the transactions contemplated by this Agreement and the Stock Purchase Agreement shall have been received.

(f) All documents and instruments to be delivered at Closing or otherwise in connection with the transactions contemplated by this Agreements and the Stock Purchase Agreement shall be reasonably satisfactory in form and substance to Principals, Sellers and their counsel.

(g) Buyer and DTN Market Communications Group, Inc. shall have performed all of their obligations under that certain Agreement Regarding Purchase of Contract and Contract Rights dated of even date herewith with the Company required to be performed by them prior to the Closing.

5.03 Conditions to the Obligations of Buyer to Effect the Transactions Contemplated Hereby. The obligations of Buyer to effect the transactions contemplated hereby shall be further subject to the fulfillment at or prior to

the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by Buyer in writing:

(a) Principals and Sellers shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement and the Stock Purchase Agreement required to be performed and complied with by them at or prior to the Closing and all representations and warranties of Principals and Sellers set forth in this Agreement and the Stock Purchase Agreement shall be true and correct in all material respects as of the date of this Agreement and as amended by any Disclosure Supplements as of the Closing Date (as if the Closing Date was the date of this Agreement), and Buyer shall have received a certificate to that effect signed by Principals, in the form attached hereto as Exhibits D, together with such other documents, instruments and writings required to be delivered by Principals and Sellers or by the Company at or prior to the Closing pursuant to this Agreement and the Stock Purchase Agreement or otherwise required in connection herewith or therewith, provided, however, that if the Disclosure Supplements reveal a material change from the Schedules attached hereto at the date hereof that is unacceptable to Buyer, Buyer shall not be obligated to effect the transactions contemplated hereby. The immediately foregoing proviso, however, shall not apply to changes in the Disclosure Supplements regarding the matters set forth in Schedule 5.03(a) of the Disclosure Schedule, as to which changes Buyer shall not be relieved from its obligations to effect the transactions contemplated hereby.

(b) Principals shall have delivered to Buyer (i) copies of the Company's Articles of Incorporation including all amendments thereto certified by the Secretary of State of the State of Minnesota, (ii) a certificate from the

Secretary of State to the effect that the Company is in good standing and listing all charter documents of the Company on file, (iii) a certificate from the Secretary of State or other appropriate official in each state in which the Company is qualified to do business to the effect that the Company is in good standing in such state and (iv) certificates as to the tax status of the Company in the State of Minnesota and each state in which the Company is qualified to do business.

(c) Prior to the Closing Date, there shall be no material adverse change in the assets or liabilities, the business or condition, financial or otherwise, or the results of operations of the Company, from February 28, 1998 and Principals shall have delivered to Buyer the certificate in the form attached hereto as Exhibit D, dated the Closing Date, to such effect; provided, however, that this Section 5.03(c) shall not apply to, and no condition to Closing or right of Buyer to elect not to effect the transactions contemplated herein shall be created, as a result of any action or occurrence contemplated by Schedule 5.03(a) of the Disclosure Schedule.

(d) No action or proceedings which have a reasonable likelihood of success shall have been instituted or, to the knowledge of any Principal, threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby or by the Stock Purchase Agreement.

(e) Each party hereto shall have received all material consents, waivers, approvals, licenses or other authorizations required from any governmental or non-governmental entity for the execution, delivery and performance of this Agreement and the Stock Purchase Agreement by the parties hereto and thereto.

(f) Buyer shall have received an opinion from Faegre & Benson, LLP, counsel to Principals, dated the Closing Date, to the effect set forth in Exhibit E hereto.

(g) No injunction or other court order requiring that any part of the business or assets of the Company be held separate or divested or that any business or assets of Buyer or any affiliate of Buyer be divested, or imposing or involving any conditions on Buyer or its affiliates or the Company, which could be reasonably expected to have a material adverse effect on the assets, liabilities, business, financial condition, prospects or results of operations of either Buyer or any affiliate of Buyer on the one hand, or the Company on the other hand, shall be in effect and no proceedings shall be pending by or before, or threatened in writing by or before, any governmental body or court of competent jurisdiction with respect thereto.

(h) The Company shall not have taken any of the actions set forth in Section 4.01(a) - (o) to the extent such actions were not permitted under Section 4.01 and had, individually or in the aggregate, a material adverse effect on the assets, liabilities, business, results of operations or financial

condition of the Company, taken as a whole.

(i) Buyer shall have received satisfactory evidence of the resignation as of the time of Closing of such of the present officers (in their capacity as corporate officers only) of the Company (other than Stephen P. Kavouras) as Buyer may request at least 3 business days prior to Closing.

(j) Other than as disclosed in the Disclosure Schedule, there shall not be in effect at the Closing Date any contractual provisions restricting the ability of the Company or any affiliate thereof to conduct any business or compete with any person or restricting the area in which it may conduct any business.

(k) Buyer and its counsel shall have approved (which approval shall not be unreasonably withheld) all documents and instruments to be delivered at the Closing or otherwise in connection with the transactions contemplated by this Agreement and the Stock Purchase Agreement.

(l) Buyer shall have received the 1997 Audited Financial Statements and they shall not show a material adverse change in the assets or liabilities, the business or condition, financial or otherwise, or the results of operations of the Company when compared to the Unaudited Financial Statements; provided, however, that this Section 5.03(l) shall not apply to, and no condition to Closing or right of Buyer to elect not to effect the transactions contemplated herein shall be created, as a result of any such action or occurrence contemplated by Schedule 5.03(a).

ARTICLE VI
SURVIVAL AND INDEMNIFICATION

6.01 Survival of Representations, Warranties and Covenants. All covenants and agreements of any party hereto set forth herein shall survive the Closing for the period provided for in such covenant or, if not so provided, for a period of one year. The representations and warranties set forth herein shall survive the Closing and shall remain in effect for a period of one year from the Closing Date, provided that (x) any claim for indemnification which is asserted within the time period set forth in Section 6.02(d) shall survive such one year period, for the period set forth in such Section, and (y) any claim for indemnification pursuant to Section 6.02(a)(iii) shall survive indefinitely.

6.02 Post-Closing Indemnification. (a) From and after the Closing Date, each Principal shall jointly and severally defend, indemnify and hold harmless Buyer and its subsidiaries (including the Company) and each of their successors, assigns, officers, directors and employees (the "Buyer Indemnitee Group") against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses

(collectively, "Damages"), suffered by any of them as a result of, or arising from: (i) except for matters referred to in clauses (ii) and (iii) hereof, any inaccuracy in or breach of or omission from any of the representations or warranties made by Principals in Article II of this Agreement or pursuant hereto (as amended by the Disclosure Supplements), or any nonfulfillment, partial or total, of any of the covenants or agreements made by Principals in this Agreement to the extent not waived by Buyer in writing; (ii) any claim, action, suit, proceeding or investigation of any kind by WSI Corporation or its successors or assigns relating to or arising from the relationship between the Company and EarthWatch, including without limitation any claim, action, suit, proceeding or investigation by WSI Corporation in connection with that certain Letter of Intent between the Company and EarthWatch referred to in Schedule 2.14 of the Disclosure Schedule, or agreements entered into between the Company and EarthWatch pursuant to such Letter of Intent; and (iii) there being outstanding at the Closing any shares of capital stock of the Company other than those set forth on Schedule 1 attached to the Stock Purchase Agreement or any right of a person to purchase or receive any additional shares of capital stock or other securities of the Company, including without limitation any outstanding subscriptions, scrip, warrants, commitments, conversion rights, calls, options or agreements to issue or sell additional securities of the Company.

(b) From and after the Closing Date, Buyer shall defend, indemnify and hold harmless Principals and their heirs, trustees, successors and assigns against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses, suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by Buyer in Article III of this Agreement or pursuant hereto, or any non-fulfillment,

partial or total, of any of the covenants or agreements made by Buyer in this Agreement to the extent not waived by Principals in writing.

(c) If a claim by a third party is made against an indemnified party, and if such party intends to seek indemnity with respect thereto under this Article VI, the indemnified party shall promptly (and in any case within ten days of such claim being made) notify the indemnifying party of such claim, provided, however, that the failure to so notify the indemnifying party shall not discharge the indemnifying party of its obligations hereunder except that the indemnifying party shall not be liable for default judgments or any amounts related thereto if the indemnified party shall not have so notified the indemnifying party. Subject to the following sentence, the indemnifying party shall have thirty days after receipt of such notice to undertake, conduct and control, through counsel of its own choosing (which is satisfactory to the indemnified party) the settlement or defense thereof, and the indemnified party shall cooperate with it in connection therewith (provided that the indemnifying

party shall permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees and expenses of such counsel shall be borne by the indemnified party) and the indemnifying party shall promptly reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expenses as incurred by the indemnified party within limits of this Article VI. Notwithstanding anything herein to the contrary, the indemnified party shall have the right to conduct and control the defense of any such claim in the event that such claim (including a claim for equitable relief) or the continuation of such claim could reasonably be expected to materially adversely affect the business, results of operations, prospects or financial condition of the indemnified party or any of its affiliates, provided, however, that (i) in such event the indemnified party's selection of counsel shall be subject to the approval of the indemnifying party, which approval shall not be unreasonably withheld, and (ii) the indemnified party may not settle any claim for an amount in excess of $25,000 or consent to any settlement which imposes equitable remedies on the indemnifying party or its affiliates without the prior consent of the indemnifying party, which consent shall not be unreasonably withheld, unless the indemnified party agrees to waive any right to indemnity therefor by the indemnifying party. If the indemnifying party does not notify the indemnified party within thirty days after the receipt of the indemnified party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof or if the indemnifying party is not reasonably contesting the claim in good faith, the indemnified party shall have the right to contest, settle or compromise the claim in the exercise of its reasonable judgment, and all losses incurred by the indemnified party, including all fees and expenses of counsel for the indemnified party, shall be paid by the indemnifying party.

(d) Claims for indemnification made pursuant to Section 6.02(a)(i) or Section 6.02(b) shall be made within a period of one year from the Closing Date. Notwithstanding anything to the contrary in this Article VI, claims for indemnification pursuant to Section 6.02(a)(ii) shall be made within five years from the Closing Date, and claims for indemnification pursuant to Section 6.02(a)(iii) may be made at any time and such indemnification obligation shall survive indefinitely.

6.03 Limitation on Indemnification. (a) Notwithstanding the provisions of Section 6.02(a) hereof, Principals shall not be obligated to indemnify and hold

harmless the Buyer Indemnitee Group: (i) with respect to the indemnification contained in clause (i) of Section 6.02(a), unless and until the aggregate amount of all claims for which indemnification is sought under such clause (i) exceeds Eighty Thousand Dollars ($80,000), and then only as to the amount by which aggregate claims thereunder exceed $80,000; and (ii) with respect to the indemnification contained in clause (ii) of Section 6.02(a), unless and until the aggregate amount of all claims for which indemnification is sought under such clause (ii) exceeds One Million Dollars ($1,000,000), and then only as to

the amount by which aggregate claims thereunder exceed $1,000,000. Notwithstanding the provisions of Section 6.02(b) hereof, Buyer shall not be obligated to indemnify and hold harmless Principals until the aggregate of all claims for which indemnification is sought against Buyer under Section 6.02(b) of this Agreement and Section 6.02(a) of the Stock Purchase Agreement exceeds, in the aggregate, Eighty Thousand Dollars ($80,000), and then only as to the amount by which aggregate claims thereunder exceed $80,000.

(b) There shall be no limitations (either minimum thresholds or maximum amounts) applicable to the indemnification contained in clause (iii) of Section 6.02(a).

(c) Subject to the last sentence of this Section 6.03(c), the aggregate liability of Principals with respect to the indemnification contained in clause (i) of Section 6.02(a), after giving effect to the limitations set forth in Section 6.03(a) hereof, and Buyer's aggregate liability with respect to the indemnifications contained in Section 6.02(b) of this Agreement and Section 6.02(a) of the Stock Purchase Agreement, after giving effect to the limitations set forth in Section 6.03(a) hereof, shall not exceed $2,000,000, and each party hereto waives (on its own behalf, and on behalf of all indemnified persons named hereunder benefiting from such party's indemnification) any and all rights, claims and causes of action that it or such persons may have against the indemnifying party under such indemnification provisions to the extent such rights, claims and causes of action would or could result in aggregate liability of the indemnifying party in excess of $2,000,000. Subject to the last sentence of this Section 6.03(c), the aggregate liability of Principals with respect to the indemnification contained in clause (ii) of Section 6.02(a), after giving effect to the limitations set forth in Section 6.03(a) hereof, shall not exceed $1,000,000, and Buyer waives (on its own behalf and on behalf of the Buyer Indemnitee Group) any and all rights, claims and causes of action that it or the Buyer Indemnitee Group may have against Principals under such Section 6.02(a)(ii) to the extent such rights, claims and causes of action would or could result in aggregate liability of Principals in excess of $1,000,000. Notwithstanding the foregoing provisions of this Section 6.03(c), the aggregate liability of each Trust with respect to the indemnifications contained in clauses (i) and (ii) of Section 6.02(a) of this Agreement and Section 6.02(b) of the Stock Purchase Agreement shall not exceed the amount set forth opposite such Trust's name in Schedule 1 attached to the Stock Purchase Agreement, being the purchase price for such Trust's Shares.

(d) Except for liability provided for in Section 7.02(b) hereof and the remedy of specific performance provided for in Section 8.12 hereof, each party hereto acknowledges and agrees that his or its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VI. In furtherance of the foregoing, each party waives, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action that it may have against the other party arising under or based upon any

federal, state or local statute, law, ordinance, rule or regulation, or arising under or based upon common law or otherwise, except to the extent provided in this Article VI.

ARTICLE VII
TERMINATION AND ABANDONMENT

7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of Principals and Buyer; or

(b) by either Buyer or Principals if the Closing shall not have occurred on or before December 31, 1998 or such later date as may be agreed upon by Buyer and Principals; or

(c) upon the termination of the Stock Purchase Agreement.

7.02 Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by any or all of the parties pursuant to Section 7.01, written notice thereof shall forthwith be given to the other parties to this Agreement and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(a) the parties hereto will promptly redeliver to the Company, Principals or Buyer, as the case may be, all documents, work papers and other materials of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof; and

(b) no party hereto shall have any liability or further obligation to any other party to this Agreement pursuant to this Agreement except (i) with respect to Section 4.04, and (ii) solely with respect to terminations pursuant to Section 7.01(b), any party whose material breach of any covenant or agreement hereunder shall have resulted in the failure of the transactions contemplated by this Agreement to close, shall be liable for breach of contract or otherwise, to the extent provided by law (it being understood, however, that any matter set forth on a Disclosure Supplement hereunder shall not be construed as a breach or default of this Agreement); provided, however, that this subsection (b) (ii) shall not be construed to limit the remedies otherwise available with respect to such defaulting party.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.01 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Buyer and Principals.

8.02 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party or parties entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 8.02.

8.03 No Third Party Beneficiaries. Except as provided in this Agreement, nothing in this Agreement shall confer any rights upon any person or entity which is not a party or a permitted assignee of a party to this Agreement.

8.04 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by cable, telegram or telex, telecopy, courier, express mail delivery service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

(a) if to Principals, to:

Stephen P. Kavouras
11400 Rupp Drive
Burnsville, Minnesota 55337
Facsimile: 612-882-4447

with a copy to:

Faegre & Benson, L.L.P.
2200 Norwest Center
90 South Seventh Street
Minneapolis, Minnesota 55402
Attn: Andrew G. Humphrey
Facsimile: 612-336-3026

(b) if to Buyer, to:

Data Transmission Network Corporation
9110 West Dodge Road
Suite 200
Omaha, Nebraska 68114
Attn: Greg T. Sloma, President
Facsimile: 402-390-7188

with a copy to:
Abrahams Kaslow & Cassman
8712 West Dodge Road
Suite 300
Omaha, Nebraska 68114
Attn: R. Craig Fry
Facsimile: 402-392-0816

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

8.05 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties.

8.06 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by the law of the State of Nebraska as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies without giving effect to the principles of choice of law thereof.

8.07 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.08 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

8.09 Entire Agreement. This Agreement, including the Exhibits hereto and the agreements (including the Stock Purchase Agreement), documents, schedules, certificates and instruments referred to herein embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions. Notwithstanding the foregoing, the terms of that certain Confidentiality Agreement between the Company and Buyer dated December 30, 1997 shall continue in effect.

8.10 Certain Definitions.

(a) An "affiliate" of a person shall mean any person which, directly or indirectly, controls, is controlled by, or is under common control with, such person.

(b) The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

(c) The term "person" shall mean and include an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(d) The term "day" shall mean a calendar day unless otherwise stated.

(e) The term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person.

(f) For purposes of this Agreement, "Taxes" shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign) upon the Company or its subsidiaries.

(g) Whenever any representation or warranty contained in this Agreement is qualified by reference to the knowledge, information or belief of a party, such party confirms that it has made due and diligent inquiry as to the matters that are the subject of such representation and warranty.

8.11 Severability. The parties hereto acknowledge that the provisions of this Agreement are reasonable under the circumstances. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

8.12 Specific Performance. Each of the parties hereto acknowledges and agrees that the other parties hereto would be irreparably damaged in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, each of the parties

hereto agrees that they each shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having

personal and subject matter jurisdiction, in addition to any other remedy to which such party may be entitled at law or in equity. In the event of any action or proceeding to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' and expert's fees and costs in addition to such other relief as may be granted.

8.13 Primary Obligation. The obligations and liabilities of Principals under this Agreement shall be primary and shall be the joint and several obligation and liability of each Principal. Principals agree that in any right of action which may accrue to Buyer under this Agreement, Buyer may proceed against any of the Principals without having commenced any action or having obtained any judgment and without first attempting to collect or proceed against any other Principal or any of the Sellers pursuant to the Stock Purchase Agreement.

IN WITNESS WHEREOF, Principals and Buyer have signed, or caused this Agreement to be signed by their respective representatives, as the case may be, as of the date first above written.

DATA TRANSMISSION NETWORK CORPORATION

By: /s/ Greg T. Sloma

Greg T. Sloma, President

STEPHEN P. KAVOURAS REVOCABLE TRUST UNDER AGREEMENT DATED SEPTEMBER 13, 1995

By: /s/ Stephen P. Kavouras

Stephen P. Kavouras, Trustee

IRREVOCABLE GST TRUST FOR STEPHEN P. KAVOURAS UNDER AGREEMENT DATED JULY 29, 1997

By _____

Stephen P. Kavouras, Trustee

And _____
Laura Burrow, Trustee

EXHIBIT A

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into as of the _____ day of _____, 1998, between KAVOURAS, INC. (the "Company"), a Minnesota corporation, and STEPHEN P. KAVOURAS (the "Executive").

* * *

WHEREAS, the Company, a subsidiary of Data Transmission Network Corporation ("DTN"), desires to employ the Executive as its President and Chief Executive Officer; and

WHEREAS, the Executive desires to accept such employment.

NOW, THEREFORE, in consideration of the foregoing recitals and the respective covenants and agreements of the parties contained in this document, the Company and the Executive agree as follows:

1. Employment and Duties. The Company hereby employs the Executive as its President and Chief Executive Officer and agrees to cause the Executive during the term of this agreement to be elected or appointed to such corporate offices and as a director of the Company. The duties and responsibilities of the Executive shall consist of the duties and responsibilities of the Executive's corporate offices and positions which are set forth in the bylaws of the Company from time to time and such other duties and responsibilities consistent with the Executive's corporate offices and positions which the Board of Directors of the Company may from time to time assign to the Executive. During the term of this agreement, the Executive shall serve as a director of the Company without additional compensation.

2. Term. The term of this agreement shall begin on the date of this agreement and shall continue thereafter for a period of sixty (60) months, unless terminated earlier in accordance with this agreement. The Executive shall remain an employee at-will. Either the Executive or the Company may terminate the employment relationship at any time, with or without any reason, subject to the other provisions of this agreement. Each party shall provide the other party with one hundred eighty (180) days advance written notice of his or its intention to terminate this agreement, except in the event of the termination of

Executive's employment pursuant to any of the first three sentences of Section 11 of this agreement.

3. Place of Employment. During the term of this agreement, the Executive will perform his duties at the Company's offices in Burnsville, Minnesota, and he will not be required to relocate or transfer his principal residence during the term of this agreement.

4. Compensation. The Company agrees to pay the Executive a signing bonus (the "Signing Bonus") of Four Hundred Fifty Thousand Dollars ($450,000). The Signing Bonus shall be paid in full on the date of this agreement, and is not subject to forfeiture. In addition, the Company agrees to pay the Executive a

base salary (the "Base Salary") of One Hundred Sixty Thousand Dollars ($160,000) per year (it being understood, however, that Executive shall be eligible for discretionary increases in such Base Salary in a manner similar to senior executives of DTN). The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Annual Bonus. The Executive shall participate in the Company's annual bonus plan in effect during the term of this agreement which will reward targeted performance by the Executive in a manner similar to senior executives under DTN's annual bonus plan in effect during the term of this agreement. Without limiting the foregoing, if the goals by which the Executive's performance is measured are reached for the first year of such plan, the annual bonus would represent approximately 75% of the Executive's Base Salary.

6. Special Bonus. In addition to the Executive's Base Salary and any other benefits to which the Executive is entitled under this agreement, the Executive also shall be entitled to receive a bonus (the "Bonus") from the Company of fifteen percent (15%) of the net proceeds, if any, received by the Company from the sale, transfer or other disposition of the Class C Common Shares (or other equity) issued or to be issued to the Company pursuant to that certain Master Agreement dated October 15, 1997, between the Company and New Horizons Telecasting, Inc. The Executive shall be eligible for the Bonus even if the Executive is no longer an employee of the Company at the time of such sale, provided that such eligibility shall terminate upon the fifth anniversary of the termination of employment of the Executive (except if the Company terminates the employment of the Executive without Cause, in which case such eligibility shall terminate upon the later of such date and the tenth anniversary of the date of this agreement. The Bonus shall be paid to the Executive promptly after the proceeds of the sale, transfer or other disposition have been received by the Company.

7. Expenses. During the term of this agreement, the Executive shall be entitled to prompt reimbursement by the Company of all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by the Executive

(in accordance with the policies and procedures established by the Company for its senior executive officers, which shall be similar to those for DTN's senior executives) in the performance of his duties and responsibilities under this agreement; provided, that the Executive shall properly account for such expenses in accordance with Company policies and procedures.

8. Other Benefits. During the term of this agreement, the Executive shall be entitled to all of the fringe benefits which are provided to employees of the Company generally. During the term of this agreement, the Executive also shall be entitled to participate in such other fringe benefits, benefit plans or programs which the Company or DTN from time to time may make available either to its employees generally or to its senior executive officers, such as but not limited to the Data Transmission Network Corporation 401(k) plan.

9. Vacations and Holidays. The Executive shall be entitled to paid vacations and holidays in accordance with the Company's policies in effect from time to time for its senior executive officers, which shall be similar to those for DTN's senior executives.

10. Other Activities. The Executive shall devote substantially all of his working time and efforts during the Company's normal business hours to the business affairs of the Company and to the diligent and faithful performance of the duties and responsibilities assigned to him pursuant to this agreement, except for vacations and holidays. Despite the foregoing, the Executive shall be free to invest his assets in such manner as will not require any substantial services by the Executive in the conduct of the businesses or affairs of the entities or in the management of the properties in which such investments are made.

11. Termination. The Executive's employment under this agreement shall terminate upon his death. If the Executive becomes incapable by reason of physical injury, disease, or mental illness of substantially performing his duties and responsibilities under this agreement for a period of six (6) continuous months or more, then the Company may terminate the Executive's employment under this agreement. The Company also may terminate the Executive's employment under this agreement for Cause; however, for purposes of this agreement, "Cause" shall mean only (i) confession or conviction of theft, fraud, embezzlement, or any other crime involving dishonesty with respect to the Company or any parent, subsidiary, or affiliate of the Company, (ii) material violation of the provisions of any confidentiality agreement or non-competition agreement in force between the Company or DTN and the Executive, (iii) habitual and material negligence by the Executive in the performance of his duties under or pursuant to this agreement, (iv) material non-compliance by the Executive with his obligations under Section 10 (after having received written notice thereof and a right to cure) or (v) failure of the Executive to abide by the lawful directives of the Board of Directors of the Company that are not inconsistent with the terms of this Agreement. In the event of the termination

of the Executive's employment pursuant to any of the first three sentences of this Section 11 or if the Executive voluntarily terminates employment with the Company, the Executive (or, in the event of the Executive's death, his estate) shall be entitled to retain the entire Signing Bonus and that portion of the Base Salary earned by the Executive up to the effective date of such termination, provided that during any period when the Executive is incapable by reason of physical injury, disease, or mental illness of substantially performing his duties and responsibilities under this agreement, the Company may subtract from such Base Salary the amount of any payments which the Executive receives from Company-sponsored disability insurance as a reimbursement for lost earnings or wages relating to such period.

12. Termination Without Cause. If the Company terminates the employment of the Executive for any reason other than those referred to in Section 11, the Company shall pay the Executive, upon the effective date of such termination, the then current present value of all remaining payments of Base Salary that would have been paid hereunder but for such termination, less applicable employee tax withholdings and deductions. For purposes of the foregoing present value determination, a discount rate equal to the prime rate on corporate loans at large U.S. money center commercial banks as quoted in the "Money Rates" column of the Wall Street Journal on such effective date shall be used. Except as provided in Sections 11 and 12 of this agreement, the Executive shall not receive any additional severance pay upon his termination of employment, regardless of the Company's severance policy for its employees generally.

13. Successors and Assigns. This agreement and all rights under this agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees, successors, and assigns. This agreement is personal in nature, and neither of the parties to this agreement shall, without the written consent of the other, assign or transfer this agreement or any right or obligation under this agreement to any other person or entity.

14. Notices. For purposes of this agreement, notices and other communications provided for in this agreement shall be deemed to be properly given if delivered personally or sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:
Stephen P. Kavouras
11400 Rupp Drive
Burnsville, MN 55337

If to the Company:
Data Transmission Network Corporation
9110 West Dodge Road, Suite 200
Omaha, NE 68114

or to such other address as either party may have furnished to the other party in writing in accordance with this paragraph. Such notices or other communications shall be effective only upon receipt.

15. Miscellaneous. No provision of this agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and is signed by the Executive and an officer of the Company (other than the Executive) so authorized by the Board of Directors of the Company. No waiver by either party to this agreement at any time of any breach by the other party of, or compliance by the other party with, any condition or provision of this agreement to be performed by the other party shall be deemed to be a waiver of similar or dissimilar provisions or conditions at the same or any prior or

subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this agreement have been made by either party that are not expressly set forth in this agreement.

16. Validity. The invalidity or unenforceability of any provision or provisions of this agreement shall not affect the validity or enforceability of any other provision of this agreement, which other provision shall remain in full force and effect; nor shall the invalidity or unenforceability of a portion of any provision of this agreement affect the validity or enforceability of the balance of such provision. The provisions of this agreement are severable.

17. Counterparts. This document may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

18. Headings. The headings of the paragraphs contained in this document are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this agreement.

19. Applicable Law. This agreement shall be governed by and construed in accordance with the internal substantive laws, and not the choice of law rules, of the State of Nebraska.

20. Arbitration. In the event a dispute shall arise as to the parties' respective rights, duties and obligations under this agreement, or in the event of a claim for breach of this agreement by either party (collectively, "Dispute"), the parties agree to utilize arbitration as the exclusive means for resolution of the Dispute. With respect to any such Dispute, the arbitrator shall be selected and the arbitration conducted in accordance with the most recent Employment Dispute Resolution Rules of the American Arbitration Association. The arbitration proceeding shall be held in Omaha, Nebraska, Minneapolis, Minnesota, or such other location as may be acceptable to the

parties. The arbitrator shall make written findings, including any award, which shall be signed by the arbitrator. The award shall be deemed final and binding thirty (30) days after the award is made. The parties agree to abide by and perform any award rendered by the arbitrator. The arbitrator shall be bound by the provisions of this agreement in determining any award. The parties agree that the proceedings and any decision by the arbitrator, including the amount of any award, shall be kept confidential and not disclosed to any person other than the parties, witnesses and their counsel (who also must each agree to maintain the confidentiality of the proceedings and any decision). A party may enforce any award in any court of competent jurisdiction.

IN WITNESS WHEREOF, the Company and the Executive have executed this agreement on the day and year first above written.

KAVOURAS, INC., a Minnesota corporation

By: /s/ Stephen P. Kavouras
Title: _____

Stephen P. Kavouras

EXHIBIT B

CONFIDENTIALITY AND
NON-COMPETITION AGREEMENT

THIS AGREEMENT is made and entered into as of the _____ day of _____, 1998, by Stephen P. Kavouras ("Shareholder") for the benefit of Data Transmission Network Corporation, a Delaware corporation, and its subsidiaries and affiliated corporations (collectively, "DTN").

R E C I T A L S:

A. Prior to the date hereof, Kavouras, Inc. has operated a business which gathers, formats, and distributes various weather information services and manufactures and sells world-wide radar equipment and other weather related equipment and accessories. For purposes of this Agreement, all of the businesses of Kavouras, Inc. are collectively referred to herein as the "Business".

B. Pursuant to the terms and conditions of that certain Stock Purchase Agreement dated _____, 1998, effective today, Data Transmission Network Corporation acquired all of the capital stock of Kavouras, Inc. (the "Company") and, accordingly, DTN has acquired beneficial ownership of the Business.

C. DTN operates communication and information service businesses which are currently conducted throughout the United States of America and Canada.

D. Shareholder was the beneficial owner of a majority of the outstanding shares of capital stock of the Company and Chief Executive Officer of the Company. As a result of Shareholder's executive position with the Company, Shareholder was entrusted with highly sensitive, confidential, and proprietary information relating to the Business, including but not limited to knowledge regarding the future plans, trade secrets, know-how, products, suppliers, clients, and employees of the Business, which information DTN desires to protect.

E. In order to prevent the improper use of confidential and proprietary information relating to the Business and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business which were acquired by DTN, Shareholder agrees that limitations must be imposed on Shareholder's right to compete with the Business, or use confidential information of the Business or its clients.

NOW, THEREFORE, in consideration of the foregoing recitals and DTN acquiring the Business, the parties agree as follows:

SECTION 1 - NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) "Confidential Information" means information, not generally known, that is proprietary to the Business, including without limitation:

1) the financial and accounting data, sales records, profit and loss and other performance reports, pricing manuals, training manuals, selling and pricing procedures, financing methods, data processing and communication information, technical data, securities information, agreements with insurers, banks, and other service providers, and trade secrets and know-how regarding the products and services of the

Business;

2) the personnel and salary information of the Business, including wages, bonuses, commissions, and fringe benefits of the Business;

3) the production and processing procedures, formulae and systems of the Business;

4) the vendor and supplier information of the Business;

5) the buying practices, sources of supply for components, the quality, prices and usage of components, information and materials, manner of vendor payment, profit margins, expense ratios, pricing, lead time and other information concerning the buying activities of the Business;

6) the client lists and prospect lists of the Business, including, without limitation, names of contacts, products and services purchased, quantities of products and services purchased, pricing including discounts and add-ons, terms, credit histories, timing of purchases, and payment histories, special demands of particular clients, and current and anticipated requirements of clients generally for products or services of the Business;

7) the marketing information of the Business, including, without limitation, research, development, testing and client surveys and preferences regarding the current and new products or services of the Business, and specifications of any new products or services under development by or for the Business;

8) the business projections, strategic planning, marketing planning, activity and practices, marketing systems and procedures, pricing policies and practices, and inventory procedures and systems of the Business; and

9) confidential information of the clients of the Business.

Notwithstanding the foregoing, "Confidential Information" shall not include any of the items in this Section which (i) have become publicly known and made generally available through no wrongful act of Shareholder or of others who

Shareholder did not know and had no reasonable basis for knowing were under confidentiality obligations as to the item or items involved or (ii) have become available to Shareholder on a non-confidential basis from another source that has represented that it is entitled to disclose it to the general public.

(b) Shareholder hereby agrees not to directly or indirectly disclose any Confidential Information to any third party without the prior written consent of

DTN, except to the extent disclosure is required by law or regulatory or judicial order. Shareholder further agrees not to use, directly or indirectly, any Confidential Information for the benefit of Shareholder or any third party.

SECTION 2 - RESTRICTIONS AGAINST COMPETITION.

In order to prevent the improper use of Confidential Information and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business which were acquired by DTN, Shareholder hereby agrees that for a period of five (5) years after the date of this Agreement (except as otherwise provided in clause (f) below), Shareholder will not, directly or indirectly, on his own behalf or in the service or on behalf of others:

a) solicit any client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

b) advise or recommend to any other person that such person solicit any client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

c) solicit any prospective client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

d) advise or recommend to any other person that such person solicit any prospective client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

e) work for himself or a competitor in an employee, managerial, marketing, sales, consulting or other capacity in carrying on a business similar to or in competition with (i) the Business or other weather information services provided by DTN, or (ii) prospective services being developed by the Business during Shareholder's employment with the Company, the details of which Shareholder was privy to in Shareholder's position with the Company; provided that notwithstanding the foregoing, Shareholder shall thereafter still be restricted from using the Confidential Information pursuant to Section 1 hereof; or

f) for a period commencing the date hereof and continuing until the first anniversary of Shareholder's termination of employment with the Company, solicit or recruit for employment, or attempt to solicit or recruit for employment, or advise or recommend to any other person that such person solicit or recruit for employment, or attempt to solicit or

recruit for employment, any person who was employed by the Company and worked in the Business during the twelve (12) month period immediately preceding the effective date of the acquisition of the Company by DTN and who continued to be employed by the Company after the effective date of such acquisition.

The phrase "prospective client" shall mean those businesses with whom any representative of either the Company or the weather services operators of DTN had substantial and extended actual and personal contact during the twelve (12) month period immediately preceding any such act to develop new business for the Business, including developing sales strategies, marketing information and proposals, and negotiating providing services to such prospective clients.

Shareholder agrees that it is reasonable to restrict the Shareholder's competition during the time period described above in the entire geographic area in which the Company or DTN operates and that the restrictions set forth in this Agreement (including, but not limited to, the period of restriction, activity and geographic area set forth) are fair and reasonable and are necessarily required for the protection of the interests of DTN and to prevent the improper use of Confidential Information and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business acquired by DTN.

SECTION 3 - ENFORCEMENT OF RESTRICTIONS.

Shareholder understands and agrees that his access to the Confidential Information and clients of the Business makes such restrictions both necessary and reasonable.

Shareholder agrees with DTN that if Shareholder shall violate or threaten to violate any of the terms of this Agreement, then DTN shall be entitled to injunctive relief; such remedy shall be in addition to and not in limitation of any rights or remedies to which DTN is or may be entitled to at law or in equity.

The parties agree that the covenants contained in Sections 1 and 2 of this Agreement are independent of one another and are severable. In the event any part of the covenants contained in Section 1 or 2 of this Agreement shall be held to be invalid or unenforceable, the remaining parts thereof shall nevertheless continue to be valid and enforceable as though the invalid and unenforceable part had not been included herein. If any provisions of these covenants relating to the time period, activity and/or area of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time periods, activities or areas which such court deems reasonable and enforceable, the parties agree that the court making such a determination shall have the power to reduce the time period, activity and/or area of restriction to the maximum time period, activity and/or area which such court deems reasonable and enforceable.

SECTION 4 - CONSIDERATION.

As consideration for the performance and compliance by Shareholder hereunder, DTN hereby covenants and agrees to pay Shareholder the aggregate sum of Four Million Dollars ($4,000,000) payable as follows: (i) Two Million Dollars ($2,000,000) shall be paid to Shareholder on the date hereof and (ii) the remaining amount shall be payable in five annual payments of Four Hundred Thousand Dollars ($400,000) each commencing on the one year anniversary of the date of this Agreement and continuing on each anniversary date thereafter until fully paid. Upon any material breach of this Agreement by Shareholder (other than unintentional breaches of Section 1 hereof), the obligations of DTN to make such payments shall cease immediately.

SECTION 5 - ATTORNEY REVIEW.

Shareholder was advised and encouraged to review this Agreement with his private attorneys before signing it. To the extent, if any, that the Shareholder desired, Shareholder has taken advantage of this right. Shareholder has carefully read and fully understands all of the provisions of this Agreement and is voluntarily entering into this Agreement.

SECTION 6 - SUCCESSORS, ASSIGNS AND THIRD PARTY BENEFICIARIES.

This Agreement and all rights under this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees, successors, and assigns.

SECTION 7 - MISCELLANEOUS.

This writing constitutes the entire agreement between the parties hereto and supersedes any prior understanding or agreements among them respecting the subject matter. Except as otherwise set forth in this Agreement, there are no extraneous representations, arrangements, understandings, or agreements, oral or written, among the parties hereto, except those fully expressed herein. No amendments or modifications to the terms of this Agreement shall be made unless made in writing and signed by all the parties hereto. The failure of either party to enforce at any time any of the provisions of this Agreement shall not be construed as a waiver of such provisions or of the right of such party thereafter to enforce any such provisions. The existence of any claim or cause of action by Shareholder against DTN, not based upon this Agreement, shall not constitute a defense to the enforcement of this Agreement by DTN.

SECTION 8 - HEADINGS.

The headings of the paragraphs contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this Agreement.

SECTION 9 - APPLICABLE LAW.

This Agreement shall be governed by and construed in accordance with the internal substantive laws, and not the conflicts of law principles, of the State of Minnesota.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

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

Stephen P. Kavouras, Shareholder

DATA TRANSMISSION NETWORK
CORPORATION , a Delaware corporation

By:_____
Its:_____

EXHIBIT C

(Opinion of AK&C)

Dated _____ ,1998

The Stephen P. Kavouras Revocable Trust
under Agreement dated September 13, 1995,
The Irrevocable GST Trust for Stephen P. Kavouras
under Agreement dated July 29, 1997
and Stephen P. Kavouras
11400 Rupp Drive
Burnsville, MN 55337

Gentlemen:

We have acted as counsel to Data Transmission Network Corporation (the "Company"), a Delaware corporation, in connection with the Company's purchase of all of the issued and outstanding capital stock of Kavouras, Inc. pursuant to that certain Stock Purchase Agreement dated as of March ___, 1998, among all of the stockholders of Kavouras, Inc. and the Company (the "Stock Purchase Agreement") and that certain Agreement Regarding Stock Acquisition dated as of March ___, 1998, among the Company and you (the "Agreement"). This opinion is being rendered to you pursuant to Section 5.02(b) of the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates, including certificates of public officials, and other instruments as we have deemed necessary or advisable for purposes of this opinion, including those relating to the authorization, execution and delivery of the Stock Purchase Agreement and the Agreement. We reviewed the following documents and agreements:

(i) the Stock Purchase Agreement and the Agreement (collectively the "Acquisition Agreements");

(ii) the Certificate of Incorporation of the Company as certified by the Secretary of State of the State of Delaware (the "Certificate of Incorporation");

(iii) the Bylaws of the Company as certified by the Secretary of the Company on the date of this opinion letter (the "Bylaws"); and

(iv) actions taken by the Board of Directors of the Company to authorize the transactions contemplated by the Acquisition Agreements.

In such examination and review we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts material to the opinions hereafter expressed which we did not independently establish or verify, we have relied without investigation upon certificates, statements and representations of representatives of the Company. During the course of our discussion with such representatives and our review of the documents described above in connection with the preparation of these opinions, no facts were disclosed to us that caused us to conclude that any such certificate, statement or representation is untrue. In making our examination of the documents executed by persons or entities other than the Company, we have assumed that each such other person or entity had the power and capacity to enter into and perform all his, her or its obligations thereunder and the due authorization of, and the due execution and delivery of, such documents by each such person or entity.

As used in this opinion, the expression "to our knowledge" with reference to matters of fact means that after an examination of documents in our files or made available to us by the Company and after inquiries of officers of the Company, and considering the actual knowledge of those attorneys in our firm who have given substantive attention to legal matters for the Company, without independent investigation or inquiry as to factual matters, but not including any constructive or imputed notice of any information, we find no reason to believe that the opinions expressed herein are factually incorrect. Beyond that, we have made no independent factual investigation for the purpose of rendering an opinion with respect to such matters.

Based upon and subject to the foregoing, and subject to the further assumptions, limitations, qualifications and exceptions set forth herein, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

2. The Company has the corporate power and authority to execute, deliver, and perform the Acquisition Agreements and to consummate the transactions contemplated thereby. The Acquisition Agreements have been duly executed and delivered by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms. The execution, delivery and performance of the Acquisition Agreements and the consummation of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action on the part of the Company.

3. Except as set forth in the Acquisition Agreements, neither the execution, delivery, nor performance of the Acquisition Agreements nor the consummation of the transactions contemplated thereby (i) conflicts with or

violates any provisions of the Certificate of Incorporation or By-laws of the Company, (ii) to our knowledge, violates any judgment, decree, order, writ or injunction specifically naming the Company, (iii) to our knowledge, requires on the part of the Company any filing with, or permit, authorization, consent or approval of, any federal or state governmental agency, or (iv) to our knowledge, violates any statute, rule or regulation.

This opinion relates solely to the laws of the State of Nebraska, and applicable Federal laws of the United States, and we express no opinion with respect to the effect or applicability of the laws of other jurisdictions. We have assumed that, and our opinions expressed in paragraph 2 above are based upon our assumption that, the internal laws of the State of Nebraska and Federal law govern the provisions of the Acquisition Agreements and the transactions contemplated thereby.

Our opinions relating to validity, binding effect, and enforceability of the Acquisition Agreements are subject to (i) applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws or judicial decisions affecting the validity and enforcement of creditors' rights generally, (ii) Nebraska law which may restrict your right to collect attorneys' fees from a defaulting party, (iii) public policy considerations or statutory provisions which may limit a party's rights to indemnification against liability for its own wrongful or negligent acts and to obtain certain remedies (iv) provisions of Nebraska law which restrict the concurrent exercise of multiple remedies, (v) principles of equity which permit the exercise of judicial discretion (regardless of whether such enforceability is considered in a proceeding in equity or at law). In applying the principles of equity referred to in the preceding clause (v) a court, among other things, might not allow a contractual party to declare a default deemed immaterial; such principles of equity, as applied by a court, also might include a requirement that a contractual party act reasonably and in good faith. We express no opinion as to the enforceability of provisions of the Acquisition Agreements which involve disclaimers, liability limitations with respect to third parties, releases of legal or equitable defenses, liquidated damages, or waivers of notices, rights, or remedies, or which impose penalties or forfeitures upon the occurrence of a default. Certain remedial provisions of the Acquisition Agreements may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Acquisition Agreements; however, the unenforceability of such provisions may result in delays in the enforcement of the Buyer's rights and remedies under the Acquisition Agreements (and we express no opinion as to the economic consequences, if any, of such delays).

We are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to other matters. The opinions expressed herein are furnished by us, as counsel for the Company, solely for your benefit in connection with the transactions contemplated by the Acquisition Agreements and upon the understanding that we are not hereby assuming any responsibility to any other person whatsoever. This opinion may not be quoted or relied upon by any other person or used for any other purpose without our prior written consent. This opinion is rendered as of the date hereof and we do not undertake to advise

you of matters which occur subsequent to the date hereof and which affect the opinions expressed herein.

Very truly yours,

ABRAHAMS, KASLOW & CASSMAN

By:

EXHIBIT D

CLOSING CERTIFICATE

The undersigned, being those parties collectively referred to as the "Principals" in that certain Agreement Regarding Stock Acquisition (the "Agreement") dated March ___, 1998, with Data Transmission Network Corporation (the "Buyer"), do hereby certify to the Buyer as follows:

1. The undersigned have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in the Agreement and the Stock Purchase Agreement required to be performed and complied with at or prior to the date hereof and all representations and warranties of the undersigned set forth in the Agreement and the Stock Purchase Agreement are true and correct in all material respects as if made on and as of this date, as amended by any Disclosure Supplements as of the date hereof.

2. There has been no material adverse change in the assets or liabilities, the business or condition, financial or otherwise, or the results of operations of the Company from February 28, 1998.

3. The undersigned hereby jointly and severally represent and warrant to Buyer that the 1997 Audited Financial Statements (as defined in the Agreement) (i) have been prepared in accordance with the books and records of the Company, and (ii) present fairly the financial position of the Company as of December 31, 1997, and the results of operations for the year then ended, all in conformity with generally accepted accounting principles.

DATED as of _____, 1998

/s/ Stephen P. Kavouras

Stephen P. Kavouras

STEPHEN P. KAVOURAS REVOCABLE TRUST UNDER AGREEMENT DATED SEPTEMBER 13, 1995

By /s/ Stephen P. Kavouras

Stephen P. Kavouras, Trustee

IRREVOCABLE GST TRUST FOR STEPHEN P. KAVOURAS UNDER AGREEMENT DATED JULY 29, 1997

By /s/ Stephen P. Kavouras

Stephen P. Kavouras, Trustee

And /s/ Laura Burrow

Laura Burrow, Trustee

EXHIBIT E

[Insert Form of Opinion of Sellers' Counsel]

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (the "Agreement") dated as of March 30, 1998, by and among DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation ("Buyer"), and the persons listed in Schedule 1 attached hereto (collectively, the "Sellers" and individually, a "Seller").

WHEREAS, each Seller is the owner, beneficially and of record, of the number of shares of the Common Stock of Kavouras, Inc., a Minnesota corporation (the "Company"), set forth opposite his, her or its name on Schedule 1 attached hereto, and Sellers are the owners, in the aggregate, of all of the issued and outstanding capital stock of the Company; and

WHEREAS, Buyer wishes to purchase from Sellers and Sellers wish to sell to Buyer all of the issued and outstanding capital stock of the Company upon and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and agreements herein contained, Buyer and Sellers agree as follows:

ARTICLE I
SALE OF SHARES

1.01 Sale of Shares. Subject to the terms and conditions herein stated, each Seller agrees to sell, assign, transfer and deliver to Buyer on the Closing Date (as defined herein), the respective shares of Common Stock of the Company set forth opposite his, her or its name on Schedule 1 attached hereto (the "Shares"), and Buyer agrees to purchase the Shares from Sellers on the Closing Date. The certificates representing the Shares shall be duly endorsed in blank, or accompanied by stock powers duly executed in blank, by Sellers, with all signatures guaranteed by a state or national bank.

1.02 Price. In full consideration for the purchase by Buyer of the Shares, Buyer shall pay to each Seller on the Closing Date, and each Seller agrees to accept from Buyer as the entire purchase price for such Seller's Shares, the amount set forth opposite such Seller's name in Schedule 1 attached hereto, being an aggregate amount of Sixteen Million Four Hundred Thousand Dollars ($16,400,000).

1.03 Closing. Subject to Section 7.01 hereof, the sale referred to in Section 1.01 (the "Closing") shall take place at the offices of Faegre & Benson, LLP, Minneapolis, Minnesota, on such date as the parties hereto shall by written instrument designate, but no later than ten (10) days after the later to occur of (i) the expiration or termination of all applicable waiting periods with respect to each of the antitrust filings referred to in Section 5.01(b) hereof (including any extensions thereof) or (ii) the receipt of all FCC approvals referred to in Section 5.01(c). Such time and date are herein referred to as the "Closing Date".

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLERS

As of the date hereof (except as otherwise specified herein and except as set forth in the disclosure schedule accompanying this Agreement) (the "Disclosure Schedule") each Seller severally represents and warrants to Buyer as follows (provided, however, that each Seller so represents and warrants only with respect to that Seller and not with respect to any other Seller):

2.01 Title to Stock.

Each Seller (i) has good and valid title, beneficially and of record, to the respective Shares set forth opposite his, her or its name on Schedule 1 attached hereto, free and clear of all liens, encumbrances and rights of others, (ii) is in rightful possession of duly and validly authorized and issued certificates evidencing his, her or its ownership of record of the Shares, (iii) has full right, power and authority to sell, transfer, convey and deliver to Buyer, in accordance with the terms of this Agreement, good and valid title, beneficially and of record, to all of such Shares being sold by such Seller to Buyer hereunder, free and clear of all liens, encumbrances and rights of others and (iv) does not own any other shares of capital stock of the Company other than the shares set forth opposite his, her or its name on Schedule 1 attached hereto and does not have the right to purchase or receive any additional shares of capital stock of the Company. Except for the sale to Buyer as contemplated by this Agreement, there are no outstanding options, warrants, calls or other rights to subscribe for or purchase or acquire any capital stock of the Company from the Sellers.

2.02 Authority Relative to the Transactions Contemplated by this Agreement. Each Seller has all necessary power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized on behalf of all Sellers and no other proceedings on behalf of Sellers are necessary to approve and authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sellers, and (assuming the valid execution and delivery of this Agreement by Buyer) constitutes a valid and binding agreement of Sellers, enforceable against Sellers in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

2.03 Consents and Approval; No Violation. Neither the execution and delivery of this Agreement by Sellers, nor the consummation by Sellers of the transactions contemplated hereby, nor compliance by any Seller with the provisions hereof, will (i) conflict with or breach any trust agreement (or other similar governing documents) of any Seller; (ii) violate or breach a provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, any of the terms, covenants, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which any Seller is a party, or by which any Seller

or any of their respective properties or assets may be bound, except for such breaches or defaults which when considered together do not have a material adverse effect on the transactions contemplated by this Agreement or on the assets, liabilities, business or financial condition of the Company; or (iii) assuming compliance with all antitrust laws, violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to any Seller or any of their material assets, except for violations which, when considered together, do not have a material adverse effect on the transactions contemplated by this Agreement or on the assets, liabilities, business or financial condition of the Company, taken as a whole.

2.04 Brokers and Finders. No Seller has employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representation or promise of any of them in connection with the transactions contemplated hereby.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof, Buyer represents and warrants to Principal and Sellers as follows:

3.01 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.02 Authority Relative to this Agreement. Buyer has all necessary power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Buyer and no other proceedings on the part of Buyer or its stockholders are necessary to approve and authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of the Agreement by Sellers and Principal) constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

3.03 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any of the provisions hereof, will (i) require Buyer to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority except (A) for filings with the Federal Trade Commission ("FTC") and with the Antitrust Division of the United States Department of Justice (the "Antitrust Division") pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 as amended (the "HSR Act") and the rules and regulations thereunder or (B) for those requirements which become applicable to Buyer as a result of the specific regulatory status of the Company or as a

result of any other facts that specifically relate to the business activities in which the Company is or proposes to be engaged; (ii) conflict with or breach any provision of the Certificate of Incorporation or by-laws of Buyer; (iii) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any of the terms, covenants conditions or provisions of any note, bond mortgage, indenture deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Buyer is a party, or by which Buyer or any of its properties or assets may be bound, except for such breach or default which would not have a material adverse effect on the transactions contemplated by this Agreement taken as a whole; or (iv) assuming compliance with all antitrust laws (including the HSR Act) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Buyer or any of its material assets, which violation would have a material adverse effect on the transactions contemplated by this Agreement taken as a whole.

3.04 Litigation; Compliance with Law. Buyer is not a party to any action or proceeding which seeks, or is subject to, any outstanding order, writ, injunction or decree, which restrains or enjoins consummation of the transactions contemplated hereby or which otherwise challenges the transactions contemplated hereby and (ii) there is no litigation, administrative, arbitral or other proceeding, or petition or complaint or, to the knowledge of Buyer, investigation before any court or governmental or regulating authority or body pending or, to the knowledge of Buyer, threatened against or relating to Buyer that would materially adversely affect Buyer's ability to perform its

obligations pursuant to this Agreement.

3.05 Brokers and Finders. Buyer has not employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representations or promise of Buyer, in connection with the transactions contemplated hereby.

3.06 Purchase for Investment. Buyer will acquire all of the outstanding stock of the Company to be purchased by it hereunder for its own account for investment and not with a view toward any resale or distribution thereof. Buyer understands that the Shares have not been registered under the Securities Act of 1933, as amended, or the securities laws of any states and, accordingly, the Shares may not be resold by Buyer unless registered under the 1933 Act and applicable state securities laws, or sold in transactions which are exempt from registration thereunder.

ARTICLE IV
COVENANTS OF THE PARTIES

4.01 Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the respective party that incurred such cost or expense.

4.02 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement and except as otherwise provided herein, all of the parties hereto will use their reasonable best efforts to take, or cause to be taken, all

action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or to put Buyer in possession of all of the Shares of the Company or the Company in possession of all of its assets, each party to this Agreement will, or will cause its affiliates as the case may be, to take all such necessary action including, without limitation, the execution and delivery of such further instruments and documents as may reasonably be requested by the parties hereto for such purposes or otherwise to complete or perfect the transactions contemplated hereby.

4.03 Consents. Each of the parties hereto will use its reasonable best efforts to obtain the written consents of all persons and governmental authorities required to be obtained by each such party and necessary to the consummation of the transactions contemplated by this Agreement.

4.04 Disclosure Supplements. From time to time prior to the Closing, Sellers will promptly supplement or amend ("Disclosure Supplements") any Schedule referred to in this Agreement with respect to any matter hereafter arising which, if existing or occurring at or prior to the date of this Agreement, such party determines would have been required to be set forth or described in a Schedule or which is necessary to correct any information in a Schedule or in any representation or warranty of any Seller which has been rendered inaccurate thereby. The representations and warranties of Sellers shall be amended by the Disclosure Supplements in all respects and for all purposes other than for the purposes of determining satisfaction of the conditions to Closing set forth in Article V.

4.05 Public Announcements. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement pursuant to Section 7.01 hereof, Trusts and Buyer will consult with each other before any of them issues any press releases or otherwise makes any public statements (including statements made to employees of the Company) with respect to this

Agreement and the transactions contemplated hereby.

4.06 Transfer Taxes. All transfer taxes (including all stock transfer taxes, if any) incurred in connection with this Agreement and the transactions contemplated hereby will be borne by the respective Sellers, and such Sellers will, at their own expense, file all necessary tax returns and other documentation with respect to all such transfer taxes, and, if required by applicable law, the other parties hereto will (and will cause the Company to) join in the execution of any such tax returns or other documentation.

4.07 No Solicitation. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement pursuant to Section 7.01 hereof, Sellers shall not initiate, solicit, encourage, or participate in, any discussions with, or provide any information to, any corporation, partnership, person, entity or group, other than Buyer and its employees and agents, concerning any merger, consolidation, sale of assets or similar transaction involving the Company, or any sale of Shares or capital stock of the Company, including securities convertible into or exchangeable for such securities, by the issuer (any such transaction being referred to herein as

an "Acquisition Proposal"). Sellers will suspend any pre-existing discussions involving any Acquisition Proposal and will immediately advise Buyer if any Seller receives any Acquisition Proposal from any corporation, partnership, person, entity or group.

ARTICLE V
CONDITIONS

5.01 Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party hereto to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) No statute, rule, regulation, executive order, decree, injunction or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental authority, nor shall any action or proceeding brought by any governmental authority or agency be pending, which (i) prevents, restricts or delays or seeks to prevent, restrict or delay the consummation of the transactions contemplated by this Agreement or (ii) seeks a material amount of monetary damages in connection with the consummation of the transactions contemplated by this Agreement.

(b) Sellers and Buyer and any other person (as defined in the HSR Act) required in connection with the transactions contemplated hereby to file a Notification and Report Form for Certain Mergers and Acquisitions with the Antitrust Division and the FTC pursuant to the HSR Act shall have made such filings and all applicable waiting periods with respect to each such filing (including any extensions thereof) shall have expired or been terminated.

(c) Buyer and the Company shall have filed with the FCC all requisite applications in connection with the transfer of control of all FCC-licensed satellite earth station facilities, experimental FCC authorizations, and equipment authorizations currently held by the Company pursuant to the FCC Rules, and each such application shall have been approved by the FCC.

(d) Each condition to closing set forth in that certain Agreement Regarding Stock Acquisition (the "Agreement Regarding Stock Acquisition") among Stephen P. Kavouras, Buyer and the trusts listed on Schedule 1 as Sellers, dated of even date herewith, shall have been fulfilled at or prior to Closing, or such condition shall have been waived by the party whose obligations under the Agreement Regarding Stock Acquisition were contingent upon such condition.

5.02 Conditions to the Obligations of Sellers to Effect the Transactions Contemplated Hereby. The obligations of Sellers to effect the transactions contemplated hereby shall be further subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by a majority of Sellers in writing:

(a) Buyer shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement required to be performed and complied with by it at or prior to the

Closing and all representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (as if the Closing Date was the date of this Agreement), and Sellers shall have received certificates to that effect signed by the President or any Vice President of Buyer together with such other documents, instruments and writings required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement or otherwise reasonably required by Buyer in connection herewith.

(b) Buyer shall have delivered to Sellers (i) a copy of the Certificate of Incorporation of Buyer, including all amendments thereto, certified by the Secretary of State of the State of Delaware and (ii) a certificate from the Secretary of the State of Delaware to the effect that Buyer is in good standing in such State.

(c) No actions or proceedings which have a material likelihood of success shall have been instituted or, to the knowledge of Buyer, threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(d) All material consents, waivers, authorizations, licenses and approvals, if any, necessary to permit Sellers to consummate the transactions contemplated by this Agreement shall have been received.

(e) All documents and instruments to be delivered at Closing or otherwise in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to Sellers and their counsel.

5.03 Conditions to the Obligations of Buyer to Effect the Transactions Contemplated Hereby. The obligations of Buyer to effect the transactions contemplated hereby shall be further subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by Buyer in writing:

(a) Sellers shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement required to be performed and complied with by them at or prior to the Closing and all representations and warranties of Sellers set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as amended by any Disclosure Supplements as of the Closing Date (as if the Closing Date was the date of this Agreement), and Buyer shall have received certificates to that effect signed by Sellers, in the form attached hereto as Exhibit A, together with such other documents, instruments and writings required to be delivered by Sellers or by the Company at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith, provided, however, that if the Disclosure Supplements reveal a material change from the Schedules attached hereto at the date hereof that is unacceptable to Buyer, Buyer shall not be obligated to effect the transactions contemplated hereby.

(b) No action or proceedings which have a reasonable likelihood of success shall have been instituted or, to the knowledge of Sellers, threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(c) Each party hereto shall have received all material consents, waivers, approvals, licenses or other authorizations required from any governmental or non-governmental entity for the execution, delivery and performance of this Agreement by the parties hereto.

(d) No injunction or other court order requiring that any part of the business or assets of the Company be held separate or divested or that any business or assets of Buyer or any affiliate of Buyer be divested, or imposing or involving any conditions on Buyer or its affiliates or the Company, which could be reasonably expected to have a material adverse effect on the assets, liabilities, business, financial condition, prospects or results of operations of either Buyer or any affiliate of Buyer on the one hand, or the Company on the other hand, shall be in effect and no proceedings shall be pending by or before, or threatened in writing by or before, any governmental body or court of competent jurisdiction with respect thereto.

(e) Other than as disclosed in the Disclosure Schedule, there shall not be in effect at the Closing Date any contractual provisions restricting the ability of the Company or any affiliate thereof to conduct any business or compete with any person or restricting the area in which it may conduct any business.

(f) Buyer and its counsel shall have approved (which approval shall not be unreasonably withheld) (i) the form of stock power or other instruments of transfer to be delivered to Buyer at the Closing and (ii) all other documents and instruments to be delivered at the Closing or otherwise in connection with the transactions contemplated by this Agreement.

ARTICLE VI
SURVIVAL AND INDEMNIFICATION

6.01 Survival of Representations, Warranties and Covenants. All covenants and agreements of any party hereto set forth herein shall survive the Closing for the period provided for in such covenant or, if not so provided, for a period of one year. The representations and warranties set forth herein shall survive the Closing and shall remain in effect for a period of one year from the Closing Date.

6.02 Post-Closing Indemnification. (a) From and after the Closing Date, Buyer shall defend, indemnify and hold harmless Sellers and their heirs, trustees, successors and assigns against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses, suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by Buyer in Article III of this Agreement or pursuant hereto,

or any non-fulfillment, partial or total, of any of the covenants or agreements made by Buyer in this Agreement to the extent not waived by Sellers in writing.

(b) From and after the Closing Date, each Seller shall defend,

indemnify and hold harmless the Buyer and its subsidiaries (including the Company) and each of their successors, assigns, officers, directors and employees (the "Buyer Indemnitee Group") against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by such Seller in Article II of this Agreement or pursuant hereto, or any non-fulfillment, partial or total, of any of the covenants or agreements made by such Seller in this Agreement.

(c) If a claim by a third party is made against an indemnified party, and if such party intends to seek indemnity with respect thereto under this Article VI, the indemnified party shall promptly (and in any case within ten days of such claim being made) notify the indemnifying party of such claim, provided, however, that the failure to so notify the indemnifying party shall not discharge the indemnifying party of its obligations hereunder except that the indemnifying party shall not be liable for default judgments or any amounts related thereto if the indemnified party shall not have so notified the indemnifying party. Subject to the following sentence, the indemnifying party shall have thirty days after receipt of such notice to undertake, conduct and control, through counsel of its own choosing (which is satisfactory to the indemnified party) the settlement or defense thereof, and the indemnified party shall cooperate with it in connection therewith (provided that the indemnifying party shall permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees and expenses of such counsel shall be borne by the indemnified party) and the indemnifying party shall promptly reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expenses as incurred by the indemnified party within limits of this Article VI. Notwithstanding anything herein to the contrary, the indemnified party shall have the right to conduct and control the defense of any such claim in the event that such claim (including a claim for equitable relief) or the continuation of such claim could reasonably be expected to materially adversely affect the business, results of operations, prospects or financial condition of the indemnified party or any of its affiliates, provided, however, that (i) in such event the indemnified party's selection of counsel shall be subject to the approval of the indemnifying party, which approval shall not be unreasonably withheld, and (ii) the indemnified party may not settle any claim for an amount in excess of $25,000 or consent to any settlement which imposes equitable remedies on the indemnifying party or its affiliates without the prior consent of the indemnifying party, which consent shall not be unreasonably withheld, unless the indemnified party agrees to waive any right to indemnity therefor by the indemnifying party. If the indemnifying party does not notify the indemnified party within thirty days after the receipt of the indemnified party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof or if the indemnifying party is not reasonably contesting the claim in good faith, the indemnified party shall have the right to contest, settle or compromise the claim in the exercise of its reasonable judgment, and

all losses incurred by the indemnified party, including all fees and expenses of counsel for the indemnified party, shall be paid by the indemnifying party.

(d) Claims for indemnification made under this Section 6.02 shall be made within a period of one year from the Closing Date.

6.03 Limitation on Indemnification. (a) Notwithstanding the provisions of Section 6.02(a) hereof, Buyer shall not be obligated to indemnify and hold harmless Sellers until the aggregate of all claims for which indemnification is sought against Buyer under Section 6.02(a) of this Agreement and Section 6.02(b) of the Agreement Regarding Stock Acquisition exceeds, in the aggregate, Eighty

Thousand Dollars ($80,000), and then only as to the amount by which aggregate claims thereunder exceed $80,000. Buyer's aggregate liability with respect to the indemnification contained in Section 6.02(a) of this Agreement and Section 6.02(b) of the Agreement Regarding Stock Acquisition shall not exceed $2,000,000, and each party hereto waives (on its own behalf, and on behalf of all indemnified persons named hereunder benefiting from such party's indemnification) any and all rights, claims and causes of action that it or such persons may have against the indemnifying party under such indemnification provisions to the extent such rights, claims and causes of action would or could result in aggregate liability of the indemnifying party in excess of $2,000,000.

(b) Notwithstanding the provisions of Section 6.02(b) hereof, the aggregate liability under this Agreement of each Seller shall not exceed the amount set forth opposite such Seller's name in Schedule 1 attached hereto, being the purchase price for such Seller's Shares.

(c) Except for liability provided for in Section 7.02(b) hereof and the remedy of specific performance provided for in Section 8.12 hereof, each party hereto acknowledges and agrees that his, her or its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VI. In furtherance of the foregoing, each party waives, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action that it may have against the other party arising under or based upon any federal, state or local statute, law, ordinance, rule or regulation, or arising under or based upon common law or otherwise, except to the extent provided in this Article VI.

ARTICLE VII
TERMINATION AND ABANDONMENT

7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of Buyer and a majority of Sellers; or

(b) by either Buyer or a majority of Sellers if the Closing shall not have occurred on or before December 31, 1998 or such later date as may be agreed upon by Buyer, and a majority of Sellers; or

(c) upon the termination of the Agreement Regarding Stock Acquisition.

7.02 Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by any or all of the parties pursuant to Section 7.01, written notice thereof shall forthwith be given to the other parties to this Agreement and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(a) the parties hereto will promptly redeliver to the Sellers or Buyer, as the case may be, all documents, work papers and other materials of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof; and

(b) no party hereto shall have any liability or further obligation to any other party to this Agreement pursuant to this Agreement except (i) with respect to Section 4.01, and (ii) solely with respect to terminations pursuant to Section 7.01(b), any party whose material breach of any covenant or agreement hereunder shall have resulted in the failure of the transactions contemplated by this Agreement to close, shall be liable for breach of contract or otherwise, to the extent provided by law (it being understood, however, that any matter set

forth on a Disclosure Supplement hereunder shall not be construed as a breach or default of this Agreement); provided, however, that this subsection (b) (ii) shall not be construed to limit the remedies otherwise available with respect to such defaulting party.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.01 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Buyer and Sellers.

8.02 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party or parties entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 8.02.

8.03 No Third Party Beneficiaries. Except as provided in this Agreement, nothing in this Agreement shall confer any rights upon any person or entity which is not a party or a permitted assignee of a party to this Agreement.

8.04 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by cable, telegram or telex, telecopy, courier, express mail delivery service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

(a) if to Sellers, to their respective addresses set forth on Schedule 1 of this Agreement;

(b) if to Buyer, to:

Data Transmission Network Corporation
9110 West Dodge Road
Suite 200
Omaha, Nebraska 68114
Attn: Greg T. Sloma, President
Facsimile: (402) 390-7188

with a copy to:
Abrahams Kaslow & Cassman
8712 West Dodge Road
Suite 300
Omaha, Nebraska 68114
Attn: R. Craig Fry
Facsimile: (402) 392-0816

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

8.05 Assignment. This Agreement and all of the provisions hereof shall

be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, except as provided in Section 8.13.

8.06 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by the law of the State of Nebraska as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies without giving effect to the principles of choice of law thereof.

8.07 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.08 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

8.09 Entire Agreement. This Agreement, including the Exhibits hereto and the agreements (including the Agreement Regarding Stock Acquisition), documents, schedules, certificates and instruments referred to herein embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

8.10 Certain Definitions.

(a) An "affiliate" of a person shall mean any person which, directly or indirectly, controls, is controlled by, or is under common control with, such person.

(b) The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

(c) The term "person" shall mean and include an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(d) The term "day" shall mean a calendar day unless otherwise stated.

(e) The term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person.

(f) Whenever any representation or warranty contained in this Agreement is qualified by reference to the knowledge, information or belief of a party, such party confirms that it has made due and diligent inquiry as to the matters that are the subject of such representation and warranty.

8.11 Severability. The parties hereto acknowledge that the provisions of this Agreement are reasonable under the circumstances. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to

such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

8.12 Specific Performance. Each of the parties hereto acknowledges and agrees that the other parties hereto would be irreparably damaged in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, each of the parties hereto agrees that they each shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having personal and subject matter jurisdiction, in addition to any other remedy to which such party may be entitled at law or in equity. In the event of any action or proceeding to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' and expert's fees and costs in addition to such other relief as may be granted.

8.13 Effectiveness. This Agreement shall not become effective unless all Sellers named herein (other than Paul Post and his spouse) have executed and delivered this Agreement prior to the Closing. If Paul Post does not become a party prior to Closing, then the aggregate purchase price for the Shares shall be reduced by the amount set forth opposite his name on Schedule 1 attached hereto and, at the option of Buyer in its sole discretion, Buyer may assign this Agreement to a wholly-owned subsidiary of Buyer immediately prior to Closing; provided, however, that such assignment shall not release Buyer from any of its obligations and liabilities under this Agreement.

IN WITNESS WHEREOF, Sellers and Buyer have signed, or caused this Agreement to be signed by their respective representatives, as the case may be, as of the date first above written.

DATA TRANSMISSION NETWORK CORPORATION

By: /s/ Greg T. Sloma

Greg T. Sloma, President

STEPHEN P. KAVOURAS REVOCABLE TRUST UNDER AGREEMENT DATED SEPTEMBER 13, 1995

By: /s/ Stephen P. Kavouras, Trustee

Stephen P. Kavouras, Trustee

IRREVOCABLE GST TRUST FOR STEPHEN P. KAVOURAS UNDER AGREEMENT DATED JULY 29, 1997

By _____
Stephen P. Kavouras, Trustee

And _____
Laura Burrow, Trustee

Walter A. Lyons

Darold L. Holden

Mavis Holden

Mrs. Michael Govotas

Daniel Andrew Kavouras

Larry Barnet Kavouras

Patricia K. Kavouras

Myron Hjermstead, Jr.

Darlene Hjermstead

Paul Post

_____ Post

Dennis K. Sanford

Lynn M. Sanford

SCHEDULE 1

<TABLE>
<CAPTION>

Name and Address Of Seller	Number of Shares Owned	Portion of Purchase Price
<S>	<C>	<C>
Stephen P. Kavouras, Trustee of the Stephen P. Kavouras Revocable Trust under Agreement dated September 13, 1995 11400 Rupp Drive Burnsville, MN 55337	100	$10,552,278
Stephen P. Kavouras and Laura Burrow, as Trustees of the Irrevocable GST Trust for Stephen P. Kavouras under Agreement dated July 29, 1997 11400 Rupp Drive Burnsville, MN 55337	30	$ 3,165,683
Walter A. Lyons, Ph.D., CCM 46050 Weld County Road 13 Ft. Collins, CO 80524	7	$ 738,660
Darold L. Holden 4232 Black Hawk Road Eagan, MN 55122	5	$ 527,614
Darold and Mavis Holden 4232 Black Hawk Road Eagan, MN 55122	1/3	$ 35,174
Mrs. Michael Govotas 620 Lynwood Drive Benton Harbor, MT 49022	4	422,091
Daniel Andrew Kavouras 6035 Forest Circle Drive Brooksville, FL 34601	2	$ 211,046

Larry Barnet Kavouras 1906 N. 159th East Wichita, KS 67230	2	$ 211,046
Patricia K. Kavouras 67 South Peak Road Boulder, CO 80302	2	$ 211,046
Myron and Darlene Hjermstead, Jr. 8340 Eastwood Drive, N.E. Mounds View, MN 55112	1 1/12	$ 114,316

Paul Post 2646 Richardson Street Madison, WI 53711	1	$ 105,523
Dennis K. and Lynn M. Sanford 13945 Thunderbird Road N Prescott, AZ 86301	1	$ 105,523
TOTALS	155 5/12	$16,400,000

</TABLE>

EXHIBIT A

CLOSING CERTIFICATE

The undersigned, being a Seller under that certain Stock Purchase Agreement (the "Stock Purchase Agreement") dated March ___, 1998, among the shareholders of Kavouras, Inc. (the "Company"), and Data Transmission Network Corporation (the "Buyer"), do hereby certify to the Buyer as follows:

1. The undersigned has performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in the Stock Purchase Agreement required to be performed and complied with by the undersigned at or prior to the date hereof and all representations and warranties of the undersigned set forth in the Stock Purchase Agreement are true and correct in all material respects as if made on and as of this date, as amended by any Disclosure Supplements.

2. This certificate is given pursuant to Section 5.03(a) of the Stock Purchase Agreement.

DATED as of _____, 1998

SELLER:

Printed Name:_____

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is entered into as of this 6th day of April, 1998, by and between KAVOURAS, INC., a Minnesota corporation ("Kavouras") and EARTHWATCH COMMUNICATIONS, INC., a Minnesota corporation ("EarthWatch").

WHEREAS, EarthWatch has developed and is the owner of certain software which it desires to license to Kavouras, and which Kavouras desires to license from EarthWatch, under the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of License.

a. EarthWatch hereby grants to Kavouras, and Kavouras hereby accepts, an exclusive (including as to EarthWatch), royalty-free license under the Licensed Rights (as hereinafter defined) to make, have made, use, market, license, sublicense, distribute, reproduce, copy, sell and incorporate into derivative works the Licensed Products (as defined hereinafter). As used herein, the term "Licensed Rights" means:

(1) U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather," any patent resulting from a continuation application, continuation-in-part application, divisional application, re-examination application, re-issue application or foreign application related to the subject matter of U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather;"

(2) all other patents covering the manufacture, use or sale of the Licensed Products;

(3) all copyrights related to the Licensed Products;

(4) all mask work registrations related to the Licensed Products;

(5) all trade secrets, know-how and show-how related to the Licensed Products;

(6) all shop rights related to the Licensed Products; and

(7) any and all other rights now owned or hereafter acquired by EarthWatch related to the Licensed Products.

As used herein, the term "Licensed Products" means:

(1) EarthWatch's Reality 3d Realtime Software (including, without limitation, Reality 3D textured skylines and the product referred to internally by EarthWatch as "virtual set");

(2) EarthWatch's SchoolWatch Software (and all work-in-progress thereon to the extent incomplete);

(3) EarthWatch's Showmaker Software;

(4) EarthWatch's StormWatch Software (provided that the license to this software product only shall be non-exclusive);

(5) all enhancements, other software, modules and

components used to produce real time three-dimensional and fly-through effects used in television broadcast, including those necessary to create a fully functional on-air news and weather graphics system (excluding EarthVision, also known as WorldScape);

(6) all manuals or other documentation pertaining to any of the foregoing; and

(7) all derivative works or other products developed by or for Kavouras which relate in any way to any of the foregoing.

b. EarthWatch hereby grants to Kavouras a non-exclusive, royalty-free license to use and or sublicense the trademarks "Reality 3D," "Reality 3D Real Time" and "SchoolWatch." EarthWatch further grants to Kavouras a non-exclusive, perpetual, royalty-free license to use and sublicense the use of any other trademark, service mark, logo, trade name or trade dress used by EarthWatch in connection with the Licensed Products. Upon reasonable notice and during normal business hours, EarthWatch shall have the right to review (1) how Kavouras is using any mark licensed in advertising, promotional materials, packaging and labeling; and (2) samples of the products with which Kavouras is using the marks. All information obtained in conjunction with such review shall be held in confidence by EarthWatch and used exclusively for determining whether Kavouras is using the mark(s) in a manner consistent with this Agreement and in connection with products and services that are of good quality. Upon completion of such review, EarthWatch may, at its option, deliver written notice to Kavouras requesting specific reasonable changes to the advertisements, promotional materials, packaging and labeling or products with which Kavouras is using the marks. Kavouras shall then have a reasonable time to implement any such changes reasonably requested by EarthWatch.

c. EarthWatch shall deliver to Kavouras all information and materials required to carry out this Agreement, including, but not limited to: (1) patents and patent applications, (2) trademark or service mark applications and registrations, (3) copyright applications and registrations, (4) mask works and mask work registrations, (5) source code, (6) object code, (7) software, (8) know-how and show-how, (9) drawings, specifications, designs, plans, proposals, data, and other works, (10) manufacturing and production processes, techniques, research and development information, and (11) notes, shop manuals, formulae and prototypes.

d. Kavouras shall also have the right, at the sole cost and expense of Kavouras, to take whatever steps it deems necessary to protect the Licensed Rights and Licensed Products. EarthWatch agrees to cooperate with such efforts and sign any papers required to acquire, protect or enforce such rights.

e. It is agreed and understood that the exclusive licenses hereby granted shall be subject only to the rights of those existing licensees under existing agreements, all of whom and which are set forth on Exhibit A attached hereto, provided that EarthWatch will not renew and agrees to terminate any and all of such license agreements at the earliest possible date upon the reasonable request of Kavouras with respect to any specific licensee.

f. The term of the licenses granted herein shall be twenty (20) years from the date hereof, provided that any sublicenses granted to end users of the Licensed Products shall be perpetual.

2. License Fee. Contemporaneously herewith, Kavouras shall pay to EarthWatch as the sole and only one-time license fee and fee for acquiring an option to license pursuant to a separate agreement of even date herewith the sum of One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00). The parties have agreed that Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) of the foregoing payment shall be escrowed pursuant to a escrow agreement of even date herewith. No other payments shall be due or owing from

Kavouras for the rights granted hereunder.

3. Territory. The licenses granted herein, and the exclusivity rights in connection therewith, shall extend throughout the world, with the exception of the United States and Canada. The limitation of the Territory herein shall only limit sales and distribution, which shall be limited to customers outside the United States and Canada, but shall not limit or prohibit manufacturing, packaging, software development, initiating marketing (e.g. placing phone calls from, purchasing and preparing documentation in the United States and/or Canada), and similar activities within the United States and/or Canada.

4. Representations and Warranties. EarthWatch hereby represents and warrants to Kavouras that:

a. EarthWatch is the sole and exclusive owner, free from any liens, security interests or other encumbrances or claims of third parties, of the Licensed Products including all copyright and other proprietary rights therein, and of the ideas, procedures, processes, systems, methods of operation and concepts which are embodied therein. EarthWatch has been granted such rights under U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather," and the license of the Licensed Products herein granted or the use of the Licensed Products for the purposes permitted hereunder will not constitute an infringement of any third party's intellectual property rights or constitute a breach of any agreement between EarthWatch and any third party, including, without limitation, that certain Reseller License Agreement by and between EarthWatch and WSI Corporation, as amended, that certain Software License Agreement by and between EarthWatch and Weather Central, Inc. and that certain Exclusive Distributor Agreement for EarthWatch Products in the Government Market by and between EarthWatch and Sterling Software (U.S.), Inc. (the parties agree that EarthWatch shall immediately request and shall diligently pursue and obtain no later than fourteen days after the date hereof a UCC-3 to release of record all filings in favor of Northern Trust);

b. the right and license granted to Kavouras hereunder is exclusive to Kavouras within the Territory except as expressly set forth herein and no parties, other than the licensees under the agreements set forth on Exhibit A, have rights to the Licensed Products within the Territory;

c. the Licensed Products, and all portions thereof, are free from material defects in material and workmanship and will, without modification or supplementation, permit the user thereof to create real-time 3D images of terrain and associated weather from data supplied by or to the user, provided that Kavouras acknowledges that the current version of the Licensed Products will not permit the user thereof to create real-time 3D images of terrain and associated weather from data supplied by or to the user using Kavouras data and that Kavouras and EarthWatch are in the process, pursuant to a Consulting Agreement, of creating the data interface to permit such functionality;

d. The individuals executing this Agreement on behalf of EarthWatch have the requisite authority to execute this Agreement and such other documents as are contemplated or to be delivered by EarthWatch herein, and to bind EarthWatch thereto; and EarthWatch has the full and complete authority to perform its obligations hereunder;

In the event of a breach of the representations and warrantees contained above, EarthWatch agrees to diligently pursue and obtain at its sole cost and expense all intellectual property and contract rights necessary to make such representation and warranty true and correct and to provide Kavouras with the exclusive rights to the Licensed Products granted hereunder. EarthWatch's failure to do so within a reasonable time and in any event prior to the suffering by Kavouras of any damages, whether to third parties or otherwise, shall result in Kavouras having the rights and remedies provided in Section 5 hereof.

5. Indemnification. EarthWatch agrees to indemnify, defend and hold Kavouras harmless from and against any and all loss, cost, damage, judgments and liabilities (including reasonable attorneys' fees) arising out of any breach of the representations and warrantees made by EarthWatch herein. Without limiting the foregoing, EarthWatch shall pay any and all damages, costs and attorneys' fees awarded in any action against Kavouras based on such claim, as well as any other damages which may be suffered by Kavouras by reason of its being deprived of its rights hereunder or its having such rights limited, restricted or infringed in any manner. Kavouras agrees to provide EarthWatch with notice of any such claim within a reasonable time after Kavouras learns of such claim. In addition to the foregoing indemnity and defense obligations, EarthWatch agrees to provide to Kavouras at EarthWatch's sole cost and expense all necessary assistance in evaluating and/or opposing any such claim, including, without limitation, providing access to programmers, documentation and prior versions of the Licensed Products. Notwithstanding and in limitation of the foregoing, the parties agree that EarthWatch's liability under this paragraph 5 shall not exceed the consideration paid to EarthWatch by Kavouras pursuant to this Agreement, together with any sums paid to third party claimants as a result of such breaches.

6. [Intentionally Deleted].

7. Source Code. Within ten (10) days after the date hereof, EarthWatch agrees to provide Kavouras with a copy of the source code for the Licensed Products, together with all other materials and intellectual property necessary to permit Kavouras to fully exercise the rights granted to it hereunder and to fulfill the obligations of EarthWatch hereunder. It is agreed that Kavouras may copy or modify or incorporate such source code and other property, or any portion thereof, into products to be created hereafter by or for Kavouras, which products shall be the sole property of Kavouras.

8. Registration of License. EarthWatch agrees that Kavouras may, at the sole costs and expense of Kavouras, file notice of its rights under this license with the United States Copyright Office and/or the United States Patent and Trademark Office and EarthWatch agrees to cooperate with any such filings, including, without limitation, executing and delivering for no additional consideration any assignments or similar documents necessary to accomplish such filing.

9. Support. EarthWatch agrees that it will provide reasonable support to Kavouras in the exercise of Kavouras' rights under this Agreement.

10. No Agency. Kavouras and EarthWatch are not, and shall not be deemed or considered to be joint venturers, partners, agents, servants, employees, fiduciaries or representatives of each other, and no party to this Agreement shall have the right or power to bind or obligate any other party to this Agreement.

11. No Waiver. Failure by either party to enforce any provision hereunder shall not be deemed a waiver of such provision or of the right to enforce such provision in the future.

12. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any action brought under this Agreement shall be brought in the state or federal courts of the State of Minnesota, provided that, notwithstanding this provision, Kavouras shall have the right to implead EarthWatch in any action which falls within the scope of EarthWatch's indemnification obligations under this Agreement, without regard to the venue of such action.

13. Severability. In the event that any provision of this Agreement shall be held by a court of competent jurisdiction to be unlawful or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated in any manner.

14. Assignment. Neither party may assign its rights hereunder without the consent of the other, which consent will not be unreasonably withheld or delayed, except in connection with a sale of all or substantially all of the assets of a party. The parties hereto acknowledge and agree that the benefits,

but not the burdens, of the interests of Kavouras in this Agreement have been assigned to DTN Market Communications Group, Inc. ("DTN") pursuant to that certain Agreement Regarding Purchase of Contract and Contract Rights ("Assignment") dated March 30, 1998, among Kavouras, DTN and Data Transmission Network Corporation, subject to such beneficial interests and rights reverting back to Kavouras as provided in the Assignment; and that DTN shall have no liabilities or obligations under this Agreement except the obligation to Kavouras to pay the EarthWatch Payments as defined in and provided for in the Assignment. While this Assignment remains in effect, EarthWatch shall send copies of all notices given to Kavouras hereunder to Data Transmission Network Corporation, 9110 West Dodge Road, Suite 200, Omaha, NE 68114, Attention Greg T. Sloma, President.

15. Entire Agreement. This Agreement contains and states the entire agreement of the parties with regard to the license granted hereby and supersedes all proposals, oral or written, and all other communications between the parties relating to this Agreement.

16. Amendment. No modification or amendment of this Agreement shall be made except by an instrument in writing signed by both of the parties hereto.

17. Notices. Any notices required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) sent by a reputable overnight courier (e.g., Federal Express) or (iii) mailed by registered or certified United States Mail, return receipt requested and shall be deemed delivered (x) on the date of personal delivery, if such is a business

day or the next business day if not, (y) the day designated for delivery by the overnight courier, or (z) three days after posting in the United States Mail in the manner provided above. All such notices shall be directed to the receiving party at the following addresses or such other address as a party may designate by notice in accordance with the provisions hereof:

If to Kavouras:	Kavouras, Inc. 11400 Rupp Drive Burnsville, MN 55337-1279 Attention: Stephen Kavouras
With copy to:	Malkerson Gilliland Martin LLP 1500 AT&T Tower 901 Marquette Avenue Minneapolis, MN 55402 Attention: Michael S. Gilliland
If to EarthWatch:	EarthWatch Communications, Inc. Woodland Office Building 17113 Minnetonka Boulevard, Suite 120 Minnetonka, MN 55345 Attention: Douglas P. Kruehoeffer
With copy to:	Leonard Street & Deinard 150 South Fifth Street, Suite 2300 Minneapolis, MN 55402 Attention: James J. Bertrand

18. Servicing. Commencing July 1, 1998, Kavouras shall assume EarthWatch's written obligations to service and/or maintain the Reality 3D software which has been licensed to third parties, excluding third parties in the United States and Canada, and Kavouras shall be entitled to any and all fees payable in connection with such servicing and/or maintenance, including any fees which have been paid prior to the date hereof for service and maintenance which will be performed by Kavouras. EarthWatch represents and warrants to Kavouras that EarthWatch has disclosed to Kavouras in writing all of EarthWatch's written obligations for servicing and/or maintenance of the Reality 3D software and all fees which have been paid prior to the date hereof for service and maintenance which will be performed by Kavouras (See attached Exhibit B). EarthWatch and Kavouras agree that Kavouras shall have no responsibility to service or maintain any other EarthWatch software unless the parties reach a separate written agreement regarding such services.

19. Non-Competition. In consideration for the sums paid hereunder and

the agreements made herein, EarthWatch shall not, within the Territory (i) shall not compete directly or indirectly with the Kavouras, DTN or their assignees, in

the sale, license, distribution or development of weather and/or news graphics and/or imagery products and services within the replayed or live broadcast market, including, without limitation, television (broadcast, cable, satellite and other broadcast means) and internet-delivered live or replayed broadcasts, provided that EarthWatch may sell, license and distribute the product known as Stormwatch, and (ii) shall not sell, license, distribute or develop products which compete directly or indirectly with, or have the capabilities of competing with, the Licensed Products, provided that the products known as StormWatch and Earthvision, without modification to add real time effects or other modifications that make such products more competitive with the Licensed Products, are excepted from this subparagraph (ii).

EXECUTED by the parties hereto effective the day and year first above written.

KAVOURAS, INC.

By:/s/ Laura Burrow

Laura Burrow, Chief Operating Officer

EARTHWATCH COMMUNICATIONS, INC.

By:/s/Craig Burfeind

Craig Burfeind, President

EXHIBIT A

Licensees and License Agreements

EXISTING LICENSEES/DISTRIBUTORS

<TABLE>
<CAPTION>

Parties: EarthWatch Communications, Inc. &	Type of Agreement	Date
Clever Telecom, S.A.	Distributor Agreement	05/19/94
Digital Broadcast Systems	Distribution Agreement	12/15/96
ATM Ltd.	Distributor Agreement	05/12/94
ATLAS SA	Distributor Agreement	05/18/94
Symbolic Technologies PTE LTD.	Distributor Agreement	05/12/94
Video Graphics & Communication CO Ltd.	Distributor Agreement	05/12/94
Salam Technical Services (Qatar)	Distributor Agreement	06/23/94

Mitsui & Co. Ltd.	Distributor Agreement	02/01/95
Advanced Communication Equipment (Int'l) Co Ltd.	Distributor Agreement	05/12/94
Reality Horizons Pty Ltd.	Distribution Agreement	07/01/97
Quantum Pacific Pty Ltd.	Distribution Agreement	12/01/96
Video Design Systems Inc.	Distributor Agreement	05/20/94
Salam Technical Services/OMNIX	Distributor Agreement	06/20/94
END USER LICENSEES		
Sterling Software (U.S.), Inc.	Exclusive Distributor Agreement	12/11/96
ICELAND AGREEMENT		

</TABLE>

EXHIBIT B

Written Servicing Obligations and Fees Already Received

EXHIBIT C

Existing Agreements for License or Distribution of Products Which May Compete With the Licensed Products Within the Territory

OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement"), is made as of the 6th day of April, 1998, by and between KAVOURAS, INC., a Minnesota corporation whose address is 11400 Rupp Drive, Burnsville, MN 55337 ("Kavouras") and EARTHWATCH COMMUNICATIONS, INC., a Minnesota corporation whose address is Woodland Office Building, 17113 Minnetonka Boulevard, Suite 120, Minnetonka, MN 55345 ("EarthWatch").

WHEREAS, EarthWatch has developed and is the owner of certain software which and Kavouras desires to obtain the option to license such software from EarthWatch, under the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Option to Acquire License. EarthWatch hereby grants to Kavouras the exclusive right and option ("Option"), to be exercised on or before the end of the Option Term (as set forth in Section 2 hereof), to acquire an exclusive, twenty (20) year, royalty-free license under the Licensed Rights (as hereinafter defined) to make, have made, use, market, license, sublicense, distribute, reproduce, copy, sell and incorporate into derivative works the Licensed Products (as defined hereinafter), the territory of such license to be the United States and Canada. As used herein, the term "Licensed Rights" means:

(1) U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather," any patent resulting from a continuation application, continuation-in-part application, divisional application, re-examination application, re-issue application or foreign application related to the subject matter of U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather;"

(2) all other patents covering the manufacture, use or sale of the Licensed Products;

(3) all copyrights related to the Licensed Products;

(4) all mask work registrations related to the Licensed Products;

(5) all trade secrets, know-how and show-how related to the Licensed products;

(6) all shop rights related to the Licensed Products; and

(7) any and all other rights now owned or hereafter acquired by EarthWatch related to the Licensed Products.

As used herein, the term "Licensed Products" means:

(1) EarthWatch's Reality 3d Realtime Software (including, without limitation, Reality 3D textured skylines and the product referred to internally by EarthWatch as "virtual set");

(2) EarthWatch's SchoolWatch Software (or all work-in-progress thereon to the extent incomplete);

(3) EarthWatch's StormWatch Software (provided that the license to this software product, only, shall be non-exclusive);

(4) EarthWatch's Showmaker Software;

(5) all enhancements, other software, modules and components used to produce real time three-dimensional and fly-through effects used in television broadcast, including those necessary to create a fully functional on-air news and weather graphics system (excluding EarthVision, also known as WorldScape);

(6) all manuals or other documentation pertaining to any of the foregoing; and

(7) all derivative works or other products developed by or for Kavouras which relate in any way to any of the foregoing.

EarthWatch hereby acknowledges the receipt of the sum of One Million Five Hundred Thousand and no/100 Dollars ($1,500,000) in consideration for the option granted herein and for a current license under the Licensed Rights of the Licensed Products throughout the world except for the United States and Canada pursuant to a separate agreement. The parties have agreed that Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) of the foregoing payment has been escrowed pursuant to a escrow agreement of even date herewith.

2. Option Term. The term of the Option (the "Option Term") shall commence as of the date hereof and shall terminate at midnight on June 20, 1998.

3. Exercise of Option. The Option shall be deemed fully exercised if written notice of election to exercise is given by Kavouras to EarthWatch and the License Fee (as defined hereinafter) is paid at any time prior to expiration of the Option Term. Notice shall be given as provided in Section 8 of this Agreement. The date on which Kavouras exercises the Option shall be referred to as the "Exercise Date". If Kavouras exercises the Option, EarthWatch and Kavouras agree to enter into the License Agreement (as defined hereinafter) according to the terms and conditions hereafter described.

4. One-Time License Fee. If the Option is exercised, Kavouras shall pay

to EarthWatch as a one-time license fee the sum of One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00) (the "License Fee").

5. License Agreement. Upon notice from Kavouras that it intends to exercise the Option, the parties shall schedule a closing, to occur prior to expiration of the Option Term, at which time Kavouras shall pay the License Fee and EarthWatch and Kavouras shall enter into a license agreement in the form attached hereto as Exhibit A, provided only that the "Territory" under such license agreement shall be the United States and Canada (the "License Agreement").

6. EarthWatch's Representations and Warranties. EarthWatch makes the following representations and warranties to Kavouras that, as of the date hereof:

(a) The individuals executing this Agreement on behalf of EarthWatch have the requisite authority to execute this Agreement and such other documents as are contemplated or to be delivered by EarthWatch herein, and to bind EarthWatch thereto; and EarthWatch has the full and complete authority to perform its obligations hereunder and under the License Agreement, when executed;

(b) EarthWatch is the sole and exclusive owner, free from any liens, security interests or other encumbrances or claims of third parties, of the Licensed Products, including all copyright and other proprietary rights therein, and of the ideas, procedures, processes, systems, methods of operation and concepts which are embodied therein. EarthWatch has been granted such rights under U.S. Patent No. 5,379,215, "Method for Creating a 3D Image of Terrain and Associated Weather," and the license of the Licensed Products, the option to acquire which is granted herein or the use of the Licensed Products for the purposes permitted under such license, if acquired, will not constitute an infringement of any third party's intellectual property rights or constitute a breach of any agreement between EarthWatch and any third party, including, without limitation, that certain Reseller License Agreement by and between EarthWatch and WSI Corporation, as amended, that certain Software License Agreement by and between EarthWatch and Weather Central, Inc. and that certain Exclusive Distributor Agreement for EarthWatch Products in the Government Market by and between EarthWatch and Sterling Software (U.S.), Inc.;

(c) The Licensed Products, and all portions thereof, are free from material defects in material and workmanship and will, without modification or supplementation, permit the user thereof to create real-time 3D images of terrain and associated weather from data supplied by or to the user, provided that Kavouras acknowledges that the current version of the Licensed Products will not permit the user thereof to create real-time 3D images of terrain and associated weather from data supplied by or to the user using Kavouras data and that Kavouras and EarthWatch are in the process, pursuant to a Consulting

Agreement, of creating the data interface to permit such functionality;

(d) There are no licenses, contracts, purchase agreements, options or other agreements relating to the Licensed Property other than as listed on the attached Exhibit B;

(e) EarthWatch has entered into no agreements which would conflict with, prohibit or limit the license to be granted upon exercise of the Option;

(f) EarthWatch has provided notice to WSI Corporation of the non-renewal of that certain Reseller License Agreement by and between EarthWatch and WSI Corporation dated as of June 7, 1994, as amended, and accordingly after June 7, 1998 WSI Corporation will have no further rights under such agreement; and

(g) EarthWatch is not in default in the performance of any of EarthWatch's obligations to any third parties, including under any easement agreement, covenant, condition, restriction or other instrument relating to the Licensed Products.

7. Activities Prior to Expiration of Option Term. From and after the date hereof until the exercise of the Option or the expiration of the Option Term, EarthWatch shall not enter into any agreement, amend or extend any agreement, or take or fail to take any other action which would impair, limit or restrict the rights to be granted to Kavouras under the License Agreement or prohibit EarthWatch from fully and timely performing its obligations hereunder.

8. Notices. All notices provided for in this Agreement shall be in writing. The notice shall be effective when personally delivered at the address set forth in the first paragraph hereof. If a party delivers a notice provided for in this Agreement in a different manner than described in the preceding sentence, notice shall be effective as of the date the other party actually receives the notice.

9. Governing Law. This Agreement has been made under the laws of the State of Minnesota and such laws shall control its interpretation.

10. Assignment. Neither party may assign its interest under this Agreement without the prior written consent of the other, provided, however, that Kavouras may assign its interest to an affiliate of Kavouras or a corporation, partnership or other entity which acquires all or substantially all of the assets of Kavouras. The parties hereto acknowledge and agree that the benefits, but not the burdens, of the interests of Kavouras in this Agreement have been assigned to DTN Market Communications Group, Inc. ("DTN") pursuant to that certain Agreement Regarding Purchase of Contract and Contract Rights ("Assignment") dated March 30, 1998, among Kavouras, DTN and Data Transmission Network Corporation, subject to such beneficial interests and rights reverting

back to Kavouras as provided in the Assignment; and that DTN shall have no liabilities or obligations under this Agreement except the obligation to Kavouras to pay the EarthWatch Payments as defined in and provided for in the Assignment. While this Assignment remains in effect, EarthWatch shall send copies of all notices given to Kavouras hereunder to Data Transmission Network Corporation, 9110 West Dodge Road, Suite 200, Omaha, NE 68114, Attention Greg T. Sloma, President.

11. Counterparts. This Agreement and any amendments to this Agreement may be executed in counterparts, each of which shall be fully effective and all of which together shall constitute one and the same instrument.

12. No Joint Venture, Partnership. EarthWatch and Kavouras, by entering into this Agreement and consummating the transactions contemplated hereby, shall not be considered joint venturers or partners.

13. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. Business Days. In the event that any deadline or performance date set forth in this Agreement falls on a Saturday, Sunday or date that Norwest Bank Minnesota is closed for a banking holiday, such deadline or performance date shall be deemed to be postponed to the next business day thereafter.

15. Setoff. The parties agree that, if and to the extent that claims of third parties against EarthWatch or the Licensed Products jeopardize the ability of EarthWatch to perform or prevent EarthWatch from performing its obligations under the License Agreement to be entered into pursuant to this Option Agreement, Kavouras may (after exhausting the amounts placed in escrow for such purpose pursuant to an escrow agreement by and between EarthWatch and Kavouras of even date herewith) pay and settle such claims and setoff any such amounts so paid against the amounts payable to EarthWatch under paragraph 4 hereof.

EXECUTED by the parties hereto effective the day and year first above written.

KAVOURAS, INC.

By:/s/ Laura Burrow

Laura Burrow, Chief Operating Officer

EARTHWATCH COMMUNICATIONS, INC.

By:/s/ Craig Burfeind

Craig Burfeind, President

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into this 23rd day of April, 1998, by and among SmartServ Online, Inc., a Delaware corporation ("Seller"), and Data Transmission Network Corporation, a Delaware corporation ("Buyer").

RECITALS:

A. Seller is engaged in the business of providing products and services on the internet referred to as "SmartServ Pro", "TradeNet", and "BrokerNet" (the "Business"). The Business shall not include any other portion of Seller's operations including but not limited to (i) its telephone screen services, (ii) its internet products and services not identified above, including order routing services referred to as "Night Trade" or its derivatives, or (iii) its wireless or PCS services.

B. Seller desires to sell certain of the assets used by it in the conduct of the Business, and Buyer desires to acquire such assets.

C. To facilitate Buyer's future conduct of the Business, Seller agrees to license to Buyer and maintain certain computer software programs as provided for in this Agreement

In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer, intending to be legally bound, agree as follows:

1. Purchase and Sale. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the following assets of the Business (the "Acquired Assets"), to-wit:

(a) The three client servers listed on Schedule 1 attached hereto and incorporated herein by this reference;

(b) The trade names "TradeNet" and "BrokerNet" and those maintenance agreements and other contracts, if any, listed on Schedule 7(k); and

(c) All of Seller's contracts with customers to provide services of the Business and the assignable agreements with suppliers pertaining to or used in the Business (including, without limitation all contracts listed on Schedule 7(j));

(d) All of Seller's goodwill pertaining to or arising out of the Business.

Notwithstanding the foregoing, the Acquired Assets shall not include any assets

of the Seller not enumerated above, including but not limited to (i) Seller's cash and cash equivalents and all securities of Seller, (ii) Seller's computer software to be licensed to Buyer pursuant to Paragraph 5 of this Agreement, (iii) Seller's furniture, leasehold interests or real property interests, (iv) any records not relating to the Business and all corporate, accounting and tax records relating to the Business, (v) Seller's rights under this Agreement, (vi) the name "SmartServ Pro" and (vii) any of Seller's assets not used in the Business.

2. Purchase Price. Buyer agrees to pay, and Seller agrees to accept, as the entire aggregate purchase price for the Acquired Assets, the sum of Eight Hundred Fifty Thousand Dollars ($850,000) less a credit for prepaid revenue and unpaid accounts receivable of Seller for services of the Business to be performed after the Closing as reflected on Seller's books and records (hereinafter referred to as the "Purchase Price"). The Purchase Price shall be paid by Buyer to Seller by wire transfer upon the Closing.

3. Assumption of Liabilities. Buyer shall assume, agree to perform, and discharge when due only those obligations of Seller arising out of the contracts and agreements listed on Schedules 7(j) and 7(k) with respect to the period from and after the Closing (the Assumed Liabilities"). Seller and Buyer agree that, other than the Assumed Liabilities, Buyer does not agree to assume and shall have no responsibility for any of the debts, obligations or liabilities of Seller (the "Excluded Liabilities"), all of which shall remain the sole responsibility of Seller. The Excluded Liabilities include without limitation all of the following:

(a) Any tax liability or tax obligation of Seller, which has been or may be asserted by any taxing authority, including without limitation any such liability or obligation arising out of or in connection with this Agreement or the transactions contemplated hereby.

(b) Any liability or obligation of Seller whether incurred prior to, at or subsequent to the Closing for any amounts due or which may become due to any person or entity solely by reason of the fact that such person or entity is or has been a holder of any debt or equity security of Seller.

(c) Any trade account payable or note payable of Seller or any contract obligation of Seller (other than the Assumed Liabilities) whether incurred prior to, at or subsequent to the Closing.

(d) Any liability or obligation arising out of any litigation, suit, proceeding, action, claim or investigation, at law or in equity or in arbitration, related to Seller's operation of the Business prior to the Closing.

(e) Any claim, liability or obligation, known or unknown, contingent or otherwise, the existence of which is a breach of, or inconsistent with, any representation, warranty or covenant of Seller set forth in this Agreement.

(f) Any liability or obligation specifically stated in this Agreement or the Schedules hereto as not to be assumed by Buyer.

4. Transfer Documents; Additional Documents. Upon the Closing, Seller shall sell, transfer, assign, convey, and deliver to Buyer the Acquired Assets by duly executed titles, warranty bill of sale and assignment, and other good and sufficient instruments of sale, assignment, conveyance and transfer as shall be required to effectively vest in Buyer all of Seller's right, title, and interest in and to such Assets, free and clear of all liens, encumbrances, security interests, actions, claims and equities of any kind whatsoever and Buyer shall assume by duly executed assumption of liability the Assumed Liabilities. Buyer shall be entitled to possession of the Acquired Assets upon the Closing and payment of the Purchase Price. Upon the Closing, Seller and Buyer shall enter into the Software License and Maintenance Agreement in the form of Exhibit "A" hereto and the Source Code Escrow Agreement in the form of Exhibit "B" hereto with an escrow agent mutually acceptable to Seller and Buyer.

5. Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur on May 1, 1998, at a time and place mutually acceptable to Seller and Buyer.

6. Obligations to Employees. Seller agrees that it shall be responsible for any obligations to any of its employees which heretofore may have arisen or hereafter may arise by reason of any services rendered by such employees prior to the Closing, including but not limited to salaries, bonuses, vacation pay, retirement benefits, and other fringe benefits; and Seller hereby agrees to pay all of such obligations directly to the employees involved when due. Seller agrees timely to pay all payroll tax, withholding, and unemployment compensation payments required to be made with respect to the compensation of such employees and to hold Buyer harmless therefrom. Seller shall furnish to Buyer such evidence of Seller's compliance with the provisions of this paragraph as Buyer reasonably may request from time to time.

7. Representations and Warranties of Seller. Seller warrants, represents, and covenants to and with Buyer, now and as of the Closing:

(a) That Seller has full right and lawful authority to enter into this Agreement and to sell the items of personal property to be acquired by Buyer pursuant to this Agreement; that Seller's performance of its obligations under this Agreement will not violate any agreement, document, trust (constructive or otherwise), order, judgment or decree to which Seller is a party or by which it is bound; and that, upon the

transfer and assignment of such property to Buyer as hereinbefore mentioned, Buyer will acquire good and merchantable title thereto, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever.

(b) That Seller is the sole and lawful owner of and has good and marketable title to all of the items of personal property to be acquired by Buyer pursuant to this Agreement, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever.

(c) All material items of tangible personal property to be acquired by Buyer pursuant to this Agreement are in good operating condition, subject to normal wear.

(d) That there are no suits, arbitrations or other legal or governmental proceedings pending or threatened against Seller which might conceivably affect the title to the items of personal property to be acquired by Buyer pursuant to this Agreement.

(e) That Seller has duly filed all federal, state, and local tax returns of every kind whatsoever required to be filed on or before the Closing and has paid in full the tax liability shown on such returns; that no unpaid deficiencies are in existence which have been asserted against Seller by any official or agency as a result of the filing of such returns; and that, to the knowledge of Seller, there is not now pending any examination with respect to any such returns nor does Seller know of any impending examination with respect to any such returns.

(f) Seller shall timely pay all sales and use taxes imposed on or collectible by Seller and shall furnish to Buyer evidence that all of Seller's sales and use taxes have been paid.

(g) The property to be acquired by Buyer pursuant to this Agreement, together with the rights, property and services to be rendered or furnished to Buyer pursuant to the Software License and Maintenance Agreement attached as Exhibit "A" hereto, will include at Closing all material rights and property necessary to the conduct of the Business by Buyer in the manner it is conducted by Seller on the date of this Agreement.

(h) There is no fact, development, or threatened development with respect to the markets, products, customers, vendors, suppliers, operations, assets or prospects of the Business which are known to Seller which would materially adversely affect the business, operations or prospects of the Business considered as a whole, other than such conditions as may affect as a whole the economy generally.

(i) The financial statements of Seller for the year ended June 30, 1997 and

for the six month period ended December 31, 1997, furnished to Buyer fairly and accurately represent the financial operations of Seller for such periods.

(j) That Seller has listed on Schedule 7(j) all of Seller's contracts (oral or written) with customers and suppliers of the Business; Seller has no other contracts (oral or written) with customers and suppliers of the Business. Seller has delivered to Buyer true, correct and complete copies of all written contracts relating to the Business, and written summaries of the terms of all oral contracts relating to the Business, and all of such contracts are presently in full force and effect and are assignable to Buyer unless otherwise indicated. Seller has not received any notices from any customers or suppliers of the Business that indicate that they intend to terminate any of such contracts and, except as reflected in the copies delivered to Buyer or on Schedule 7(j), such contracts have not been amended and Seller and the other parties to such contracts are not in default in any material respect under such contracts. Seller has not been apprised and does not currently believe or have reason to believe that any of the customers of the Business plan to cancel or reduce the volume under any customer contracts.

(k) That Schedule 7(k) contains a complete list of all of Seller's contracts (oral and written) relating to the Business, if any, other than the contracts with customers and suppliers listed on Schedule 7(j). Seller has delivered to Buyer true, correct and complete copies of all such other written contracts relating to the Business and written summaries of the terms of all such other oral contracts relating to the Business, and all of such contracts are presently in full force and effect and are assignable unless otherwise indicated, and, except as reflected in the copies delivered to Buyer or on Schedule 7(k), such contracts have not been amended and Seller and the other parties to such contracts are not in default in any material respect under such contracts.

(l) That Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller has the corporate power and authority required to conduct the Business and to own and use the properties currently owned and used by it. Seller has the corporate power and authority to execute and deliver this Agreement and to perform its respective obligations thereunder. The execution and delivery of this Agreement by Seller and the performance of its obligations thereunder have been duly and validly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization,

arrangement, moratorium, fraudulent conveyance, and other similar laws or judicial decisions affecting the validity and enforcement of creditors' rights generally.

(m) That neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated thereby, (i) conflicts with or violates any provision of the Certificate of Incorporation or bylaws of Seller, (ii) requires on the part of Seller any filing with, or permit, authorization, consent or approval of, any federal or state governmental agency or entity, (iii) conflicts with, results in a breach of, constitutes (with or without notice or lapse of time or both) a default under, or requires any notice, consent or waiver under any contract, lease, license, franchise, permit, indenture, agreement or mortgage for borrowed money or other agreement to which Seller is a party or by which Seller is bound or to which any of its assets is subject, or (iv) violates any statute, rule or regulation, or any order, writ, injunction or decree applicable to Seller or any properties or assets of Seller.

(n) Unless otherwise approved by Buyer, Seller shall maintain and operate the Business between the date of this Agreement and the Closing in the ordinary course consistent with past practices.

8. Representations and Warranties of Buyer. Buyer warrants, represents, and covenants to and with Seller, now and as of the Closing:

(i) That Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the corporate power and authority to execute and deliver this Agreement and to perform its respective obligations thereunder. The execution and delivery of this Agreement by Buyer and the performance of its obligations thereunder have been duly and validly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws or judicial decisions affecting the validity and enforcement of creditors' rights generally.

(ii) That neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated thereby, (i) conflicts with or violates any provision of the Certificate of Incorporation or bylaws of Buyer, (ii) requires on the part of Buyer any filing with, or permit, authorization, consent or approval of, any federal or state governmental agency or entity, (iii) conflicts with, results in a breach of, constitutes (with or without notice or lapse of time or

both) a default under, or requires any notice, consent or waiver under any contract, lease, license, franchise, permit, indenture, agreement or mortgage for borrowed money or other agreement to which Buyer is a party or by which Buyer is bound or to which any of its assets is subject, or (iv) violates any statute, rule or regulation, or any order, writ, injunction or decree applicable to Buyer or any properties or assets of Buyer.

9. Indemnification. Seller agrees to indemnify Buyer and to hold Buyer harmless from any and all loss, damage, cost, or expense incurred or sustained by Buyer by reason of the failure of any warranty or representation contained in this Agreement to be true or as a result of Seller's failure to abide by any covenant or agreement on its part contained in this Agreement or arising out of any claim by a stockholder of Seller alleging that Seller improperly failed to obtain stockholders approval of the transactions contemplated by this Agreement or arising out of any claim made against Buyer alleging that Seller failed to comply with the bulk sales laws of the State of Connecticut.

10. Survival. The representations, warranties, and covenants on the part of Seller and Buyer contained in this Agreement shall survive the Closing and shall be binding upon each party and their respective successors and assigns.

11. Payment of Liabilities. Seller agrees that it is responsible for all liabilities of Seller existing on the Closing and to hold Buyer harmless therefrom. Buyer and Seller agree that Buyer is not assuming and shall have no responsibility for any of the debts, obligations, or liabilities of Seller, including but not limited to any liabilities or obligations of Seller (whether fixed, absolute, contingent, known, unknown, direct, indirect, or otherwise) whether incurred or accrued before or after the Closing, which in any way relate to the performance or non-performance of, or any other liability or obligation relating to any service or product furnished or sold by Seller prior to or after the Closing, and Seller hereby agrees to hold Buyer harmless from any cost or expense arising out of or relating to any such debts, obligations, or liabilities; provided, however, such indemnification by Seller does not extend to any Assumed Liabilities. Buyer agrees to be responsible for any and all liabilities of Buyer existing at the Closing or assumed by Buyer as a result of this Agreement and to hold Seller harmless therefrom. Seller and Buyer agree that if either receives any payment under a contract which is included among the Acquired Assets which payment belongs to the other, it will promptly forward such payment to the other.

12. Transfer Taxes. Seller shall pay all sales and other similar taxes imposed on or collectible by Seller or Buyer by reason of the transfer of the property being acquired by Buyer pursuant to this Agreement.

13. Noncompete. During the term of the Software License and Maintenance

Agreement to be entered into at the Closing, Seller shall not, directly or indirectly, whether as a shareholder, partner or investor possessing any ownership interest, or as principal, agent, employee, proprietor, independent contractor, consultant or in any other capacity, solicit for itself or others, or advise or recommend to any other person that such person solicit, any current customer of the Business, for the purpose of competing with Buyer in the Business. If any court having jurisdiction at any time hereafter shall hold any of such restrictive covenants to be unenforceable or unreasonable as to its scope, territory, or period of time, and such court in its judgment or decree shall declare or determine the scope, territory, or period of time which such court deems to be reasonable, then such scope, territory or period of time, as the case may be, shall be deemed automatically to have been reduced to that declared or determined to be reasonable by such court. Notwithstanding the foregoing, if any clause or provision of this paragraph shall be unenforceable, then such clause or provision shall be deemed to be deleted from this paragraph, but every other clause and provision shall continue in full force and effect. These covenants are an integral part of the asset purchase transaction contemplated by this Agreement and Buyer would not have entered into this Agreement in the absence of such covenants. Seller acknowledges that the agreements contained in this paragraph are reasonable and necessary to protect the Business being purchased by Buyer and that any breach thereof will result in irreparable injury to Buyer for which Buyer has no adequate remedy at law. Seller therefore agrees that, in the event either of them breaches any of the agreements contained in this paragraph, Buyer shall be authorized and entitled to seek from any court of competent jurisdiction (i) a temporary restraining order, (ii) preliminary and permanent injunctive relief, (iii) an equitable accounting of all profits or benefits arising out of such breach, and (iv) direct, incidental, and consequential damages resulting from such breach. Such rights or remedies shall be cumulative and in addition to all other rights or remedies to which Buyer may be entitled.

14. Entire Agreement. This document constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended, or terminated except by a written agreement specifically referring to this Agreement and signed by all of the parties hereto.

15. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

16. Further Instruments. After the Closing, the parties hereto shall execute and deliver such additional instruments and documents as may be reasonably requested by any of them in order to carry out the purposes and intent of this Agreement and to fulfill their respective obligations.

17. Further Actions. Seller agrees to take after the Closing such actions from time to time as may in the reasonable judgment of Buyer or its counsel be necessary or advisable to confirm the title of Buyer to any of the items of property acquired by Buyer from Seller pursuant to this Agreement.

18. Governing Law. This agreement shall be construed in accordance with the laws of the State of Nebraska.

19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions contained in this Agreement, which provisions shall remain in full force and effect.

20. Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

21. Schedules and Exhibits. All references to Schedules and Exhibits herein, unless otherwise stated, means the schedules and exhibits attached to this Agreement which are hereby incorporated by reference.

22. Notification. All notices which either party may be required or desire to give to the other party shall be in writing and shall be given by personal service, telecopy, registered air mail or certified air mail (or its equivalent) to the other party at its respective address or telecopy telephone number set forth below. Notices shall be deemed to be given upon actual receipt by the party to be notified. Notices delivered by telecopy shall be confirmed in writing by overnight courier.

If to Seller:

SmartServ Online, Inc.
Metro Center, One Station Place
Stamford, CT 06902
Attn: Mario F. Rossi
Telecopy No. (203) 353-5962

If to Buyer:

Data Transmission Network Corporation
9110 West Dodge Road, #200
Omaha, NE 68114
Attn: Eric Stokes
Telecopy No.: (402) 255-8088

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DATA TRANSMISSION NETWORK
CORPORATION, a Delaware corporation

By:/s/ Charles R. Wood

Charles R. Wood, Sr. Vice President

SMARTSERV ONLINE, INC., a
Delaware corporation

By:/s/ Sam Cassetta

Sam Cassetta, Chairman & CEO

SCHEDULE 1

List of Tangible Personal Property

SCHEDULE 7(j)

Customer and Supplier Contracts

SCHEDULE 7(k)

EXHIBIT "A"

SOFTWARE LICENSE AND
SERVICE AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of _____, 1998 (the "Effective Date") by and between SmartServ Online, Inc., a Delaware corporation having an office at Metro Center, One Station Place, Stamford, CT 06902 ("SmartServ") and Data Transmission Network Corporation, a Delaware corporation, having an office at 9110 West Dodge Road, Suite 200, Omaha, Nebraska 68114 ("DTN").

RECITALS

A. SmartServ is the owner of certain computer software as described in Schedule "A" attached hereto and the documentation and related materials therefore listed in Schedule "A" (as modified and enhanced in accordance with this Agreement, the "Internet Software") and SmartServ desires to license the Internet Software to DTN.

B. Pursuant to that certain Asset Purchase Agreement dated April 23, 1998 between SmartServ and DTN (the "Purchase Agreement"), DTN acquired from SmartServ three client servers. Such servers will remain located at the premises of SmartServ as provided herein. When used with such servers and additional hardware and equipment owned exclusively by SmartServ (the use of which will be provided by SmartServ as set forth in this Agreement), the Internet Software will allow DTN's subscribers internet access to continuous market quotations and other financial and news information services offered from time to time by DTN (the "Internet Services").

C. SmartServ agrees to service, support, maintain and enhance the Internet Software and the related computer hardware as more fully described herein so as to allow DTN's subscribers to access the Internet Services at any time during the term of this Agreement.

D. DTN desires to acquire such licenses and services from SmartServ as described in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual

promises contained herein, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. The following defined terms when used in this Agreement shall have the meanings designated below:

Business Hours means the time period commencing one hour prior to and ending one hour after the trading hours of the New York Stock Exchange.

Confidential Information has the meaning given to such term in Paragraph 5.2 of this Agreement.

Documentation has the meaning given to such term in Paragraph 4.2 of this Agreement.

Escrow Agent means the Escrow Agent under that certain Source Code Escrow Agreement with SmartServ and DTN executed concurrently with this Agreement.

Escrow Release Events has the meaning given to such term in Paragraph 2.3(e) of this Agreement.

Hardware means the servers acquired by DTN pursuant to the Purchase Agreement and Paragraph 4.7 of this Agreement and all replacements and additions thereto which will be manipulated by the Internet Software to allow DTN's subscribers to obtain the Internet Services.

Internet Software has the meaning given to such term in Recital A to this Agreement.

License has the meaning given to such term in Paragraph 2.1 of this Agreement.

License Fee has the meaning given to such term in Paragraph 3.1 of this Agreement.

License Term has the meaning given to such term in Paragraph 7.1 of this Agreement.

Maintenance Services has the meaning given to such term in Paragraph 4.1 of this Agreement.

SmartServ Equipment means the computer hardware and equipment owned by SmartServ and described in Schedule "B" and all replacements and additions thereto (except as provided in Paragraph 4.7) which when used with the Hardware

and Internet Software will allow DTN's subscribers to obtain the Internet Services.

Source Code Escrow Package has the meaning given to such term in Paragraph 2.3(a) of this Agreement.

Updates has the meaning given to such term in Paragraph 4.5 of this Agreement.

ARTICLE 2
THE LICENSE

2.1 The Licensed Software. SmartServ hereby grants to DTN, its subsidiaries and affiliates, a license (the "License") to use the Internet Software as part of DTN's, and its subsidiaries' and affiliates', business operations and to allow DTN's subscribers to use the Internet Software to access the Internet Services. The License shall be a limited exclusive license as follows: SmartServ agrees not to license, sell, convey or otherwise transfer (collectively, "Transfer") to anyone other than DTN any rights in the Internet Software during the term of this Agreement without DTN's prior written consent, which consent will not be unreasonably withheld or delayed by DTN, provided that the agreement under which SmartServ shall Transfer any rights in the Internet Software to a third party shall provide that the transferee's use of the Internet Software would not constitute a breach of Section 13 of the Purchase Agreement, if such other party were SmartServ. In addition, SmartServ shall not use or allow anyone other than DTN to use the Internet Software to compete with the Internet Services. If during any calendar quarter ending after the first twelve months of the License Term, DTN does not obtain at least 600 subscribers to the Internet Services (exclusive of renewing subscribers, but not net of terminating subscribers) and pay License Fees of $100,000, then the exclusivity with respect to the License shall cease and the License shall become nonexclusive.

2.2 Object Code. SmartServ shall deliver the Internet Software to DTN in object code form. DTN may reproduce the Internet Software as necessary to include (a) a production version for DTN's use in accordance with this Agreement; (b) a test version which may be run for testing and development purposes; and (c) copies for archival and backup purposes. DTN shall also have the right to maintain and modify or retain third party entities to maintain and modify the Internet Software in the event of an Escrow Release Event or if SmartServ fails to or is no longer obligated to maintain the Internet Software under this Agreement or any future maintenance agreements between DTN and SmartServ.

2.3 Source Code Escrow.

a. The term "Source Code Escrow Package" means the following:

i. a complete copy in machine-readable form of the source code and object code of the Internet Software;

ii. a complete copy of any existing design documentation and user documentation; and

iii. complete instructions for compiling and linking every part of the source code into executable code, for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

b. Within five (5) days after the Closing, SmartServ shall deliver a Source Code Escrow Package to Escrow Agent.

c. When and if SmartServ provides DTN with a maintenance release or upgrade version of any part of the Internet Software, SmartServ shall within ten (10) business days thereafter deposit with Escrow Agent, in accordance with Section 2.3, a Source Code Escrow Package for the maintenance release or upgrade version.

d. DTN, at its option and expense, may at any time verify the completeness and accuracy of any Source Code Escrow Package. Unless otherwise agreed at the time by SmartServ and DTN, verification will be performed on-site at Escrow Agent's or SmartServ's premises at a time specified by DTN. SmartServ shall make technical and support personnel available as reasonably necessary for the verification. SmartServ may in its discretion designate a representative to be present at the verification.

e. The Source Code Escrow Package shall, upon request of DTN, be released from escrow to DTN for use by DTN in accordance with this Agreement upon the occurrence of one or more of the following "Escrow Release Events" defined below:

i. SmartServ is in breach of its obligations under the Source Code Escrow Agreement with DTN and Escrow Agent;

ii. if SmartServ files a petition for liquidation and dissolution under Chapter 7 of the Bankruptcy Code of the United States, or an involuntary petition in bankruptcy is filed against SmartServ and is not dismissed or converted for reorganization under Chapter 11 of the Bankruptcy Code of the United States within sixty (60) days thereafter, or this Agreement is rejected in a

proceeding under Chapter 11 of the Bankruptcy Code of the United States; or

iii. if SmartServ proves unable or otherwise fails to cure a breach of this Agreement within the applicable cure period set forth in this Agreement;

f. Within ten (10) days after the execution and delivery of this Agreement, SmartServ shall deliver to DTN two (2) keys which shall operate to open the (i) front door and (ii) door to the computer room, respectively, of SmartServ's principal offices located at One Station Place, Stamford, CT 06902. These keys may be used by a limited number of employees of DTN for the purpose of accessing, operating and maintaining the Internet Software and Hardware in the event that SmartServ is unable to do so in accordance with the terms and conditions set forth in this Agreement.

2.4 Competition. Nothing in this Agreement shall impair DTN's rights to use or distribute similar ideas or programs which have been independently developed by DTN or submitted by others to DTN, provided that SmartServ' patents, copyrights and trade secrets are not infringed.

ARTICLE 3
FEES AND PAYMENT

3.1 License and Maintenance Fee. Except as provided below, during the License Term DTN shall pay to SmartServ a monthly license and maintenance fee (the "License Fee") equal to the sum of the amounts determined by multiplying the applicable percentages set forth below by the revenues earned and received for such month by DTN from the corresponding number of subscribers to the Internet Services at each level, in excess of the first 1,000 subscribers.

<TABLE>
<CAPTION>

Subscribers	Percentage of Subscriber Revenue
<C>	<C>
1,001 - 2,000	20%
2,001 - 4000	25%
4,001 - 8,000	30%
Over 8,000	40%

</TABLE>

DTN shall guaranty a minimum monthly payment of $100,000 during the first twelve months of the License Term. The minimum monthly payments during the first twelve

months of the License Term shall be paid in advance on the first day of such month. Otherwise, the License Fee shall be paid within twenty (20) days after the end of the month to which it relates. The License Fee shall be determined using the average revenue per subscriber for such month. As an example, if the revenues earned and received by DTN during a month are $800,000 from 4,000 subscribers, then the monthly payment to SSOL will be $140,000 computed as the sum of (i) 20% of the product of $200 (the average revenue per subscriber for such month) multiplied by 1,000 subscribers and (ii) 25% of the product of $200 multiplied by 2,000 subscribers. For purposes of such computation, the number of subscribers in a month shall be the weighted average of the number of subscribers for such month. Notwithstanding the foregoing, if SmartServ breaches any of its obligations under Article 4 of this Agreement and fails to cure such breach within thirty (30) days after written notice thereof, DTN may at its sole cost elect to provide its own maintenance of the Internet Software and the Hardware, in which case DTN shall have no further obligation to pay the License Fee and SmartServ shall have no further obligations under Article 4 of this Agreement.

3.2 Audit Rights. SmartServ and/or a SmartServ representative shall have the right, exercisable not more than once per year, at any reasonable time to inspect, audit and make copies of the books and records of DTN which relate to the calculation of the License Fee. Except as set forth below, such audit shall be at the expense of SmartServ. In the event any such inspection and audit reveals that DTN underpaid the License Fee owing for any month, then DTN shall promptly pay to SmartServ the amount of such underpayment together with interest thereon from its due date at the rate of eight percent (8%) per annum. In the event that DTN underpaid by more than five percent (5%) the License Fee owing for any month, then DTN also shall promptly pay to SmartServ the reasonable out-of-pocket costs and expenses actually incurred by SmartServ in conducting such audit, up to an amount not in excess of such underpayment.

ARTICLE 4
MAINTENANCE SERVICES

4.1 Services of SmartServ. During the License Term, SmartServ agrees to service, support, maintain and enhance the Internet Software and the Hardware as provided in this Article 4 (the "Maintenance Services"). SmartServ agrees to use its best efforts in performing the Maintenance Services so as to allow DTN's subscribers prompt access to the Internet Services at any time during the License Term. It is agreed by the parties that SmartServ will have during the first twelve months of the License Term a minimum of six (6) programming resources trained in the Internet Software available at all reasonable times to provide the Maintenance Services; provided, however, that SmartServ may be required to have additional programming resources available to perform the Maintenance Services during critical times as needed. DTN and SmartServ agree

that during the remainder of the License Term SmartServ will have a minimum of three (3) programming resources trained in the Internet Software available at all reasonable times to provide the Maintenance Services; provided, however, that SmartServ may be required to have additional programming resources available to perform the Maintenance Services during critical times as needed.

4.2 Correction of Internet Software. The Maintenance Services shall include, without limitation, SmartServ correcting any failure of the Internet Software to operate in accordance with the documentation for the Internet Software (as modified pursuant to this Agreement, the "Documentation"). The Documentation shall provide for the Internet Software to operate in an efficient and responsive manner in accordance with the highest of industry standards.

4.3 Outages. SmartServ understands the need for DTN's subscribers to have continuous access to the Internet Services. SmartServ warrants that it will use its best efforts to maintain the Internet Software and the Hardware in a condition which will allow DTN's subscribers to access the Internet Services 24 hours per day, 365 days per year. Notwithstanding the force majeure provisions of Section 8.5, should outages occur during Business Hours due to the failure of the Internet Software or the Hardware that exceed 1% in the aggregate during any calendar month, SmartServ shall forfeit the entire License Fee for such month as liquidated damages. Should outages occur during Business Hours due to the failure of the Internet Software or the Hardware that exceed 2% in the aggregate during any calendar month or 3% in the aggregate during each of two consecutive calendar months, DTN may elect (without granting SmartServ a cure period) to provide at its sole cost its own maintenance of the Internet Software and the Hardware, in which case DTN shall have no further obligation to pay the License Fee during the remainder of the License Term and SmartServ shall have no further obligations under Article 4 of this Agreement.

4.4 Required Upgrades. DTN receives its market quotations and other news and financial information from various third-party providers. DTN shall have the right anytime during the License Term, in its sole discretion, to change the third-party providers of information for the Internet Services. As part of Maintenance Services, at no additional cost to DTN, but subject to the limitations set forth in Paragraph 4.6, SmartServ shall provide all modifications required to enable the Internet Software to operate in accordance with any new or modified system requirements specified by such third-party providers within the time periods specified in the contracts with such third-party providers, which shall not be less than thirty (30) days after receipt of notice from DTN of the new or modified system requirements.

4.5 Updates. As part of Maintenance Services, at no additional cost to DTN, SmartServ shall provide during the License Term (other than the first twelve months thereof) all revisions, improvements, modifications, corrections, releases and enhancements (the "Updates") to any portion of the Internet Software. SmartServ shall use its best efforts to provide the Updates as

necessary to maintain the quality and competitive position of the Internet Services in the industry. Such Updates shall not degrade the performance, functioning or operation of the Internet Software. If any such Updates are not acceptable to DTN, DTN may refuse to accept such Updates, and, in such event, SmartServ agrees to maintain the Internet Software without such Updates. Once an Update is incorporated in the Internet Software, it shall be considered part of the Internet Software for all purposes hereunder.

4.6 Limitation on Expenditures. Excluding the first twelve months of the License Term, SmartServ reserves the right to limit the expenditure of its resources for performing the upgrades and Updates referred to in Sections 4.4 and 4.5 to twenty percent (20%) of its revenues earned hereunder (excluding such initial twelve months) on a cumulative basis. Accordingly, if SmartServ uses 10% of its revenues during one year, then it has 30% of its revenues available for the next year.

4.7 Hardware Maintenance. So long as SmartServ is to provide the Maintenance Services as provided herein, the Hardware shall be located at SmartServ's premises at no additional cost to DTN, except for property taxes on the Hardware which shall be the sole responsibility of DTN. As part of Maintenance Services, at no additional cost to DTN, SmartServ shall make all necessary adjustments and minor repairs to keep the Hardware in good operating condition and functioning properly at the premises of SmartServ. SmartServ will use its best efforts to advise DTN sufficiently in advance of any needed major repairs or replacements to the Hardware and DTN will, at its cost, provide new or equivalent used replacement parts for the Hardware. In addition, DTN will, at its cost, furnish an additional client server for each additional 500 subscribers to the Internet Service in excess of the first 1,500 subscribers. The SmartServ Equipment will accommodate three more servers, in addition to the ones owned by DTN. Each server is capable of serving 500 additional subscribers for a total of 3,000 subscribers. Adding additional subscribers, beyond 3,000 may require additional computer hardware to be added to the system, which DTN will furnish at its cost and which will become Hardware for purposes of this Agreement. The Hardware and all additions and replacements shall at all times remain the property of DTN. Parts or replacements required for the Hardware as a result of the negligence or fault of SmartServ shall be furnished by SmartServ at its cost. During the License Term, SmartServ shall use its best efforts to provide adequate facilities, including without limitation work space, heat, light, ventilation, electric current and outlets, for operation of the Hardware. SmartServ agrees that it shall not move, or permit to be moved, the Hardware during the License Term without DTN's prior written consent. Notwithstanding any contrary provision contained herein, DTN shall be responsible for all telecommunication costs incurred in the operation of the Hardware and Internet Software as contemplated in this Agreement. SmartServ agrees, at no additional cost to DTN, to maintain casualty insurance on the Hardware with the same coverage as it has for its own computer equipment and shall replace any loss to the Hardware as a result of events covered by such insurance. Such policies of insurance shall name DTN as an additional insured and may not be canceled without at least ten days prior written notice to DTN.

4.8 Telephone Support. As part of Maintenance Services, at no additional cost to DTN, SmartServ shall provide reasonable technical assistance and consultation in the use of the Internet Software and the Hardware by telephone, during DTN's normal working hours.

4.9 Training. As part of Maintenance Services, at no additional cost to DTN, SmartServ shall provide such training as may reasonably be requested by DTN to enable it to use the Internet Software and the Hardware for providing the Internet Services.

4.10 SmartServ Equipment. The system to be used to provide the Internet Services includes the SmartServ Equipment in addition to the Hardware and Internet Software. During the License Term, SmartServ agrees to furnish the use of the SmartServ Equipment so as to allow DTN's subscribers prompt access to the Internet Services. In addition, SmartServ agrees to service, support, and maintain the SmartServ Equipment, subject to the obligations of DTN set forth in this Article 4.

ARTICLE 5
PROPRIETARY RIGHTS AND CONFIDENTIALITY

5.1 Ownership of the Internet Software. Subject to the rights granted to DTN herein, all right, title and interest to the Internet Software shall at all times remain in SmartServ, including but not limited to all applicable copyrights, trade secrets and patents. DTN shall safeguard the Internet Software with reasonable efforts using not less than the same degree of care that is exercised by DTN for its own confidential and proprietary software.

5.2 Confidential Information. DTN and SmartServ acknowledge that in the course of dealings between the parties, each party will acquire information about the other party, its business activities and operations, its technical information and trade secrets, of a highly confidential and proprietary nature ("Confidential Information"). The Confidential Information of each party shall be safeguarded by the other at least to the same extent that it safeguards its own confidential materials or data relating to its own business.

5.3 Confidential Computer Programs. Except as set forth herein, neither party shall make copies of the computer programs and related materials of the other party nor permit them to be used by or for any person or entity except as set forth herein and all such computer programs and related materials shall be considered Confidential Information hereunder.

5.4 Confidentiality Exclusions. Nothing in this Article 5 shall restrict either party with respect to information or data identical or similar to that contained in the Confidential Information but which (a) that party rightfully possessed before it received such information from the other as evidenced by

written documentation; (b) subsequently becomes publicly available through no fault of that party; (c) is subsequently furnished rightfully to that party by a third party without restrictions on use or disclosure; or (d) is required to be disclosed by law, provided that the disclosing party will exercise reasonable efforts to allow the other party to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

5.5 Remedy. SmartServ and DTN agree that if either of them, their officers, employees or anyone obtaining access to the Confidential Information of the other party by, through or under them, breaches any provision of this Article 5, the non-breaching party would suffer irreparable harm and the total amount of monetary damages for any injury to the non-breaching party from any violation of this Article 5 would be impossible to calculate and would therefore be an inadequate remedy. Accordingly, the parties agree that the non-breaching party shall be entitled to temporary and permanent injunctive relief against the breaching party, its officers or employees, and such other rights and remedies to which the non-breaching party may be entitled to at law, in equity and under this Agreement for any violation of this Article 5.

ARTICLE 6

WARRANTIES AND INDEMNIFICATION

6.1 Quiet Enjoyment. SmartServ warrants to DTN that: (i) SmartServ has the right to furnish to DTN the Internet Software and other materials covered hereunder free of all liens, claims, encumbrances and other restrictions, except as stated to the contrary herein; (ii) DTN shall quietly and peacefully possess the Internet Software and other materials furnished hereunder subject to and in accordance with the provisions of this Agreement; and (iii) DTN's permitted use and possession of the Internet Software and other materials will not be interrupted or otherwise disturbed by any entity asserting a claim under or through SmartServ.

6.2 Internet Software. SmartServ warrants that the Documentation faithfully and accurately reflects the functionality provided by the Internet Software. SmartServ warrants that the Internet Software (i) is free from known material defects and (ii) materially performs in accordance with the Documentation. SmartServ further warrants and represents that the occurrence in or use by the Internet Software of dates on or after January 1, 2000 ("millennial dates") will not adversely affect the performance of the Internet Software with respect to data dependent data, compilations, output, or other functions (including but not limited to calculating, comparing and sequencing) and that the Internet Software will create, store, process and output information related to or including millennial dates without error or omissions and at no additional cost to DTN.

6.3 Defect Correction. In the event that the Internet Software does not perform as warranted in paragraph 6.2 hereof, SmartServ agrees to use its best efforts to promptly make the Internet Software perform as so warranted. If SmartServ is unable to make the Internet Software perform as so warranted, DTN may, at its sole option, terminate this Agreement.

6.4 Services. SmartServ warrants that all services performed by SmartServ hereunder, including but not limited to Maintenance Services, installing the Internet Software, training, programming and consulting, will be performed in a professional manner by qualified personnel.

6.5 Warranty Period. Commencing upon the Effective Date and continuing at all times during the License Term, subject to termination as provided in Section 3.1, SmartServ shall perform Maintenance Services, at no additional charge to DTN, in accordance with Article 4 hereof.

6.6 Intellectual Property Indemnification. (a) SmartServ shall indemnify, defend and hold DTN, its subsidiaries, affiliates and sublicensees harmless from any claims, damages or judgments including all reasonable attorney's fees, directly or indirectly resulting from any claimed infringement or violation of any patent, copyright, trademark, trade secret or other intellectual property right of a third party with respect to the Internet Software. Following notice of a claim or threat thereof, SmartServ shall use its best efforts to either (i) procure for DTN the right to continue to modify and use the Internet Software as provided herein, at no additional costs to DTN, or (ii) provide DTN with a noninfringing version of the Internet Software, provided that such new version does not degrade the performance, functionality or operation of the Internet Software in any material respect. If SmartServ is unable to perform either (i) or (ii) above, DTN may upon reasonable notice terminate this Agreement and the License. DTN agrees to give SmartServ reasonable notice of any such claim or threat and reasonable cooperation with SmartServ in any defense or settlement of any such claim or threat.

(b) DTN shall indemnify, defend and hold SmartServ, its subsidiaries and affiliates harmless from any claims, damages or judgments including all reasonable attorney's fees, directly or indirectly resulting from any claimed infringement or violation of any patent, copyright, trademark, trade secret or other intellectual property right of a third party with respect to the Internet Services (other than with respect to the Internet Software). SmartServ agrees to give DTN reasonable notice of any such claim or threat and reasonable cooperation with DTN in any defense or settlement of any such claim or threat.

ARTICLE 7
TERM AND TERMINATION

7.1 Term. The term of this Agreement shall commence upon the Effective Date and, unless terminated earlier pursuant to Article 7, shall continue until either party terminates this Agreement by written notice to the other party given at least one year in advance of such termination, provided such termination may not occur earlier than three years after the Effective Date. Such term is referred to in this Agreement as the "License Term".

7.2 Termination for Cause. Either party shall have the right to terminate this Agreement and/or the License upon: (a) violation, breach or default of the other party, its officers or employees of any material provision of this Agreement, including but not limited to proprietary rights and confidentiality obligations; or (b) the other party becoming insolvent, commencing or becoming subject to any proceedings under any bankruptcy or insolvency law or making any assignment for the benefit of creditors, suffering or permitting the appointment of a receiver for its business or assets or commencing the winding up or liquidating its business or affairs, voluntarily or otherwise. In addition, DTN may terminate this Agreement in accordance with paragraphs 6.3, 6.6 and 7.1 hereof.

7.3 Right to Cure. Notwithstanding the foregoing paragraph 7.2 hereof, neither party may terminate this Agreement and/or the License pursuant thereto, unless and until the party seeking to terminate has specified the cause for the termination in writing, notifying the other party that it intends to terminate this Agreement and/or the License, and such cause for the termination has not been cured by the other party within thirty (30) days after receipt of such written notice, except with respect to the breach of a confidentiality obligation, in which case such cause must be cured within five (5) days after receipt of such written notice.

7.4 Obligations Upon Termination. Upon termination of this Agreement and the License, all rights and obligations granted herein shall cease, except as otherwise provided, and each party shall forthwith return to the other party all papers, materials, documentation, and any other properties of the other party received pursuant to this Agreement, including but not limited to the Source Code Escrow Package.

7.5 Survival of Certain Provisions. The terms and conditions in the following paragraphs shall survive the termination of this Agreement: 5.1-5.5, 6.6, 7.4, 7.5, 8.1-8.4, 8.8-8.10.

ARTICLE 8
GENERAL

8.1 Agreement Interpretation and Construction. If any provision of this Agreement is held invalid or unenforceable for any reason, such invalidity shall not affect the validity of the remaining provisions of this Agreement, and the parties shall substitute for the invalid provisions a valid provision which most closely approximates the intent and economic effect of the invalid provision. The recitals set forth on the first page of this Agreement are an integral part of this Agreement and are incorporated by reference into the body of this Agreement. The section headings in this Agreement are solely for convenience and shall not be considered in its interpretation. The language of this Agreement has been approved by the counsel for both parties and shall be construed as a whole according to its fair meaning and neither of the parties hereto shall be deemed to be the draftsman of this Agreement in any action which may hereafter arise between the parties.

8.2 Non-waiver. The failure of either party at any time to require performance by the other party of any provision of the Agreement shall not affect in any way the full right to require such performance at any subsequent time, nor shall the waiver by either party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself.

8.3 Attorneys' Fees. In any action between the parties to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover expenses, including reasonable attorneys' fees.

8.4 Notification. All notices which either party may be required or desire to give to the other party shall be in writing and shall be given by personal service, telecopy, registered air mail or certified air mail (or its equivalent) to the other party at its respective address or telecopy telephone number set forth below. Notices shall be deemed to be given upon actual receipt by the party to be notified. Notices delivered by telecopy shall be confirmed in writing by overnight courier.

If to SmartServ:

Metro Center
One Station Place
Stamford, CT 06902
Attn: Mario F. Rossi
Telecopy No. (203) 353-5962

If to DTN:

Data Transmission Network Corporation
9110 West Dodge Road, #200
Omaha, NE 68114
Attn: Eric Stokes
Telecopy No.: (402) 255-8088

8.5 Force Majeure. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting directly

or indirectly from acts of God or any causes beyond the reasonable control of such party, provided that such party shall be without fault or negligence. Performance time under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay which is excusable under this paragraph. If any such excusable delay shall last for a period of more than thirty (30) consecutive calendar days, the party not relying on the excusable delay, at its option, may terminate this Agreement.

8.6 Independent Contractors. It is expressly agreed that SmartServ and DTN are acting hereunder as independent contractors and under no circumstances shall any of the employees of one party be deemed the employees of the other for any purpose. This Agreement shall not be construed as authority for either party to act for the other party in any agency or other capacity, or to make commitments of any kind on the account of or on the behalf of the other except to the extent and for the purposes provided for herein. All persons furnished by SmartServ shall be considered solely SmartServ's employees or agents and SmartServ shall be responsible for compliance with all laws, rules and regulations including, but not limited to employment of labor, hours of labor, working conditions, workers' compensation, payment of wages, and payment of taxes, such as unemployment, social security and other payroll taxes, including applicable contributions from such persons when required by law. SmartServ's employees and agents shall have no right to any benefits that DTN grants its employees. SmartServ shall indemnify and hold harmless, and, if required, defend DTN against any claims or lawsuits arising out of SmartServ's failure to comply with any such laws, rules or regulations.

8.7 Compliance with Laws. SmartServ, its employees and agents shall comply with the applicable EEO, Fair Labor Standards Act and The Occupational Safety and Health Act and all other federal, state, and local laws, ordinances, regulations and codes including identification and procurement or required permits, certificates, approvals and inspections, in performance under this Agreement. SmartServ agrees to indemnify DTN for any loss or damage that may be sustained by reason of any failure to do so.

8.8 Governing Law. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Nebraska, without regard to principles of conflicts of laws.

8.9 Jurisdiction. The parties hereby submit to the exclusive jurisdiction of Nebraska in any legal action or proceeding arising out of or relating to this Agreement or the legal relationship established by such Agreement, and the parties hereby agree that all claims with respect to any such action or proceeding shall be heard and determined in such courts. The parties hereby waive any objection they may have to the existence of personal jurisdiction or the laying of venue, and waive any defense of an inconvenient forum, with

respect to the maintenance of any such action or proceeding.

8.10 Publicity. Except as otherwise set forth herein, neither party shall use the name of the other in advertising or publicity releases without securing the prior written consent of the other party. Without the prior written consent of the other party, neither party shall disclose, advertise or publish the existence of this Agreement or any terms of this Agreement, except as is required by law or regulation or for compliance with the requirements of NASDAQ.

8.11 Assignment. SmartServ's rights and obligations under this Agreement are personal and SmartServ may not assign (either voluntarily or by operation of law) or subcontract, its rights, duties or obligations under this Agreement without the prior written consent of DTN; provided, however, SmartServ may assign its rights under this Agreement in connection with a merger or sale of all or substantially all of its assets so long as (i) SmartServ shall first give DTN the right to acquire SmartServ or substantially all of its assets upon the same terms as the proposed merger or sale (DTN shall have thirty days after receipt of all material terms of the offer within which to accept the proposal) and (ii) the proposed transferee is not listed on Schedule C attached hereto. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their successors and assigns.

8.12 Entire Agreement. This Agreement, including the Schedules hereto, and the Purchase Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, modified or amended except by an instrument in writing signed by a duly authorized representative of each of the parties.

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed by their duly authorized officers as of the Effective Date. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

DATA TRANSMISSION NETWORK CORPORATION	SMARTSERV ONLINE, INC.
By:/s/ Charles R. Wood	By:/s/Sam Cassetta
Charles R. Wood, Sr. Vice President	Sam Cassetta, Chairman & CEO

SCHEDULE A

Internet Software Description,
Documentation and Related Materials

SCHEDULE B

List of SmartServ Equipment

SCHEDULE C

List of Prohibited Transferees

PC Quote
Data Broadcast Corp.
Bridge/Telerate
Quote.com
S&P Comstock
Telescan
Telemet America Inc.
A-T Financial
Hoovers, Inc.
Media General Financial Services Inc.
Zannett Securities Corp.
Thompson Financial
Bloomberg L.P.
Reuters

EXHIBIT "B"

SOURCE CODE ESCROW AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 1997, by and between DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation (hereinafter "DTN"), SMARTSERV ONLINE, INC., a Delaware corporation (hereinafter "SSOL"), and _____, a _____ (hereinafter "Escrow Agent").

W I T N E S S E T H:

WHEREAS, SSOL and DTN have entered into a Software License and Service Agreement (the "Service Agreement") pursuant to which SSOL has agreed to (i) license to DTN certain proprietary software programs (the "Internet Software") utilized to provide Internet Services (as such term is defined in the Service Agreement) to DTN's customers and (ii) provide other services to DTN (the "SSOL Services");

WHEREAS, SSOL and DTN have agreed to place the source code for the Internet Software in escrow to be released to DTN upon breach of SSOL's obligations set forth in the Service Agreement or this Agreement;

NOW, THEREFORE, in consideration of the above recitals which are made a contractual part of this Agreement, and in consideration of the mutual agreements, provisions and covenants set forth in this Agreement, the parties do hereby agree as follows:

SECTION 1

DEFINITIONS

For the purposes of this Agreement, in addition to definitions set forth elsewhere in this Agreement, the definitions set forth in this Section 1 shall apply to the respective capitalized terms immediately preceding each definition.

1.1 "Agreement". This Source Code Escrow Agreement, including any exhibits, addenda, amendments, and modifications hereto.

1.2 "Source Code". Human-readable computer programming code, associated procedural code, commentary and related and supporting documentation, corresponding to the Internet Software and all subsequent versions thereof to be provided to DTN during the term of the Service Agreement. The Source Code in present form is more fully described in Exhibit "A" to this Agreement.

SECTION 2

REPRESENTATIONS AND WARRANTIES OF SSOL

2.1 Ownership of Source Code. SSOL warrants and represents to DTN that it is the owner of and holder of all rights in the Source Code and that SSOL has the right to grant to DTN the license rights to the Source Code pursuant to Section 7.1 of this Agreement and to deposit the Source Code with Escrow Agent pursuant to the terms of this Agreement.

2.2 Licensed Programs Correspond With Source Code. SSOL warrants and represents to DTN that the Source Code to be deposited with Escrow Agent is the most current version of the source code of the Internet Software and conforms to the description set forth in Exhibit "A" to this Agreement.

SECTION 3

PURPOSE OF AGREEMENT; DEPOSIT OF SOURCE CODE

3.1 Deposit of Source Code. The deposit of the Source Code and the license of the Source Code to DTN pursuant to Section 7.1 of this Agreement is intended to provide assurance to DTN of full and unrestricted access and right of use of the Source Code in the event that SSOL fails to provide SSOL Services under the Service Agreement, ceases to do business or is otherwise in breach of its obligations under the Service Agreement or this Agreement. Escrow Agent agrees to accept from SSOL and SSOL agrees to deposit with Escrow Agent, within five (5) days of the date of this Agreement, a copy of the Source Code. SSOL will furnish to Escrow Agent a list describing all Source Code so deposited. The Source Code to be initially deposited with Escrow Agent is described in Exhibit "A" to this Agreement, and such descriptions will be supplemented and updated by SSOL with each subsequent deposit of Source Code by SSOL with Escrow Agent.

3.2 Update And Maintenance of Source Code. During the term of this Agreement, SSOL shall keep the Source Code in escrow fully current by depositing with Escrow Agent the listings and all supporting documentation and related materials for each and every update, correction, or new release of the Internet Software. Such deposits will be completed no later than ten (10) days after the date that SSOL provides such update, correction or new release to DTN for the

performance of the Internet Services.

3.3 Verification and Testing of Source Code. DTN, its agents, designees, or representatives, shall, upon written notice to SSOL, have the right to inspect, test, and review the Source Code (under obligations of confidentiality) at the time of the initial deposit and at the time of each subsequent deposit of the Source Code in escrow to verify that it corresponds to the Internet Software. Such verification and testing shall be done under the supervision of SSOL or its designee.

SECTION 4

TITLE TO SOURCE CODE

4.1 Title to the Source Code shall remain in SSOL, but in the event the Source Code shall be delivered to DTN pursuant to this Agreement, DTN shall be entitled to use the Source Code pursuant to the terms of the license granted in Section 7.1. Upon the expiration of the License Term defined in the Service Agreement, the Escrow Agent or DTN, as the case may be, shall return the Source Code to SSOL.

SECTION 5

RELEASE OF SOURCE CODE TO DTN

5.1 Release of Code. The copy of the Source Code to be deposited in escrow pursuant to this Agreement shall be released to DTN only upon the occurrence of one or more of the Escrow Release Events as defined in the Service Agreement.

5.2 Notice of Escrow Release Event. If DTN shall conclude in good faith that an Escrow Release Event has occurred, DTN shall so notify SSOL in writing, specifying in reasonable detail the occurrence of such event and a copy of such notice will be served simultaneously upon Escrow Agent. Escrow Agent shall immediately deliver the Source Code to DTN pursuant to the terms of this Agreement.

5.3 Injunctive Relief. SSOL and DTN acknowledge and agree that DTN will suffer irreparable harm to its business and operations in the event that release of the Source Code to DTN pursuant to the terms of this Agreement is wrongfully delayed by SSOL. DTN may petition any court of competent jurisdiction in Nebraska for injunctive or other equitable relief to prevent SSOL from seeking to delay such release or to otherwise enforce the provisions of this Agreement, and SSOL hereby waives the claim or defense that DTN has or may have an adequate remedy at law. SSOL hereby consents to personal jurisdiction in any action brought in any court within the State of Nebraska having subject matter jurisdiction arising under this Agreement.

SECTION 6

CONFLICTING PROVISIONS

6.1 In the event of any conflict between the provisions of the Service Agreement and the provisions of this Agreement regarding the release of the Source Code to DTN upon the occurrence of an Escrow Release Event, the provisions of the Service Agreement shall control.

SECTION 7

LICENSE OF SOURCE CODE

7.1 In the event that the Source Code shall be delivered out of escrow to DTN pursuant to the terms of this Agreement, SSOL does hereby grant a license to DTN for the License Term defined in the Service Agreement, to use, modify, maintain, and update the Source Code in all such respects as may be necessary for DTN to maintain and update the Internet Software to perform the Internet Services in accordance with the description of such services in the Service Agreement and the object code resulting from such use shall be owned by DTN.

SECTION 8

RIGHT OF ESCROW AGENT TO FILE INTERPLEADER ACTION

8.1 Despite any other provision of this Agreement, in the event Escrow Agent shall receive conflicting demands from SSOL and DTN respecting the release of the Source Code to DTN under this Agreement, Escrow Agent may, in its sole discretion, file an interpleader action in any court of competent jurisdiction in Nebraska and deposit the Source Code with the clerk of the court or withhold release of the Source Code until instructed otherwise by court order.

SECTION 9

LIMITATION ON OBLIGATION OF ESCROW AGENT

9.1 Escrow Agent shall not be required to inquire into the truth of any statements or representations contained in any notices, certificates, or other documents required or otherwise provided under this Agreement, and Escrow Agent shall be entitled to assume that the signatures on such documents are genuine, that the persons signing on behalf of any party thereto are duly authorized to execute the same, and that all actions necessary to render any such documents binding on the party purporting to be executing the same have been duly undertaken. Without limiting the foregoing, Escrow Agent may in its discretion require from SSOL or DTN additional documents that it deems to be necessary or desirable to aid it in the course of performing its obligations under this

Agreement.

SECTION 10

RELEASE AND INDEMNIFICATION OF ESCROW AGENT

10.1 SSOL and DTN, severally, hereby do release Escrow Agent from any and all liability for losses, damages, and expenses (including attorney fees) that may be incurred on account of any action taken by Escrow Agent in good faith pursuant to this Agreement, and SSOL and DTN do hereby severally indemnify Escrow Agent and undertake to hold harmless Escrow Agent from and against any and all claims, demands, or actions arising out of or resulting from such performance by Escrow Agent under this Agreement.

SECTION 11

CONFIDENTIALITY AND USE OF SOURCE CODE

11.1 Confidentiality Undertaking. The Source Code released to DTN pursuant to this Agreement shall be used by DTN solely for the purposes permitted by the Service Agreement. DTN shall treat and preserve the Source Code as a trade secret of SSOL in accordance with the same practices employed by DTN to safeguard its own trade secrets against unauthorized use and disclosure.

SECTION 12

INDEPENDENT CONTRACTOR STATUS

12.1 The parties to this Agreement are and shall be independent contractors under this Agreement, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between the parties to this Agreement. No party to this Agreement shall have the authority to enter into agreements of any kind on behalf of the other parties to this Agreement in any manner.

SECTION 13

CONTINUED ABILITY TO PERFORM OBLIGATIONS

13.1 The parties to this Agreement represent and warrant that they have full power and authority to undertake the obligations set forth in this Agreement and that they have not entered into any other agreements nor will they enter into any other agreements that would render them incapable of satisfactorily performing their respective obligations under this Agreement.

SECTION 14

TERM OF AGREEMENT

14.1 The term of this Agreement shall commence as of the date first above written and shall continue until the Source Code shall be transferred to DTN pursuant to the terms of this Agreement, or, if such transfer shall not have so occurred, the Agreement shall terminate and the Source Code shall be returned to SSOL at the end of the License Term as defined in the Service Agreement.

SECTION 15

MISCELLANEOUS

15.1 Compliance With Laws. The parties agree that they shall comply with all applicable laws and regulations of governmental bodies or agencies in their respective performance of obligations under this Agreement.

15.2 No Undisclosed Agency; No Assignment. Each party represents that it is acting on its own behalf and is not acting as an agent for or on behalf of any third party and agrees that it may not assign its rights or obligations under this Agreement without the prior written consent of the other parties to this Agreement.

15.3 Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be given in writing by telecopier, personal messenger, overnight courier who shall obtain a written receipt therefor or by deposit thereof in the United States mail, registered or certified, return receipt requested, to the following addresses:

If to DTN:
Data Transmission Network Corporation
9110 W. Dodge Rd.
Omaha, Nebraska 68114
Attention: Eric Stokes

If to SSOL:
SmartServ Online, Inc.
Metro Center
One Station Place
Stanford, CT 06902
Attention: Mario F. Rossi

If to Escrow Agent:
_____

All notices and other communications shall be deemed delivered on the date the receipt acknowledges that they were personally delivered to the other party, or, for all notices and communications sent by mail, at the time reflected on the

return receipt. Either party may change the address to which notices are to be delivered and may specify a copy address to which copy of all notices must be sent by giving notice to the other party in the manner herein provided.

15.4 Governing Law. All questions concerning the validity, operation, interpretation, and construction of this Agreement shall be governed by and determined in accordance with the laws of the State of Nebraska.

15.5 No Waiver. No party shall, by mere lapse of time, without giving notice or taking other action hereunder, be deemed to have waived any breach by the other parties of any of the provisions of this Agreement. Further, the waiver by any party of a particular breach of this Agreement by any other party shall not be construed as or constitute a continuing waiver of such breach or of other breaches of the same or other provisions of this Agreement.

15.6 Partial Invalidity. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions of this Agreement shall not be affected thereby.

15.7 Binding Agreement. The parties acknowledge that each has read this Agreement, understands it, and agrees to be bound by its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation

By:/s/ Charles R. Wood

Charles R. Wood, Senior Vice President

SMARTSERV ONLINE, INC., a Delaware corporation

By:/s/Sam Cassetta

Sam Cassetta, Chairman & CEO

a _____,

By:_____

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (the "Agreement") dated as of May 27, 1998, by and among Data Transmission Network Corporation, a Delaware corporation ("Buyer"), and Donald W. Bowles, Excel Interfinancial Corporation, Charter Financial Holdings, LLC, Steven L. Reynolds and Douglas Vanderbilt (collectively the "Sellers" and individually a "Seller"). Donald W. Bowles is sometimes referred to in this Agreement as "Bowles".

WHEREAS, each Seller is the owner, beneficially and of record, of the number of shares of the Common Stock of National Datamax, Inc., a California corporation (the "Company"), set forth opposite his, her or its name on Schedule 1 attached hereto, and Sellers are the owners, in the aggregate, of all of the issued and outstanding capital stock of the Company;

WHEREAS, Buyer wishes to purchase from Sellers and Sellers wish to sell to Buyer all of the issued and outstanding capital stock of the Company upon and subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and agreements herein contained, Buyer and Sellers agree as follows:

ARTICLE I
SALE OF SHARES

1.01 Sale of Shares. Subject to the terms and conditions herein stated, Sellers agree to sell, assign, transfer and deliver to Buyer on the Closing Date (as defined herein), free and clear of any and all liens, claims and encumbrances, good, valid and marketable title to all of the outstanding shares of capital stock of the Company (the "Shares"), and Buyer agrees to purchase the Shares from Sellers on the Closing Date. The certificates representing the Shares shall be duly endorsed in blank, or accompanied by stock powers duly executed in blank, by Sellers, with all signatures guaranteed by a state or national bank.

1.02 Price. In full consideration for the purchase by Buyer of the Shares, Buyer shall pay to Sellers, and Sellers agree to accept from Buyer as the entire purchase price for the Shares, the following amounts:

(a) Buyer shall pay to each Seller on the Closing Date the amount set forth opposite such Seller's name in Schedule 1 attached hereto, being an aggregate amount of Two Million Dollars ($2,000,000).

(b) Sellers will be paid pro rata, based on their percentage ownership of the Shares, 640% of the amount (the "Excess Amount"), if any, by which the Recurring Revenue (as hereinafter defined) for each of the calendar quarters ending June 30, 1998, September 30, 1998, December 31, 1998, March 31, 1999, and June 30, 1999 exceeds the

Base Amount (as hereinafter defined). Such payments shall be made within thirty (30) days after the end of each such calendar quarter. Recurring Revenue shall mean all revenue received by the Company which is based on repeating revenues or fees from its customers including, but not limited to, subscription revenues, maintenance fees, advertising revenues, and access or usage fees. The Base Amount shall mean at the time of determination the

greater of (i) $338,087 or (ii) the highest Recurring Revenue for any calendar quarter subsequent to the calendar quarter ended March 31, 1998, and preceding the calendar quarter for which the amount is being determined. The calendar quarter referred to in clause (ii) as having the highest Recurring Revenue will be the last calendar quarter for which there was an Excess Amount. As an example, if the Recurring Revenue for the calendar quarter ending June 30, 1998 is $300,000 (consequently, there being no Excess Amount for such quarter) and the Recurring Revenue for the calendar quarter ending September 30, 1998 is $388,087, then the Excess Amount for such later calendar quarter is $50,000. If in the calendar quarter ending December 31, 1998, the Recurring Revenue is $438,087, then the Excess Amount for such quarter would be $50,000.

(c) Sellers will be paid pro rata, based on their percentage ownership of the Shares, 80% of all Non-recurring Revenue (as hereinafter defined) received by the Company after the Closing Date and before July 1, 1999. Such payments shall be made quarterly on or before the date thirty days after the end of each calendar quarter. Non-recurring Revenue shall mean all revenue received from sales made or services rendered by the Company other than Recurring Revenue (as defined above). Non-recurring Revenue shall not include income from extraordinary items as determined pursuant to generally accepted accounting principles.

1.03 Closing. The sale referred to in Section 1.01 (the "Closing") shall take place at the office of the Company at 16955 Via Del Campo, Suite 215, San Diego, California, on June 1, 1998, or at such later date as the parties hereto shall by written instrument designate. Such time and date are herein referred to as the "Closing Date".

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLERS

As of the date hereof (except as otherwise specified herein) and as of the Closing Date, Sellers (without qualification in the case of Donald W. Bowles and to their actual knowledge without inquiry in the cases of Sellers other than Donald W. Bowles) each jointly and severally represents and warrants to Buyer as follows:

2.01 Organization and Qualification. At the Closing Date, the Company will be a corporation duly organized, validly existing and in good standing under the laws of California and will have all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. California is the only jurisdiction in which the Company is qualified

or licensed to do business. Buyer has heretofore received true and complete copies of the Articles of Incorporation and By-laws (or other similar charter documents), as currently in effect, of the Company.

2.02 Capitalization; Title to Stock. The authorized capital stock of the Company consists of 10,000,000 shares of common stock, no par value (the "Common Stock"), of which 873,300 shares are issued and outstanding as of the date hereof and no shares are held in the Company's treasury. Sellers are the record owners of all the Company's outstanding shares of Common Stock. All of the outstanding shares of Common Stock of the Company are duly authorized, validly issued, fully paid and nonassessable. Except for the sale to Buyer as contemplated by this Agreement, there are no outstanding options, warrants, calls or other rights to subscribe for or purchase or acquire from the Company

or Sellers or any affiliate of the Company, or any plans, contracts or commitments providing for the issuance of, or the granting of rights to acquire (i) any capital stock of the Company or (ii) any securities convertible into or exchangeable for any capital stock of the Company. The Company is not contractually obligated to repurchase, redeem or otherwise acquire any of its outstanding shares of capital stock. Each Seller represents and warrants only with respect to that Seller and not with respect to any other Seller, that such Seller (i) has good, valid and marketable title, beneficially and of record, to the respective Shares set forth opposite his or its name on Schedule 1 attached hereto, free and clear of all liens, encumbrances and rights of others, (ii) is in rightful possession of duly and validly authorized and issued certificates evidencing his or its ownership of record of such Shares, and (iii) at the Closing Date, will have full right, power and authority to sell, transfer, convey and deliver to Buyer, in accordance with the terms of this Agreement, good, valid and marketable title, beneficially and of record, to all of such Shares being sold by such Seller to Buyer hereunder, free and clear of all liens, encumbrances and rights of others.

2.03 Subsidiaries. (a) The Company has no subsidiaries. Except as set forth on Schedule 2.03, there is no corporation, partnership, joint venture or other person or entity in which the Company, directly or indirectly, has, or pursuant to any agreement or agreements has or will have, a right or obligation to acquire or make by any means, an interest or investment (including, without limitation, equity ownership, proprietary interest, loans, guarantees of indebtedness and other similar obligations).

2.04 Authority Relative to the Transactions Contemplated by this Agreement. At the Closing Date, each Seller will have full power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. At the Closing Date, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will have been duly and validly authorized on behalf of all Sellers and no other proceedings on behalf of Sellers are or will be necessary to approve and authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sellers, and (assuming the valid execution and delivery of this Agreement by Buyer) at the Closing Date will constitute a legal, valid and binding agreement of Sellers, enforceable against Sellers in accordance with its terms, subject to bankruptcy,

insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

2.05 Consents and Approval; No Violation. Except as set forth on Schedule 2.05, neither the execution and delivery of this Agreement by Sellers, nor the consummation of the transactions contemplated hereby, nor compliance by any Seller with the provisions hereof, will (i) require the Company or any Seller to file or register with, notify, or obtain any permit, authorization, consent or approval of, any governmental or regulatory authority except for those requirements which become applicable to the Company as a result of the specific regulatory status of Buyer or as a result of any other facts that specifically relate to the business activities in which Buyer is engaged; (ii) conflict with or breach any provision of the Articles of Incorporation, By-laws or trust agreement (or other similar governing documents) of the Company or any Seller; (iii) violate or breach a provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, any of the terms, covenants, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which the Company or any Seller is a party, or by which the Company or any Seller or any of their

respective properties or assets may be bound; or (iv) violate any order, writ, injunction, decree or judgment of any court or governmental authority applicable to the Company or any Seller or any of their material assets (provided, however, as to this Section 2.05, each Seller so represents and warrants only with respect to the Company and that Seller and not with respect to any other Seller).

2.06 Financial Statements. Sellers have delivered to Buyer the unaudited balance sheet of the Company as of April 30, 1998, and the statements of income for the year ended December 31, 1997, and the three month period ended March 31, 1998 (the "Financial Statements"). The Financial Statements (i) have been prepared in accordance with the books and records of the Company, and (ii) present fairly the financial position of the Company as of April 30, 1998 and the results of operations for the year ended December 31, 1997, and the three month period ended March 31, 1998, on a cash basis and otherwise in conformity with generally accepted accounting principles. The Financial Statements do not contain any items of special or nonrecurring income or any other income not earned in the ordinary course of business except as expressly disclosed therein or as set forth in Schedule 2.06.

2.07 Undisclosed Liabilities. Except (i) as provided for in the Financial Statements, (ii) as disclosed in Schedule 2.07 or as specifically identified on other Schedules to this Agreement or (iii) for normal trade obligations incurred in the ordinary course of business subsequent to April 30, 1998, consistent with past practices, the Company has no liabilities or obligations in excess of $10,000 individually or $25,000 in the aggregate of any kind or nature, whether known or unknown or secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due).

2.08 Absence of Certain Changes or Events. Except (i) as set forth in Schedule 2.08, (ii) as disclosed in the other Schedules hereto, or (iii) as reflected in the Financial Statements, since April 30, 1998, the Company has not (a) taken any action specified in Sections 4.01 (a)-(o) herein (other than

actions taken after the date hereof with the consent of Buyer), (b) suffered any material adverse change in its assets, liabilities, business, results of operations or financial condition, (c) suffered any damage, destruction or casualty loss adversely affecting any material assets of the Company, or (d) entered into any transaction, or conducted its business or operations, other than in the ordinary and usual course of business, consistent with past practices.

2.09 Title and Related Matters. (a) Except as set forth on Schedule 2.09, the Company does not own any real property. All of the properties, rights and assets, tangible and intangible, now used in or, to the best knowledge of Sellers, sufficient for the conduct by the Company of its business as presently conducted will be indirectly transferred to Buyer by its purchase of the Shares. The interests of the Company in its properties, rights and assets (whether owned or as a lessee) are free and clear of all Liens other than (i) Liens for taxes not yet due, (ii) Liens which do not affect the use by, or value to, the Company of its rights and assets, or (iii) Liens set forth on Schedule 2.09. The term "Liens" shall mean any pledge, lien, security interest, conditional sale agreement, or other similar encumbrance.

(b) Except as set forth on Schedule 2.09, the real properties owned or leased by the Company are used and operated in substantial compliance and in conformity in all material respects with all permits, leases, contracts, commitments, licenses and, to the best knowledge of Sellers, applicable laws. With respect to all buildings which are owned or leased by the Company, except for restrictions under applicable zoning laws and ordinances, to the best

knowledge of Sellers, no condition, law or regulation precludes or restricts the use of such properties for the purposes for which they are used.

(c) All of the material assets used in the business of the Company are in reasonably good and serviceable condition in accordance with industry practice and as such are, to the best knowledge of Sellers, adequate to conduct the business of the Company.

2.10 Material Contracts. Except as set forth in Schedule 2.10, the Company does not have nor is it bound by (a) any agreement, contract or commitment relating to the employment of any person by the Company, or any bonus, commission, severance or termination pay, deferred compensation, pension, profit sharing, stock option, employee stock purchase, retirement or other employee benefit plan, (b) any agreement, indenture or other instrument which contains restrictions with respect to payment of dividends or any other distribution in respect of its capital stock, (c) any agreement, contract or commitment relating to capital expenditures in excess of $10,000, (d) any loan or advance to, or investment in, any other person other than cash advances in the ordinary course of business consistent with past practice, or any agreement, contract or commitment relating to the making of any such loan, advance or investment except for cash advances in the ordinary course of business consistent with past practice, (e) any debt obligation for borrowed money or any guarantee or other contingent liability in respect of any indebtedness or obligation of any other person (other than the endorsement of negotiable instruments for collection and other similar transactions in the ordinary course of business), (f) any management, distributorship, sales, service (personal or otherwise), consulting or any other similar type of contract, (g) any agreement, contract or commitment limiting the freedom of the Company to engage in any line

of business or to compete with any other person or in any area, (h) any other agreement, contract or commitment which involves $25,000 or more and is not cancelable without penalty within 30 days, (i) any outstanding powers of attorney or proxies granted to any person for any purpose whatsoever, (j) any contract or oral or written agreement for the acquisition of any other person, (k) any agreement as to which the United States Government, any state, local or municipal government or any foreign government or any agency or instrumentality of any of the foregoing is a party, exclusive of any such agreement which contains solely the provisions set forth in a form contract used by the Company in its ordinary course of business, which forms have been previously made available to Buyer, or (l) any proposed contract or agreement which upon acceptance of a customer or third party would create a binding obligation upon the Company and which would not be cancelable without penalty within thirty (30) days and would involve a commitment to pay $25,000 or more annually (all such oral or written agreements, contracts, arrangements and commitments are hereinafter referred to as the "Material Contracts"). True, complete and correct copies of all such written contracts, commitments, agreements or arrangements described on Schedule 2.10 will have been made available to Buyer prior to Closing. To the best knowledge of Sellers, Schedule 2.10 contains a complete list of all such oral contracts, agreements, commitments or arrangements and identifies which of such contracts are oral in nature. Except as set forth on Schedule 2.10, there is not, under any of the Material Contracts, any default or event which, with notice or lapse of time or both, would constitute a default on the part of the Company. Neither the Company nor any Seller has received any notice from the other party to such Material Contracts of the termination or threatened termination thereof and no Seller knows of the occurrence of any event which would allow such other party to terminate such Material Contract except as otherwise disclosed in the Schedules hereto. Except as set forth on Schedule 2.10 or any other Schedule hereto, no indebtedness of the Company will be accelerated by its terms, or result from the consummation of the transactions contemplated hereby.

Schedule 2.10 contains a complete list of all agreements providing for the payment of severance pay to employees of the Company (the "Termination Benefits Agreements"). Except as expressly indicated on Schedule 2.10, no event has occurred under any of the Termination Benefits Agreements which alone or upon the giving of notice or the passage of time or both would obligate the Company to make any payment under any of the Termination Benefits Agreements.

2.11 Major Customer Contracts. Schedule 2.11 identifies the eighteen (18) agreements in effect on the date of this Agreement that yielded the greatest amount of Recurring Revenues to the Company for the calendar quarter ended March 31, 1998 (the "Major Customer Contracts"). With respect to the Major Customer Contracts:

(a) The Company is the party that provides the services under each of the Major Customer Contracts and, except as set forth in Schedule 2.11, no Major Customer Contract contains provisions to the effect that it will be subject to termination or renegotiation as a result of the transactions contemplated hereby;

(b) Prior to Closing Bowles will have made available to Buyer correct and complete copies of all of the Major Customer Contracts and all amendments thereto and all extensions and renewals thereof;

(c) Except as set forth on Schedule 2.11, no notice of termination of a Major Customer Contract has been received by the Company, and no such customer has indicated in writing its intention to terminate a Major Customer Contract;

(d) There are no credits, monies or the like in excess of $1,000 due to any customer who is a party to a Major Customer Contract other than pursuant to the terms of the Major Customer Contracts;

(e) Except as set forth on Schedule 2.11, the Company has not received any written notice of any warranty or indemnity claims by any customer under a Major Customer Contract which has not been settled to the satisfaction of the customer claimant;

(f) Except as set forth on Schedule 2.11, the Company has not received any written notice of default from any customer under any of the Major Customer Contracts; and

(g) Except as set forth in Schedule 2.11, the Company has not received any notice of the filing by or against any customer who is a party to a Major Customer Contract of a petition in bankruptcy, assignment for the benefit of creditors, a petition seeking reorganization, composition, liquidation, dissolution or similar arrangement.

2.12 Leases. Schedule 2.12 hereto sets forth an accurate list of (a) all written leases under which the Company is a lessee or lessor of real property or office space and (b) all other leases to which the Company is a party (as lessee) involving annual rental payments in excess of $5,000. All rents and additional rent due to date and to the Closing Date on such leases have and will have been paid and in each case, the lessee has been in peaceable possession since the commencement of the original term of such lease or arrangement and is not in default thereunder. Except as set forth on Schedule 2.12, there is not, with respect to leases referred to in clauses (a) and (b) above, any existing default, or an event of default, or event which, with or without notice or lapse of time or both, would constitute a default or an event of default, on the part of the Company.

2.13 Proprietary Rights; Computer Programs, Databases and Software.

(a) Schedule 2.13 contains a complete list of all trademarks, trade names, assumed names, service marks, logos, patents, copyrights and copyright registration, and any applications for registration therefor presently owned or held by the Company or with respect to which the Company owns or holds any license or other direct or indirect interest (collectively, the "Proprietary Rights"); and no other Proprietary Rights are used in or are necessary for the conduct of the business of the Company as such business is presently conducted. Unless otherwise indicated in such Schedule 2.13 the Company owns sufficient right, title and interest in and to the material Proprietary Rights for the conduct of its business. No material Proprietary Rights used by the Company

conflict with or infringe the rights of any other person. No claims have been asserted by any person with respect to the ownership, validity, license or use of the Proprietary Rights and no Seller knows of any basis for such claim. The Company has taken all measures which it believes to be appropriate to maintain and protect the Proprietary Rights. The Company has the right to use all material Proprietary Rights, to provide and sell the services and products provided and sold by it, and to conduct its business as heretofore conducted, and, except as set forth on Schedule 2.13, the consummation of the transactions contemplated hereby will not alter or impair any such rights. Except as set forth on Schedule 2.13, no person is known to be infringing on or violating the Proprietary Rights used by the Company.

(b) Prior to the Closing, copies of the license agreements relating to any computer programs, databases or software used by the Company shall have been made available to Buyer. The Company owns, leases or licenses and has the right to use computer programs, databases and software which are sufficient and adequate to operate the business of the Company as it is presently being conducted. Except as set forth on Schedule 2.13, all such computer programs, databases and software and the source codes thereof, if applicable, have been maintained only at the Company's offices at 16955 Via Del Campo, Suite 215, San Diego, California. Except in the ordinary course of its business or as set forth in Schedule 2.13, the Company has not sold, licensed, leased or otherwise transferred or granted any interest or rights to any of its computer programs, databases or software to any other person. The occurrence in or use by such computer programs, databases and software of dates on or after January 1, 2000 ("millennial dates") will not adversely affect the performance thereof with respect to data dependent data, compilations, output, or other functions (including but not limited to calculating, comparing and sequencing) and that such computer programs, databases and software will create, store, process and output information related to or including millennial dates without error or omissions.

2.14 Litigation. Schedule 2.14 sets forth a complete list and an accurate description of all claims, actions, suits, proceedings and investigations pending and threatened, by or against or involving the Company or its business and, in the case of collection claims, those involving claims in excess of $10,000. No such pending or threatened claims, actions, suits, proceedings or investigations, if adversely determined, would, individually or in the aggregate, materially adversely affect the business, financial condition, results of operations or prospects of the Company taken as a whole or the transactions contemplated hereby. The Company does not know of any reasonable basis for any other such claim, action, suit, proceeding or investigation. The Company is not subject to any judgment, order or decree entered in any lawsuit or proceeding which may have a material adverse effect on any of its operations, business practices or on its ability to acquire any property or conduct business in any area.

2.15 Employee Benefit Matters. (a) Except as disclosed on Schedule 2.15 hereto and as described in subparagraph (b) (i) below, neither the Company nor any member of the Control Group (within the meaning of section 414(b) of the Internal Revenue Code of 1986, as amended (the "Code") maintains, has contributed to or has ever been obligated to contribute to, for, on behalf of or with respect to current or former employees of the Company, any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), multiemployer plan (as defined in ERISA Section

3(37)), stock purchase plan, stock option plan or deferred compensation agreement, plan or funding arrangement (collectively "Employee Plans").

(b) (i) The only employee welfare benefit plans (as defined in ERISA Section 3(1)) maintained by the Company is a Group Medical Insurance Plan (the "Company Plan"). A copy of the Company Plan has been furnished to Buyer.

(ii) To the best knowledge of Sellers, with respect to the Company Plan:

(A) to the extent it is intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meets such requirements in all material respects;

(B) there is no disqualified benefit (as such term is defined in Code Section 4976(b)) which would subject Sellers, the Company or Buyer to a tax under Code Section 4976(a);

(C) to the extent it is a group health plan (as such term is defined in Code Section 162 (i)(3)), it complies and has complied with the applicable requirements of Code Section 162(k), Title XXII of the Public Health Service Act and the applicable provisions of the Social Security Act in all material respects; and

(D) it may be amended or terminated by the Company or Buyer on or at any time after the Closing Date.

2.16 Governmental Authorizations and Regulations. The Company has all material licenses, franchises, permits and other governmental authorizations necessary to the conduct of its business, as presently conducted and the same are in full force and effect. The business of the Company is being conducted in compliance in all material respects with all applicable licenses, franchises, permits and other governmental authorizations and, to the best knowledge of Sellers, in compliance in all material respects with all applicable laws, ordinances, rules and regulations of all governmental authorities relating to its properties or applicable to its business. Except as set forth on Schedule 2.16, the Company has not received any notice of any alleged violation of any of the foregoing.

2.17 Labor Matters. Except as set forth in Schedule 2.17, (i) the Company is in compliance in all material respects with all applicable laws respecting health and occupational safety, employment and employment practices, terms and conditions of employment and wages and hours (including, without limitation, the Federal Immigration Reform and Control Act of 1986), (ii) there is no unfair labor practice complaint against the Company pending or threatened before the National Labor Relations Board, (iii) there are no proceedings pending or threatened before the National Labor Relations Board with respect to the Company, (iv) there are no discrimination charges (relating to sex, age, religion, race, color, national origin, ethnicity, handicap or veteran status or any other basis protected by relevant law) pending before any federal, state or local agency or authority against the Company or any of its employees, (v) no

grievance which might have a material adverse effect upon the Company is

currently pending, (vi) the Company is not bound by any collective bargaining agreement and there is no collective bargaining agreement currently being negotiated by the Company and (vii) the Company has not experienced any material labor difficulty during the past three years.

2.18 Insurance. The Company maintains insurance coverage which Bowles believes to be sufficient for compliance with all requirements of law and of all agreements to which the Company is a party and which provides adequate insurance coverage for the business of the Company. With respect to all policies, all premiums currently payable or previously due and payable with respect to all periods up to and including the Closing Date will have been paid and no notice of cancellation or termination has been received with respect to any such policy. Such policies will remain in full force and effect through the respective dates set forth in such policies without the payment of, additional premiums, unless called for in its original terms.

2.19 Tax Matters. (a) Except as set forth in Schedule 2.19, the Company has filed or will file or cause to be filed within the time and in the manner prescribed by law all Federal, state, local and foreign tax returns and tax reports which are required on or before the Closing Date to be filed by, or with respect to, it. Such returns and reports accurately reflect all liability for taxes of the Company for the periods covered thereby. All Federal, state, local and foreign income, profits, franchise, sales, use, occupancy, excise, withholding, payroll, employment and other taxes and assessments (including interest and penalties) payable by, or due from, the Company have been fully paid or adequately disclosed and provided for in the Financial Statements of the Company.

(b) The Company has not filed any election or caused any deemed election under Section 338 of the Code.

(c) Except as set forth in Schedule 2.19, (i) the Company is not delinquent in the payment of any Taxes (as defined in Section 6.03 hereof), and (ii) no extensions of time have been granted to the Company to file any return required by applicable law to be filed by it prior to or on the Closing Date, which have expired or will expire on or before the Closing Date without such return having been filed.

(d) The federal income tax returns of the Company (or returns of any consolidated group which include the Company) have not been examined by the Internal Revenue Service (the "IRS").

(e) The Company has not participated (nor will the Company participate prior to the Closing) in or cooperate with an international boycott within the meaning of Section 999 of the Code.

(f) Except as set forth in Schedule 2.19, all transactions which could give rise to a substantial understatement of federal income tax (within the meaning of Section 6661 of the Code) were adequately disclosed on the returns required in accordance with Section 6661(b)(2)(8) of the Code.

2.20 Transactions with Affiliates. Except as expressly provided in this Agreement or as set forth in Schedule 2.20, the Company does not owe any amount or have any liability (contingent or otherwise), contract, commitment,

arrangement or obligation to or with Sellers or any of their affiliates. Except as set forth on Schedule 2.20, neither Bowles nor any of his affiliates owns, directly or indirectly, any interest that will survive the Closing in, or is a director or employee of, or consultant to, any organization that is a competitor in the United States, supplier, licensor, customer, creditor or debtor of the Company. No Seller or persons known by any Seller to be affiliates of any Seller have any material interest in any significant property, real or personal, tangible or intangible, of the Company.

2.21 Accounts Receivable. Except as set forth on Schedule 2.21, the accounts receivable reflected on the April 30, 1998 balance sheet contained in the Financial Statements and all accounts receivable arising between April 30, 1998 and the date hereof arose from bona fide transactions in the ordinary course of business. Except as set forth on Schedule 2.21, no account has been assigned or pledged to any other person, firm or corporation and no defense or setoff to any such account has been asserted by the account obligor. The amount of all accounts receivable, unbilled invoices and other debts due or recorded in the records and books of account of the Company as being due to the Company at the Closing Date less the amount of $20,000 are good and collectible in full in the ordinary course of business.

2.22 Environmental Matters. Except as set forth in Schedule 2.22:

(a) The Company is in material compliance with, and has not done anything to be in material violation of, the terms and conditions of all environmental permits, licenses, and other authorizations required under all applicable federal, state and local laws relating to the environment, or the premises owned, leased or occupied by them.

(b) To the best knowledge of Sellers, there are no conditions at, on, under or related to, the real property constituting the premises upon which the business of the Company is conducted or otherwise owned, occupied or leased by the Company (collectively, the "Premises") which presently poses a significant hazard to human health or the environment. There has been no production, use, treatment, storage in underground tanks, pits, or surface impoundments, transportation or disposal by the Company of any Hazardous Substance, as hereinafter defined, on the Premises nor any release or threatened release by the Company of any Hazardous Substance, pollutant or contaminant into or upon or over the Premises or into or upon ground or surface water at or within 2,000 feet of the boundaries of the Premises. To the best knowledge of Sellers, except as set forth in Schedule 2.22, there are no asbestos or asbestos-containing materials incorporated into the buildings or interior improvements that are part of the Premises or other assets to be indirectly transferred pursuant to this Agreement. For purposes of this Agreement, "Hazardous Substance" shall mean, any hazardous or toxic substance, material or waste which is regulated by any local governmental authority, or any State or the United States Government.

2.23 Brokers and Finders. No Seller has employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or

finder's fees arising from any act, representation or promise of any of them in connection with the transactions contemplated hereby; provided, however, each Seller so represents and warrants only with respect to that Seller and not with respect to any other Seller.

2.24 Books and Records. The minute books of the Company, as previously made available to Buyer, contain accurate records in all material respects of all meetings of and corporate actions or written consents by the respective stockholders and Boards of Directors of the Company. Except as set forth in Schedule 2.24, the Company does not have any of its records, systems, controls,

data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of the Company.

2.25 Bank Accounts. Sellers will cause the Company to deliver to Buyer at least 3 business days prior to the Closing an accurate and complete list showing the name and address of each bank in which the Company has an account or safe deposit box, the number of any such account or any such box and the names of all persons authorized to draw thereon or to have access thereto.

2.26 Other Information. The information furnished to Buyer by Bowles or the Company or pursuant to this Agreement, including the exhibits hereto, the schedules identified herein, and in any certificate or other document executed or delivered pursuant hereto by Sellers (which for purposes of this Agreement shall be deemed to be representations and warranties), is not materially false or misleading, does not contain any misstatement of material fact, and does not omit to state any material fact required to be stated in order to make the statements therein not misleading in light of the circumstances under which they were made.

2.27 No Changes Prior to Closing Date. During the period from the date hereof to and including the Closing Date, the Company will not have taken any of the actions specified in Section 4.01(a)-(o), without the prior written consent of Buyer.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof and as of the Closing Date, Buyer represents and warrants to Sellers as follows:

3.01 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.02 Authority Relative to this Agreement. Buyer has full power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of

Directors of Buyer and no other proceedings on the part of Buyer or its stockholders are necessary to approve and authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of the Agreement by Sellers) constitutes a legal, valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy and other laws of general application relating to creditors' rights and general principles of equity.

3.03 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any of the provisions hereof, will (i) require Buyer to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority except for those requirements which become applicable to Buyer as a result of the specific regulatory status of the Company or as a result of any other facts that specifically relate to the business activities in

which the Company is or proposes to be engaged; (ii) conflict with or breach any provision of the Certificate of Incorporation or by-laws of Buyer; (iii) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default under, any of the terms, covenants conditions or provisions of any note, bond mortgage, indenture deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Buyer is a party, or by which Buyer or any of its properties or assets may be bound, except for such breach or default which would not have a material adverse effect on the transactions contemplated by this Agreement taken as a whole; or (iv) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Buyer or any of its material assets, which violation would have a material adverse effect on the transactions contemplated by this Agreement taken as a whole.

3.04 Litigation; Compliance with Law. Buyer is not a party to any action or proceeding which seeks, or is subject to, any outstanding order, writ, injunction or decree, which restrains or enjoins consummation of the transactions contemplated hereby or which otherwise challenges the transactions contemplated hereby and (ii) there is no litigation, administrative, arbitral or other proceeding, or petition or complaint or, to the knowledge of Buyer, investigation before any court or governmental or regulating authority or body pending or, to the knowledge of Buyer, threatened against or relating to Buyer that would materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement.

3.05 Brokers and Finders. Buyer has not employed any broker or finder and, to Buyer's knowledge, no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representations or promise of Buyer, in connection with the transactions contemplated hereby.

3.06 Purchase for Investment. Buyer will acquire all of the outstanding stock of the Company to be purchased by it hereunder for its own account for investment and not with a view toward any resale or distribution thereof.

3.07 Access and Information. Between the Closing and June 30, 1999, Buyer and its representatives shall and shall cause the Company and its representatives to afford Bowles on behalf of Sellers and their representatives full and free access to the Company's personnel, properties, contracts, books and records, and other existing documents and data as Sellers may reasonably request, and furnish Sellers with such additional financial, operating and other data and information as Sellers may reasonably request to confirm compliance with the terms of this Agreement. Such information shall be subject to the restrictions set forth in Section 4.02 (b) of this Agreement.

3.08 Maintenance of Company Powers. Between the Closing and June 30, 1999, Buyer shall maintain and preserve the corporate existence of the Company and all rights, privileges, licenses, trade names, franchises and other rights, the absence of which would have a material adverse affect on the conduct of its business; conduct its business in an orderly manner, without voluntary interruption; maintain its properties in good working order and condition, ordinary wear and tear and damage by casualty excepted; and from time to time make all needed repairs to, and renewals or replacements of its properties so that the efficiency of those properties shall be fully maintained and preserved.

3.09 Maintenance of Business Organization. Between the Closing and June 30, 1999, Buyer shall use its good faith efforts to maintain the relations and good will of all material customers of the Company.

3.10 Continuation of Business. Between Closing and June 30, 1999, Buyer

shall continue to conduct the business operations of the Company in a commercially reasonable manner calculated in good faith to increase the Recurring Revenue and Non-Recruiting Revenue of the business of the Company.

3.11 Affirmative Undertakings. Without limiting the generality of Section 3.10, Buyer specifically undertakes and agrees for the period commencing on Closing and ending June 30, 1999, as follows:

(a) it will continue marketing support for the products and services of the Company by providing funding, personnel and management support for such efforts at levels not less than those provided in the ordinary course of business prior to Closing;

(b) it will continue product development and enhancement efforts for the Company's products and services by providing funding, personnel and management support for such efforts at levels not less than those provided in the ordinary course of business prior to Closing;

(c) it will maintain price structures for the products and services of the Company in a commercially reasonable manner intended in good

faith, along with the marketing plans for such products and services, to increase the Recurring Revenues and Non-Recurring Revenue of the Company;

(d) it will use its good faith efforts to maintain market identity and product integrity for each of the material products and services of the Company and will market such products and services in a commercially reasonable manner intended in good faith to increase Recurring Revenue and Non-Recurring Revenue of the Company.

(e) it will maintain in full force and effect all existing agreements between the Company and Buyer or modify such agreements only in a commercially reasonable manner intended in good faith to increase the Recurring Revenue and Non-Recurring Revenue of the Company and will neither cause nor permit the occurrence of any event constituting, either currently or with the passage of time, a breach or default by the Company or Buyer thereunder, subject to applicable cure periods;

(f) it will use commercially reasonable efforts to maintain the Major Customer Contracts in full force and effect in accordance with their terms as of the Closing or modify such agreements only in a commercially reasonable manner intended in good faith to increase the Recurring Revenue and Non-Recurring Revenue of the Company and shall not cause or permit the occurrence of any event constituting, either currently or with the passage of time, a breach or default by the Company, subject to the applicable cure periods, with respect to any such contract.

3.12 Negative Covenants. During the period from Closing to June 30, 1999, Buyer will not cause or permit the Company to:

(a) except as required by or necessary to bring in compliance with generally accepted accounting principles (A) utilize accounting principles different from those used in the preparation of the Financial Statements, (B) change its method of maintaining its books or accounts and records from such methods as in effect with respect to the preparation of the Financial Statements so as to cause a material adverse affect in the financial condition of the Company or its operations taken as a whole, or (C) accelerate booking of revenues or the deferral of expenses, other than as shall be consistent with past practice and in the ordinary course of business;

(b) in any manner which would have a material adverse affect on the financial condition of the Company or its operations taken as a whole, license, transfer, grant, waive, release, permit to lapse or otherwise fail to preserve any of the material Proprietary Rights, dispose of or permit to lapse any material license, permit or other form of authorization, or dispose of any customer lists;

(c) terminate or amend to fail to perform all of its obligations under any material contract; or

(d) enter into an agreement to do any of the things described in clauses 3.12 (a) through (c).

ARTICLE IV
COVENANTS OF THE PARTIES

4.01 Conduct of Business of the Company. During the period from the date of this Agreement to the Closing Date, Sellers will cause the Company to (i) conduct its business and operations according to its ordinary course of business consistent with past practice except as otherwise provided in this Section 4.01, (ii) use its best efforts to preserve intact its business organization and its relationship with licensors, suppliers, distributors, employees, customers and others having business relationships with them, except as may otherwise be agreed by Sellers and Buyer, and (iii) use its best efforts to maintain the Major Customers Contracts in full force and effect in accordance with their terms up to the Closing Date. Without limiting the generality of the foregoing, prior to the Closing without the prior written consent of Buyer, Sellers will not permit the Company to:

(a) change or amend its Articles of Incorporation or By-laws (or similar governing documents);

(b) (i) create, incur or assume any debt, liability or obligation, direct or indirect, whether accrued, absolute, contingent or otherwise, other than normal trade obligations incurred in the ordinary course of business consistent with past practice or (ii) pay any debt, liability or obligation of any kind other than current liabilities incurred in the ordinary course of business consistent with past practice and current maturities of existing long-term debt or (iii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person, or make any loans or advances to any person except in the ordinary course of business consistent with past practice; provided, however, that without the prior written consent of Buyer, the Company shall not enter into a new agreement to provide services or amend in a material respect any existing agreement to provide services or, by action or failure to act, renew or cause to be renewed any Major Customer Contract or other customer contracts designated by Buyer in writing in effect at the date hereof;

(c) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of the Company, or redeem or otherwise acquire any of the capital stock of the Company or split, combine or otherwise similarly change the capital stock of the Company or authorize the creation or issuance of or issue or sell any shares of its capital stock or any securities or obligations convertible into or exchangeable for, or giving any person any right to acquire from it, any shares of its capital stock, or agree to take any such action;

(d) (i) change in any manner the rate or terms of compensation or bonus payable or to become payable to any director, officer or employee or (ii) change in any manner the rate or terms of any insurance, pension, severance, or other

employee benefit plan, payment or arrangement made to, for or with any employees;

(e) discharge or satisfy any lien other than in the ordinary course of business and consistent with past practice or subject to any Lien any assets or properties;

(f) except as otherwise permitted in this Section 4.01, enter into any agreement or commitment for any borrowing, capital expenditure or capital financing in excess of $10,000 individually or in the aggregate;

(g) sell, lease, transfer or dispose of any of its properties or assets, waive or release any rights of material value, or cancel, compromise, release or assign any indebtedness owed to it or any claims held by it in each case other than in the ordinary course of business consistent with past practice;

(h) make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any material property or assets of any other individual, firm, corporation or entity, except in the ordinary course of business consistent with past practice;

(i) except as required by generally accepted accounting principles (A) utilize accounting principles different from those used in the preparation of the Financial Statements, (B) change in any manner its method of maintaining its books or accounts and records from such methods as in effect on the date of the Financial Statements, or (C) accelerate booking of revenues or the deferral of expenses, other than as shall be consistent with past practice and in the ordinary course of business;

(j) take any action to permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination or cancellation replacement policies providing substantially the same coverage and which are obtainable on substantially the same economic terms are in full force and effect; provided, however that if the Company shall receive notice of any such cancellation or termination, it shall so notify Buyer promptly upon receipt thereof and, if feasible upon the payment of a premium which is not materially greater than the premium payable under such terminated or canceled policy, obtain simultaneously with such termination or cancellation such replacement policies;

(k) enter into any collective bargaining agreement;

(l) settle or compromise any claim, suit or cause of action involving more than $10,000;

(m) license, transfer, grant, waive, release, permit to lapse or otherwise fail to preserve any of the material Proprietary Rights, dispose of or permit to lapse any material license, permit or other form of authorization, or dispose of any customer list;

(n) terminate or amend or fail to perform all of its obligations under any Material Contract; or

(o) enter into an agreement to do any of the things described in clauses (a) through (n) above.

4.02 Current Information. During the period from the date of this Agreement to the Closing, Bowles will promptly notify Buyer in writing of any significant development not in the ordinary course of business consistent with past practice or of any material adverse change in the assets, liabilities, business, financial condition, prospects or results of operation of the Company and of any governmental complaints, investigations or hearings of which they or the Company have been advised involving the Company, or the institution or threat of the institution of any litigation or proceedings involving the Company.

4.03 Access to Information. (a) Between the date of this Agreement and the Closing Date, Sellers will cause the Company to (i) afford Buyer and its designated representatives full access to the premises, books and records of the Company, and (ii) cause the Company's officers, and use its best efforts to cause the Company's advisors (including, without limitation, their auditors, attorneys and other advisors) to furnish Buyer and its designated representatives (including Buyer's auditors, accountants, attorneys and representatives) with financial and operating data and other information with respect to the business and properties of the Company for the purpose of permitting Buyer to make such investigation of the business, properties, financial and legal condition of the Company as Buyer deems necessary or desirable to familiarize itself therewith.

(b) After the Closing Date, Sellers will, and will cause all of its advisors, agents and affiliates (collectively, "representatives"), to maintain all information, written or oral, specifically concerning the business of the Company and unique to such business (the "Information") in confidence and not to disclose any portion of such Information to any person or entity. In the event that any Seller or any of their representatives is requested or required (by oral question or request for information or documents in legal proceedings, interrogatories, subpoena, civil investigative demand or similar process) to disclose any Information, it is agreed that Buyer will be promptly notified of such request or requirement so that it may seek an appropriate protective order, and/or waive compliance with the provisions of this Section 4.03(b). If Buyer does not promptly seek and obtain a protective order, any Seller or any of their representatives may disclose such Information to the tribunal notwithstanding the first sentence of this Section 4.03(b); provided that such person shall use its reasonable best efforts to obtain, at the request of Buyer, reasonable assurance that confidential treatment will be accorded to such portion of the Information required to be disclosed as Buyer designates. The foregoing provisions of this Section 4.03(b) shall not apply to (i) Information which at the time of disclosure, is generally available to the public, or (ii) Information which, after disclosure, becomes generally available to the public other than as a consequence of a breach of this Section 4.03(b).

4.04 Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the respective party that incurred such cost and expense (it being understood, however, that all reasonable legal and accounting fees and expenses so incurred by Bowles shall be paid by the Company).

4.05 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement and except as otherwise provided herein, all of the parties hereto will use their reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or

advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or to put Buyer in possession of all of the assets of the Company, each party to this Agreement will, or will cause its affiliates as the case may be, to take all such necessary action including, without limitation, the execution and delivery of such further instruments and documents as may reasonably be requested by the parties hereto for such purposes or otherwise to complete or perfect the transactions contemplated hereby.

4.06 Consents. Each of the parties hereto will use its reasonable best efforts to obtain the written consents of all persons and governmental authorities required to be obtained by each such party and necessary to the consummation of the transactions contemplated by this Agreement.

4.07 Filings. Buyer and Sellers will file pursuant to applicable securities laws all requisite documents and notifications in connection with the transactions contemplated by this Agreement. Buyer and each Seller will coordinate and cooperate with each other in exchanging such information and providing such reasonable assistance as the others may require to comply with applicable securities laws.

4.08 Disclosure Supplements. From time to time prior to the Closing, Sellers will promptly supplement or amend the Schedules ("Disclosure Supplements") referred to in this Agreement with respect to any matter hereafter arising which, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in a Schedule or which is necessary to correct any information in a Schedule or in any representation or warranty of any Seller which has been rendered inaccurate thereby. The representations and warranties of Sellers shall be amended by the Disclosure Supplements in all respects and for all purposes other than for the purposes of determining satisfaction of the conditions to Closing set forth in Article V.

4.09 Public Announcements. Sellers and Buyer will consult with each other before any of them or the Company issues any press releases or otherwise makes any public statements (including statements made to employees of the Company) with respect to this Agreement and the transactions contemplated hereby.

4.10 Transfer Taxes. All transfer taxes (including all stock transfer taxes, if any) incurred in connection with this Agreement and the transactions contemplated hereby will be borne by Sellers, and Sellers will, at their own expense, file all necessary tax returns and other documentation with respect to all such transfer taxes, and, if required by applicable law, the other parties hereto will (and will cause the Company to) join in the execution of any such tax returns or other documentation.

4.11 No Solicitation. Sellers shall not, and shall cause the Company not to, initiate, solicit, encourage, or participate in, any discussions with, or provide any information to, any corporation, partnership, person, entity or group, other than Buyer and its employees and agents, concerning any merger, consolidation, sale of assets or similar transaction involving the Company, or any sale of Shares or capital stock of the Company, including securities convertible into or exchangeable for such securities, by the issuer (any such transaction being referred to herein as an "Acquisition Proposal"). Sellers will suspend any pre-existing discussions involving any Acquisition Proposal and will immediately advise Buyer if the Company or any Seller receives any Acquisition Proposal from any corporation, partnership, person, entity or group.

4.12 Access to Customers and Suppliers. Between the date of this Agreement and the Closing Date, Sellers will cause the Company to permit a representative of Buyer to accompany a representative of the Company when they meet with or talk to the officers and employees of the customers and suppliers of the Company. In addition, Sellers will cause the Company to permit a representative of Buyer to meet with or talk to the officers and employees of the customers and suppliers of the Company, provided, however, that the Company shall have a right to have a representative present at such meetings and discussions.

ARTICLE V
CONDITIONS

5.01 Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party hereto to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) No statute, rule, regulation, executive order, decree, injunction or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental authority, nor shall any action or proceeding brought by any governmental authority or agency, be pending, which (i) prevents, restricts or delays or seeks to prevent, restrict or delay the consummation of the transactions contemplated by this Agreement or (ii) seeks a material amount of monetary damages in connection with the consummation of the transactions contemplated by this Agreement.

(b) Bowles and Buyer shall have entered into as of the Closing Date the agreement referred to in Section 7.01 and otherwise performed their respective obligations under Article VII.

5.02 Conditions to the obligations of Sellers to Effect the Transactions Contemplated Hereby. The obligations of Sellers to effect the transactions contemplated hereby shall be further subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by Sellers in writing:

(a) Buyer shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement required to be performed and complied with by it at or prior to the Closing and all representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date, and Sellers shall have received certificates to that effect signed by the President or any Vice President of Buyer together with such other documents, instruments and writings required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement or otherwise reasonably required by Buyer in connection herewith.

(b) Sellers shall have received an opinion from counsel to Buyer, dated the Closing Date, to the effect set forth in Exhibit A hereto.

(c) Buyer shall have delivered to Sellers a copy of the Certificate of Incorporation of Buyer, including all amendments thereto, certified by the Secretary of State of the State of Delaware and (ii) a certificate from the Secretary of the State of Delaware to the effect that Buyer is in good standing in such State.

(d) No actions or proceedings which have a material likelihood of success shall have been instituted or, to the knowledge of Buyer, threatened by

any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(e) All material consents, waivers, authorizations and approvals, if any, necessary to permit Sellers to consummate the transactions contemplated by this Agreement shall have been received.

(f) All proceedings to be taken in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to Sellers and their counsel.

5.03 Conditions to the Obligations of Buyer to Effect the Transactions Contemplated Hereby. The obligations of Buyer to effect the transactions contemplated hereby shall be further subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by Buyer in writing:

(a) Sellers shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement required to be performed and complied with by them at or prior to the Closing and all the representations and warranties of Sellers set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as amended by any Disclosure Supplements as of the Closing Date, and Buyer shall have received certificates to that effect signed by Sellers together with such other documents, instruments and writings required to be delivered by Sellers or by the Company at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith, provided, however, that if the Disclosure Supplements reveal a change from the Schedules attached hereto at the date hereof that is unacceptable to Buyer, Buyer shall not be obligated to effect the transactions contemplated hereby.

(b) Sellers shall have delivered to Buyer (i) copies of the Company's Articles of Incorporation including all amendments thereto certified by the Secretary of State of the State of California, (ii) certificate from the Secretary of State to the effect that the Company is in good standing and listing all charter documents of the Company on file, and (iii) a certificate as to the tax status of the Company in the State of California .

(c) Prior to the Closing Date, there shall be no material adverse change in the assets or liabilities, the business or condition, financial or otherwise, the results of operations, or prospects of the Company, from April 30, 1998, and Sellers shall have delivered to Buyer a certificate, dated the Closing Date, to such effect.

(d) No action or proceedings which have a reasonable likelihood of success shall have been instituted or, to the best knowledge of Sellers, threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(e) Each party hereto shall have received all material consents, waivers, approvals, licenses or other authorizations required from any governmental or non-governmental entity for the execution, delivery and performance of this Agreement by the parties hereto.

(f) Other than as disclosed in the schedules attached hereto, the Company shall not have received any notice of cancellation of any Major Customer Contract or real property lease or have any basis to believe any such cancellation may occur.

(g) Buyer shall have received an opinion from counsel to Sellers, dated

the Closing Date, in form and substance satisfactory to Buyer and its counsel, to the effect set forth in Exhibit B hereto.

(h) No injunction or other court order requiring that any part of the business or assets of any of the Company be held separate or divested or that any business or assets of Buyer or any affiliate of Buyer be divested, or imposing or involving any conditions on Buyer or its affiliates or the Company, which could be reasonably expected to have a material adverse effect on the assets, liabilities, business, financial condition, prospects or results of operations of either Buyer or any affiliate of Buyer on the one hand, or the Company on the other hand, shall be in effect and no proceedings shall be pending by or before, or threatened in writing by or before, any governmental body or court of competent jurisdiction with respect thereto.

(i) The Company shall not have taken any of the actions set forth in Section 4.01(a) - (o) without the prior written consent of Buyer.

(j) Buyer shall have received satisfactory evidence of the resignation as of the time of Closing of such of the present officers (in their capacity as corporate officers only) and directors of the Company as Buyer may request at least 3 business days prior to Closing.

(k) There shall not be in effect at the Closing Date any contractual provisions restricting the ability of the Company or any affiliate thereof to conduct any business or compete with any person or restricting the area in which it may conduct any business.

(l) Buyer and its counsel shall have approved (which approval shall not be unreasonably withheld) (i) the form of stock certificate and related instruments of transfer to be delivered to Buyer at the Closing, (ii) all other proceedings to be effected at the Closing or otherwise in connection with the transactions contemplated by this Agreement, and (iii) all other documents and instruments to be delivered at the Closing or otherwise in connection with the transactions contemplated by this Agreement.

ARTICLE VI
SURVIVAL AND INDEMNIFICATION

6.01 Survival of Representations, Warranties and Covenants. All covenants and agreements of any party hereto set forth herein shall survive the Closing for the period provided for in such covenant or, if not so provided, for a period of one year. The representations and warranties set forth herein shall survive the Closing and shall remain in effect for a period of one year from the Closing Date, provided that (x) any claim for indemnification which is asserted within the time period set forth in Section 6.02(e) shall survive such one year period, for the period set forth in such Section, and (y) claims under Section 6.03 with respect to liability for Taxes which are asserted prior to the expiration of the applicable statute of limitation (including any extension thereof) respecting such Tax liability or obligation shall also survive such one year period for the period set forth in such Section.

6.02 Post-Closing Indemnification. (a) From and after the Closing Date, Bowles shall defend, indemnify and hold harmless Buyer and its subsidiaries (including the Company) and each of their successors, assigns, officers, directors and employees (the "Buyer Indemnitee Group") against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses (collectively, "Damages"), suffered by any of them as a result of, or arising from: (i) except for matters referred to

in clauses (ii) and (iii) hereof and in Section 6.03, any inaccuracy in or breach of or omission from any of the representations or warranties made by Bowles in Article II of this Agreement or pursuant hereto (as amended by the Disclosure Supplements), or any nonfulfillment, partial or total, of any of the covenants or agreements made by Bowles in this Agreement to the extent not waived by Buyer in writing; (ii) except for matters referred to in clause (iii) hereof and in Section 6.03, any claim, action, suit, proceeding or investigation of any kind relating to or arising from events occurring prior to the Closing Date, instituted by or against or involving the Company or any of its business or assets (other than those claims, actions, suits, proceedings and investigations set forth in Schedule 2.14 of the Disclosure Schedule) regardless of whether such claims, actions, suits, proceedings or investigations are made or commenced before or after the Closing Date, provided that Damages relating to claims, actions, suits, proceedings and investigations that relate to events occurring both before and after the Closing Date shall be equitably allocated

between Buyer and Sellers and; (iii) the failure or inability of the Company to collect all accounts receivable reflected on the Financial Statements less the amount of $20,000, provided, however, the Company and Buyer shall have used all customary methods to collect such accounts receivable and provided further, that if Bowles shall be required to pay any amounts hereunder, Buyer or the Company shall assign uncollected accounts receivable to Bowles, who may use all necessary reasonable means to collect it, including bringing an action in the name of the Company.

(b) From and after the Closing Date, Buyer shall defend, indemnify and hold harmless Sellers and their heirs, trustees, successors and assigns against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses, suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by Buyer in Article III of this Agreement or pursuant hereto, or any non-fulfillment, partial or total, of any of the covenants or agreements made by Buyer in this Agreement to the extent not waived by Sellers in writing.

(c) From and after the Closing Date, each Seller other than Bowles shall defend, indemnify and hold harmless the Buyer Indemnitee Group against and in respect of any and all Damages suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by such Seller in Article III of this Agreement or pursuant hereto, or any non-fulfillment, partial or total, of any of the covenants or agreements made by such Seller in this Agreement.

(d) If a claim by a third party is made against an indemnified party, and if such party intends to seek indemnity with respect thereto under this Article VI, the indemnified party shall promptly (and in any case within thirty days of such claim being made) notify the indemnifying party of such claim, provided, however, that the failure to so notify the indemnifying party shall not discharge the indemnifying party of its obligations hereunder except that the indemnifying party shall not be liable for default judgments or any amounts related thereto if the indemnified party shall not have so notified the indemnifying party. Subject to the following sentence, the indemnifying party shall have thirty days after receipt of such notice to undertake, conduct and control, through counsel of its own choosing (which is satisfactory to the indemnified party) the settlement or defense thereof, and the indemnified party shall cooperate with it in connection therewith (provided that the indemnifying party shall permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees

and expenses of such counsel shall be borne by the indemnified party) and the indemnifying party shall promptly reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expenses as incurred by the indemnified party within limits of this Article VI. Notwithstanding anything herein to the contrary, the indemnified party shall have the right to conduct and control the defense of any such claim in the event that such claim (including a claim for equitable relief) or the continuation of such claim could reasonably be expected to materially adversely affect the business, results of operations, prospects or financial condition of the

indemnified party or any of its affiliates, provided, however, the indemnified party may not settle any claim for an amount in excess of $25,000 or consent to any settlement which imposes equitable remedies on the indemnifying party or its affiliates without the prior consent of the indemnifying party, which consent shall not be unreasonably withheld, unless the indemnified party agrees to waive any right to indemnity therefor by the indemnifying party. If the indemnifying party does not notify the indemnified party within thirty days after the receipt of the indemnified party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof or if the indemnifying party is not reasonably contesting the claim in good faith, the indemnified party shall have the right to contest, settle or compromise the claim in the exercise of its reasonable judgment, and all losses incurred by the indemnified party, including all fees and expenses of counsel for the indemnified party, shall be paid by the indemnifying party.

(e) Claims for indemnification made under this Section 6.02 shall be made within a period of one year from the Closing Date, provided, however, notwithstanding the foregoing, claims for indemnification with respect to any action, lawsuit, proceeding or investigation of any kind relating to or arising out of the matters referred to in Section 6.02(a)(ii) and claims for indemnification pursuant to Section 6.02(a)(iii) may be made within five years from the Closing Date.

6.03 Tax Indemnity, Etc.

(a) Bowles shall be responsible for and pay all Taxes attributable to the Company or its subsidiaries or for which the Company is liable for any period or portion of a period that ends on or before the Closing Date ("pre-Closing Date") which have not been paid or adequately provided for in the Financial Statements. Such Taxes shall include but not be limited to the Taxes of any member of an affiliated group of which the Company was a member for federal income tax purposes or any entity with which the Company filed a combined return for state or local tax purposes.

(b) Subject to Section 6.04, Bowles shall indemnify Buyer, the Company and their affiliates and their respective successors and assigns (each, a "Tax Indemnified Party", and collectively, "Tax Indemnified Parties") against and hold the Tax Indemnified Parties harmless on an after-tax basis from all liability, loss or damage and from all expenses paid to third parties (including reasonable attorneys' fees) with respect to all such Taxes described in the immediately preceding clause (a) which are in excess of U.S. $5,000.

(c) If, in connection with the audit of any federal, state, local or foreign return, any claim or demand is asserted in writing against a Tax Indemnified Party which may result in a claim for indemnification under this Section 6.03, such party shall notify Bowles of such claim or demand within twenty-five (25) days of receipt thereof. Bowles shall have the right to control at his own cost and expense, the defense of such claim or demand, provided, however, he shall consult with Buyer with respect to such defense, and he shall not compromise or settle such claim or demand without the consent of Buyer if

such compromise or settlement would adversely affect Buyer, which consent shall not be unreasonably withheld. Subject to the foregoing, the Tax Indemnified Party shall cooperate fully in such defense as and to the extent reasonably

requested by Bowles. In the event Bowles does not timely pursue the defense of the matter, the Tax Indemnified Party shall have the full right to defend against such liability, and shall be entitled to settle or agree to pay in full such claim or demand in its sole discretion and thereafter pursue its rights under this Agreement.

(d) Bowles shall pay to the Tax Indemnified Party all indemnity amounts within thirty (30) days after written demand therefor, or, if they timely contest a claim or demand, within thirty (30) days after the matter is settled or finally determined.

(e) Bowles and Buyer shall cooperate fully with each other in accordance with the reasonable request of the other party, in connection with any audit, litigation or other proceeding with respect to the Tax liability of the Company and the preparation of any tax return with respect to the Company. Such cooperation shall include the retention, and upon a party's request, the provision to the other parties of records and information which are reasonably relevant to any such proceeding or return, as well as making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Strict confidentiality shall be maintained for such records and information.

(f) For purposes of this Section 6.03, in the case of any Taxes that are imposed on a periodic basis and are payable for a period that begins before the Closing Date and ends after the Closing Date, the portion of such Tax payable for the period ending on the Closing Date shall (i) in the case of any property taxes and other taxes determined at a fixed rate for a period, be deemed to be the amount of such Tax for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period, and (ii) in the case of any other Taxes, be deemed equal to the amount which would be payable if the taxable year ended on the Closing Date.

(g) All tax allocation, tax sharing and similar agreements, if any, to which the Company is or was a party at any time on or before the Closing Date shall be terminated as of the Closing Date with respect to the Company. The Company shall have no obligation for the payment of any amount pursuant to any such agreement, except as expressly provided for in the Financial Statements. Subject to Section 6.04, the foregoing indemnity obligations of Bowles and the covenants and agreements of the parties contained in this Section 6.03 shall survive the Closing and be applicable for the applicable statute of limitations (as such may be waived or extended).

(h) For purposes of this Agreement, "Taxes" shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign) upon the Company or its subsidiaries.

6.04 Limitation on Indemnification. (a) Notwithstanding the provisions of Sections 6.02 and 6.03 hereof, (i) Bowles shall not be obligated to indemnify and hold harmless the Buyer Indemnitee Group and the Tax Indemnified Parties unless and until the aggregate amount of all claims for which indemnification is sought under Sections 6.02 and 6.03 exceeds Fifty Thousand Dollars ($50,000), and then only as to the amount by which aggregate claims thereunder exceed $50,000 and (ii) the aggregate liability with respect to the indemnifications contained in Sections 6.02 and 6.03 shall not exceed ten percent (10%) of the aggregate cash consideration paid or to be paid to Bowles pursuant to Sections 1.02 and 7.02 hereof; provided, however, the limitations contained in this Section 6.04 shall not apply to an inaccuracy in or breach of the representations and warranties of Bowles in Section 2.02 hereof, for which there shall be no limitations (either minimum thresholds or maximum amounts) applicable to the indemnifications therefore contained in Section 6.02(a)(i). Notwithstanding the provisions of Section 6.02 hereof, Buyer shall not be obligated to indemnify and hold harmless Sellers until the aggregate of all claims for which indemnification is sought under Section 6.02 exceeds Fifty Thousand Dollars ($50,000), and then only as to the amount by which aggregate claims thereunder exceed $50,000.

(b) Except for liability provided for in Section 8.02(b) hereof and the remedy of specific performance provided for in Section 9.12 hereof, Buyer acknowledges and agrees that its sole and exclusive remedy with respect to any and all claims relating to any inaccuracy in or breach of or omission from any of the representations or warranties made by Bowles in Article II of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VI. Except for liability provided for in Section 8.02(b) hereof and the remedy of specific performance provided for in Section 9.12 hereof, Sellers acknowledge and agree that their sole and exclusive remedy with respect to any and all claims relating to any inaccuracy in or breach of or omission from any of the representations or warranties made by Buyer in Article III of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VI.

ARTICLE VII
ADDITIONAL AGREEMENTS WITH BOWLES

7.01 Non-Competition. At the Closing, Bowles and Buyer shall execute and deliver to each other the Confidentiality and Non-competition Agreement in the form attached hereto as Exhibit C, dated as of the Closing Date.

7.02 Purchase of Bowles' Goodwill. Subject to the Closing, Bowles agrees to sell, assign and transfer to Buyer on the Closing Date, and Buyer agrees to purchase all of the individual and personal goodwill of Bowles pertaining to or arising out of the business of developing software and providing financial and communication services for the financial services industry (the "Goodwill"). Although the Goodwill was used by Bowles in the conduct of the business of the Company up to the date of this Agreement, it is acknowledged by Sellers to be a separate and valuable asset of Bowles apart from the goodwill of the Company. Concurrently with the Closing, Bowles shall assign the Goodwill to Buyer, free and clear of all liens, claims and encumbrances, by a duly executed assignment in form reasonably requested by Buyer. In full

consideration for the purchase by Buyer of the Goodwill, Buyer shall pay to Bowles (i) 160% of the Excess Amount (as defined in Section 1.02(b)) for each of the calendar quarters ending June 30, 1998, September 30, 1998, December 31, 1998, March 31, 1999, and June 30, 1999 and (ii) 20% of the Non-recurring Revenue (as defined in Section 1.02(c)) received by the Closing after the

Closing Date and before July 1, 1999. Such payments shall be made quarterly simultaneously with the payments to Sellers as provided in Section 1.02 (b) and (c) hereof. Buyer shall have a right of setoff against these payments for any liability of Bowles to Buyer pursuant to this Agreement.

7.03 Inactive Software Systems. All ownership and rights of the Company to its currently inactive software systems known as "Mutual Fund and Variable Annuity Hypothetical System" and "Wholesaler System", only to the extent separable from other software programs or systems of the Company, will be transferred to Bowles on or prior to the Closing Date, subject to (i) Buyer's right of first refusal to acquire such software systems in the event of their subsequent disposition or transfer; and (ii) such software systems not being used in a manner which, if used by Bowles, would violate the restriction against competition contained in the Confidentiality and Non-Competition Agreement attached as Exhibit C hereto.

ARTICLE VIII
TERMINATION AND ABANDONMENT

8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of Sellers and Buyer; or

(b) by either Buyer or Bowles if the Closing shall not have occurred on or before May 25, 1998 or such later date as may be agreed upon by Buyer and Bowles.

8.02 Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by any or all of the parties pursuant to Section 8.01, written notice thereof shall forthwith be given to the other parties to this Agreement and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(a) the parties hereto will promptly redeliver to Sellers or Buyer, as the case may be, all documents, work papers and other materials of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof; and

(b) no party hereto shall have any liability or further obligation to any other party to this Agreement pursuant to this Agreement except (i) with respect to Section 4.04, and (ii) solely with respect to terminations pursuant to Section 8.01(b), any party whose material breach of any covenant or agreement hereunder shall have resulted in the failure of the transactions contemplated by this Agreement to close, shall be liable for breach of contract or otherwise, to

the extent provided by law; provided, however, that this subsection (b) (ii) shall not be construed to limit the remedies otherwise available with respect to such defaulting party.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.01 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Buyer and Sellers.

9.02 Waiver of Compliance; Consents. Except as otherwise provided in

this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party or parties entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.02.

9.03 No Third Party Beneficiaries. Except as provided in this Agreement, nothing in this Agreement shall confer any rights upon any person or entity which is not a party or a permitted assignee of a party to this Agreement.

9.04 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by cable, telegram or telex, telecopy, courier, express mail delivery service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

(a) if to Sellers, to:
Donald W. Bowles
16955 Via Del Campo, Suite 215
San Diego, California 92127

with a copy to:

Fisher Thurber LLP
4425 Executive Square, Suite 1600
LaJolla, CA 92037
Attn: David A. Fisher

(b) if to Buyer, to:

Data Transmission Network Corporation
9110 West Dodge Road
Suite 200
Omaha, Nebraska 68114
Attn: Charles R. Wood, Sr. Vice President

with a copy to:
Abrahams Kaslow & Cassman
8712 West Dodge Road
Suite 300
Omaha, Nebraska 68114
Attn: R. Craig Fry

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

9.05 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their

respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties.

9.06 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by the law of the State of Nebraska as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies without giving effect to the principles of choice of law thereof.

9.07 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.08 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

9.09 Entire Agreement. This Agreement, including the Exhibits hereto and the documents, schedules, certificates and instruments referred to herein embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

9.10 Certain Definitions.

(a) An "affiliate" of a person shall mean any person which, directly or indirectly, controls, is controlled by, or is under common control with, such person.

(b) The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

(c) The term "person" shall mean and include an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(d) The term "day" shall mean a calendar day unless otherwise stated.

(e) The term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person.

(f) Whenever any representation or warranty contained in this Agreement is qualified by reference to the knowledge, information or belief of a party, such party confirms that it has made due and diligent inquiry as to the matters that are the subject of such representation and warranty.

9.11 Severability. The parties hereto acknowledge that the provisions

of this Agreement, including the territorial and time limitations set forth in Section 7.01 hereof, are reasonable under the circumstances. The parties intend that the covenants contained in Section 7.01 (a) and (b) shall be construed as separate covenants as to each city, county and state in the United States in which the Company is conducting business as of the Closing. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

9.12 Specific Performance. Each of the parties hereto acknowledges and agrees that the other parties hereto would be irreparably damaged in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, each of the parties hereto agrees that they each shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having personal and subject matter jurisdiction, in addition to any other remedy to which such party may be entitled at law or in equity. In the event of any action or proceeding to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' and expert's fees and costs in addition to such other relief as may be granted.

IN WITNESS WHEREOF, Sellers and Buyer have signed, or caused this Agreement to be signed by their respective representatives, as the case may be, as of the date first above written.

DATA TRANSMISSION NETWORK CORPORATION

Date: May 27, 1998

/s/ Charles R. Wood

Charles R. Wood, Sr. Vice President

Date: May 28, 1998

/s/ Donald W. Bowles

Donald W. Bowles

EXCEL INTERFINANCIAL CORPORATION

Date: May 28, 1998

/s/ Richard Muir

Richard Muir, Executive Vice President

CHARTER FINANCIAL HOLDINGS, LLC

Date: May 29, 1998

/s/ John L. O'Donnell

John L. O'Donnell, Manager

Date: May 28, 1998 /s/ Steven L. Reynolds

Steven L. Reynolds

Date: May 28, 1998 /s/ Douglas Vanderbilt

Douglas Vanderbilt

SCHEDULE 1

<TABLE>
<CAPTION>

Name and Address Of Seller	Number of Shares Owned	Payment Due at Closing	Percentage of Balance of Purchase Price
<S>	<C>	<C>	<C>
Donald W. Bowles	790,000	$1,809,200	90.46%
Excel Interfinancial Corporation	13,300	$ 30,400	1.52%
Charter Financial Holdings, LLC	10,000	$ 23,000	1.15%
Steven L. Reynolds	45,000	$ 103,000	5.15%
Douglas Vanderbilt	15,000	$ 34,400	1.72%
TOTALS	873,300	$2,000,000	100%

</TABLE>

EXHIBIT A

(Opinion of AK&C)

Dated _____ ,1998

Mr. Donald W. Bowles
16955 Via Del Campo, Suite 215
San Diego, California 92127

Dear Mr. Bowles:

We have acted as counsel to Data Transmission Network Corporation (the "Company"), a Delaware corporation, in connection with the Company's purchase of all of the issued and outstanding capital stock of National Datamax, Inc.

pursuant to that certain Stock Purchase Agreement dated as of May ___, 1998, among all of the stockholders of National Datamax, Inc. and the Company (the "Agreement"). This opinion is being rendered to you pursuant to Section 5.02(b) of the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates, including certificates of public officials, and other instruments as we have deemed necessary or advisable for purposes of this opinion, including those relating to the authorization, execution and delivery of the Agreement. We reviewed the following documents and agreements:

(i) the Agreement;

(ii) the Certificate of Incorporation of the Company as certified by the Secretary of State of the State of Delaware (the "Certificate of Incorporation");

(iii) the Bylaws of the Company as certified by the Secretary of the Company on the date of this opinion letter (the "Bylaws"); and

(iv) actions taken by the Board of Directors of the Company to authorize the transactions contemplated by the Agreement.

In such examination and review we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts material to the opinions hereafter expressed which we did not independently establish or verify, we have relied without investigation upon certificates, statements and representations of representatives of the Company. During the course of our

discussion with such representatives and our review of the documents described above in connection with the preparation of these opinions, no facts were disclosed to us that caused us to conclude that any such certificate, statement or representation is untrue. In making our examination of the documents executed by persons or entities other than the Company, we have assumed that each such other person or entity had the power and capacity to enter into and perform all his, her or its obligations thereunder and the due authorization of, and the due execution and delivery of, such documents by each such person or entity.

As used in this opinion, the expression "to our knowledge" with reference to matters of fact means that after an examination of documents in our files or made available to us by the Company and after inquiries of officers of the Company, and considering the actual knowledge of those attorneys in our firm who have given substantive attention to legal matters for the Company, without independent investigation or inquiry as to factual matters, but not including any constructive or imputed notice of any information, we find no reason to believe that the opinions expressed herein are factually incorrect. Beyond that, we have made no independent factual investigation for the purpose of rendering an opinion with respect to such matters.

Based upon and subject to the foregoing, and subject to the further assumptions, limitations, qualifications and exceptions set forth herein, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

2. The Company has the corporate power and authority to execute, deliver, and perform the Agreement and to consummate the transactions contemplated thereby. The Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligations of the Company, enforceable against the Company in accordance with its terms. The execution, delivery and performance of the Agreement and the consummation of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action on the part of the Company.

3. Except as set forth in the Agreement, neither the execution, delivery, nor performance of the Agreement nor the consummation of the transactions contemplated thereby (i) conflicts with or violates any provisions of the Certificate of Incorporation or By-laws of the Company, (ii) to our knowledge, violates any judgment, decree, order, writ or injunction specifically naming the Company, (iii) to our knowledge, requires on the part of the Company any filing with, or permit, authorization, consent or approval of, any federal or state governmental agency, or (iv) to our knowledge, violates any statute, rule or regulation.

This opinion relates solely to the laws of the State of Nebraska, and applicable Federal laws of the United States, and we express no opinion with respect to the effect or applicability of the laws of other jurisdictions. We have assumed that, and our opinions expressed in paragraph 2 above are based upon our assumption that, the internal laws of the State of Nebraska and Federal law govern the provisions of the Agreement and the transactions contemplated thereby.

Our opinions relating to validity, binding effect, and enforceability of the Agreement are subject to (i) applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws or judicial decisions affecting the validity and enforcement of creditors' rights generally, (ii) Nebraska law which may restrict your right to collect attorneys' fees from a defaulting party, (iii) public policy considerations or statutory provisions which may limit a party's rights to indemnification against liability for its own wrongful or negligent acts and to obtain certain remedies (iv) provisions of Nebraska law which restrict the concurrent exercise of multiple remedies, (v) principles of equity which permit the exercise of judicial discretion (regardless of whether such enforceability is considered in a proceeding in equity or at law). In applying the principles of equity referred to in the preceding clause (v) a court, among other things, might not allow a contractual party to declare a default deemed immaterial; such principles of equity, as applied by a court, also might include a requirement that a contractual party act reasonably and in good faith. We express no opinion as to the enforceability of provisions of the Agreement which involve disclaimers, liability limitations with respect to third parties, releases of legal or equitable defenses, liquidated damages, or waivers of notices, rights, or remedies, or which impose penalties or forfeitures upon the occurrence of a default. Certain remedial provisions of the Agreement may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Agreement; however, the unenforceability of such provisions may result in delays in the enforcement of the Buyer's rights and remedies under the Agreement (and we express no opinion as to the economic consequences, if any, of such delays).

We are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to other matters. The opinions expressed herein are furnished by us, as counsel for the Company, solely for your benefit in connection with the transactions contemplated by the Agreement and upon the understanding that we are not hereby assuming any responsibility to any other

person whatsoever. This opinion may not be quoted or relied upon by any other person or used for any other purpose without our prior written consent. This opinion is rendered as of the date hereof and we do not undertake to advise you of matters which occur subsequent to the date hereof and which affect the opinions expressed herein.

Very truly yours,

ABRAHAMS, KASLOW & CASSMAN

By:

EXHIBIT B

(Opinion of Fisher Thurber LLP)

Dated _____ ,1998

Data Transmission Network Corporation
9110 West Dodge Road
Suite 200
Omaha, NE 68114

Gentlemen:

We have acted as counsel to National Datamax, Inc. (the "Company"), a California corporation, and certain of its shareholders, Donald W. Bowles and Charter Financial Holdings, LLC (collectively the "Shareholders"), in connection with your purchase of all of the issued and outstanding capital stock of the Company pursuant to that certain Stock Purchase Agreement dated as of May ___, 1998, among all of the stockholders of the Company and you (the "Agreement"). This opinion is being rendered to you pursuant to Section 5.03(g) of the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates, including certificates of public officials, and other instruments as we have deemed necessary or advisable for purposes of this opinion, including those relating to the authorization, execution and delivery of the Agreement. We reviewed the following documents and agreements:

(i) the Agreement;

(ii) the Articles of Incorporation of the Company, as amended, as certified by the Secretary of State of the State of California (the "Articles of Incorporation");

(iii) the Bylaws of the Company, as amended, as certified by the Secretary of the Company on the date of this opinion letter (the "Bylaws");

(iv) the stock certificates and stock records of the Company; and

(v) actions taken by the stockholders and Board of Directors of the Company to authorize the transactions contemplated by the Agreement.

In such examination and review we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the

authenticity of the originals of such copies. As to any facts material to the opinions hereafter expressed which we did not independently establish or verify, we have relied without investigation upon certificates, statements and representations of representatives of the Company. During the course of our discussion with such representatives and our review of the documents described above in connection with the preparation of these opinions, no facts were disclosed to us that caused us to conclude that any such certificate, statement or representation is untrue. In making our examination of the documents executed by persons or entities other than the Shareholders and the Company, we have assumed that each such other person or entity had the power and capacity to enter into and perform all his, her or its obligations thereunder and the due authorization of, and the due execution and delivery of, such documents by each such person or entity.

As used in this opinion, the expression "to our knowledge" with reference to matters of fact means that after an examination of documents in our files or made available to us by the Company and after inquiries of officers of the Company, and considering the actual knowledge of those attorneys in our firm who have given substantive attention to legal matters for the Company, without independent investigation or inquiry as to factual matters, but not including any constructive or imputed notice of any information, we find no reason to believe that the opinions expressed herein are factually incorrect. Beyond that, we have made no independent factual investigation for the purpose of rendering an opinion with respect to such matters.

Based upon and subject to the foregoing, and subject to the further assumptions, limitations, qualifications and exceptions set forth herein, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of California and has the corporate power and authority and, to our knowledge, all franchises, licenses, and permits from governmental authorities necessary to own and operate its properties and to conduct its business as presently being conducted.

2. The Company is duly qualified to do business and is in good standing in (i) the state of California, and (ii) to our knowledge, each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification.

3. The authorized capital stock of the Company consists of 10,000,000 shares of Common Stock, $1.00 par value, of which 873,300 shares are outstanding and no shares are held in the treasury of the Company. All of the outstanding shares of Common Stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable with no personal liability attaching to the ownership thereof. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, there are no outstanding subscriptions, scrip, warrants, commitments, conversion rights, calls, options or agreements to issue or sell additional securities of the Company, and no obligations whatsoever requiring, or which might require, the Company to issue any securities.

4. To our knowledge, the parties to the Agreement other than you have good title to all of the outstanding shares of Common Stock of the Company, free and clear of all liens, encumbrances, security interests, options, claims, charges and restrictions.

5. Each of the Shareholders has the power, authority, and capacity to execute, deliver, and perform the Agreement and to consummate the transactions contemplated thereby, and the Agreement and all documents and instruments delivered by the Shareholders thereunder have been duly executed and delivered by them and constitute legal, valid and binding obligations of the parties thereto other than Buyer, enforceable in accordance with their terms.

6. The execution, delivery, and performance of the Agreement and the consummation of the transactions contemplated thereby will not, except as disclosed in the disclosure schedules to the Agreement, result in a breach or violation of or constitute a default under, or accelerate any obligation under, or give rise to a right of termination of, the Articles of Incorporation or By-laws of the Company or, to our knowledge, any judgment, decree, order, governmental permit or license, authorization, agreement, indenture, instrument, or statute or regulation to which the Shareholders or the Company is a party or by which the Shareholders or the Company or its business, assets, or properties may be bound or affected, and, to our knowledge, will not, except as disclosed in the disclosure schedules to the Agreement, result in the creation of any lien, claim, encumbrance or restriction on any part of the business or assets of the Company.

7. To our knowledge, there is no legal action or governmental proceeding or investigation pending or threatened against or affecting the Company or its stockholders which prevents the parties other than Buyer from entering into or being bound by the Agreement or from consummating the transactions contemplated thereby or which questions the validity of the Agreement or the transactions contemplated thereby.

8. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, there is no legal action or governmental proceeding or investigation pending or threatened against or affecting the Company, which, if decided adversely to the Company, would have a material adverse affect on the properties, business, profits or condition (financial or otherwise) of the Company, taken as a whole.

9. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, no consent, authorization or approval of, or exemption by, or filing with, any court or administrative agency or authority of the United States of America or the State of California is required in connection with the delivery and performance by the Shareholders of the Agreement or any of the instruments or agreements delivered by the Shareholders thereunder, or the taking of any action therein contemplated.

10. All corporate proceedings required by the California General Corporation Law to be taken by the Board of Directors or the stockholders of the Company on or prior to the Closing Date in connection with the execution and delivery of the Agreement and in connection with the sale of all of the capital stock of the Company have been duly and validly taken.

This opinion relates solely to the laws of the State of California, and applicable Federal laws of the United States, and we express no opinion with respect to the effect or applicability of the laws of other jurisdictions. We have assumed that, and our opinions expressed in paragraph 5 above are based upon our assumption that, the internal laws of the State of California and

Federal law govern the provisions of the Agreement and the transactions contemplated thereby.

The opinion set forth in paragraph 5 above concerning the enforceability of the obligations of the Shareholders under the Agreement is subject to the effect of (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally, and (ii) the discretion of any court of competent jurisdiction in awarding equitable remedies, including, without limitation, specific performance or injunctive relief, and the effect of general principles of equity embodied in California statutes and common law.

We are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to other matters. The opinions expressed herein are furnished by us, as counsel for the Company and the Shareholders, solely for your benefit in connection with the transactions contemplated by the Agreement and upon the understanding that we are not hereby assuming any responsibility to any other person whatsoever. This opinion may not be quoted or relied upon by any other person or used for any other purpose without our prior written consent. This opinion is rendered as of the date hereof and we do not undertake to advise you of matters which occur subsequent to the date hereof and which affect the opinions expressed herein.

Very truly yours,

FISHER THURBER LLP

By:

EXHIBIT C

CONFIDENTIALITY AND
NON-COMPETITION AGREEMENT

THIS AGREEMENT is made and entered into as of the _____ day of _____, 1998, by Donald W. Bowles ("Shareholder") for the benefit of Data Transmission Network Corporation, a Delaware corporation, and its subsidiaries and affiliated corporations (collectively, "DTN").

R E C I T A L S:

A. Prior to the date hereof, National Datamax, Inc. (the "Company") has operated a business which licenses software and provides information services regarding publicly traded securities and related financial information to broker/dealers, financial planners, and other customers. For purposes of this Agreement, all of the businesses of the Company are collectively referred to herein as the "Business".

B. Pursuant to the terms and conditions of that certain Stock Purchase Agreement dated _____, 1998, effective today, Data Transmission Network Corporation acquired all of the capital stock of the Company.

C. The Company has carried on the Business throughout the United States of America (the "Territory"). DTN operates communication and information service businesses which are currently conducted throughout the United States of America and Canada.

D. Shareholder was the owner of a majority of the outstanding shares of

capital stock of the Company and President of the Company. As a result of Shareholder's executive position with the Company, Shareholder was entrusted with highly sensitive, confidential, and proprietary information relating to the Business, including but not limited to knowledge regarding the future plans, trade secrets, know-how, products, suppliers, clients, and employees of the Business, which information DTN desires to protect.

E. In order to prevent the improper use of confidential and proprietary information relating to the Business and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business which were acquired by DTN, Shareholder agrees that limitations must be imposed on Shareholder's right to compete with the Business, or use confidential information of the Business or its clients.

NOW, THEREFORE, in consideration of the foregoing recitals and DTN acquiring the Business, the parties agree as follows:

SECTION 1 - NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) "Confidential Information" means information, not generally known, that is proprietary to the Business, including without limitation:

1) the financial and accounting data, sales records, profit and loss and other performance reports, pricing manuals, training manuals, selling and pricing procedures, financing methods, data processing and communication information, technical data, securities information, agreements with insurers, banks, and other service providers, and trade secrets and know-how regarding the products and services of the Business;

2) the personnel and salary information of the Business, including wages, bonuses, commissions, and fringe benefits of the Business;

3) the production and processing procedures, formulae and systems of the Business;

4) the vendor and supplier information of the Business;

5) the buying practices, sources of supply for components, the quality, prices and usage of components, information and materials, manner of vendor payment, profit margins, expense ratios, pricing, lead time and other information concerning the buying activities of the Business;

6) the client lists and prospect lists of the Business, including, without limitation, names of contacts, products and services purchased, quantities of products and services purchased, pricing including discounts and add-ons, terms, credit histories, timing of purchases, and payment histories, special demands of particular clients, and current and anticipated requirements of clients generally for products or services of the Business;

7) the marketing information of the Business, including, without limitation, research, development, testing and client surveys and preferences regarding the current and new products or services of the Business, and specifications of any new products or services under development by or for the Business;

8) the business projections, strategic planning, marketing planning, activity and practices, marketing systems and procedures, pricing policies and practices, and inventory procedures and systems of the Business; and

9) confidential information of the clients of the Business.

(b) Shareholder hereby agrees not to directly or indirectly disclose any Confidential Information to any third party without the prior written

consent of DTN or as required by applicable law. Shareholder further agrees not to use, directly or indirectly, any Confidential Information for the benefit of Shareholder or any third party. Confidential Information does not include any of the items in this Section which have become publicly known and made generally available through no wrongful act of Shareholder or of others who Shareholder did not know and had no reasonable basis for knowing were under confidentiality obligations as to the item or items involved.

SECTION 2 - RESTRICTIONS AGAINST COMPETITION.

In order to prevent the improper use of Confidential Information and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business which were acquired by DTN, Shareholder hereby agrees that for a period of three (3) years after the date of this Agreement, Shareholder will not, directly or indirectly, on his own behalf or in the service or on behalf of others:

a) solicit any client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

b) advise or recommend to any other person that such person solicit any client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

c) solicit any prospective client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

d) advise or recommend to any other person that such person solicit any prospective client of the Business or DTN as of the date hereof, for the purpose of obtaining the business of such client, in competition with the Business;

e) work for himself or another, in an employee, managerial, marketing, sales, consulting or other capacity, in carrying on a business in competition with the Business within the Territory or providing within the Territory other services now currently provided by the Business or any prospective services being developed by the Business during Shareholder's employment with the Company, the details of which Shareholder was privy to in Shareholder's position with the Company; provided that notwithstanding the foregoing, Shareholder shall thereafter still be restricted from using the Confidential Information pursuant to Section 1 hereof; or

f) solicit or recruit for employment, or attempt to solicit or recruit for employment, or advise or recommend to any other person that such person solicit or recruit for employment, or

attempt to solicit or recruit for employment, any person who was employed by the Company and worked in the Business during the twelve (12) month period immediately preceding the effective date of the acquisition of the Company by DTN and who was employed by DTN after the effective date of such acquisition.

The phrase "prospective client" shall mean those businesses with whom any representative of the Company had substantial and extended actual and personal contact during the twelve (12) month period immediately preceding any such act to develop new business for the Business, including developing sales strategies, marketing information and proposals, and negotiating providing services to such prospective clients.

Shareholder agrees that it is reasonable to restrict the Shareholder's competition during the time period described above in the entire geographic area in which the Company or DTN operates and that the restrictions set forth in this Agreement (including, but not limited to, the period of restriction, activity and geographic area set forth) are fair and reasonable and are necessarily required for the protection of the interests of DTN and to prevent the improper use of Confidential Information and the resulting unfair competition and misappropriation and diminution of the goodwill and other proprietary interests of the Business acquired by DTN.

SECTION 3 - ENFORCEMENT OF RESTRICTIONS.

Shareholder understands and agrees that his access to the Confidential Information and clients of the Business makes such restrictions both necessary and reasonable.

Shareholder agrees with DTN that if Shareholder shall violate or threaten to violate any of the terms of this Agreement, then DTN shall be entitled to injunctive relief; such remedy shall be in addition to and not in limitation of any rights or remedies to which DTN is or may be entitled to at law or in equity.

The parties agree that the covenants contained in Sections 1 and 2 of this Agreement are independent of one another and are severable. In the event any part of the covenants contained in Section 1 or 2 of this Agreement shall be held to be invalid or unenforceable, the remaining parts thereof shall nevertheless continue to be valid and enforceable as though the invalid and unenforceable part had not been included herein. If any provisions of these covenants relating to the time period, activity and/or area of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time periods, activities or areas which such court deems reasonable and enforceable, the parties agree that the court making such a determination shall have the power to reduce the time period, activity and/or area of restriction to the maximum time period, activity and/or area which such court deems reasonable and enforceable.

SECTION 4 - CONSIDERATION.

As consideration for the performance and compliance by Shareholder hereunder, DTN hereby covenants and agrees to pay Shareholder the sum of One Million Dollars ($1,000,000) payable on the date of this Agreement.

SECTION 5 - ATTORNEY REVIEW.

Shareholder was advised and encouraged to review this Agreement with his private attorneys before signing it. To the extent, if any, that the Shareholder desired, Shareholder has taken advantage of this right. Shareholder has carefully read and fully understands all of the provisions of this Agreement and is voluntarily entering into this Agreement.

SECTION 6 - SUCCESSORS, ASSIGNS AND THIRD PARTY BENEFICIARIES.

This Agreement and all rights under this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees, successors, and assigns.

SECTION 7 - MISCELLANEOUS.

This writing constitutes the entire agreement between the parties hereto and supersedes any prior understanding or agreements among them respecting the subject matter. Except as otherwise set forth in this Agreement, there are no extraneous representations, arrangements, understandings, or agreements, oral or written, among the parties hereto, except those fully expressed herein. No amendments or modifications to the terms of this Agreement shall be made unless made in writing and signed by all the parties hereto. The failure of either party to enforce at any time any of the provisions of this Agreement shall not be construed as a waiver of such provisions or of the right of such party thereafter to enforce any such provisions. The existence of any claim or cause of action by Shareholder against DTN, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of this Agreement by DTN.

SECTION 8 - HEADINGS.

The headings of the paragraphs contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this Agreement.

SECTION 9 - APPLICABLE LAW.

This Agreement shall be governed by and construed in accordance with the internal substantive laws, and not the conflicts of law principles, of the State of California.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

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

/s/ Donald W. Bowles

Donald W. Bowles, Shareholder

DATA TRANSMISSION NETWORK
CORPORATION , a Delaware corporation

By:_____
Its:_____

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into this 14th day of October, 1998, by and among Data Transmission Network Corporation, a Delaware corporation (hereinafter referred to as "DTN"), Asset Growth Corporation, a Delaware corporation (hereinafter referred to as "AGC"), Marcia C. Kennedy, a shareholder of AGC (hereinafter referred to as "Kennedy"), and Scott L. Brown , a shareholder of AGC (hereinafter referred to as "Brown"). Brown and Kennedy are sometimes hereinafter collectively referred to as the "Stockholders" and each individually referred to as a "Stockholder").

RECITALS:

A. AGC is engaged in the negotiation and attempted acquisition of various businesses (the "Targeted Businesses") owned and operated by Paragon Software, Inc., an Illinois corporation ("Paragon"), A-T Financial Information, Inc., an Illinois corporation ("ATFI"), Nirvana Systems, Inc., a Texas corporation, Neurel Applications Corporation, an Iowa corporation, and Expert Trading Ltd., a Maryland limited partnership doing business as Traders Library.

B. The parties hereto desire to enter into this Agreement regarding the purchase by a subsidiary of DTN (hereinafter referred to as "Newco") of the rights of AGC to acquire Paragon.

C. Assuming the consummation of the acquisition of Paragon by Newco, DTN and AGC wish to provide for the management of Paragon by AGC until consummation of the acquisition of ATFI by AGC.

D. Contemporaneously with the acquisition of ATFI by AGC, the parties desire for Newco to acquire ninety percent of all shares of capital stock of AGC issued and outstanding at that time.

E. Assuming the consummation of the acquisitions of Paragon by Newco and ATFI by AGC, DTN and the Stockholders wish to provide for the employment of the Stockholders by AGC and Stock Redemption Agreements between AGC and the Stockholders.

In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, AGC, the Stockholders and DTN, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.01 Terms Defined Above. As used in this Agreement, the terms "DTN", "AGC", "Kennedy", "Brown", "Stockholders", "Stockholder", "Targeted Businesses", "Newco", "Paragon", and "ATFI" shall have the respective meanings indicated above.

1.02 Certain Defined Terms. In addition, the following terms shall have the indicated meanings, unless the context otherwise requires:

"Agreement" shall mean this Purchase Agreement, as the same may be amended or supplemented from time to time.

"ATFI Purchase Agreement" shall mean a definitive agreement

entered into between AGC and ATFI regarding the acquisition by AGC of all of the capital stock or substantially all of the assets of ATFI, which agreement shall be in all aspects acceptable to DTN in its sole and absolute discretion.

"ATFI Purchase Price" shall mean the aggregate cash payment to ATFI or its shareholders as consideration for the purchase as provided in the ATFI Purchase Agreement.

"Closing" shall mean the contemporaneous consummation of the purchase and sale transactions contemplated in the ATFI Purchase Agreement and the Stock Purchase Agreement.

"DTN Revolving Credit Rate" shall mean the rate per annum charged to DTN from time to time under its bank revolving credit facility.

"Other Contract Rights" shall mean those preliminary, pending or definitive contracts, understandings, proposals or other agreements, written or oral, of AGC regarding the acquisition or proposed acquisition by AGC of all of the capital stock of the owners of the Targeted Businesses other than Paragon and ATFI or substantially all of the assets of the Targeted Businesses other than the businesses of Paragon and ATFI, which rights shall be in all aspects acceptable to DTN in its sole and absolute discretion.

"Paragon Purchase Agreement" shall mean the definitive agreement to be entered into between AGC and Paragon regarding the acquisition by AGC of all of the capital stock of Paragon, which agreement shall be in the form of attached hereto as Exhibit A.

"Paragon Purchase Price" shall mean the aggregate cash payment to the shareholders of Paragon as consideration for the purchase of the capital stock of Paragon as provided in the Paragon Purchase Agreement.

"Person" shall mean any individual, firm, corporation, partnership, limited liability company, trust or other entity, and shall include any successor (by merger or otherwise) to such entity.

"Stock Purchase Agreement" shall mean the definitive agreement to be entered into among Newco and the Stockholders regarding the

acquisition by Newco from the Stockholders of ninety percent of all of the issued and outstanding capital stock of AGC, which agreement shall be in the form attached hereto as Exhibit B.

ARTICLE II
ACQUISITION OF PARAGON

2.01 Assignment of Paragon Purchase Agreement. Contemporaneously with the execution of this Agreement, AGC shall sell, transfer, assign, convey and deliver to Newco all of AGC's right, title and interest as purchaser under the Paragon Purchase Agreement by a duly executed assignment in form and substance acceptable to DTN to effectively vest in Newco all right, title and interest of purchaser under the Paragon Purchase Agreement, free and clear of all liens, encumbrances, security interests, actions, claims and equities of any kind whatsoever. In lieu of AGC's assignment as provided in this paragraph, AGC and DTN may agree to have Newco enter into the Paragon Purchase Agreement directly with Paragon.

2.02 Assumption of Paragon Purchase Agreement. From and after the assignment to Newco of AGC's interest in the Paragon Purchase Agreement pursuant to Section 2.01, DTN shall cause Newco to assume and perform all of the obligations of the purchaser under the Paragon Purchase Agreement, including, but not limited to, payment of the Paragon Purchase Price. To finance the Paragon Purchase Price, DTN shall make a capital contribution to Newco of cash in the amount of twenty percent (20%) of the Paragon Purchase Price and DTN shall loan to Newco eighty percent (80%) of the Paragon Purchase Price.

2.03 Management Agreement. Contemporaneously with the execution of this Agreement, AGC shall execute and deliver to DTN, and DTN shall cause Newco to execute and deliver to AGC, the Management Agreement in the form attached as Exhibit C.

2.04 AGC's Deliveries. Contemporaneously with the execution of this Agreement, AGC shall deliver to DTN the following:

(i) A certificate from the Secretary of State of the State of Delaware, dated within thirty days of the date of this Agreement, to the effect that AGC is in existence and is in good standing with respect to the payment of all franchise and related taxes;

(ii) Certificates from the appropriate governmental authority of each state wherein the business conducted by AGC makes qualification necessary, dated within thirty days of the date of this Agreement, to the effect that AGC is duly qualified as a foreign corporation and is in good standing with respect to the payment of all franchise and related taxes;

(iii) A certificate of the Secretary of AGC, dated as of the date of this Agreement, certifying (a) the Certificate of Incorporation and Bylaws of AGC, (b) all corporate

resolutions adopted by the shareholders and/or directors of AGC as necessary to approve AGC's execution and performance of this Agreement and (c) that the representations and warranties of AGC contained in this Agreement are true and correct on the date of this Agreement; and

(iv) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by DTN to effect and consummate fully the transactions contemplated in this Article II.

ARTICLE III
PURSUIT AND ANALISIS OF ACQUISITIONS

3.01 Negotiation of Acquisitions. From and after the date of this Agreement, AGC and the Stockholders shall use their best efforts and due diligence to enter into the ATFI Purchase Agreement prior to December 31, 1998, and to pursue the Other Contract Rights. The parties hereto shall cooperate fully in connection with the negotiation and pursuit of the ATFI Purchase Agreement and the Other Contract Rights and AGC shall allow DTN to actively participate in such negotiations. Such cooperation shall include AGC's and the Stockholders' furnishing to DTN all relevant and material information concerning ATFI and the target companies under the Other Contract Rights and the negotiations and proceedings related to such proposed acquisitions.

3.02 Due Diligence Review by DTN. Between the date of this Agreement and the Closing, AGC and the Stockholders will cause AGC to afford DTN and its representatives prompt and full access to all information, books and records in their possession or control pertaining to or concerning ATFI and the target companies under the Other Contract Rights and the negotiations and proceedings related to such proposed acquisitions and use their best efforts to cause ATFI and the target companies under the Other Contract Rights to furnish DTN and its representatives all information, books and records in their possession or control pertaining to or concerning their businesses, including, without limitation, their financial and operating data and other information with respect to the businesses and properties of such entities for the purpose of permitting DTN to make such investigations of such businesses, properties, and financial and legal conditions as DTN deems necessary or desirable to familiarize itself therewith. In addition, AGC and the Stockholders will promptly notify DTN in writing of any significant developments known to them regarding ATFI and the target companies under the Other Contract Rights.

ARTICLE IV
ACQUISITION OF ATFI AND STOCK OF AGC

4.01 Stock Purchase Agreement. Subject to the terms and conditions set forth in this Article IV, at the Closing the Stockholders and Newco shall execute, deliver and consummate the transactions contemplated by the Stock Purchase Agreement.

4.02 Contributions to Capital of AGC. Contemporaneously with the Closing, DTN shall cause Newco to make a capital contribution to AGC of (i) cash in the amount of twenty percent (20%) of the ATFI Purchase Price, (ii) cash in the amount referred to in Section 4.06(m) to fund AGC's obligations to shareholders of AGC other than the Stockholders, and (iii) all of the capital stock of Paragon, free and clear of all liens and encumbrances other than the obligation to repay to DTN the sum of eighty percent (80%) of the Paragon Purchase Price plus interest thereon at the DTN Revolving Credit Rate from the date of this Agreement until repaid. AGC shall assume at Closing the indebtedness referred to in clause (iii) of the preceding sentence. Contemporaneously with the Closing, DTN shall loan to AGC eighty percent (80%) of the ATFI Purchase Price, which loan shall bear interest at the DTN Revolving Credit Rate from the date of Closing until repaid. AGC shall execute and deliver to DTN at Closing documentation acceptable to DTN to evidence its payment obligations referred to in this paragraph, which shall be payable to DTN on demand, or such obligations may be accounted for internally by DTN.

4.03 Employment Agreements. Contemporaneously with the Closing, AGC and each of the Stockholders shall enter into an Employment Agreement in the form attached hereto as Exhibit E.

4.04 Stock Redemption Agreements. Contemporaneously with the Closing, AGC and each of the Stockholders shall enter into a Stock Redemption Agreement in the form attached hereto as Exhibit F.

4.05 Conduct of Business of AGC. During the period from the date of this Agreement to the Closing, AGC shall (i) conduct its business and operations according to its ordinary course of business consistent with past practice except as otherwise provided in this Section 4.05, and (ii) use its best efforts to preserve intact its business organization and its relationship with the

owners of the Targeted Businesses, its employees, and others having business relationships with it, except as may otherwise be agreed by AGC and DTN. Without limiting the generality of the foregoing, prior to the Closing without the prior written consent of DTN, AGC shall not:

(a) change or amend its Certificate of Incorporation or By-laws (or similar governing documents);

(b) (i) create, incur or assume any debt, liability or obligation, direct or indirect, whether accrued, absolute, contingent or otherwise, other than normal operating expenses incurred in the ordinary course of business consistent with past practice (except for liability of AGC incurred in connection with the redemption of stock from its existing shareholders as provided in this Agreement) or (ii) pay any debt, liability or obligation of any

kind other than current liabilities incurred in the ordinary course of business consistent with past practice or (iii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person, or make any loans or advances to any person; provided, however, normal operating expenses incurred in the ordinary course of business will be considered consistent with past practices regardless that such items were received free of charge by AGC in the past, including without limitation office and equipment rental and administrative services.

(c) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of AGC, or redeem or otherwise acquire any of the capital stock of AGC or split, combine or otherwise similarly change the capital stock of AGC or authorize the creation or issuance of or issue or sell any shares of its capital stock or any securities or obligations convertible into or exchangeable for, or giving any person any right to acquire from it, any shares of its capital stock, or agree to take any such action;

(d) (i) change in any manner the rate or terms of compensation or bonus payable or to become payable to any director, officer or employee (except AGC shall be allowed to pay to the Stockholders the management fees received pursuant to the Management Agreement referred to in Section 2.03, to the extent such fees are not needed to pay expenses and liabilities incurred by AGC) or (ii) change in any manner the rate or terms of any insurance, pension, severance, or other employee benefit plan, payment or arrangement made to, for or with any employees;

(e) discharge or satisfy any lien other than in the ordinary course of business and consistent with past practice or subject to any lien any of its assets or properties;

(f) except as otherwise permitted in this Section 4.05, enter into any agreement or commitment for any borrowing, capital expenditure or capital financing in excess of $1,000 individually or in the aggregate;

(g) sell, lease, transfer or dispose of any of its properties or assets, waive or release any rights of material value, or cancel, compromise, release or assign any indebtedness owed to it or any claims held by it in each case other than in the ordinary course of business consistent with past practice;

(h) make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any material property or assets of any other individual, firm, corporation or entity, except as contemplated in this Agreement;

(i) take any action to permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination or cancellation replacement policies providing substantially the same coverage and which are obtainable on substantially the same economic terms are in full force and effect; provided, however that if AGC shall receive notice of any such cancellation or termination, it shall so notify DTN promptly upon receipt thereof and, if feasible upon the payment of a premium which is not materially greater than the premium payable under such terminated or canceled policy,

obtain simultaneously with such termination or cancellation such replacement policies;

(j) license, transfer, grant, waive, release, permit to lapse or otherwise fail to preserve any of its material proprietary rights or contract rights, or dispose of or permit to lapse any material license, permit or other form of authorization;

(k) terminate or amend or fail to perform any of its obligations under any contract to which its is a party or take any other action which would have a material adverse effect on AGC; or

(l) enter into an agreement to do any of the things described in clauses (a) through (k) above.

4.06 Conditions to the Obligations of DTN to Effect the Transactions Contemplated in Article IV. The obligations of DTN to effect the transactions contemplated in Article IV shall be subject to the fulfillment at or prior to the Closing of each of the following conditions, any one or more of which may be waived in whole or in part by DTN in writing:

(a) AGC and the Stockholders shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in this Agreement and in the Stock Purchase Agreement required to be performed and complied with by them at or prior to the Closing and all the representations and warranties of AGC and the Stockholders set forth in this Agreement and in the Stock Purchase Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing, and DTN shall have received certificates to that effect signed by a duly authorized officer of AGC and the Stockholders together with such other documents, instruments and writings required to be delivered by the Stockholders or by AGC at or prior to the Closing pursuant to this Agreement, the Stock Purchase Agreement or otherwise required in connection herewith.

(b) AGC and the Stockholders shall have delivered to DTN (i) copies of AGC's Certificate of Incorporation including all amendments thereto certified by the Secretary of State of the State of Delaware, (ii) certificate from the Secretary of State to the effect that AGC is in good standing and listing all charter documents of AGC on file, and (iii) a certificate from the appropriate governmental authority of each state wherein the business conducted by AGC makes qualification necessary, dated within thirty days of the date of this Agreement, to the effect that AGC is duly qualified as a foreign corporation and is in good standing with respect to the payment of all franchise and related taxes.

(c) Prior to the Closing, there shall be no material adverse change in the assets or liabilities, the business or condition, financial or otherwise, the results of operations, or prospects of AGC, from the date of this Agreement, and the Stockholders shall have delivered to DTN a certificate, dated as of the Closing, to such effect.

(d) No action or proceedings which have a reasonable likelihood of success shall have been instituted or threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

(e) Each party hereto shall have received all material consents, waivers, approvals, licenses or other authorizations required from any governmental or non-governmental entity for the execution, delivery and performance of the Stock Purchase Agreement and the ATFI Purchase Agreement by the parties thereto.

(f) The consummation by AGC of the purchase and sale transaction contemplated in the ATFI Purchase Agreement upon terms acceptable to DTN in its sole and absolute discretion and the approval of all aspects and the status of the Other Contract Rights by DTN in its sole and absolute discretion.

(g) DTN shall have received an opinion from counsel to the Stockholders, dated as of the Closing, in form and substance satisfactory to DTN and its counsel, to the effect set forth in Exhibit D hereto.

(h) No injunction or other court order requiring that any part of the business or assets of AGC be held separate or divested or that any business or assets of DTN or any affiliate of DTN be divested, or imposing or involving any conditions on DTN or its affiliates or AGC, which could be reasonably expected to have a material adverse effect on the assets, liabilities, business, financial condition, prospects or results of operations of either DTN or any affiliate of DTN on the one hand, or AGC on the other hand, shall be in effect and no proceedings shall be pending by or before, or threatened in writing by or before, any governmental body or court of competent jurisdiction with respect thereto.

(i) AGC shall not have taken any of the actions set forth in Section 4.05(a) - (l) without the prior written consent of DTN.

(j) DTN shall have received satisfactory evidence of the resignation as of the time of Closing of such of the present officers and directors of AGC as DTN may request prior to Closing.

(k) There shall not be in effect at the Closing any contractual provisions restricting the ability of AGC or any affiliate thereof to conduct any business or compete with any person or restricting the area in which it may conduct any business.

(l) DTN and its counsel shall have approved (i) the form of stock certificates and related instruments of transfer to be delivered to Newco at the Closing, (ii) all other proceedings to be effected at the Closing or otherwise in connection with the transactions contemplated by the Stock Purchase Agreement and the ATFI Purchase Agreement, and (iii) all other documents and instruments to be delivered at the Closing or otherwise in connection with the transactions contemplated by the Stock Purchase Agreement and the ATFI Purchase Agreement.

(m) AGC shall redeem all of the capital stock held by its existing shareholders (other than the Stockholders) for an aggregate redemption price of not more than $700,000, which redemption price shall be a liability of AGC at the Closing to be paid with funds received from Newco pursuant to this Agreement.

4.07 Current Information. During the period from the date of this Agreement to the Closing, AGC will promptly notify DTN in writing of any significant development not in the ordinary course of business consistent with past practice or of any material adverse change in the assets, liabilities, business, financial condition, prospects or results of operation of AGC and of any governmental complaints, investigations or hearings of which AGC have been advised involving AGC, or the institution or threat of the institution of any litigation or proceedings involving AGC.

4.08 Access to Information. Between the date of this Agreement and the Closing, AGC will (i) afford DTN and its designated representatives full access to the premises, books and records of AGC, and (ii) cause AGC's officers, and use its best efforts to cause AGC's advisors (including, without limitation, their auditors, attorneys and other advisors) to furnish DTN and its designated representatives (including DTN's auditors, accountants, attorneys and representatives) with financial and operating data and other information with respect to the business, properties and prospects of AGC for the purpose of permitting DTN to make such investigation of the business, properties, financial and legal condition of AGC as DTN deems necessary or desirable to familiarize itself therewith.

4.09 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement and except as otherwise provided herein, all of the parties hereto will use their reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Article IV.

4.10 Consents. Each of the parties hereto will use its reasonable best efforts to obtain the written consents of all persons and governmental authorities required to be obtained by each such party and necessary to the consummation of the transactions contemplated by this Article IV.

ARTICLE V
FAILURE TO ACQUIRE ATFI

5.01 Election to Terminate. In the event that the consummation of the purchase and sale transaction contemplated by the ATFI Purchase Agreement fails, for any reason, to occur prior to December 31, 1998, or such later date as designated by DTN in its sole and absolute discretion, but not later than March 31, 1999, then either DTN or AGC may, upon written notice to the other, elect to terminate the provisions of and transactions contemplated by Article IV of this Agreement (the "Termination"). From and after the Termination, the terms and provisions of Article IV of this Agreement shall be void and of no further force or effect. However, the provisions of this Section 5.01 are not intended to waive, limit or preclude the rights which any party to this Agreement may have against any other party hereto for any breach of the terms and provisions of Article IV occurring prior to the Termination.

5.02 Repurchase of Paragon. In the event of the Termination, AGC shall have the right to purchase from Newco all of the shares of capital stock of Paragon for an amount equal to the net book value of assets minus liabilities of Paragon on the date of such purchase plus interest on the Paragon Purchase Price from the date of this Agreement to the date such amount is paid in full to Newco at the DTN Revolving Credit Rate in effect from time to time, such rate to be adjusted upward or downward on each date upon which the DTN Revolving Credit Rate changes. AGC shall have a period of six (6) months following the Termination to obtain financing and pay to Newco in full in cash the purchase

price for the capital stock of Paragon determined as provided in this Section 5.02. Upon receipt of such amount by DTN within the six month period following the Termination, Newco shall (i) deliver to AGC certificates for such capital stock of Paragon duly endorsed for transfer and free and clear of any liens, security interests, encumbrances, or claims other than the provisions of this Agreement and (ii) pay to each of the Stockholders in cash the sum of $50,000 as full and complete compensation to the Stockholders for their services related to the transactions contemplated by this Agreement, subject to the Stockholders executing and delivering a complete release in favor of DTN and Newco and their shareholders, employees and agents relating to all matters arising out or related to the transactions contemplated by this Agreement.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

6.01. Representations and Warranties. AGC and the Stockholders jointly and severally warrant, represent and covenant to and with DTN:

(a) That AGC has full right and lawful authority to enter into this Agreement and to sell, transfer, assign and convey all of its right, title and interest in the Paragon Purchase Agreement; that AGC's performance of its obligations under this Agreement will not violate any agreement, document, trust (constructive or otherwise), order, judgment or decree to which AGC is a party or by which it is bound; and that, upon the transfer and assignment of the Paragon Purchase Agreement to Newco as provided in this Agreement, Newco will acquire good and merchantable title thereto, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever, other than the rights of the parties as set forth in this Agreement.

(b) That AGC is the sole and lawful owner of and has good and marketable title to all of the interests of the purchaser under the Paragon Purchase Agreement to be acquired by Newco pursuant to this Agreement, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever, other than the rights of the parties as set forth in this Agreement.

(c) That AGC will be at Closing the sole and lawful owner of and will have good and marketable title to all of the interests of the purchaser under the ATFI Purchase Agreement and Other Contract Rights, free and clear of any liens, encumbrances, security interests, actions, claims, and equities of any kind whatsoever, other than the rights of the parties as set forth in this Agreement.

(d) That there are no suits, arbitrations or other legal or governmental proceedings pending or, to the knowledge of AGC or the Stockholders, threatened against AGC which might conceivably affect the title to the Paragon Purchase Agreement to be acquired by Newco pursuant to this Agreement.

(e) That AGC has duly and timely filed all federal, state, and local tax returns of every kind whatsoever required to be filed by AGC and has paid in full the tax liability shown on such returns; that no unpaid deficiencies are in existence

which have been asserted against AGC by any official or agency as a result of the filing of such returns; and that, to the knowledge of AGC, there is not now pending any examination with respect to any such returns nor does AGC know of any impending examination with respect to any such returns.

(f) The Paragon Purchase Agreement and the ATFI Purchase Agreement include all rights and interests necessary to acquire the capital stock or assets being acquired thereunder by AGC.

(g) There is no fact, development, or threatened development with respect to Paragon, ATFI or the target companies under the Other Contract Rights or their markets, products, customers, vendors, suppliers, operations, assets or prospects which are known to AGC which would materially adversely affect their businesses, operations or prospects considered as a whole, other than such conditions as may affect as a whole the economy generally or matters disclosed in writing to DTN.

(h) AGC has delivered with respect to the Paragon Purchase Agreement and will deliver prior to Closing with respect to the ATFI Purchase Agreement and the Other Contract Rights, true, correct and complete copies of the Paragon Purchase Agreement, the ATFI Purchase Agreement and all written contracts relating to the Other Contract Rights, and all of such contracts or contract rights are presently or will be at Closing in full force and effect. AGC has not received any notices from the sellers under the Paragon Purchase Agreement, the ATFI Purchase Agreement or the Other Contract Rights that indicate that they intend to terminate any of such contracts and, except as reflected in the copies delivered to DTN, such contracts have not been amended and AGC and the other parties to such contracts are not in default in any material respect under such contracts or contract rights.

ARTICLE VII
INDEMNIFICATION

7.01 Indemnification. AGC and the Stockholders jointly and severally agree to indemnify DTN and Newco and to hold DTN and Newco harmless from any and all loss, damage, cost, or expense incurred or sustained by DTN or Newco by reason of the failure of any warranty or representation contained in this Agreement to be true or as a result of AGC's failure to abide by or perform any covenant or agreement on its part contained in the Paragon Purchase Agreement, the ATFI Purchase Agreement or the Other Contract Rights and accruing prior to the Closing.

ARTICLE VIII
MISCELLANEOUS

8.01 Survival. The representations, warranties, and covenants on the part of AGC and/or the Stockholders contained in this Agreement shall survive both the execution of this Agreement and the Closing and shall be binding upon AGC and the Stockholders and their heirs, legal representatives, successors and assigns.

8.02 Payment of Liabilities. AGC and the Stockholders agree to pay as promptly as possible and hold DTN and Newco harmless from any and all liabilities of AGC existing on the date of this Agreement and those incurred or accruing prior to the Closing, except for reasonable attorneys fees and accounting expenses incurred by AGC after December 31, 1998, solely in connection with the negotiations and proposed acquisition of ATFI, which shall be reimbursed to AGC by Newco. The Stockholders and AGC agree that neither DTN nor Newco is assuming and neither shall have responsibility for any of the debts, obligations, or liabilities of AGC of any kind whatsoever incurred or accrued before the Closing, except those obligations specifically assumed by Newco pursuant to this Agreement. AGC and the Stockholders agree to hold DTN harmless from any cost or expense arising out of or relating to any such debts, obligations, or liabilities.

8.03 Transfer Taxes. AGC shall pay all sales and other similar taxes imposed on or collectible by AGC or Newco by reason of the transfer of the Paragon Purchase Agreement being acquired by Newco pursuant to this Agreement and all taxes attributable to the payments to AGC and the Stockholders pursuant to this Agreement shall be paid by AGC and the Stockholders, respectively.

8.04 Entire Agreement. This document and the exhibits attached hereto constitute the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended, or terminated except by a written agreement specifically referring to this Agreement and signed by all of the parties hereto.

8.05 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

8.06 Further Instruments. The parties hereto shall execute and deliver such additional instruments and documents as may be reasonably requested by any of them in order to carry out the purposes and intent of this Agreement and to fulfill their respective obligations.

8.07 Further Actions. AGC agrees to take such actions from time to time as may in the reasonable judgment of DTN or its counsel be necessary or advisable to confirm the title of Newco to any of the contracts or assets acquired by Newco from AGC pursuant to this Agreement.

8.08 Governing Law. This Agreement shall be construed in accordance with the substantive laws, but not the choice of law provisions, of the State of Nebraska.

8.09 Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions contained in this Agreement, which provisions shall remain in full force and effect.

8.10 Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.11 Schedules and Exhibits. All references to Schedules and Exhibits herein, unless otherwise stated, means the schedules and exhibits attached to this Agreement which are hereby incorporated by reference.

8.12 Notification. All notices which any party may be required or desire to give to the other parties shall be in writing and shall be given by personal service, telecopy, registered mail or certified mail (or its equivalent) to any other party at its respective address or telecopy number set forth below. Notices shall be deemed to be given upon actual receipt by the party to be notified. Notices delivered by telecopy shall be confirmed in writing by overnight courier.

If to AGC or Stockholders:

Asset Growth Corporation
7324 Southwest Freeway, Suite 1000
Houston, Texas 77074
Attention: Marcia C. Kennedy
Telecopy No.: (713) 995-9585

If to DTN or Newco:

Data Transmission Network Corporation
9110 West Dodge Road, #200
Omaha, NE 68114
Attn: Charles R. Wood
Telecopy No.: (402) 255-8088

8.13 Interpretation. The article and section headings in this Agreement are solely for convenience and shall not be considered in its interpretation. The language of this Agreement has been approved by counsel for each party and shall be construed as a whole according to its fair meaning and none of the parties hereto shall be deemed to be the draftsman of this Agreement in any action which may hereafter arise between the parties. Time is of the essence of this Agreement. Words denoting sex shall be construed to include the masculine, feminine, and neuter, when such construction is appropriate, and specific enumeration shall not exclude the general, but shall be construed as cumulative.

8.14 No Third Party Beneficiaries. Except as provided in this Agreement, nothing in this Agreement shall confer any rights upon any Person which is not a party or a permitted assignee of a party to this Agreement.

8.15 Remedies. In the event of a breach or default by any party to this Agreement, the other parties shall be entitled to any and all remedies and damages available to such party at law or in equity.

8.16 Expenses. All fees, expenses and costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, expenses and costs.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DATA TRANSMISSION NETWORK
CORPORATION, a Delaware corporation

/s/ Greg T. Sloma

Greg T. Sloma, President

ASSET GROWTH CORPORATION,
a Delaware corporation

/s/ Marcia C. Kennedy,

Marcia C. Kennedy, President

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STOCKHOLDERS:

Marcia C. Kennedy, an individual

Scott L. Brown, an individual

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EXHIBIT A

Paragon Purchase Agreement

STOCK PURCHASE AGREEMENT

by and among

DEAN LOEW, MICHAEL PROTOFANOUSIS,
SAM PROTOFANOUSIS, ROBERT RAWLINS, RAY VOGEL,
MICHAEL PAOLELLA AND ROBERT PAOLELLA
("Sellers")

and

DTN ACQUISITION, INC.
("Purchaser")

October 14, 1998

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT, dated as of the 14th day of October 1998, is made and entered into by and among DEAN LOEW ("Dean"), MICHAEL PROTOFANOUSIS ("Mike"), SAM PROTOFANOUSIS, ROBERT RAWLINS, RAY VOGEL, MICHAEL PAOLELLA and ROBERT PAOLELLA ("Sellers"), and DTN ACQUISITION, INC. ("Purchaser"), a corporation organized under the laws of the State of Nebraska evidences the arrangements concerning the purchase by Purchaser from the Sellers of common stock of PARAGON SOFTWARE, INC., an Illinois corporation ("Company").

WITNESSETH:

In consideration of the mutual covenants and agreements herein contained, the Purchaser and the Sellers agree as follows:

ARTICLE I.
DEFINITIONS

1.01 Terms Defined Above. As used in this Stock Purchase Agreement, the terms "Sellers", "Purchaser" and "Company" shall have the respective meanings indicated above.

1.02 Certain Defined Terms. As used in this Stock Purchase Agreement, the following terms shall have the indicated meanings, unless the context otherwise requires:

"Affiliate" shall mean any Person, which, directly or indirectly, controls, is controlled by, or is under common control with any other Person. Control shall mean possession, directly or indirectly, of the power to direct or cause the direction of management, policies or action through ownership of voting securities, contract, voting trust, membership or otherwise through formal or informal arrangements or business relationships.

"Agreement" shall mean this Stock Purchase Agreement, as the same may be amended or supplemented from time to time.

"Business Day" shall mean a day other than a Saturday, Sunday or legal holiday under the laws of the State of Texas.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Common Stock" shall mean the common stock, without par value, of the Company.

"Company's Fiscal Year" shall mean each annual fiscal reporting period of the Company ending December 31.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) which together with the Company would be treated as a single employer under Section 4001 of ERISA.

"Financial Statements" shall mean the statements of financial condition, as at the point in time and for the period indicated and consisting of at least a balance sheet and related statements of operations, stockholders' equity, and, when the foregoing are audited, accompanied by the certification of independent certified public accountants and footnotes to any of the foregoing, all of which shall be prepared in accordance with GAAP.

"GAAP" shall mean generally accepted accounting principles established by the Financial Accounting Standards Board and in effect in the United States from time to time during the term of this Agreement.

"Insolvency Proceeding" shall mean application (whether voluntary or instituted by another Person or Persons) for or the consent to the appointment of a receiver, trustee, conservator, custodian or liquidator of any Person or of all or a substantial part of such Person's Property, or the filing of a petition commencing a case under Title 11 of the United States Code, seeking liquidation, reorganization or rearrangement or taking advantage of any bankruptcy, insolvency, debtor's relief or other similar law of the United States, the State of Texas or any other jurisdiction.

"Lien" shall mean any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on common law, statute or contract, and including, but not limited to, the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt, or a lease, consignment or bailment for security purposes and reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting property which secure an obligation owed to, or a claim by, a Person other than the owner of such Property (for the purposes of this Agreement, the Company shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement, financing lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes).

"Material Adverse Effect" shall mean any material and adverse effect on (a) the material assets, liabilities, financial condition, business or operations of the Company from those reflected in the Financial Statements of the Company or from the facts represented or warranted in this Agreement, (b) the ability of the Company to carry out in all material respects its business conducted as at the date of this Agreement or (c) the ability of the Company to meet its obligations generally, or the ability of the Company to meet its obligations under this Agreement on a timely basis as provided herein.

"Multi-employer Plan" shall mean a Plan described in Section 4001(a)(3) of ERISA which covers employees of the Company or any ERISA Affiliate.

"Non-competition Agreement" shall mean the agreements between Mike and Dean and the Purchaser, in the form of agreements attached hereto as Exhibits 1.02(a) and 1.02(b).

"Permitted Liens" shall mean: (a) Liens for taxes, assessments or other governmental charges or levies not yet due or which (if foreclosure, distraint, sale or other similar proceedings shall not have been initiated) are being contested in good faith by appropriate proceedings diligently conducted, and

such reserve as may be required by GAAP shall have been made therefor; (b) Liens in connection with workers' compensation, unemployment insurance or other social security (other than Liens created by Section 4068 of ERISA), old age pension or public liability obligations which are not yet due or which are being contested in good faith by appropriate proceedings diligently conducted by or on behalf of the Company, if such reserve as may be required by GAAP shall have been made therefor, provided that such Liens shall not extend to or cover any other Property of the Company.

"Person" shall mean an individual, corporation, partnership, trust, unincorporated organization or a government or any agency or political subdivision thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Plan" shall mean any pension plan that is covered by Title IV of ERISA and maintained by the Company and any such plan to which the Company is required to contribute.

"Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

"Purchase Price" shall mean the aggregate cash payment to Sellers of $5,222,000.00.

"Subsidiary" means any corporation or limited liability company of which more than fifty percent (50%) of the issued and outstanding securities having ordinary voting power for the election of directors is owned or controlled, directly or indirectly, by the Company or any Subsidiary.

1.03 Accounting Principles 1.03 Accounting Principles . Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, this shall be done in accordance with GAAP.

1.04 References 1.04 References . All references in this Agreement to Article and Section numbers are to Articles and Sections of this Agreement, unless expressly provided to the contrary, and the terms "herein", "hereinabove", "hereinafter", "hereinbelow" and "hereunder" when used in this Agreement shall refer to this Agreement in its entirety and not only to the Section of this Agreement in which such term appears.

ARTICLE II.TERMS OF COMMON STOCK PURCHASEARTICLE II. TERMS OF COMMON STOCK PURCHASE

2.01 Purchase and Sale of Common Stock. Contemporaneously with the execution of this Agreement and subject to the terms and conditions and relying

on the representations and warranties of the Purchaser, as to actions by the Sellers, and of the Sellers, as to actions by the Purchaser, the Sellers shall sell in the aggregate one thousand (1,000) shares of the Common Stock, and the Purchaser shall purchase the Common Stock.

2.02 Consideration to Sellers 2.02 Consideration to Sellers .

Contemporaneously with the execution of this Agreement and the delivery of the Common Stock, but subject to the provisions of this Agreement, the Purchaser shall deliver to the Sellers the Purchase Price by certified check or wire transfer as directed by the Sellers, at a time and place mutually acceptable to Sellers and Purchaser; provided, however, such event shall not occur later than October 31, 1998 ("Closing Date"). Schedule 2.02 sets forth instructions to Purchaser of the allocation of the Purchase Price between Sellers.

2.03 Non-competition Agreements. Company and Dean and Mike shall have executed and delivered the Noncompetition Agreements, effective the Closing Date.

2.04 Consulting Arrangements. Dean and Mike, for one (1) year after the Closing Date, shall make themselves available (provided that they shall not individually be required to be available for more than fifty (50) hours in any week without their prior consent, and if their services are requested, a minimum of five (5) hours shall be billed to Purchaser for services rendered during such week to Purchaser and Company upon reasonable request, to perform consulting services at the rate of $100.00 per hour (including travel time plus out-of-pocket expenses; provided, however, Dean and Mike at no time will be entitled to any employee benefits and shall maintain the status of independent contractors. Dean and Mike shall determine their schedules and the manner in which such services are provided. Dean and Mike may provide such services by telephone. Unavailability by reason of vacation shall not constitute a breach hereof. For a period of thirty (30) days following the Closing Date, Dean and Mike shall perform such consulting services without compensation other than reimbursement of reasonable documented out-of-pocket expenses.

ARTICLE III.
CONDITIONS

The indicated obligations of the Purchaser and the Sellers under this Agreement are subject to satisfaction of the following conditions precedent:

3.01 Conditions to Execution by Purchaser. The execution of this Agreement by the Purchaser and the payment of the Purchase Price to the Sellers as set forth in Section 2.02, is subject to satisfaction of the following conditions precedent:

(a) Receipt of Certified Copy of Corporate Proceedings. The Purchaser shall have received (i) certificates from the Secretary of State of the State of Illinois, dated reasonably near the date of this Agreement, to the effect that the Company is in existence and is in good standing with respect to the payment of all franchise taxes, with its articles of incorporation attached thereto, and the Company's bylaws and all amendments thereto.

(b) Receipt of Certificates of Incumbency. The Purchaser shall have received from the Company a certificate of incumbency signed by its respective secretary or assistant secretary setting forth (i) the names of the officers of the Company, respectively, executing this Agreement and the Common Stock, (ii) the office(s) to which such persons have been elected and in which they presently serve and (iii) an original specimen signature of each such person.

(c) Accuracy of Representations and Warranties. The representations and warranties of the Company contained in Article IV shall be true and correct in all material respects on the date of execution of this Agreement.

(d) Receipt of Opinion of Counsel. The Purchaser shall have received an opinion of counsel for the Sellers in the form and substance acceptable to the Purchaser, which opinion shall be accompanied by such supporting documentation as the Purchaser or its counsel shall reasonably require, and addressing, among other matters, certain of the representations and warranties of the Company made herein.

(e) Legal Matters Satisfactory to Counsel to Purchaser. All legal matters incident to the execution of this Agreement shall be reasonably satisfactory to the firm of Henderson & Hammon, L.L.P., counsel for the Purchaser.

(f) No Material Adverse Effect. No Material Adverse Effect shall have occurred since the date of any financial and other information regarding the Company submitted to the Purchaser prior to the execution of this Agreement.

(g) Receipt of Common Stock and Stock Purchase Agreement. Subject to the provisions of Section 2.02, the Purchaser shall have received its Common Stock and this Agreement, as requested by the Purchaser, duly executed by the Sellers.

(h) Property of Company. The Property of the Company shall include, but not be limited to, equipment, appliances, spare parts, accounts receivable, works-in-progress, owned and leased real estate, leasehold improvements, fixtures, general intangibles, intellectual property rights, contractual rights, licenses, permits, security deposits, prepaid expenses, cash portion of deferred revenue, accounting and personnel records, and catalogs and brochures.

3.02 Condition to Execution by Sellers. The execution of this Agreement by the Sellers and the sale of the common stock to Purchaser is subject to satisfaction of the condition precedent that the representations and warranties of the Purchaser contained in Article IV shall be true and correct in all material respects on the date of execution of this Agreement.

ARTICLE IV.REPRESENTATIONS AND WARRANTIESARTICLE IV.
REPRESENTATIONS AND WARRANTIES

4.01 Representations and Warranties of Sellers 4.01 Representations and Warranties of Sellers . In order to induce the Purchaser to enter into this Agreement, Dean and Mike represent and warrant to the Purchaser (which representations and warranties shall survive the delivery of the Common Stock as provided herein) that:

(a) Existence and Good Standing. The Company is a corporation, duly organized, legally existing and in good standing in the State of Illinois.
--

(b) Authority. The execution and delivery by the Sellers of this Agreement and the sale of the Common Stock as provided in this Agreement do not and will not (A) require the consent of any regulatory authority or governmental body, (B) contravene or conflict with any material provision of applicable law or of the charter or bylaws of the Company, (C) contravene or conflict with any material indenture, instrument or other agreement to which the Company or any Sellers is a party.

(c) Capitalization. The authorized capital stock of the Company consists of 10,000 shares of Common Stock, without par value of which one thousand (1,000) shares are issued and outstanding. The outstanding shares of Common Stock have been duly authorized and validly issued, and are fully

paid and nonassessable and have been issued in accordance with applicable securities laws. There are no outstanding options, warrants or other rights to purchase any of the Company's capital stock.

Sellers have full legal right to sell, assign and transfer the Common Stock to Purchaser and will, upon delivery of the Common Stock to Purchaser pursuant to the terms thereof, transfer to Purchaser good and valid title to the Common Stock free and clear of all Liens, security interests, claims, charges, encumbrances, rights, options to purchase, voting trusts or other voting agreement (other than those voting trusts or agreements which may be referred to herein), calls and commitments of every kind affecting the Common Stock.

(d) Valid and Binding Obligations. This Agreement, as and when executed and delivered, constitutes legal, valid and binding obligations of the Sellers enforceable against the Sellers in accordance with their respective terms, except as limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights and as limited by general equitable principles.

(e) Scope and Accuracy of Financial Statements. The Financial Statements on a consolidated and consolidating basis, as of December 31, 1996, December 31, 1997 and June 30, 1998, are complete and correct in all material respects, have been prepared in accordance with GAAP consistently applied (except with respect to the June 30, 1998 Financial Statements for year-end adjustments and with respect to all Financial Statements for the absence of footnotes), and fully and accurately reflect respectively the financial condition and the results of the operations of the Company in all material respects as of the dates and for the periods stated therein and no Material Adverse Effect has occurred since June 30, 1998.

(f) Liabilities, Litigation and Restrictions. The Company has no liabilities, direct or contingent, required by GAAP to be disclosed on a balance sheet, other than as disclosed in the Financial Statements as of June 30, 1998, and other than liabilities incurred since June 30, 1998 in the ordinary course of business. Except as set forth in such Financial Statements, there is no litigation or other action of any nature pending before any court, governmental instrumentality, regulatory authority or arbitral body or, to the knowledge of the Company, threatened against or affecting the Company which might reasonably be expected to result in any Material Adverse Effect. No unusual or unduly burdensome restriction, restraint or hazard exists by contract, law, governmental regulation or otherwise relative to the business or material Property of the Company other than such as relate generally to Persons engaged in the business activities conducted by the Company.

(g) Rights in Properties. The Company has good and marketable title or valid leasehold interests in its Property, real and personal, reflected in the Financial Statements as of June 30, 1998, other than Property disposed of in the ordinary course of business. None of the Property of the Company is subject to any Lien, except for Permitted Liens.

(h) Authorizations and Consents. Except as expressly contemplated by this Agreement, no authorization, consent, approval, exemption, franchise, permit or license of, or filing with, any governmental or public authority or any third party is required to authorize or is otherwise required in

connection with the valid execution and delivery by the Sellers of this Agreement and the sale of the Common Stock, or the performance by the Sellers of its obligations under any of the foregoing, except those authorizations, consents, approvals, exemptions, franchises, permits and licenses which if not obtained would not have a Material Adverse Effect.

(i) Compliance with Laws, Rules, Regulations and Orders. Neither the business nor any of the activities of the Company as presently conducted, violates any law or any rule, regulation or directive of any applicable judicial, administrative or other governmental instrumentality the result of which violation would have a Material Adverse Effect; the Company possesses all licenses, approvals, registrations, permits and other authorizations necessary to enable it to carry on its businesses in all material respects as now conducted.

(j) Proper Filing of Tax Returns and Payment of Taxes Due. The Company has duly and properly filed or duly extended all United States Income Tax returns and all other tax returns which are required to be filed, and has paid all taxes due pursuant to said returns or pursuant to any assessment received, except such taxes, if any, as are being contested in good faith and as to which adequate provisions and disclosures have been made; and the charges and reserves on the books of the Company with respect to any taxes or other governmental charges through the date hereof are adequate.

(k) ERISA. The Company does not presently nor has it ever established, maintained or contributed to a Plan or similar program covered by ERISA.

(l) Casualties or Taking of Property. Neither the Sellers nor the Company, after due inquiry, has any knowledge that, since the date of the Financial Statements of the Company most recently delivered to the Purchaser, the business of the Company or its Property has been materially and adversely affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces or acts of God.

(m) No Material Misstatements. No information, exhibit or report prepared by the Company or at the direction or supervision of Sellers and furnished to the Purchaser in connection with the negotiation and preparation of this Agreement, or to the knowledge of the Sellers, after due inquiry, any information, exhibit or report prepared by any other Person and so furnished to the Purchaser, contained any material misstatement of fact.

(n) Location of Business and Offices. The principal place of business and chief executive office of the Company is located at 324 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

(o) Subsidiaries. The Company has no Subsidiaries.

(p) No Registration Required. The sale and delivery of the Common Stock pursuant to this Agreement does not require registration under the Securities Act of 1933, as amended, nor under the securities acts of any state of the United States.

(q) Brokers. The Sellers have not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the matters provided for in this Agreement, and, if any such

obligation or liability exists, it shall remain an obligation of the Sellers, and the Purchaser shall have no responsibility therefor. The Sellers shall indemnify and hold the Purchaser, and its Affiliates harmless from any losses, costs or damages arising from any such obligation or liability the Sellers have incurred.

(r) Year 2000 Compliance. The occurrence in or use by the computer software internally developed by the Company, as currently used, of dates on or after January 1, 2000 will not adversely affect the performance of such computer software with respect to date dependent data, computations, output or other functions, except where such affect will not have a Material Adverse Effect. No representation is made, however, with respect to computer software developed by any third party or any computer hardware.

(s) Cancellation Penalties. Except for those agreements described on Schedule 4.01(u), there exists no agreements with cancellation penalties of greater than $1,000.00, and prior to Closing Date, Company shall have not entered into new agreements with cancellation penalties of greater than $1,000.00.

(t) Distributions to Sellers. As of the Closing Date, the Company has cash in an amount not less than the deferred revenues of the Company.

4.02 Representations and Warranties of Purchaser 4.02 Representations and Warranties of Purchaser . To induce the Sellers to enter into this Agreement, the Purchaser represents and warrants to the Sellers (which representations and warranties shall survive the delivery of the Common Stock as provided herein) that:

(a) Status and Intent. The Purchaser is acquiring the Common Stock solely for its own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution. The Purchaser represents that it understands that the Common Stock has not been registered under the Securities Act of 1933, as amended, or any state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of such Purchaser. The Purchaser understands that the Sellers are relying upon the representations and warranties of such Purchaser contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) Existence and Good Standing. The Purchaser is a corporation, duly organized, legally existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing as a foreign corporation in all jurisdictions wherein the Property owned or the business transacted by it makes such qualification necessary.

(c) Authority. The execution and delivery by the Purchaser of this Agreement (i) is within the power of the Purchaser; (ii) has been duly authorized by all necessary action on behalf of the Purchaser, and (iii) does not and will not (A) require the consent of any regulatory authority or governmental body, (B) contravene or conflict with any provision of law or of the charter or by-laws of the Purchaser, or (C) contravene or conflict with any indenture, instrument or other agreement to which the Purchaser is a party.

(d) Valid and Binding Obligations. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as limited by bankruptcy, insolvency or similar laws of general application relating to the

enforcement of creditors' rights and as limited by general equitable principles.

(e) Authorizations and Consents. Except as expressly contemplated by this Agreement, no authorization, consent, approval, exemption, franchise, permit or license of, or filing with, any governmental or public authority or any third party is required to authorize or is otherwise required in connection with the valid execution and delivery by the Purchaser of this Agreement and the purchase of the Common Stock, or the performance by the Purchaser of its obligations under any of the foregoing, except those authorizations, consents, approvals, exemptions, franchises, permits and licenses which if not obtained would not have a Material Adverse Effect.

(f) Brokers. Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the matters provided for in this Agreement, and, if any such obligation or liability exists, it shall remain an obligation of the Purchaser, and the Sellers shall have no responsibility therefor. The Purchaser shall indemnify and hold the Seller , and its Affiliates harmless from any losses, costs or damages arising from any such obligation or liability the Sellers have incurred.

ARTICLE V.INDEMNIFICATION

5.01 Indemnification by Sellers. Sellers shall bear and pay all taxes attributable to the sale of the Common Stock and Sellers' receipt of the Purchase Price, and Dean and Mike shall assume and indemnify and hold harmless Purchaser and its Affiliates, successors and assigns from and against any claims, demands, losses, damages, or expenses (including reasonable attorney's fees and expenses) which are caused by or arise out of (a) any breach or default in the performance by Sellers or Company of any material covenant or material agreement of Sellers or Company contained in this Agreement, (b) any breach of a material warranty or any inaccurate or erroneous material representation made by Sellers herein, in any exhibit hereto, or in any other instrument delivered by or on behalf of Sellers or Company pursuant hereto, or (c) any and all actions, suits, proceedings, claims, demands, and judgments incident to any of the foregoing. Dean and Mike shall further indemnify and hold harmless Purchaser from and against any claims, demands, losses, damages, or expenses (including reasonable attorney's fees and expenses) which are caused by or arise out of other events or circumstances that occur prior to the Closing Date and are not disclosed in this Agreement relating to gross negligence or willful misconduct of Sellers. If any third person shall assert a claim against Purchaser that, if successful, might result in a breach or default by Sellers of this Agreement, Purchaser shall give Sellers prompt written notice thereof, and Sellers shall have the right to participate in the defense thereof and be represented, at its expense, by counsel to be selected by it. No such claim, demand or other matter

shall be compromised or settled by Purchaser or Sellers in any manner that might adversely affect the interests of the other party without the prior written consent of such other party. Except as otherwise provided hereinafter, any claims in respect of which indemnification is sought must be made in writing prior to the expiration of twelve (12) months after the Closing Date. Claims pursuant to Paragraph 4.01(j) above must be made within the applicable federal, state or local tax statutory limitations period plus thirty (30) days, including authorized extensions thereof.

5.02 Time for Assertion 5.02 Time for Assertion . Except as otherwise provided hereinafter, any claim in respect of which indemnification hereunder is sought must be made in writing prior to the expiration of twelve (12) months after the Closing Date. Claims pursuant to Section 4.01(j) must be made within the applicable federal, state, or local tax statutory limitation period plus thirty (30) days, including authorized extensions thereof.

5.03 Indemnification by Purchaser 5.03 Indemnification by Purchaser . Purchaser shall indemnify and hold harmless Sellers and their respective heirs and assigns from and against any claims, demands, losses, damages, or expenses (including reasonable attorney's fees and expenses) caused by or arising out of (a) any breach or default in the performance by Purchaser of any material covenant or material agreement of Purchaser contained in this Agreement,(b) any breach of a material warranty or an inaccurate or erroneous material representation made by Purchaser herein or in any other instrument delivered by or on behalf of Purchaser pursuant hereto, or (c) any and all actions, suits, proceedings, claims, demands, or judgments incident to any of the foregoing. If any third party shall assert a claim against Sellers that, if successful, might result in a breach or default by Purchaser of this Agreement, Sellers shall give Purchaser prompt written notice thereof, and Purchaser shall have the right to participate in the defense thereof and to be represented, at the sole expense of Purchaser, by counsel to be selected by it. No such claim, demand, or other matter shall be compromised or settled by Sellers or Purchaser in any manner that might adversely affect the interests of the other party without the prior written consent of such other party. Except as otherwise provided hereinafter, any claim in respect of which indemnification hereunder is sought must be made in writing prior to the expiration of twelve (12) months after the Closing Date.

5.04 Contribution in Lieu of Indemnification 5.04 Contribution in Lieu of Indemnification . If the indemnification provided for in this Article V is held by a court of competent jurisdiction to be unavailable to Purchaser or Sellers ("Indemnified Party") with respect to any loss, liability, claim, damage, or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things,

whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact related to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

5.05 Indemnification Limitation. Dean and Mike, on the one hand, and Purchaser, on the other hand, shall be required to indemnify the Purchaser and Sellers, respectively, under this Article V only to the extent and by the amount that the aggregate amount of claims, demands, losses, damages and expenses exceeds $150,000.00 and the aggregate liability of Dean and Mike, on the one hand, and the Purchaser, on the other hand, under this Article V shall not exceed $1,000,000. The amount for which indemnification is provided under this Article V, shall be net of all amounts recovered or recoverable by the indemnified party under insurance policies and shall be adjusted to take account of any tax cost or benefit realized by the indemnified party as a result of the incurrence or payment of any such claim, demand, loss, damage or expense.

5.06 Preparation of Tax Returns; Cooperation on Tax Matters.

(a) Tax periods ending on or Before the Closing Date. Sellers, at their cost, shall prepare or cause to be prepared and file or cause to be filed all tax returns for the Company for all tax periods ending on or before the Closing Date which are filed after the Closing Date.

(b) Tax Periods Ending After the Closing Date. Purchaser, at its cost, shall prepare or cause to be prepared and file or cause to be filed all tax returns for the Company for all tax periods ending after the Closing Date.

(c) Cooperation. Sellers, Purchaser and the Company shall cooperate fully in connection with the preparation and filing of tax returns pursuant to this section and any audit, litigation or other proceeding with respect to any taxes. Such cooperation shall include the retention and (upon the other party's request) provision of records which are reasonably relevant to the preparation of such returns and any such audit, litigation or other proceeding.

(d) Section 1377 Election. Within the time period permitted under the Code, the parties hereto shall cause the Company to elect under Section 1377 of the Code to have the rules provided in Section 1377 of the Code applied as if the taxable year of the Company consisted of two taxable years, the first of which shall terminate as of the closing date, and to file all necessary documents to make such election with the Internal Revenue Service.

(e) Section 338(h)(10) Election. Sellers and Purchaser hereby agree:

(i) at Purchaser's election, made within the period allowed by law, Sellers and Purchaser shall cause (and shall cause the company) to join in an election under Section 338(h)(10) and Section 338(g) of the Code and in all comparable elections and in state and local tax laws so applicable (the "Election");

(ii) Purchaser and Sellers agree to allocate the Purchase Price among assets in accordance with applicable Treasury Regulations as set forth on Exhibit 5.06(e)(i) (the "Price Allocation");

(iii) Purchaser and Sellers agree to follow the value and Price Allocation above, for purposes of all federal, and where applicable, state and local income tax returns to the extent said values are relevant for such purpose; and

(iv) after Closing, neither Purchaser, Sellers, Company nor any of their respective Affiliates shall take any action or fail to take any action where such act or failure to act would result in or have the effect of defeating the Election.

ARTICLE VI.MISCELLANEOUSARTICLE

6.01 Other Health Insurance Coverage Matters. Following the Closing Date, the Purchaser shall cause the Company to provide "single" health insurance coverage to all full-time employees of the Company as of the Closing Date at a cost to such employee no greater than the cost to such employee of health care coverage immediately prior to the closing. Furthermore, to the extent possible and within the sole discretion of the Company, such coverage shall provide that all pre-existing conditions and waiting periods shall be waived.

6.02 Other Negotiations. Sellers agree, until the earlier of the Closing Date or Purchaser's indication that it no longer desires to pursue the purchase

of the Stock, not in any way solicit or contact, or hold discussions or negotiations with, any one other than the Purchaser or its authorized representatives concerning the sale of the Stock.

6.03 Company Employees. After the Closing, Purchaser may employ or attempt to employ any employee involved in the Company's business.

6.04 Reasonable Inspection and Confidentiality. Sellers hereby agree to permit Purchaser and its representatives to make such investigations of the books, records and operations of the Company's business as Purchaser believes necessary or advisable in connection with the purchase of the Stock. Sellers hereby agree to permit the Purchaser and its representatives to have full access to the assets and all the books and records of the Company's business, and

Purchaser shall have the right to make copies thereof and excerpts therefrom. Sellers shall furnish to Purchaser such financial and operating data and other information with respect to the Company's business as Purchaser may reasonably request. Purchaser and its representatives shall have the right to consult with the officers, employees, attorneys, accountants and agents of Sellers in connection with the foregoing. Purchaser hereby agrees that, if the transactions contemplated hereby are not consummated for any reason, it (a) will return all documents delivered to it by Sellers and all copies made by it and (b) will not use for its own benefit or disclose to third parties any information other than information which at the time of disclosure is in the public domain not as a result of acts by Purchaser.

6.05 Publicity. Sellers and Purchaser each agree that no public statements will be made with respect to the transactions contemplated hereby unless the other party hereto has consented to such disclosure, such consent not to be unreasonably withheld.

6.06 Expenses. All fees, expenses and costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, expenses and costs; provided, however, that if the Company or Sellers incur any fees, expenses or costs as a result of complying with a request of Purchaser or in connection with the investigation of the business and operations of the Company by Purchaser, such fees, expenses and costs shall be paid by Purchaser upon presentation of an invoice therefor.

6.07 Survival of Representations, Warranties and Covenants 6.07 Survival of Representations, Warranties and Covenants . All representations and warranties of the Sellers and the Purchaser shall survive this Agreement for a period of twelve (12) months and all covenants and agreements herein made shall survive this Agreement and the sale of the Common Stock in accordance with their terms.

6.08 Notices and Other Communications 6.08 Notices and Other Communications . Notices, requests and communications hereunder shall be in writing and shall be sufficient in all respects if delivered to the relevant address indicated below (including delivery by registered or certified United States mail, telex, telegram, expedited courier service or hand):

(a) If to Purchaser:

DTN ACQUISITION, INC.
9110 West Dodge Road
Omaha, NE 68114
Attention: Charles R. Wood, Senior Vice President

(b) If to Sellers:

Dean Loew	Michael Protofanousis
10509 50th Ave.	405 Warren
Pleasant Prairie, WI 53158	Glenview, IL 60025

Any party may, by proper written notice hereunder to the other, change the individuals or addresses to which such notices to it shall thereafter be sent.

6.09 Parties in Interest 6.09 Parties in Interest . All covenants and agreements herein contained by or on behalf of the Sellers and Purchaser shall be binding upon the Sellers and Purchaser, their respective heirs, successors and assigns and inure to the benefit of Sellers and Purchaser, their respective heirs, successors and assigns.

6.10 No Waiver 6.10 No Waiver . No course of dealing on the part of either party , its officers or employees, nor any failure or delay by either party with respect to exercising any of their rights, powers or privileges under this Agreement, the Common Stock or any other instrument referred to herein or executed in connection with the Common Stock shall operate as a waiver thereof. The rights and remedies of the parties under this Agreement and the Common Stock or any other instrument referred to herein or executed in connection with the Common Stock shall be cumulative and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

6.11 GOVERNING LAW 6.11 GOVERNING LAW . THIS AGREEMENT SHALL BE DEEMED TO BE CONTRACTS MADE UNDER AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF NEBRASKA NOTWITHSTANDING THE CHOICE OF LAW PROVISIONS THEREOF.

6.12 Incorporation of Exhibits 6.12 Incorporation of Exhibits . The Exhibits attached to this Agreement are incorporated herein for all purposes and shall be considered a part of this Agreement.

6.13 Survival Upon Unenforceability 6.13 Survival Upon Unenforceability . In the event any one or more of the provisions contained in this Agreement, the Common Stock or in any other instrument referred to herein or executed in connection with the Common Stock shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or any provision of any other instrument referred to herein or executed in connection herewith.

6.14 Rights of Third Parties 6.14 Rights of Third Parties . All provisions herein are imposed solely and exclusively for the benefit of the Purchaser and the Sellers and no other Person shall have standing to require satisfaction of such provisions in accordance with their terms.

6.15 Amendments or Modifications 6.15 Amendments or Modifications . Neither this Agreement nor any provision hereof may be changed, waived, discharged or

terminated orally. This Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of the Sellers and the Purchaser.

6.16 Agreement as Entirety. This Agreement, for convenience only, has been divided into Articles and Sections and it is understood that the rights, powers, privileges, duties and other legal relations of the parties hereto shall be determined from this instrument as an entirety and without regard to the aforesaid division into Articles and Sections and without regard to headings prefixed to said Articles or Sections.

6.17 Number and Gender 6.17 Number and Gender . Whenever the context requires, reference herein made to the single number shall be understood to include the plural and likewise the plural shall be understood to include the singular. Words denoting sex shall be construed to include the masculine, feminine, and neuter, when such construction is appropriate, and specific enumeration shall not exclude the general, but shall be construed as cumulative.

6.18 Entire Agreement 6.18 Entire Agreement . This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby. All prior or contemporaneous understandings, representations, statements and agreements, whether written or oral, are merged herein and superseded by this Agreement. THIS WRITTEN AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

6.19 Controlling Provision Upon Conflict 6.19 Controlling Provision Upon Conflict . In the event of a conflict between the provisions of this Agreement or any other instrument referred to herein or executed in connection with the issuance of the Common Stock, the provisions of this Agreement shall control.

IN WITNESS WHEREOF, this Stock Purchase Agreement is executed as of the date first above written.

SELLERS:

/s/ DEAN LOEW

Dean Loew

/s/ MICHAEL PROTOFANOUSIS

Michael Protofanousis

/s/ SAM PROTOFANOUSIS

Sam Protofanousis

/s/ ROBERT RAWLINS

Robert Rawlins

/s/ RAY VOGEL

Ray Vogel

/s/ MICHAEL PAOLELLA

Michael Paolella

/s/ ROBERT PAOLELLA

Robert Paolella

PURCHASER:

DTN ACQUISITION, INC.

By: /s/Charles R. Wood

Charles R. Wood, President

Schedule & Exhibit Index

Schedule 2.02 Instructions to Purchaser for Allocation of the Purchase Price

Schedule 4.01(u) Contracts Which May Exceed $1,000.00 Cancellation Penalties

Exhibit 1.02(a) Noncompetition Agreement - Michael Protofanousis

Exhibit 1.02(b) Noncompetition Agreement - Dean Loew

Exhibit 5.06(e)(i) Price Allocation

Schedule 2.02

Schedule 2.02

Instructions to Purchaser for Allocation of the Purchase Price

47 1/2 % of Purchase Price to Dean Loew	by wire transfer instructions
47 1/2 % of Purchase Price to Michael Protofanousis	by wire transfer instructions
1% of Purchase Price to Sam Protofanousis	by certified check
1% of Purchase Price to Robert Rawlins	by certified check
1% of Purchase Price to Ray Vogel	by certified check
1% of Purchase Price to Michael Paolella	by certified check
1% of Purchase Price to Robert Paolella	by certified check

Schedule 4.01(u)

Schedule 4.01(u)

Contracts which may exceed $1,000 cancellation penalties:

Standard & Poors Comstock, Inc. (stock market data provider)
Bridge Information Systems, Inc. (stock market data provider)
Alpha dot Net, Inc. (internet service provider)
TCG, Inc. (leased T1 data line provider)

Exhibit 1.02(a)

NON-COMPETITION AGREEMENT

THIS AGREEMENT is made and entered into as of the 14th day of October, 1998, by and between DTN ACQUISITION, INC., a Nebraska corporation, having its principal office in Omaha, Nebraska ("Company"), and MICHAEL PROTOFANOUSIS, an individual residing at 405 Warren, Glenview, Illinois 60025 ("Protofanousis").

WITNESSETH

WHEREAS, Protofanousis has heretofore been a shareholder and served as an officer and director of PARAGON SOFTWARE, INC. ("Paragon"); and

WHEREAS, the Company, by Stock Purchase Agreement of even date herewith, has acquired all of Protofanousis's common stock ("Common Stock") in Paragon for cash; and

WHEREAS, Protofanousis acknowledges that he possesses certain unique and special knowledge of the business and assets of Paragon; and

WHEREAS, Company desires to protect the business and assets of Paragon; and

WHEREAS, Protofanousis acknowledges that as part of the consideration for Company acquiring the Common Stock from Protofanousis, Protofanousis has agreed to certain covenants of nondisclosure and non-competition.

NOW, THEREFORE, in consideration of the premises, mutual covenants and payments herein contained, the Company and Protofanousis hereby agree as follows:

1. Recitals Part of Agreement. The foregoing recitals are made a part of this Agreement.

2. Term of Agreement. Company and Protofanousis agree that this Agreement shall be beginning on the date above given (the "Effective Date") and end on the third anniversary thereof unless sooner terminated as hereinafter provided (the "Noncompete Period").

3. Non-Competition. Protofanousis agrees as follows: Protofanousis acknowledges that he possesses special knowledge of Paragon and may during the Noncompete Period receive special knowledge of the Company. Protofanousis acknowledges that included in the special knowledge received is the confidential information identified in Section 4 below. Protofanousis acknowledges that this confidential information is valuable to Company and Paragon and, therefore, its protection and maintenance constitutes a legitimate interest to be protected by Company by this covenant not to compete. Protofanousis further represents and acknowledges that due to the nature of the business of Company and Paragon, Protofanousis is able to compete with the Company and Paragon anywhere in the world. Therefore, Protofanousis agrees that during the Noncompete Period, Protofanousis will not, directly or indirectly either as an employee, employer, consultant, agent, principal, partner, stockholder (other than in investment in a public company of no greater than five percent (5%) of its outstanding stock), corporate officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition with the business of Paragon as presently conducted anywhere in the world.

4. Nondisclosure. Protofanousis agrees during the Noncompete Period to not disclose to any person or entity copies, pictures, duplicates, facsimiles or other reproductions or recordings of any abstracts or summaries of any reports, studies, memoranda, correspondence, records, methods, plans, catalogs, brochures, trade secrets, customer lists, customer data bases, patents, application for patents, trademarks, inventions, engineering drawings, licenses, copyrights and other intellectual property or other written, printed, or otherwise recorded materials of any kind whatever belonging to or in the possession of Company or Paragon or of any subsidiary or affiliate of Company or

Paragon. Protofanousis shall have no right, title, or interest in any such material. Protofanousis agrees that he will not, without the prior written consent of Company, remove any such material from any premises of Company or of any subsidiary or affiliate of Company at any time (if given access to or comes into possession of any such material), and that he will surrender all such material to Company immediately upon the request of Company. This paragraph shall not apply to information which (i) is or becomes generally available to the public or (ii) becomes available to Protofanousis on a non-confidential basis from a source other than Company.

5. Consideration. In consideration for the agreements made by Protofanousis herein, the Company shall pay Protofanousis a total of $250,000.00 in twelve (12) quarterly installments of $20,833.34 each, the first such installment commencing on the first day of the month following ninety (90) days from the Effective Date.

6. Death of Protofanousis. In the event that Protofanousis dies during the Noncompete Period, compensation due hereunder shall be paid to his estate in the manner set forth in Paragraph 5 above.

7. Notices. Any notice required or permitted hereunder shall be sufficient if in writing and if sent by certified mail, postage prepaid, return receipt requested, to the addresses set forth on the execution page hereof, or to such other address as may be designated by written notice similarly given by either party to the other.

8. Assignment. This Agreement may not be assigned by Protofanousis.

9. Amendments. This Agreement may only be amended by a written instrument captioned on its face as an "Amendment" hereto and duly executed by the Company and Protofanousis.

10. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEBRASKA NOTWITHSTANDING THE CHOICE OF LAW PROVISIONS THEREOF.

11. Binding Effect. This Agreement shall inure to the benefit of and be enforceable against the Company and Protofanousis and their respective successors, heirs and permitted assigns.

12. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby. All prior or contemporaneous understandings, representations, statements and agreements, whether written or oral, are merged herein and superseded by this agreement. THIS WRITTEN AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

13. Controlling Provision Upon Conflict. In the event of a conflict between the provisions of this Agreement or any other instrument referred to herein or executed in connection with the purchase and sale of the Common Stock, the provisions of this Agreement shall control.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and Protofanousis has executed this Agreement as of the 14th day of October, 1998.

COMPANY:
DTN ACQUISITION, INC.

By:/s/ Charles R. Wood

Charles R. Wood
Senior Vice President

Address for Notices:
9110 West Dodge Road
Omaha, NE 68114

PROTOFANOUSIS:

/s/ Michael Protofanousis

Michael Protofanousis

Address for Notices:
405 Warren
Glenview, Illinois 60025

Exhibit 1.02(b)

NON-COMPETITION AGREEMENT

THIS AGREEMENT is made and entered into as of the14th day of October, 1998, by and between DTN ACQUISITION, INC., a Nebraska corporation, having its principal office in Omaha, Nebraska ("Company"), and DEAN LOEW, an individual residing at 10509 50th Avenue, Pleasant Prairie, Wisconsin 53158 ("Loew").

WITNESSETH

WHEREAS, Loew has heretofore been a shareholder and served as an officer and director of PARAGON SOFTWARE, INC. ("Paragon"); and

WHEREAS, the Company, by Stock Purchase Agreement of even date herewith, has acquired all of Loew's common stock ("Common Stock") in Paragon for cash; and

WHEREAS, Loew acknowledges that he possesses certain unique and special knowledge of the business and assets of Paragon; and

WHEREAS, Company desires to protect the business and assets of Paragon; and

WHEREAS, Loew acknowledges that as part of the consideration for Company acquiring the Common Stock from Loew, Loew has agreed to certain covenants of nondisclosure and non-competition.

NOW, THEREFORE, in consideration of the premises, mutual covenants and payments herein contained, the Company and Loew hereby agree as follows:

1. Recitals Part of Agreement. The foregoing recitals are made a part of this Agreement.

2. Term of Agreement. Company and Loew agree that this Agreement shall be beginning on the date above given (the "Effective Date") and end on the third

anniversary thereof unless sooner terminated as hereinafter provided (the "Noncompete Period").

3. Non-Competition. Loew agrees as follows: Loew acknowledges that he possesses special knowledge of Paragon and may during the Noncompete Period receive special knowledge of the Company. Loew acknowledges that included in the special knowledge received is the confidential information identified in Section 4 below. Loew acknowledges that this confidential information is valuable to Company and Paragon and, therefore, its protection and maintenance constitutes a legitimate interest to be protected by Company by this covenant not to compete. Loew further represents and acknowledges that due to the nature of the business of Company and Paragon, Loew is able to compete with the Company and Paragon anywhere in the world. Therefore, Loew agrees that during the Noncompete Period, Loew will not, directly or indirectly either as an employee, employer, consultant, agent, principal, partner, stockholder (other than in investment in a public company of no greater than five percent (5%) of its outstanding stock), corporate officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition with the business of Paragon as presently conducted anywhere in the world.

4. Nondisclosure. Loew agrees during the Noncompete Period to not disclose to any person or entity copies, pictures, duplicates, facsimiles or other reproductions or recordings of any abstracts or summaries of any reports, studies, memoranda, correspondence, records, methods, plans, catalogs, brochures, trade secrets, customer lists, customer data bases, patents, application for patents, trademarks, inventions, engineering drawings, licenses, copyrights and other intellectual property or other written, printed, or otherwise recorded materials of any kind whatever belonging to or in the possession of Company or Paragon or of any subsidiary or affiliate of Company or Paragon. Loew shall have no right, title, or interest in any such material. Loew agrees that he will not, without the prior written consent of Company, remove

any such material from any premises of Company or of any subsidiary or affiliate of Company at any time (if given access to or comes into possession of any such material), and that he will surrender all such material to Company immediately upon the request of Company. This paragraph shall not apply to information which (i) is or becomes generally available to the public or (ii) becomes available to Loew on a non-confidential basis from a source other than Company.

5. Consideration. In consideration for the agreements made by Loew herein, the Company shall pay Loew a total of $250,000.00 in twelve (12) quarterly installments of $20,833.34 each, the first such installment commencing on the first day of the month following ninety (90) days from the Effective Date.

6. Death of Loew. In the event that Loew dies during the Noncompete Period, compensation due hereunder shall be paid to his estate in the manner set forth in Paragraph 5 above.

7. Notices. Any notice required or permitted hereunder shall be sufficient if in writing and if sent by certified mail, postage prepaid, return receipt requested, to the addresses set forth on the execution page hereof, or to such other address as may be designated by written notice similarly given by either party to the other.

8. Assignment. This Agreement may not be assigned by Loew.

9. Amendments. This Agreement may only be amended by a written instrument captioned on its face as an "Amendment" hereto and duly executed by the Company and Loew.

10. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEBRASKA NOTWITHSTANDING THE CHOICE OF LAW PROVISIONS THEREOF.

11. Binding Effect. This Agreement shall inure to the benefit of and be enforceable against the Company and Loew and their respective successors, heirs and permitted assigns.

12. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby. All prior or contemporaneous understandings, representations, statements and agreements, whether written or oral, are merged herein and superseded by this agreement. THIS WRITTEN AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

13. Controlling Provision Upon Conflict. In the event of a conflict between the provisions of this Agreement or any other instrument referred to herein or executed in connection with the purchase and sale of the Common Stock, the provisions of this Agreement shall control.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and Loew has executed this Agreement as of the 14th day of October, 1998.

COMPANY:
DTN ACQUISITION, INC.
By:/s/ Charles R. Wood

Charles R. Wood
Senior Vice President

Address for Notices:
9110 West Dodge Road
Omaha, Nebraska 68114

LOEW:
/s/ Dean Loew

DEAN LOEW

Address for Notices:
10509 50th Avenue
Pleasant Prairie, Wisconsin 53158

Exhibit 506(e)(i)

Exhibit 5.06(e)(i)

Fixed Assets and Purchased Software on Balance Sheet Dated June 30, 1998	$ 125,000.00
In-House Developed Software	400,000.00
Customer Lists, Goodwill, Etc.	4,695,000.00
TOTAL	$ 5,220,000.00

EXHIBIT B

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (the "Agreement") dated as of _____, 199__, by and among [Insert name of Newco], a Nebraska corporation ("Buyer"), and Marcia C. Kennedy and Scott L. Brown (collectively the "Sellers" and individually a "Seller").

WHEREAS, each Seller is the owner, beneficially and of record, of the

number of shares of the Common Stock of Asset Growth Corporation, a Delaware corporation (the "Company"), set forth opposite his or her name on Schedule 1 attached hereto, and Sellers are the owners, in the aggregate, of all of the issued and outstanding capital stock of the Company;

WHEREAS, Buyer wishes to purchase from Sellers and Sellers wish to sell to Buyer ninety percent (90%) of all of the issued and outstanding capital stock of the Company upon and subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and agreements herein contained, Buyer and Sellers agree as follows:

ARTICLE I
SALE OF SHARES

1.01 Sale of Shares. Subject to the terms and conditions herein stated, each Seller agrees to sell, assign, transfer and deliver to Buyer on the Closing Date (as defined herein), free and clear of any and all liens, claims and encumbrances, good, valid and marketable title to the number of shares of capital stock of the Company set forth opposite his or her name on Schedule 1 as being sold to Buyer (all of such shares to be sold to Buyer hereunder being the "Shares"), and Buyer agrees to purchase the Shares from Sellers on the Closing Date. The certificates representing the Shares shall be duly endorsed in blank, or accompanied by stock powers duly executed in blank, by Sellers.

1.02 Price. In full consideration for the purchase by Buyer of the Shares, Buyer shall pay to each Seller on the Closing Date the amount set forth opposite such Seller's name in Schedule 1 attached hereto, being an aggregate amount of Six Hundred Thousand Dollars ($600,000).

1.03 Closing. The sale referred to in Section 1.01 (the "Closing") shall take place at the office of _____ at _____, on the date of the execution of this Agreement, or at such later date as the parties hereto shall by written instrument designate. Such time and date are herein referred to as the "Closing Date".

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLERS

As of the date hereof (except as otherwise specified herein) and as of the Closing Date, Sellers each jointly and severally represents and warrants to Buyer as follows:

2.01 Organization and Qualification. At the Closing Date, the Company will be a corporation duly organized, validly existing and in good standing under the laws of Delaware and will have all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Texas is the only jurisdiction in which the Company is qualified or licensed to do business. Buyer has heretofore received true and complete copies of the Certificate of Incorporation and By-laws (or other similar charter documents), as currently in effect, of the Company.

2.02 Capitalization; Title to Stock. The authorized capital stock of the Company consists of (i) 75,000,000 shares of common stock, $0.01 par value per share (the "Common Stock"), of which 200,000 shares are issued and outstanding as of the date hereof and no shares are held in the Company's treasury and (ii) 10,000,000 shares of preferred stock, $3.00 par value per

share, of which no shares are outstanding and none are in the Company's treasury. Sellers are the record owners of all the Company's outstanding shares of Common Stock. All of the outstanding shares of Common Stock of the Company are duly authorized, validly issued, fully paid and nonassessable. Except for the sale to Buyer as contemplated by this Agreement, there are no outstanding options, warrants, calls or other rights to subscribe for or purchase or acquire from the Company or Sellers or any affiliate of the Company, or any plans, contracts or commitments providing for the issuance of, or the granting of rights to acquire (i) any capital stock of the Company or (ii) any securities convertible into or exchangeable for any capital stock of the Company. The Company is not contractually obligated to repurchase, redeem or otherwise acquire any of its outstanding shares of capital stock. Each Seller represents and warrants only with respect to that Seller and not with respect to any other Seller, that such Seller (i) has good, valid and marketable title, beneficially and of record, to the respective Shares set forth opposite his or its name on Schedule 1 attached hereto, free and clear of all liens, encumbrances and rights of others, (ii) is in rightful possession of duly and validly authorized and issued certificates evidencing his or its ownership of record of such Shares, and (iii) at the Closing Date, will have full right, power and authority to sell, transfer, convey and deliver to Buyer, in accordance with the terms of this Agreement, good, valid and marketable title, beneficially and of record, to all of such Shares being sold by such Seller to Buyer hereunder, free and clear of all liens, encumbrances and rights of others.

2.03 Subsidiaries. The Company has no subsidiaries. Except as set forth on Schedule 2.03, there is no corporation, partnership, joint venture or other person or entity in which the Company, directly or indirectly, has, or pursuant to any agreement or agreements has or will have, a right or obligation to acquire or make by any means, an interest or investment (including, without limitation, equity ownership, proprietary interest, loans, guarantees of indebtedness and other similar obligations).

2.04 Authority Relative to the Transactions Contemplated by this Agreement. At the Closing Date, each Seller will have full power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. At the Closing Date, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will have been duly and validly authorized on behalf of all Sellers and no other proceedings on behalf of Sellers are or will be necessary to approve and authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sellers, and (assuming the valid execution and delivery of this Agreement by Buyer) at the Closing Date will constitute a legal, valid and binding agreement of Sellers, enforceable against Sellers in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

2.05 Consents and Approval; No Violation. Except as set forth on Schedule 2.05, neither the execution and delivery of this Agreement by Sellers, nor the consummation of the transactions contemplated hereby, nor compliance by any Seller with the provisions hereof, will (i) require the Company or any Seller to file or register with, notify, or obtain any permit, authorization, consent or approval of, any governmental or regulatory authority except for those requirements which become applicable to the Company as a result of the specific regulatory status of Buyer or as a result of any other facts that specifically relate to the business activities in which Buyer is engaged; (ii) conflict with or breach any provision of the Certificate of Incorporation, By-laws or trust agreement (or other similar governing documents) of the Company

or any Seller; (iii) violate or breach a provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, any of the terms, covenants, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which the Company or any Seller is a party, or by which the Company or any Seller or any of their respective properties or assets may be bound; or (iv) violate any order, writ, injunction, decree or judgment of any court or governmental authority applicable to the Company or any Seller or any of their material assets.

2.06 Balance Sheet. Sellers have delivered to Buyer the unaudited balance sheet of the Company as of September 30, 1998 (the "Balance Sheet"). The Balance Sheet (i) has been prepared in accordance with the books and records of the Company, and (ii) presents fairly the financial position of the Company as of such date.

2.07 Undisclosed Liabilities. Except (i) as provided for in the Balance Sheet, (ii) as disclosed in Schedule 2.07 or as specifically identified on other Schedules to this Agreement or (iii) for normal trade obligations incurred in the ordinary course of business subsequent to the date of the Balance Sheet, consistent with past practices or as otherwise provided in this Agreement, the Company has no liabilities or obligations in excess of $1,000 individually or $10,000 in the aggregate of any kind or nature, whether known or unknown or secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due).

2.08 Absence of Certain Changes or Events. Except as set forth in Schedule 2.08, or as disclosed in the other Schedules hereto, the Company has not (i) suffered any material adverse change in its assets, liabilities, business, prospects, results of operations or financial condition, (ii) suffered any damage, destruction or casualty loss adversely affecting any material assets of the Company, or (iii) entered into any transaction, or conducted its business or operations, other than in the ordinary and usual course of business, consistent with past practices.

2.09 Title and Related Matters. Except as set forth on Schedule 2.09, the Company does not own or lease any real property or office space. All of the properties, rights and assets, tangible and intangible, now used in or, to the best knowledge of Sellers, necessary for the conduct by the Company of its business as presently conducted will be indirectly transferred to Buyer by its purchase of the Shares. The interests of the Company in its properties, rights and assets (whether owned or as a lessee) are free and clear of all Liens other than (i) Liens for taxes not yet due, (ii) Liens which do not affect the use by, or value to, the Company of its rights and assets, or (iii) Liens set forth on Schedule 2.09. The term "Liens" shall mean any pledge, lien, security interest, conditional sale agreement, or other similar encumbrance.

2.10 Material Contracts. Except as set forth in Schedule 2.10, the Company does not have nor is it bound by (a) any agreement, contract or commitment relating to the employment of any person by the Company, or any bonus, commission, severance or termination pay, deferred compensation, pension, profit sharing, stock option, employee stock purchase, retirement or other employee benefit plan, (b) any agreement, indenture or other instrument which contains restrictions with respect to payment of dividends or any other distribution in respect of its capital stock, (c) any agreement, contract or commitment relating to capital expenditures in excess of $1,000, (d) any loan or advance to, or investment in, any other person other than cash advances in the ordinary course of business consistent with past practice, or any agreement,

contract or commitment relating to the making of any such loan, advance or investment except for cash advances in the ordinary course of business consistent with past practice, (e) any debt obligation for borrowed money or any guarantee or other contingent liability in respect of any indebtedness or obligation of any other person (other than the endorsement of negotiable instruments for collection and other similar transactions in the ordinary course of business), (f) any management, distributorship, sales, service (personal or otherwise), consulting or any other similar type of contract, (g) any agreement, contract or commitment limiting the freedom of the Company to engage in any line of business or to compete with any other person or in any area, (h) any other agreement, contract or commitment which involves $10,000 or more and is not cancelable without penalty within 30 days, (i) any outstanding powers of attorney or proxies granted to any person for any purpose whatsoever, (j) any contract or oral or written agreement for the acquisition of any other person, (k) any agreement as to which the United States Government, any state, local or municipal government or any foreign government or any agency or instrumentality of any of the foregoing is a party, exclusive of any such agreement which contains solely the provisions set forth in a form contract used by the Company in its ordinary course of business, which forms have been previously made available to Buyer, or (l) any proposed contract or agreement which upon acceptance of a customer or third party would create a binding obligation upon the Company and which would not be cancelable without penalty within thirty (30) days and would involve a commitment to pay $1,000 or more annually (all such

oral or written agreements, contracts, arrangements and commitments are hereinafter referred to as the "Material Contracts"). True, complete and correct copies of all such written contracts, commitments, agreements or arrangements described on Schedule 2.10 will have been made available to Buyer prior to Closing. To the best knowledge of Sellers, Schedule 2.10 contains a complete list of all such oral contracts, agreements, commitments or arrangements and identifies which of such contracts are oral in nature. Except as set forth on Schedule 2.10, there is not, under any of the Material Contracts, any default or event which, with notice or lapse of time or both, would constitute a default on the part of the Company. Neither the Company nor any Seller has received any notice from the other party to such Material Contracts of the termination or threatened termination thereof and no Seller knows of the occurrence of any event which would allow such other party to terminate such Material Contract except as otherwise disclosed in the Schedules hereto. Except as set forth on Schedule 2.10 or any other Schedule hereto, no indebtedness of the Company will be accelerated by its terms, or result from the consummation of the transactions contemplated hereby.

Schedule 2.10 contains a complete list of all agreements providing for the payment of severance pay to employees of the Company (the "Termination Benefits Agreements"). Except as expressly indicated on Schedule 2.10, no event has occurred under any of the Termination Benefits Agreements which alone or upon the giving of notice or the passage of time or both would obligate the Company to make any payment under any of the Termination Benefits Agreements.

2.11 Leases. Schedule 2.11 hereto sets forth an accurate list of all leases to which the Company is a party (as lessee). All rents and additional rent due to date and to the Closing Date on such leases have and will have been paid and in each case, the lessee has been in peaceable possession since the commencement of the original term of such lease or arrangement and is not in default thereunder. Except as set forth on Schedule 2.11, there is not, with respect to leases referred to above, any existing default, or an event of default, or event which, with or without notice or lapse of time or both, would constitute a default or an event of default, on the part of the Company.

2.12 Proprietary Rights; Computer Programs, Databases and Software. Schedule 2.12 contains a complete list of all trademarks, trade names, assumed names, service marks, logos, patents, copyrights and copyright registration, and any applications for registration therefor presently owned or held by the Company or with respect to which the Company owns or holds any license or other direct or indirect interest (collectively, the "Proprietary Rights"); and no other Proprietary Rights are used in or are necessary for the conduct of the business of the Company as such business is presently conducted. Unless otherwise indicated in such Schedule 2.12 the Company owns sufficient right, title and interest in and to the material Proprietary Rights for the conduct of its business. No material Proprietary Rights used by the Company conflict with or infringe the rights of any other person. No claims have been asserted by any person with respect to the ownership, validity, license or use of the Proprietary Rights and no Seller knows of any basis for such claim. The Company has taken all measures which it believes to be appropriate to maintain and protect the Proprietary Rights. The Company has the right to use all material Proprietary Rights, to provide and sell the services and products provided and sold by it, and to conduct its business as heretofore conducted, and, except as set forth on Schedule 2.12, the consummation of the transactions contemplated

hereby will not alter or impair any such rights. Except as set forth on Schedule 2.12, no person is known to be infringing on or violating the Proprietary Rights used by the Company. Except in the ordinary course of its business or as set forth in Schedule 2.12, the Company has not sold, licensed, leased or otherwise transferred or granted any interest or rights to any of its computer programs, databases or software to any other person. The occurrence in or use by such computer programs, databases and software of dates on or after January 1, 2000 ("millennial dates") will not adversely affect the performance thereof with respect to data dependent data, compilations, output, or other functions (including but not limited to calculating, comparing and sequencing) and that such computer programs, databases and software will create, store, process and output information related to or including millennial dates without error or omissions.

2.13 Litigation. Schedule 2.13 sets forth a complete list and an accurate description of all claims, actions, suits, proceedings and investigations pending and threatened, by or against or involving the Company or its business and, in the case of collection claims, those involving claims in excess of $1,000. No such pending or threatened claims, actions, suits, proceedings or investigations, if adversely determined, would, individually or in the aggregate, materially adversely affect the business, financial condition, results of operations or prospects of the Company taken as a whole or the transactions contemplated hereby. The Company does not know of any reasonable basis for any other such claim, action, suit, proceeding or investigation. The Company is not subject to any judgment, order or decree entered in any lawsuit or proceeding which may have a material adverse effect on any of its operations, business practices or on its ability to acquire any property or conduct business in any area.

2.14 Employee Benefit Matters. Neither the Company nor any member of the Control Group (within the meaning of section 414(b) of the Internal Revenue Code of 1986, as amended (the "Code") maintains, has contributed to or has ever been obligated to contribute to, for, on behalf of or with respect to current or former employees of the Company, any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), multiemployer plan (as defined in ERISA Section 3(37)), stock purchase plan, stock option plan or deferred compensation agreement, plan or funding arrangement (collectively "Employee Plans"). There are no employee welfare benefit plans (as defined in ERISA Section 3(1)) maintained by the

Company.

2.15 Governmental Authorizations and Regulations. The Company has all material licenses, franchises, permits and other governmental authorizations necessary to the conduct of its business, as presently conducted and the same are in full force and effect. The business of the Company is being conducted in compliance in all material respects with all applicable licenses, franchises, permits and other governmental authorizations and, to the best knowledge of Sellers, in compliance in all material respects with all applicable laws, ordinances, rules and regulations of all governmental authorities relating to its properties or applicable to its business. Except as set forth on Schedule 2.15, the Company has not received any notice of any alleged violation of any of the foregoing.

2.16 Labor Matters. Except as set forth in Schedule 2.16, (i) the Company is in compliance in all material respects with all applicable laws respecting health and occupational safety, employment and employment practices, terms and conditions of employment and wages and hours (including, without limitation, the Federal Immigration Reform and Control Act of 1986), (ii) there is no unfair labor practice complaint against the Company pending or threatened before the National Labor Relations Board, (iii) there are no proceedings pending or threatened before the National Labor Relations Board with respect to the Company, (iv) there are no discrimination charges (relating to sex, age, religion, race, color, national origin, ethnicity, handicap or veteran status or any other basis protected by relevant law) pending before any federal, state or local agency or authority against the Company or any of its employees, (v) no grievance which might have a material adverse effect upon the Company is currently pending, (vi) the Company is not bound by any collective bargaining agreement and there is no collective bargaining agreement currently being negotiated by the Company and (vii) the Company has not experienced any material labor difficulty during the past three years.

2.17 Insurance. The Company maintains insurance coverage which Sellers believes to be sufficient for compliance with all requirements of law and of all agreements to which the Company is a party and which provides adequate insurance coverage for the business of the Company. With respect to all policies, all premiums currently payable or previously due and payable with respect to all periods up to and including the Closing Date will have been paid and no notice of cancellation or termination has been received with respect to any such policy. Such policies will remain in full force and effect through the respective dates set forth in such policies without the payment of, additional premiums, unless called for in its original terms.

2.18 Tax Matters. (a) All Federal, state, local and foreign income, profits, franchise, sales, use, occupancy, excise, withholding, payroll, employment and other taxes and assessments (including interest and penalties) payable by, or due from, the Company have been fully paid or adequately disclosed and provided for in the Balance Sheet of the Company.

(b) The Company has not filed any election or caused any deemed election under Section 338 of the Code.

(c) The Company is not delinquent in the payment of any taxes and no extensions of time have been granted to the Company to file any return required by applicable law to be filed by it prior to or on the Closing Date, which have expired or will expire on or before the Closing Date without such return having been filed.

2.19 Environmental Matters. The Company is in material compliance with,

and has not done anything to be in material violation of any federal, state or local laws relating to the environment.

2.20 Brokers and Finders. No Seller has employed any broker or finder and no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representation or promise of any of them in connection with the transactions contemplated hereby; provided, however, each

Seller so represents and warrants only with respect to that Seller and not with respect to any other Seller.

2.21 Books and Records. The minute books of the Company, as previously made available to Buyer, contain accurate records in all material respects of all meetings of and corporate actions or written consents by the respective stockholders and Boards of Directors of the Company.

2.22 Bank Accounts. Sellers will cause the Company to deliver to Buyer at least 3 business days prior to the Closing an accurate and complete list showing the name and address of each bank in which the Company has an account or safe deposit box, the number of any such account or any such box and the names of all persons authorized to draw thereon or to have access thereto.

2.23 Other Information. The information furnished to Buyer by Sellers or the Company or pursuant to this Agreement, including the exhibits hereto, the schedules identified herein, and in any certificate or other document executed or delivered pursuant hereto by Sellers (which for purposes of this Agreement shall be deemed to be representations and warranties), is not materially false or misleading, does not contain any misstatement of material fact, and does not omit to state any material fact required to be stated in order to make the statements therein not misleading in light of the circumstances under which they were made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof and as of the Closing Date, Buyer represents and warrants to Sellers as follows:

3.01 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Nebraska.

3.02 Authority Relative to this Agreement. Buyer has full power, capacity and authority (corporate or otherwise) to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Buyer and no other proceedings on the part of Buyer or its stockholders are necessary to approve and authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of the Agreement by Sellers) constitutes a legal, valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy and other laws of general application relating to creditors' rights and general principles of equity.

3.03 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the

transactions contemplated hereby, nor compliance by Buyer with any of the

provisions hereof, will (i) require Buyer to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority except for those requirements which become applicable to Buyer as a result of the specific regulatory status of the Company or as a result of any other facts that specifically relate to the business activities in which the Company is or proposes to be engaged; (ii) conflict with or breach any provision of the Articles of Incorporation or by-laws of Buyer; (iii) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default under, any of the terms, covenants conditions or provisions of any note, bond mortgage, indenture deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Buyer is a party, or by which Buyer or any of its properties or assets may be bound, except for such breach or default which would not have a material adverse effect on the transactions contemplated by this Agreement taken as a whole; or (iv) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Buyer or any of its material assets, which violation would have a material adverse effect on the transactions contemplated by this Agreement taken as a whole.

3.04 Litigation; Compliance with Law. Buyer is not a party to any action or proceeding which seeks, or is subject to, any outstanding order, writ, injunction or decree, which restrains or enjoins consummation of the transactions contemplated hereby or which otherwise challenges the transactions contemplated hereby and (ii) there is no litigation, administrative, arbitral or other proceeding, or petition or complaint or, to the knowledge of Buyer, investigation before any court or governmental or regulating authority or body pending or, to the knowledge of Buyer, threatened against or relating to Buyer that would materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement.

3.05 Brokers and Finders. Buyer has not employed any broker or finder and, to Buyer's knowledge, no broker or finder is entitled to any brokerage fees, commissions or finder's fees arising from any act, representations or promise of Buyer, in connection with the transactions contemplated hereby.

3.06 Purchase for Investment. Buyer will acquire all of the outstanding stock of the Company to be purchased by it hereunder for its own account for investment and not with a view toward any resale or distribution thereof.

ARTICLE IV
COVENANTS OF THE PARTIES

4.01 Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the respective party that incurred such cost and expense (it being understood, however, that all legal and accounting fees and expenses so incurred by the Company shall be paid by the Sellers).

4.02 Public Announcements. Sellers and Buyer will consult with each

other before any of them or the Company issues any press releases or otherwise makes any public statements (including statements made to employees of the Company) with respect to this Agreement and the transactions contemplated hereby.

4.03 Transfer Taxes. All transfer taxes (including all stock transfer taxes, if any) incurred in connection with this Agreement and the transactions contemplated hereby will be borne by Sellers, and Sellers will, at their own expense, file all necessary tax returns and other documentation with respect to all such transfer taxes, and, if required by applicable law, the other parties hereto will (and will cause the Company to) join in the execution of any such tax returns or other documentation.

4.04 No Dilution. During the three year period following the Closing, Buyer will not permit the Company, through any consolidation, merger, reorganization, dissolution, issue or sale of securities or other voluntary action, to dilute the stock ownership of a Stockholder in the Company without the prior written approval of such Stockholder.

ARTICLE V
CONDITIONS

5.01 Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party hereto to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) No statute, rule, regulation, executive order, decree, injunction or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental authority, nor shall any action or proceeding brought by any governmental authority or agency, be pending, which (i) prevents, restricts or delays or seeks to prevent, restrict or delay the consummation of the transactions contemplated by this Agreement or (ii) seeks a material amount of monetary damages in connection with the consummation of the transactions contemplated by this Agreement.

(b) The other parties hereto shall have performed and complied in all material respects with all agreements, obligations, conditions and covenants contained in the Purchase Agreement dated _____, 1998, among the Company, Sellers and the Buyer (the "Purchase Agreement") required to be performed and complied with by them at or prior to the Closing and all representations and warranties of such other parties contained in the Purchase Agreement shall be true and correct in all material respects as of the Closing Date.

(c) No actions or proceedings which have a material likelihood of success shall have been instituted or threatened by any governmental body or authority to restrain or prohibit any of the transactions contemplated hereby.

ARTICLE VI
SURVIVAL AND INDEMNIFICATION

6.01 Survival of Representations, Warranties and Covenants. All covenants and agreements of any party hereto set forth herein shall survive the Closing for the period provided for in such covenant or, if not so provided, for a period of one year. The representations and warranties set forth herein shall survive the Closing and shall remain in effect for the applicable statute of limitation.

6.02 Post-Closing Indemnification. (a) From and after the Closing Date,

Sellers shall defend, indemnify and hold harmless Buyer and its affiliates (including the Company) and each of their successors, assigns, officers, directors and employees (the "Buyer Indemnitee Group") against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses (collectively, "Damages"), suffered by any of them as a result of, or arising from: (i) any inaccuracy in or breach of or omission from any of the representations or warranties made by Sellers in Article II of this Agreement or pursuant hereto, or any nonfulfillment, partial or total, of any of the covenants or agreements made by Sellers in this Agreement to the extent not waived by Buyer in writing; or (ii) any claim, action, suit, proceeding or investigation of any kind relating to or arising from events occurring prior to the Closing Date, instituted by or against or involving the Company or any of its business or assets (other than those claims, actions, suits, proceedings and investigations set forth in Schedule 2.13 of the Disclosure Schedule) regardless of whether such claims, actions, suits, proceedings or investigations are made or commenced before or after the Closing Date, provided that Damages relating to claims, actions, suits, proceedings and investigations that relate to events occurring both before and after the Closing Date shall be equitably allocated between Buyer and Sellers.

(b) From and after the Closing Date, Buyer shall defend, indemnify and hold harmless Sellers and their heirs, trustees, successors and assigns against and in respect of any and all losses, actions, suits, proceedings, claims, liabilities, damages, causes of action, demands, assessments, judgments, and investigations and any and all costs and expenses paid to third parties, including without limitation, reasonable attorneys' fees and expenses, suffered by any of them as a result of, or arising from, any inaccuracy in or breach of or omission from any of the representations or warranties made by Buyer in Article III of this Agreement or pursuant hereto, or any non-fulfillment, partial or total, of any of the covenants or agreements made by Buyer in this Agreement to the extent not waived by Sellers in writing.

(c) If a claim by a third party is made against an indemnified party, and if such party intends to seek indemnity with respect thereto under this Article VI, the indemnified party shall promptly (and in any case within thirty days of such claim being made) notify the indemnifying party of such claim, provided, however, that the failure to so notify the indemnifying party shall not discharge the indemnifying party of its obligations hereunder except that the indemnifying party shall not be liable for default judgments or any amounts related thereto if the indemnified party shall not have so notified the

indemnifying party. Subject to the following sentence, the indemnifying party shall have thirty days after receipt of such notice to undertake, conduct and control, through counsel of its own choosing (which is satisfactory to the indemnified party) the settlement or defense thereof, and the indemnified party shall cooperate with it in connection therewith (provided that the indemnifying party shall permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees and expenses of such counsel shall be borne by the indemnified party) and the indemnifying party shall promptly reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expenses as incurred by the indemnified party within limits of this Article VI. Notwithstanding anything herein to the contrary, the indemnified party shall have the right to conduct and control the defense of any such claim in the event that such claim (including a claim for equitable relief) or the continuation of such claim could reasonably be expected to materially adversely affect the business, results of operations, prospects or financial condition of the indemnified party or any of its affiliates, provided, however, the indemnified

party may not settle any claim for an amount in excess of $25,000 or consent to any settlement which imposes equitable remedies on the indemnifying party or its affiliates without the prior consent of the indemnifying party, which consent shall not be unreasonably withheld, unless the indemnified party agrees to waive any right to indemnity therefor by the indemnifying party. If the indemnifying party does not notify the indemnified party within thirty days after the receipt of the indemnified party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof or if the indemnifying party is not reasonably contesting the claim in good faith, the indemnified party shall have the right to contest, settle or compromise the claim in the exercise of its reasonable judgment, and all losses incurred by the indemnified party, including all fees and expenses of counsel for the indemnified party, shall be paid by the indemnifying party.

(d) Claims for indemnification made under this Section 6.02 shall be made within a period of three years from the Closing Date, provided, however, notwithstanding the foregoing, claims for indemnification with respect to any action, lawsuit, proceeding or investigation of any kind relating to or arising out of the matters referred to in Section 6.02(a)(ii) may be made within five years from the Closing Date.

6.03 Tax Indemnity, Etc.

(a) Sellers shall be responsible for and pay all Taxes attributable to the Company or its subsidiaries or for which the Company is liable for any period or portion of a period that ends on or before the Closing Date which have not been paid or adequately provided for in the Balance Sheet. Such Taxes shall include but not be limited to the Taxes of any member of an affiliated group of which the Company was a member for federal income tax purposes or any entity with which the Company filed a combined return for state or local tax purposes.

(b) Sellers shall indemnify Buyer, the Company and their affiliates and their respective successors and assigns (each, a "Tax Indemnified Party", and collectively, "Tax Indemnified Parties") against and hold the Tax Indemnified

Parties harmless on an after-tax basis from all liability, loss or damage and from all expenses paid to third parties (including reasonable attorneys' fees) with respect to all such Taxes described in the immediately preceding clause (a).

(c) All tax allocation, tax sharing and similar agreements, if any, to which the Company is or was a party at any time on or before the Closing Date shall be terminated as of the Closing Date with respect to the Company. The Company shall have no obligation for the payment of any amount pursuant to any such agreement, except as expressly provided for in the Balance Sheet. The foregoing indemnity obligations of Sellers and the covenants and agreements of the parties contained in this Section 6.03 shall survive the Closing and be applicable for the applicable statute of limitations (as such may be waived or extended).

(d) For purposes of this Agreement, "Taxes" shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign) upon the Company or its subsidiaries.

ARTICLE VII
MISCELLANEOUS PROVISIONS

7.01 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Buyer and Sellers.

7.02 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party or parties entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 7.02.

7.03 No Third Party Beneficiaries. Except as provided in this Agreement, nothing in this Agreement shall confer any rights upon any person or entity which is not a party or a permitted assignee of a party to this Agreement.

7.04 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by cable, telegram or telex, telecopy, courier, express mail delivery service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

(a) if to Sellers, to:

Asset Growth Corporation
7324 Southwest Freeway
Suite 1000
Houston, Texas 77074
Attn: Marcia C. Kennedy

with a copy to:

Looper Reed Mark & McGraw
1300 Post Oak Boulevard
Suite 200
Houston, Texas 77056
Attn: Rob James

(b) if to Buyer, to:

Data Transmission Network Corporation
9110 West Dodge Road
Suite 200
Omaha, Nebraska 68114
Attn: Charles R. Wood, Sr. Vice President

with a copy to:
Abrahams Kaslow & Cassman
8712 West Dodge Road
Suite 300
Omaha, Nebraska 68114
Attn: R. Craig Fry

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

7.05 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties.

7.06 Governing Law. This Agreement shall be governed by the law of the State of Nebraska as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies without giving effect to the principles of choice of law thereof.

7.07 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.08 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

7.09 Entire Agreement. This Agreement, including the Exhibits hereto and the documents, schedules, certificates and instruments referred to herein embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

7.10 Certain Definitions.

(a) An "affiliate" of a person shall mean any person which, directly or indirectly, controls, is controlled by, or is under common control with, such person.

(b) The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

(c) The term "person" shall mean and include an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(d) The term "day" shall mean a calendar day unless otherwise stated.

(e) The term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person.

(f) Whenever any representation or warranty contained in this Agreement

is qualified by reference to the knowledge, information or belief of a party, such party confirms that it has made due and diligent inquiry as to the matters that are the subject of such representation and warranty.

IN WITNESS WHEREOF, Sellers and Buyer have signed, or caused this Agreement to be signed by their respective representatives, as the case may be, as of the date first above written.

[Insert name of Newco]

Date:_____ By:_____
Title:_____

Date:_____ _____
Marcia C. Kennedy

Date:_____ _____
Scott L. Brown

SCHEDULE 1

<TABLE>
<CAPTION>

Name and Address Of Seller	Number of Shares Owned	Number of Shares Being Sold	Payment Due at Closing
<S>	<C>	<C>	<C>
Marcia C. Kennedy	100,000	90,000	$300,000
Scott L. Brown	100,000	90,000	$300,000
TOTALS	200,000	180,000	$600,000

</TABLE>

DISCLOSURE SCHEDULE

No disclosures.

EXHIBIT C

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made as of this ___ day of _____ 1998, by and between ASSET GROWTH CORPORATION, a Delaware corporation ("AGC"), and [Insert name of Newco], a Nebraska corporation (the "Company").

WHEREAS, AGC is a party to a Purchase Agreement (the "Purchase Agreement") dated the same date as the date of this Agreement with Data Transmission Network Corporation, a Delaware corporation ("DTN"), Marcia C. Kennedy, a shareholder of AGC ("Kennedy"), and Scott L. Brown, a shareholder of AGC ("Brown");

WHEREAS, pursuant to the Purchase Agreement, the Company is to acquire all of the capital stock of Paragon Software, Inc., an Illinois corporation ("Paragon"), and AGC and the Company are to enter into this Agreement to provide for AGC to manage the day to day affairs of the business of Paragon using the management experience and expertise of Kennedy and Brown, subject to the terms and conditions set forth in this Agreement; and

WHEREAS, Company desires to engage AGC to render such management services and AGC desires to provide such services;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. Engagement. The Company hereby engages AGC to render management services to the Company and Paragon upon the terms and conditions hereinafter set forth, and AGC agrees to provide such management services upon the terms and conditions hereinafter set forth.

2. Term. The term of this Agreement shall commence on the date of this Agreement. Unless sooner terminated in accordance with the provisions of Paragraph 6, it shall continue until the earlier to occur of the Closing or the Termination, as such terms are defined in the Purchase Agreement.

3. Compensation. In consideration of AGC's performance of the management services as provided in this Agreement, the Company agrees to pay AGC each calendar month during the term of this Agreement (or, in the case of a partial month, a proportionate amount thereof based on the number of days of such month within the term of this Agreement) an amount equal to the net income before income taxes of the Company for such month. AGC shall invoice the Company at the beginning of each month a reasonable estimate of the projected net income before income taxes of the Company for such month. Newco shall pay such invoices by the end of such month. Once the actual amount owed for such month is determined, AGC shall refund to the Company the amount by which the estimate exceeds the actual amount due for such month or the Company shall pay to AGC the amount by which the actual amount due for such month exceeds the estimate.

4. Duties of AGC. The duties of AGC under this Agreement generally

shall be to manage the day to day affairs of the business of Paragon, subject to the control of the Board of Directors of Paragon. The precise nature of the management services to be rendered by AGC during the term of this Agreement shall be assigned and directed by the Board of Directors of Paragon and may be modified from time to time at the direction of the Board of Directors of Paragon. The services shall include, without limitation, the responsibility for recommending the operational and managerial policies of Paragon as well as the supervision of the employees of Paragon. During the term of this Agreement, the Company shall cause Paragon to furnish to AGC at the office of Paragon appropriate office space, equipment, and secretary and clerical assistance as may be required from time to time to enable AGC to perform its duties under this Agreement. It is understood that, except as expressly provided in this Agreement, AGC shall be responsible for all expenses and costs incurred by it in connection with the performance of its services under this Agreement.

5. Confidentiality. AGC acknowledges that in the course of performing its services under this Agreement, AGC will be given access to proprietary and confidential information of Paragon (collectively the "Proprietary Information") which includes without limitation (a) the names, addresses and financial data regarding customers, clients, or applicants of Paragon, (b) any data or information that is competitively sensitive material including but not limited to product planning information, marketing strategies, plans, finances, operations, customer relationships, customer profiles, business plans, and internal performance results relating to the past, present or future business activities of Paragon and its affiliates and the customers, clients and applicants of Paragon, and (c) all confidential or proprietary concepts, documentation, reports, data, information, know-how and trade secrets, whether or not patentable or copyrightable. AGC agrees to safeguard the Proprietary Information and to prevent the unauthorized use or disclosure thereof. Either during or after AGC's engagement with the Company, AGC will not directly or indirectly disclose to anyone outside of the Company, Paragon or DTN (except in the ordinary course of Paragon's business), nor use in other than Paragon's business, except with the prior written permission of the President of the Company, any Proprietary Information. Upon the request of the Company or Paragon and, in any event upon termination of this Agreement, AGC shall surrender to the Company or Paragon all memoranda, notes, records, and other documents or materials (and all copies of same) pertaining to or including the Proprietary Information. AGC acknowledges that use or disclosure of any Proprietary Information in a manner inconsistent with this Agreement will give rise to irreparable injury to the Company and Paragon. Accordingly, in addition to any other legal remedies which may be available, at law or in equity, the Company and Paragon shall be entitled to equitable or injunctive relief against such unauthorized use or disclosure. Proprietary Information shall not include any information or data known generally to the public (other than as a result of unauthorized disclosure by AGC) or any information or data of a type not generally considered confidential or proprietary by persons engaged in a business similar to the business of Paragon. The obligations of AGC under this paragraph shall survive the termination of this Agreement.

6. Termination. This Agreement shall terminate upon the occurrence of any of the following events:

(a) The bankruptcy, dissolution, liquidation or sale of substantially all of the assets of the Company or Paragon.

(b) Notice from the Company in the event Paragon's revenues or net earnings from operations before interest, income taxes for any calendar month during the term of this Agreement are less than the average monthly revenues or net earnings from operations before interest, income taxes, respectively, of Paragon over

the three calendar months immediately preceding the date of this Agreement.

(a) Notice from the Company if either Kennedy or Brown, for any reason, including but not limited to their death, fails to personally provide and perform to the best of their abilities the primary responsibilities and obligations of AGC under this Agreement.

(d) Written notice by the Company to AGC of the termination of this Agreement for cause. For purposes of this Agreement, "cause" shall mean (i) Kennedy's or Brown's confession or conviction of theft, fraud, embezzlement or other crime involving dishonesty, (ii) AGC's material violation of the provisions of Paragraph 5, (iii) material negligence of AGC in the performance of its duties under or pursuant to this Agreement, or (iv) material non-compliance by AGC with its obligations under this Agreement.

(f) The expiration of the stated term of this Agreement or the earlier termination upon the mutual written agreement of the parties to this Agreement.

7. Independent Contractor. AGC shall be an independent contractor with respect to the Company and Paragon in connection with the work performed hereunder. AGC does not have, and shall not hold itself out as having, any authority to enter into any contract or create any obligation or liability on behalf of, in the name of, or binding upon the Company or Paragon; and AGC shall hold the Company and Paragon harmless from any claims resulting from any action taken by AGC which is inconsistent with the provisions of this sentence.

8. Binding Effect; Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, AGC and the Company and their respective heirs, legal representative, successors, and permitted assigns. The obligations under this Agreement may not be assigned by the Company or AGC without the prior written consent of the other party hereto, which consent may be withheld for any reason whatsoever.

9. Notification. All notices which a party may be required or desire to give to the other party shall be in writing and shall be given by personal service, telecopy, registered mail or certified mail (or its equivalent) to the other party at its respective address or telecopy number set forth below. Notices shall be deemed to be given upon actual receipt by the party to be notified. Notices delivered by telecopy shall be confirmed in writing by overnight courier.

If to AGC:
Asset Growth Corporation
7324 Southwest Freeway, Suite 1000
Houston, Texas 77074
Attention: Marcia C. Kennedy
Telecopy No.: _____

If to the Company:
Data Transmission Network Corporation
9110 West Dodge Road, #200
Omaha, NE 68114
Attn: Charles R. Wood
Telecopy No.: (402) 255-8088

10. Entire Agreement. This document constitutes the entire agreement

between the parties hereto with respect to the subject matter of this Agreement; and there are no other agreements, representations, warranties, or covenants, written or oral, with respect to the transactions contemplated by this Agreement which are not expressly set forth, referred to, or incorporated herein by this document.

11. Amendment. This Agreement may be amended by letter or other document which by its terms specifically states that it is an amendment to this Agreement; provided, that such letter or other document shall be signed by both parties hereto.

12. Governing Law. This Agreement shall be governed by and construed in enforced in accordance with the substantive laws, but not the choice of law rules, of the State of Nebraska.

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

14. Headings. The headings of the several paragraphs of this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

15. Construction. Whenever required by the context, references in this Agreement in the singular shall include the plural and vice versa.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

ASSET GROWTH CORPORATION,
A Delaware corporation

By: _____
Marcia C. Kennedy, President

[Insert name of Newco], a Nebraska corporation

By:_____
Title:_____

EXHIBIT D

(Opinion of Looper, Reed, Mark & McGraw)

Dated _____, 199__

[Insert name of Newco]
c/o Data Transmission Network Corporation
9110 West Dodge Road

Suite 200
Omaha, NE 68114

Gentlemen:

We have acted as counsel to Asset Growth Corporation (the "Company"), a Delaware corporation, and its shareholders, Marcia C. Kennedy and Scott L. Brown (collectively the "Shareholders"), in connection with your purchase of ninety percent (90%) of the issued and outstanding capital stock of the Company pursuant to that certain Stock Purchase Agreement dated as of _____, 199__ among the Shareholders and you (the "Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates, including certificates of public officials, and other instruments as we have deemed necessary or advisable for purposes of this opinion, including those relating to the authorization, execution and delivery of the Agreement. We reviewed the following documents and agreements:

(i) the Agreement;

(ii) the Certificate of Incorporation of the Company, as amended, as certified by the Secretary of State of the State of Delaware (the "Certificate of Incorporation");

(iii) the Bylaws of the Company, as amended, as certified by the Secretary of the Company on the date of this opinion letter (the "Bylaws");

(iv) the stock certificates and stock records of the Company; and

(v) actions taken by the stockholders and Board of Directors of the Company to authorize the transactions contemplated by the Agreement.

In such examination and review we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts material to the

opinions hereafter expressed which we did not independently establish or verify, we have relied without investigation upon certificates, statements and representations of representatives of the Company. During the course of our discussion with such representatives and our review of the documents described above in connection with the preparation of these opinions, no facts were disclosed to us that caused us to conclude that any such certificate, statement or representation is untrue. In making our examination of the documents executed by persons or entities other than the Shareholders and the Company, we have assumed that each such other person or entity had the power and capacity to enter into and perform all his, her or its obligations thereunder and the due authorization of, and the due execution and delivery of, such documents by each such person or entity.

As used in this opinion, the expression "to our knowledge" with reference to matters of fact means that after an examination of documents in our files or made available to us by the Company and after inquiries of officers of the Company, and considering the actual knowledge of those attorneys in our firm who have given substantive attention to legal matters for the Company, without

independent investigation or inquiry as to factual matters, but not including any constructive or imputed notice of any information, we find no reason to believe that the opinions expressed herein are factually incorrect. Beyond that, we have made no independent factual investigation for the purpose of rendering an opinion with respect to such matters.

Based upon and subject to the foregoing, and subject to the further assumptions, limitations, qualifications and exceptions set forth herein, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has the corporate power and authority and, to our knowledge, all franchises, licenses, and permits from governmental authorities necessary to own and operate its properties and to conduct its business as presently being conducted.

2. The Company is duly qualified to do business and is in good standing in (i) the state of Delaware, and (ii) to our knowledge, each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification.

3. The authorized capital stock of the Company consists of (i) 75,000,000 shares of Common Stock, $0.01 par value per share, of which 200,000 shares are outstanding and no shares are held in the treasury of the Company and (ii) 10,000,000 shares of Preferred Stock, $3.00 par value per share, of which no shares are outstanding and none are held in the treasury of the Company. All of the outstanding shares of Common Stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable with no personal liability attaching to the ownership thereof. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, there are no outstanding subscriptions, scrip, warrants, commitments, conversion rights, calls, options or agreements to issue or sell additional securities of the Company, and no obligations whatsoever requiring, or which might require, the Company to issue any securities.

4. To our knowledge, the parties to the Agreement other than you have good title to all of the outstanding shares of Common Stock of the Company, free and clear of all liens, encumbrances, security interests, options, claims, charges and restrictions.

5. Each of the Shareholders has the power, authority, and capacity to execute, deliver, and perform the Agreement and to consummate the transactions contemplated thereby, and the Agreement and all documents and instruments delivered by the Shareholders thereunder have been duly executed and delivered by them and constitute legal, valid and binding obligations of the parties thereto other than Buyer, enforceable in accordance with their terms.

6. The execution, delivery, and performance of the Agreement and the consummation of the transactions contemplated thereby will not, except as disclosed in the disclosure schedules to the Agreement, result in a breach or violation of or constitute a default under, or accelerate any obligation under, or give rise to a right of termination of, the Certificate of Incorporation or By-laws of the Company or, to our knowledge, any judgment, decree, order, governmental permit or license, authorization, agreement, indenture, instrument, or statute or regulation to which the Shareholders or the Company is a party or by which the Shareholders or the Company or its business, assets, or properties may be bound or affected, and, to our knowledge, will not, except as disclosed in the disclosure schedules to the Agreement, result in the creation of any lien, claim, encumbrance or restriction on any part of the business or assets of the Company.

7. To our knowledge, there is no legal action or governmental proceeding or investigation pending or threatened against or affecting the Company or its stockholders which prevents the parties other than Buyer from entering into or being bound by the Agreement or from consummating the transactions contemplated thereby or which questions the validity of the Agreement or the transactions contemplated thereby.

8. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, there is no legal action or governmental proceeding or investigation pending or threatened against or affecting the Company, which, if decided adversely to the Company, would have a material adverse affect on the properties, business, profits or condition (financial or otherwise) of the Company, taken as a whole.

9. To our knowledge, except as disclosed in the disclosure schedules to the Agreement, no consent, authorization or approval of, or exemption by, or filing with, any court or administrative agency or authority of the United States of America or the State of Delaware is required in connection with the delivery and performance by the Shareholders of the Agreement or any of the instruments or agreements delivered by the Shareholders thereunder, or the taking of any action therein contemplated.

10. All corporate proceedings required by the Delaware General Corporation Law to be taken by the Board of Directors or the stockholders of the Company on or prior to the Closing Date in connection with the execution and

delivery of the Agreement and in connection with the sale of all of the capital stock of the Company have been duly and validly taken.

This opinion relates solely to the laws of the State of Delaware, and applicable Federal laws of the United States, and we express no opinion with respect to the effect or applicability of the laws of other jurisdictions. We have assumed that, and our opinions expressed in paragraph 5 above are based upon our assumption that, the internal laws of the State of Delaware and Federal law govern the provisions of the Agreement and the transactions contemplated thereby.

The opinion set forth in paragraph 5 above concerning the enforceability of the obligations of the Shareholders under the Agreement is subject to the effect of (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally, and (ii) the discretion of any court of competent jurisdiction in awarding equitable remedies, including, without limitation, specific performance or injunctive relief, and the effect of general principles of equity embodied in Delaware statutes and common law.

We are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to other matters. The opinions expressed herein are furnished by us, as counsel for the Company and the Shareholders, solely for your benefit in connection with the transactions contemplated by the Agreement and upon the understanding that we are not hereby assuming any responsibility to any other person whatsoever. This opinion may not be quoted or relied upon by any other person or used for any other purpose without our prior written consent. This opinion is rendered as of the date hereof and we do not undertake to advise you of matters which occur subsequent to the date hereof and which affect the opinions expressed herein.

Very truly yours,

By:

EXHIBIT E

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into as of the _____ day of _____, 199__, between Asset Growth Corporation (the "Company"), a Delaware corporation, and [Insert name of the Stockholder] (the "Executive").

* * *

WHEREAS, the Company, a subsidiary of Data Transmission Network Corporation ("DTN"), desires to employ the Executive; and

WHEREAS, the Executive desires to accept such employment.

NOW, THEREFORE, in consideration of the foregoing recitals and the respective covenants and agreements of the parties contained in this document, the Company and the Executive agree as follows:

1. Employment and Duties. The Company hereby employs the Executive as its _____. The duties and responsibilities of the Executive shall consist of the duties and responsibilities of the Executive's corporate offices and positions which are set forth in the bylaws of the Company from time to time and such other duties and responsibilities consistent with the Executive's corporate offices and positions which the Board of Directors of the Company may from time to time assign to the Executive.

2. Term. The term of this agreement shall begin on the date of this agreement and shall continue thereafter for a period of thirty six (36) months, unless terminated earlier in accordance with this agreement. The Executive shall remain an employee at-will. Either the Executive or the Company may terminate the employment relationship at any time, with or without any reason, subject to the other provisions of this agreement. Each party shall provide the other party with thirty (30) days advance written notice of such party's intention to terminate this agreement, except in the event of the termination of Executive's employment pursuant to any of the first three sentences of Section 11 of this agreement.

3. Place of Employment. During the term of this agreement, the Executive will perform the duties of the Executive at the Company's offices in _____, and the Executive will not be required to relocate or transfer the principal residence of the Executive during the term of this agreement.

4. Compensation. The Company agrees to pay the Executive a signing bonus (the "Signing Bonus") of One Hundred Fifty Thousand Dollars ($150,000). The Signing Bonus shall be paid in full on the date of this agreement, and is not subject to forfeiture. The Company agrees to pay the Executive a base salary (the "Base Salary") of One Hundred Seventy Five Thousand Dollars ($175,000) per year (it being understood, however, that Executive shall be eligible for discretionary increases in such Base Salary to the extent approved by the Board

of Directors of DTN after recommendation by its Compensation Committee). The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Annual Bonus. The Executive shall participate in the Company's annual bonus plan in effect during the term of this agreement which will reward targeted performance by the Executive in a manner similar to executives with similar base salaries under DTN's annual bonus plan in effect during the term of this agreement. If the goals by which the Executive's performance is measured are reached for the particular year, the annual bonus would represent from 50% to 100% of the Executive's Base Salary for such year. The targeted performance of the Executive will be established near the beginning of the year and will consider growth from ongoing operations as well as growth through acquisitions, as applicable.

6. Board of Directors. During the term of this agreement, the Executive shall serve, without additional compensation, as a director of the Company and as a director of each of the subsidiaries of the Company.

7. Expenses. During the term of this agreement, the Executive shall be entitled to prompt reimbursement by the Company of all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by the Executive (in accordance with the policies and procedures established by the Company for its executive officers, which shall be similar to those for DTN's executives) in the performance of the duties and responsibilities of the Executive under this agreement; provided, that the Executive shall properly account for such expenses in accordance with Company policies and procedures.

8. Other Benefits. During the term of this agreement, the Executive shall be entitled to all of the fringe benefits which are provided to employees of the Company generally, excluding any stock option plans or similar programs. During the term of this agreement, the Executive also shall be entitled to participate in such other fringe benefits, benefit plans or programs which the Company or DTN from time to time may make available either to its employees generally or to its executive officers, such as but not limited to the Data Transmission Network Corporation 401(k) plan, but excluding any stock option plans or similar programs.

9. Vacations and Holidays. The Executive shall be entitled to four weeks of paid vacation per year and paid holidays in accordance with the Company's policies in effect from time to time.

10. Other Activities. The Executive shall devote substantially all of the Executive's working time and efforts during the Company's normal business hours to the business affairs of the Company and to the diligent and faithful performance of the duties and responsibilities assigned to the Executive pursuant to this agreement, except for vacations and holidays. Despite the foregoing, the Executive shall be free to broker proposed acquisitions which the Company has elected not to pursue so long as such activities by the Executive do not require any substantial services by the Executive and do not interfere with or impair the performance of the Executive's duties and responsibilities under this agreement.

11. Termination. The Executive's employment under this agreement shall terminate upon the death of the Executive. If the Executive becomes incapable by

reason of physical injury, disease, or mental illness of substantially performing the duties and responsibilities of the Executive under this agreement for a period of six (6) continuous months or more, then the Company may terminate the Executive's employment under this agreement. The Company also may terminate the Executive's employment under this agreement for Cause; however, for purposes of this agreement, "Cause" shall mean only (i) confession or conviction of theft, fraud, embezzlement, or any other crime involving dishonesty with respect to the Company or any parent, subsidiary, or affiliate of the Company, (ii) material violation of the provisions of any confidentiality agreement or non-competition agreement in force between the Company or DTN and the Executive, (iii) habitual and material negligence in the performance of the duties of the Executive under or pursuant to this agreement, (iv) material non-compliance with the obligations of the Executive under Section 10 or (v) failure of the Executive, within thirty days after written notice of such failure, to abide by the lawful directives of the Board of Directors of the Company that are not inconsistent with the terms of this Agreement. In the event of the termination of the Executive's employment pursuant to any of the first three sentences of this Section 11 or if the Executive voluntarily terminates employment with the Company, other than as provided in Section 12(b), the Executive (or, in the event of the Executive's death, the estate of the Executive) shall be entitled to retain that portion of the Base Salary earned by the Executive up to the effective date of such termination, provided that during any period when the Executive is incapable by reason of physical injury, disease, or mental illness of substantially performing his or her duties and responsibilities under this agreement, the Company may subtract from such Base Salary the amount of any payments which the Executive receives from Company-sponsored disability insurance as a reimbursement for lost earnings or wages relating to such period.

12. Severance Pay. Except as provided in Sections 11 and 12 of this agreement, the Executive shall not receive any additional severance pay upon the termination of employment of the Executive, regardless of the Company's severance policy for its employees generally.

(a) Termination Without Cause. If the Company terminates the employment of the Executive for any reason other than those referred to in Section 11, the Company shall pay the Executive, upon the effective date of such termination, the then current present value of all remaining payments of Base Salary that would have been paid hereunder but for such termination, less applicable employee tax withholdings and deductions. Such present value shall be determined using the discount rate referred to in Section 12 (c).

(b) Voluntary Termination Upon Change in Control of DTN. If the Executive voluntarily terminates employment with the Company within sixty (60) days after receiving notice of a Change in Control Transaction, as hereinafter defined, the Company shall pay the Executive, upon the effective date of such termination, the then current present value of those payments of Base Salary that would have been paid hereunder, but for such termination, during the shorter of (i) the one year period following the effective date of such termination or (ii) the remaining portion of the initial term of this agreement after the effective date of such termination. Such present value amount shall be reduced by applicable employee tax withholdings and deductions. Such present value shall be determined using the discount rate referred to in Section 12(c).

For purposes of this Section 12(b), "Change in Control Transaction" shall mean the occurrence of any of the following: (a) the acquisition by any person or entity (other than an Exempt Person as hereinafter defined) of securities of DTN representing 30% or more of the combined voting power of DTN's then-outstanding securities; (b) DTN shall consolidate with, or merge with and into, any other person or entity; or (c) any person or entity shall consolidate with DTN, or

merger with and into DTN and DTN shall be the continuing or surviving corporation of such merger, and, in connection with such merger, all or part of DTN's capital stock shall be changed into or exchanged for stock or securities of any other person or entity or cash or any other property. "Exempt Person" shall mean DTN or any subsidiary of DTN, in each case including, without limitation, in its fiduciary capacity, or any employee benefit plan of DTN or of any subsidiary of DTN, or any entity or trustee holding the capital stock of DTN for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of DTN or of any subsidiary of DTN.

(c) Discount Rate. For purposes of the present value determinations referred to in this Section 12, a discount rate equal to the prime rate on corporate loans at large U.S. money center commercial banks as quoted in the "Money Rates" column of the Wall Street Journal on such effective date shall be used.

13. Successors and Assigns. This agreement and all rights under this agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees, successors, and assigns. This agreement is personal in nature, and neither of the parties to this agreement shall, without the written consent of the other, assign or transfer this agreement or any right or obligation under this agreement to any other person or entity.

14. Notices. For purposes of this agreement, notices and other communications provided for in this agreement shall be deemed to be properly given if delivered personally or sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: _____
_____
_____

If to the Company: Data Transmission Network Corporation
9110 West Dodge Road, #200
Omaha, NE 68114
Attn: Charles R. Wood

or to such other address as either party may have furnished to the other party in writing in accordance with this paragraph. Such notices or other communications shall be effective only upon receipt.

15. Miscellaneous. No provision of this agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and is signed by the Executive and an officer of the Company (other than the Executive) so authorized by the Board of Directors of the Company. No waiver by either party to this agreement at any time of any breach by the other party of, or compliance by the other party with, any condition or provision of this agreement to be performed by the other party shall be deemed to be a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this agreement have been made by either party that are not expressly set forth in this agreement.

16. Validity. The invalidity or unenforceability of any provision or provisions of this agreement shall not affect the validity or enforceability of any other provision of this agreement, which other provision shall remain in full force and effect; nor shall the invalidity or unenforceability of a portion of any provision of this agreement affect the validity or enforceability of the balance of such provision. The provisions of this agreement are severable.

17. Counterparts. This document may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

18. Headings. The headings of the paragraphs contained in this document are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this agreement.

19. Applicable Law. This agreement shall be governed by and construed in accordance with the internal substantive laws, and not the choice of law rules, of the State of Nebraska.

20. Arbitration. In the event a dispute shall arise as to the parties' respective rights, duties and obligations under this agreement, or in the event of a claim for breach of this agreement by either party (collectively, "Dispute"), the parties agree to utilize arbitration as the exclusive means for resolution of the Dispute. With respect to any such Dispute, the arbitrator shall be selected and the arbitration conducted in accordance with the most recent Employment Dispute Resolution Rules of the American Arbitration Association. The arbitration proceeding shall be held in Omaha, Nebraska, or such other location as may be acceptable to the parties. The arbitrator shall make written findings, including any award, which shall be signed by the arbitrator. The award shall be deemed final and binding thirty (30) days after the award is made. The parties agree to abide by and perform any award rendered by the arbitrator. The arbitrator shall be bound by the provisions of this agreement in determining any award. The parties agree that the proceedings and any decision by the arbitrator, including the amount of any award, shall be kept confidential and not disclosed to any person other than the parties, witnesses and their counsel (who also must each agree to maintain the confidentiality of the proceedings and any decision). A party may enforce any award in any court of competent jurisdiction.

IN WITNESS WHEREOF, the Company and the Executive have executed this agreement on the day and year first above written.

Asset Growth Corporation, a
Delaware corporation

By: _____
Title: _____

_____
[Insert name of the Stockholder]

EXHIBIT F

STOCK REDEMPTION AGREEMENT

THIS STOCK REDEMPTION AGREEMENT, dated as of _____, 199__, is entered into between Asset Growth Corporation, a Delaware corporation (the "Company") and [Insert name of Stockholder] (the "Shareholder").

W I T N E S S E T H:

WHEREAS, the Shareholder presently owns _____ shares of the common stock of the Company and desires to agree upon certain matters relating to the ownership of the shares of such stock now or hereafter owned by the Shareholder; and

WHEREAS, the Company deems it to be in its best interests and the best interests of its shareholders to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, the parties to this Agreement agree as follows:

1. Definitions. As used in this Agreement, unless the context otherwise requires:

(a) "DTN" means Data Transmission Network Corporation, a Delaware corporation, and its successors and affiliates. The Company is a subsidiary of DTN.

(b) "Employment Agreement" means the Employment Agreement dated the same date as this Agreement between the Shareholder and the Company, as the same may be amended from time to time.

(c) "Shares" means all or any portion of the shares of the common stock of the Company now or in the future owned by the Shareholder or any interest therein acquired by a Transfer.

(d) "Termination of Employment" means the termination of the Shareholder's employment with the Company for any reason whatsoever, including but not limited to death, voluntary termination by the Shareholder, and Termination Without Cause.

(e) "Termination Without Cause" means termination of Shareholder's employment by the Company for any reason other than those referred to in Section 11 of the Employment Agreement. Termination Without Cause does not include termination of employment by the Shareholder.

(f) "Transfer" as a verb means to directly or indirectly issue, sell, transfer, assign, pledge, mortgage, create a security interest in, or in any other way encumber or dispose of Shares. "Transfer" as a noun means any issuance, sale, transfer, assignment, pledge, mortgage, creation of a security interest in, or any other encumbrance or disposition of Shares.

(g) "Trigger Event" means any event described in Section 3 or 4 which triggers the redemption of all or any portion of the Shares.

2. Restriction on Transfer of Shares. Without the prior written consent of the then holders of all of the shares of capital stock of the Company, the Shareholder shall not Transfer any Shares that he or she now or hereafter may hold or beneficially own, nor shall any of the Shares be transferable, except pursuant to or in compliance with the terms of this Agreement. Any attempt by the Shareholder to Transfer any Shares other than in compliance with the terms of this Agreement shall be null and void and of no force or effect, and the Company shall not recognize and shall give no effect to any such attempt to Transfer any Shares. The restrictions contained in this paragraph shall be applicable to all Shares acquired by the Shareholder from any source after the date of this Agreement as well as to the Shares owned or held by the Shareholder on the date of this Agreement.

3. Shareholder Election for Redemption of Shares. Upon the Shareholder's written notice to the Company of his or her election to have the Company redeem all or a portion of the Shares, subject to the limitations set forth in this Section 3, the Shareholder shall sell to the Company, and the Company shall purchase from the Shareholder, the number of shares the Shareholder elects to have redeemed as provided in such written notice. The Shares being purchased pursuant to this Section 3 are collectively referred to as the "Redemption Shares". The purchase price to be paid for the Redemption Shares shall be the Base Value Per Share determined in accordance with Section 5. The purchase price for the Redemption Shares shall be paid to the Shareholder in full in cash promptly after the purchase price has been determined as provided herein, but no later than sixty (60) days after the occurrence of the Trigger Event. The Shareholder shall deliver to the Company at such time certificates for the Redemption Shares duly endorsed for transfer and free and clear of any liens, security interests, encumbrances, or claims of any kind whatsoever. Notwithstanding the foregoing, the Shareholder may not elect to have redeemed, in the aggregate, more than one-third of the Shares prior to the first anniversary of the date of this Agreement or more than two-thirds of the Shares prior to the second anniversary of the date of this Agreement.

4. Redemption of Shares Upon Termination of Employment. Upon the Termination of Employment, the Shareholder or the Shareholder's estate shall sell to the Company, and the Company shall purchase from the Shareholder, all of the Shares. If the Termination of Employment (other than a Termination Without Cause) occurs prior to the first anniversary of the date of this Agreement, the purchase price to be paid for each of the Shares shall be one-third of the Base Value Per Share determined in accordance with Section 5. If the Termination of Employment (other than a Termination Without Cause) occurs after the first anniversary of the date of this Agreement but prior to the second anniversary of the date of this Agreement, the purchase price to be paid for each of the Shares shall be two-thirds of the Base Value Per Share determined in accordance with

Section 5. If the Termination of Employment occurs after the second anniversary of the date of this Agreement or is a Termination Without Cause, the purchase price to be paid for each of the Shares shall be the Base Value Per Share determined in accordance with Section 5. The purchase price for the Shares shall be paid to Seller in full in cash promptly after the purchase price has been determined as provided herein, but no later than sixty (60) days after the Termination of Employment occurs; and the Shareholder or the Shareholder's estate shall deliver to the Company at such time certificates for the Shares duly endorsed for transfer and free and clear of any liens, security interests, encumbrances, or claims of any kind whatsoever.

5. Base Value Per Share. For purposes of this Agreement, the "Base Value Per Share" shall be determined by reducing the EBITDA Value (as

hereinafter defined) by the long-term debt of the Company at the end of the calendar month immediately preceding the Trigger Event and dividing the result by the total number of issued and outstanding shares of capital stock of the Company. The term "EBITDA Value" shall mean the Operating Cash Flow of the Company for the twelve full calendar months immediately preceding the Trigger Event multiplied by the Cash Flow Multiple. In the event the Company has not been in operation during the entire twelve month period, the Operating Cash Flow of the Company for such period shall be annualized based upon the operations of the Company preceding the Trigger Event. The EBITDA Value shall be determined using the following meanings:

(i) "Operating Cash Flow" shall mean the average annual net earnings from operations before interest, income taxes, depreciation and amortization over a specified period.

(ii) "Cash Flow Multiple" shall mean the DTN Enterprise Value divided by the Operating Cash Flow of DTN over the eight fiscal quarters immediately preceding the Trigger Event.

(iii) "DTN Enterprise Value" shall mean the sum of (i) the average of the Market Value on the last day of each calendar month during the eight fiscal quarters of DTN immediately preceding the Trigger Event and (ii) the average of the daily long-term debt of DTN on the last day of each calendar month during the same eight fiscal quarters.

(iv) "Market Value" shall mean the most recent closing market price of DTN's capital stock as reported on NASDAQ multiplied by the total number of shares of such stock issued and outstanding.

Accounting terms used in this Section 5 without definition shall have the meanings generally ascribed to such terms in conformity with generally accepted accounting principles and otherwise using accounting procedures followed by DTN for purposes of reporting its financial performance.

6. Right to Terminate Shareholder. Nothing in this Agreement shall be construed (i) to confer upon the Shareholder the right to continue in the employment of the Company or (ii) to affect the right of the Company to terminate the Shareholder's employment at any time.

7. Legend on Certificates. Upon the execution of this Agreement, the Shareholder shall deliver to the Company the certificates for the Shares so that the Company can place a legend in substantially the following form on the reverse side of such certificates:

"The shares of stock represented hereby are subject to the terms and conditions of a Stock Redemption Agreement dated [Insert date of this Agreement], between Asset Growth Corporation and [Insert name of Shareholder] (the "Agreement") restricting the transferability of this certificate and of the shares represented hereby. A copy of the Agreement is filed with the corporate records of Asset Growth Corporation.

8. Dilution and Other Adjustments. In the event of any change in the outstanding shares of the Company by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination or exchange of shares, or other similar event that equitably requires an adjustment in the number, price, or kind of shares that have been sold pursuant hereto, then such adjustment shall be made by the Company.

9. Notices. Any notice, offer, request, instruction, or other document to be given hereunder by either party to the other shall be in writing and shall be delivered personally or sent by registered mail, if to the Company, addressed to the President of DTN at DTN's principal place of business, and if to the Shareholder, addressed to the Shareholder at his or her residence.

10. Nonassignability. The rights and obligations of the Shareholder arising under this Agreement shall not be assignable by the Shareholder. Nothing expressed or implied in this Agreement is intended to confer upon any person, other than the parties hereto, and their respective successors, heirs, legal representatives and permitted assigns, any rights, remedies, obligations, or liabilities by reason of this Agreement. In the event of the death of the Shareholder, the provisions of this Agreement shall be binding upon the personal representative of the Shareholder's estate.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the internal substantive laws, and not the choice of law rules, of the State of Nebraska. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement.

12. Entire Agreement. This document contains the entire agreement between the parties hereto with respect to the matters contained herein. This Agreement may not be changed orally but only by a written instrument signed by both the Company and the Shareholder. The headings of the paragraphs in this Agreement are solely for convenient reference.

13. Waivers. The waiver by the Company of any provision of this Agreement shall not operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed in its corporate name, and the Shareholder has hereunto affixed his or her signature, all as of the day and year first above written.

Asset Growth Corporation

By:_____
Title: _____

_____
[Insert name of Stockholder]

AGREEMENT AND PLAN OF MERGER

AMONG

WEATHER SERVICES CORPORATION,

DATA TRANSMISSION NETWORK CORPORATION

and

ABRY BROADCAST PARTNERS II, L.P.

DATED

November 12, 1998

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is entered into on November 12, 1998 by and among Weather Services Corporation, a Massachusetts corporation ("WSC"), Data Transmission Network Corporation, a Delaware corporation ("DTN"), on behalf of itself and a subsidiary to be formed by it pursuant to Section 1A below, and ABRY Broadcast Partners II, L.P., a Delaware limited partnership ("ABRY").

WHEREAS, WSC is engaged in the business of compiling, marketing and distributing meteorological information for the purpose of weather forecasting (the "WSC Business"); and

WHEREAS, DTN desires to acquire the capital stock of WSC by means of a merger; and

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

THE MERGER

1A. Formation of Merger Sub. On or prior to November 18, 1998, DTN will form a wholly-owned Subsidiary which will be a Massachusetts corporation. Such Subsidiary will be the "Merger Sub" referred to in this Agreement. DTN will cause such Subsidiary to become a party to this Agreement by executing and delivering to WSC a counterpart thereof.

1B. General. Upon and subject to the terms and conditions stated in this Agreement, on the Closing Date, effective as of the Effective Time, the Merger Sub will merge with and into WSC in accordance with the terms and conditions of this Agreement. WSC will be the corporation which survives such merger (the "Merger") and in such capacity is sometimes referred to in this Agreement as "Post-Merger WSC."

1C. Effect on WSC Share Equivalents. Immediately after the Closing, subject to the terms and conditions of this Agreement (1) the Merger will be effected by filing Articles of Merger with the Secretary of the State of Massachusetts; (2) each WSC Share Equivalent outstanding at the Effective Time, by said occurrence and with no further action on the part of the holder thereof, will be transformed and converted into the right to receive the Merger Consideration for such WSC Share Equivalent, without interest or any similar

payment thereon or with respect thereto, upon surrender of the certificate representing such WSC Share Equivalent; (3) each share of common stock of the Merger Sub outstanding immediately prior to the Effective Time will, by said occurrence and with no further action on the part of the holder thereof, be transformed and converted into one share of common stock of Post-Merger WSC, so that immediately thereafter DTN will be the sole and exclusive owner of all equity securities of Post-Merger WSC; and (4) Post-Merger WSC will be the owner

of the business, assets, rights, privileges, immunities, powers, franchises and other attributes of WSC and the Merger Sub.

1D. Certificate of Incorporation. Immediately after the Effective Time, the certificate of incorporation of Post-Merger WSC will be the certificate of incorporation of the Merger Sub as in effect immediately prior to the Effective Time.

1E. Bylaws. Immediately after the Effective Time, the bylaws of Post-Merger WSC will be the bylaws of the Merger Sub as in effect immediately prior to the Effective Time.

1F. Board of Directors and Officers. The board of directors and officers of the Merger Sub immediately prior to the Effective Time will be the board of directors and the officers, respectively, of Post-Merger WSC immediately after the Effective Time, and such individuals will serve in such positions for the respective terms in accordance with the bylaws of Post-Merger WSC until their respective successors are elected and qualified.

1G. Name. The name of Post-Merger WSC will be designated by DTN.

1H. Exchange Procedures. At or after the Closing, each holder of record of WSC Share Equivalents will deliver to Post-Merger WSC for cancellation the certificate(s) representing such WSC Share Equivalents (the "Old WSC Certificates"). Upon surrender of any Old WSC Certificate for cancellation, subject to the provisions of this Agreement, (a) the holder of such Old WSC Certificate will receive in exchange therefor the Merger Consideration for the WSC Share Equivalents represented by such Old WSC Certificate, and (b) such Old WSC Certificate will be canceled. Until surrendered as contemplated by this Section 1H, each Old WSC Certificate will, at and after the Effective Time, be deemed to represent only the right to receive, upon surrender of such Old WSC Certificate, the Merger Consideration for the WSC Share Equivalents represented by such Old WSC Certificate. Each share of common stock of the Merger Sub issued and outstanding immediately prior to the Effective Time shall continue to be one share of common stock of the surviving corporation, with the same rights, powers and privileges as such share of common stock of the Merger Sub immediately prior to the Effective Time.

1I. No Further Rights; Transfer of WSC Stock. The Merger Consideration

paid for any WSC Share Equivalent in accordance with the terms of this Agreement will be deemed to have been paid in full satisfaction of all rights pertaining to such WSC Share Equivalent. At the Effective Time, the stock transfer books of WSC will be closed and no transfer of WSC Share Equivalents will thereafter be made.

ARTICLE II

MERGER CONSIDERATION AND CLOSING

2A. Merger Consideration.

(1) Amount for all WSC Share Equivalents in the Aggregate. Subject to the terms and conditions of this Agreement, the "Merger Consideration" for

all WSC Share Equivalents shall be warrants (the "DTN Warrants") representing the right to purchase twenty thousand (20,000) shares of common stock of DTN in the aggregate at a price of $34 per share in accordance with the terms and conditions of one or more Common Stock Purchase Warrant certificates substantially in the form attached as Exhibit 2A hereto, which will be issued solely to accredited investors (as that term is defined in the rules promulgated pursuant to the Securities Act of 1933, as amended). The DTN Warrants will be issued on the Closing Date and will expire on the seventh anniversary of the Closing Date.

(2) Amount for any Particular WSC Share Equivalent. With respect to any particular WSC Share Equivalent, the "Merger Consideration" means the portion of the aggregate Merger Consideration for all WSC Share Equivalents which is equal to the amount that the holder of such WSC Share Equivalent would receive in respect of such WSC Share Equivalent if:

(a) all WSC Rights (other than WSC's Series C Preferred Stock) outstanding immediately prior to the Effective Time were converted into or exercised or exchanged for WSC Shares to the fullest extent permitted by the terms of such WSC Rights, immediately prior to the Effective Time, and

(b) WSC thereafter distributed to the holders of the WSC Shares outstanding immediately prior to the Effective Time (after giving effect to the conversions, exercises and exchanges referred to in clause (a) above), in accordance with the provisions of its articles of organization, an amount equal to the aggregate Merger Consideration for the WSC Share Equivalents,

reduced, in the case of any WSC Right, by the exercise price (if any) payable upon the exercise of such WSC Right as described in clause (a) above. For purposes of this Section 2A(2), each DTN Warrant will be deemed

to have a value of $1.00.

2B. Deliveries at the Closing. All actions on the Closing Date will be deemed to occur simultaneously, and no document or payment to be delivered or made on the Closing Date will be deemed to be delivered or made until all such documents and payments are delivered or made to the reasonable satisfaction of WSC, the Merger Sub and their respective legal counsel.

2C. Closing. Subject to the conditions contained in this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") will occur at the offices of Kirkland & Ellis, in New York, New York, at 10:00 a.m. on the first business day after all conditions precedent set forth in this Agreement have been satisfied or at such other time and/or place as the parties shall agree, but in no event later than December 11, 1998 (the "Closing Date").

2D. Other Closing Transactions. At the Closing, Post-Merger WSC will pay in full all principal and interest owing under the Loan Agreements as of the Closing Date and all accrued management fees under the Management Agreement as of the Commencement Time and expense reimbursements owed to ABRY as of the Closing Date, after giving effect to the forgiveness and annulment described in the following sentence. At the Closing, the Management Agreement will be terminated and all other liabilities of WSC to ABRY will be forgiven and

annulled, to the extent that the existence of such liabilities would cause the net book deficit of WSC, as defined in Section 3W, to be greater than $3,000,000. In addition, at the Closing, Post-Merger WSC will pay to Peter R. Leavitt the sum of $102,105 and to Michael S. Leavitt the sum of $42,292, representing the full amount of all salaries, severance or reimbursement for expenses accrued or owing to Peter R. Leavitt and Michael S. Leavitt, respectively. DTN will cause Post-Merger WSC to pay all of the foregoing amounts at the Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF WSC

In order to induce DTN to enter into this Agreement, WSC represents and warrants to DTN and to the Merger Sub that, except as set forth on the attached Exceptions Schedule:

3A. Existence and Good Standing. WSC is a corporation duly organized, validly existing and, where applicable, in good standing under the laws of the Commonwealth of Massachusetts. WSC has the power and authority to own, lease and operate its property and to carry on its business as now being conducted and to own or lease the assets owned or leased by it. WSC is duly qualified or licensed, or otherwise in good standing, to do business in each jurisdiction in

which it owns or leases properties, conducts operations or maintains a stock of goods, with full power and authority to carry on the business in which it is engaged and to execute and deliver and carry out the transactions contemplated by this Agreement.

3B. Corporate Power; Authorization; Enforceable Obligations. Subject to obtaining requisite approval of its stockholders (which approval will be obtained prior to the Closing), WSC has, and on the Closing Date will have, the corporate power, authority and legal right to execute, deliver and perform this Agreement, and on the Closing Date the execution, delivery and performance of this Agreement by WSC will have been duly authorized by all necessary corporate and shareholder action. This Agreement has been, and on the Closing Date the WSC Closing Documents to which WSC will be a party will be, duly executed and delivered on behalf of WSC by its duly authorized officers or representatives or attorney-in-fact, and this Agreement constitutes, and on the Closing Date the WSC Closing Documents to which WSC will be a party when executed and delivered will constitute, the legal, valid and binding obligations of WSC, enforceable against WSC in accordance with their respective terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or similar laws affecting the rights of creditors generally and the availability of equitable remedies.

3C. No Defaults. On the Closing Date (after giving effect to all approvals and consents which have been obtained) neither the execution and delivery by WSC of this Agreement, nor the consummation by WSC of the Merger or the other transactions contemplated by this Agreement to be consummated by WSC, requires any consent under, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, or will result in the creation of any Lien (other than any Permitted Encumbrance) under, any of the terms, conditions, or provisions of any law, rule or regulation of any governmental authority, or any agreement,

instrument, license or permit, or of any order, writ, injunction or decree to which WSC is subject, or of the certificate of incorporation or bylaws of WSC.

3D. Litigation. On the date of this Agreement, there is no litigation pending by or against, or to the knowledge of WSC threatened against, WSC which interferes in a material respect with, or could reasonably be expected to interfere in a material respect with, (a) the WSC Business as presently conducted or (b) the ability of WSC or the WSC Stockholders to carry out the transactions contemplated to be carried out by them pursuant to this Agreement, and at the Commencement Time, no such pending or threatened litigation will have or will reasonably be expected to have such effect.

3E. Brokers. There is no broker or finder or other Person who would have any valid claim against WSC for a commission or brokerage fee in connection with

this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of, or action taken by, WSC, the Merger Sub or any Affiliate of any of them.

3F. Capital Stock and Related Matters. As of the Closing, WSC shall not have outstanding any securities convertible or exchangeable for any shares of its capital stock, nor shall it have outstanding any rights or options to subscribe for or to purchase its capital stock or any stock or securities convertible into or exchangeable for its capital stock. As of the Closing, WSC shall not be subject to any obligation (contingent or otherwise) 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. As of the Closing, all of the outstanding shares of WSC's capital stock shall be validly issued, fully paid and nonassessable.

3G. Subsidiaries; Investments. WSC does not own or hold any rights to acquire any shares of stock or any other security, interest or investment in any other Person, and WSC has never had any Subsidiary.

3H. Financial Statements. Attached hereto as Exhibit 3H are the following financial statements:

(i) the balance sheet of WSC as of December 31, 1997 and the related statements of income and cash flows for the twelve-month period then ended, reviewed by its independent accounting advisors, Price Waterhouse Coopers; and

(ii) the unaudited balance sheet of WSC as of September 30, 1998 (the "Latest Balance Sheet"), for the nine-month period then ended.

Each of the foregoing financial statements (including in all cases the notes thereto, if any) was accurate and complete in all material respects as of the date thereof, is consistent with the books and records of WSC (which, in turn, are accurate and complete) and has been prepared in accordance with generally accepted accounting principles, consistently applied ("GAAP") (except, in the case of the Latest Balance Sheet, for the absence of footnotes and year-end adjustments).

3I. Accounts Receivable. The uncollected accounts receivable of WSC arising from the WSC Business prior to the Commencement Time (the "Accounts Receivable") will be valid and genuine and will have arisen solely out of bona fide sales and deliveries of goods, the performance of services and other business transactions in the ordinary course of business consistent with past practice. The Accounts Receivable will not be subject to valid defenses, set-offs or counterclaims and will be collectible during the period ending eleven months after the Closing Date at the full recorded amount thereof.

3J. No Material Adverse Change. Since the date of the Latest Balance Sheet, there has been no change or event which has had a Material Adverse Effect.

3K. Absence of Certain Developments.

(i) Except as expressly contemplated by this Agreement, since the date of the Latest Balance Sheet, WSC has not:

(a) declared or made any payment or distribution of cash or other property to its stockholders with respect to its capital stock or other equity securities or purchased or redeemed any shares of its capital stock or other equity securities;

(b) sold, assigned or transferred any of its material assets, except in the ordinary course of business, or canceled any debts or claims;

(c) sold, assigned or transferred any material Intellectual Property Rights;

(d) suffered any extraordinary losses or waived any rights of value;

(e) made capital expenditures or commitments therefor that aggregate in excess of $100,000;

(f) made any charitable contributions or pledges in excess of $2,000 in the aggregate; or

(g) suffered any damage, destruction or casualty loss exceeding in the aggregate $100,000, whether or not covered by insurance.

(ii) WSC has not at any time made any payments for political contributions or made any bribes, kickback payments or other illegal payments.

3L. Assets. WSC has good and marketable title to, or a valid leasehold interest in, the material properties and assets used by it, located on its premises or shown on the Latest Balance Sheet or acquired thereafter, free and clear of all consensual Liens, except for properties and assets disposed of in the ordinary course of business since the date of the Latest Balance Sheet and except for Liens disclosed on the Latest Balance Sheet (including any notes thereto). WSC's buildings, equipment and other material tangible assets are fit

for use in the ordinary course of business. WSC owns, or has a valid leasehold interest in, all assets necessary for the conduct of its respective businesses as presently conducted and as presently proposed by WSC to be conducted.

3M. Tax Matters.

(1) WSC has filed all material tax returns which it is required to file under applicable laws and regulations; all such tax returns are complete and correct in all material respects; WSC has not waived any statute of limitations with respect to any taxes or agreed to any extension of time with respect to any tax assessment or deficiency; the federal income tax returns of WSC have been audited and closed for all tax years through December 31, 1992; WSC has received no notice and does not have reason to believe that any foreign, federal, state or local tax audits or administrative or judicial proceedings are pending or are being conducted with respect to WSC, no information related to tax matters has been requested by any foreign, federal, state or local taxing authority and no written notice indicating an intent to open an audit or other review has been received by WSC from any foreign, federal, state or local taxing authority; and there are no material unresolved questions or claims concerning WSC's tax liability with any foreign, federal, state or local taxing authority.

(ii) WSC has not made an election under ss.341(f) of the Internal Revenue Code of 1986, as amended (the "Code"). WSC is not liable for the Taxes of another Person under (a) Treas. Reg. ss. 1.1502-6 (or comparable provisions of state, local or foreign law), (b) as a transferee or successor, (c) by contract or indemnity or (d) otherwise. WSC is not a party to any tax sharing agreement. WSC has not made any payments, is obligated to make payments or is a party to an agreement that could obligate it to make any payments that would not be deductible under Code ss.280G.

3N. Contracts and Commitments.

(ii) The attached Exceptions Schedule lists all material contracts to which WSC is a party.

(ii) To WSC's knowledge, all of the contracts, agreements and instruments listed on the Exceptions Schedule are valid, binding and enforceable in accordance with their respective terms. Except as would not have a Material Adverse Effect: (a) WSC has performed all obligations required to be performed by it under the contracts, agreements and instruments listed on the Exceptions Schedule and is not in default under or in breach of nor in receipt of any claim of default or breach under any contract, agreement or instrument listed on the Exceptions Schedule; (b) no event has occurred which with the passage of time or the giving of notice or both would result in a default, breach or event of noncompliance by WSC under any contract, agreement or instrument listed on the Exceptions Schedule; (c) WSC does not have any present expectation or intention of not fully performing all such obligations; and (d) WSC does not have knowledge of any breach or anticipated breach by the other parties to any contract, agreement, instrument or commitment listed on the Exceptions Schedule.

(iii) DTN's special counsel has been supplied with or has had access to a true and correct copy of each of the written instruments, plans, contracts and agreements and an accurate description of each of the oral arrangements, contracts and agreements which are referred to on the Exceptions Schedule, together with all amendments, waivers or other changes thereto.

3O. Intellectual Property Rights.

(i) WSC owns all right, title and interest to, or has the right to use pursuant to a valid license, all Intellectual Property Rights necessary for the operation of the business of WSC as presently conducted and as presently proposed to be conducted (the "Required Intellectual Property"), free and clear of all consensual Liens. Since the date of the Latest Balance Sheet, the loss or expiration of any Intellectual Property Right or related group of Intellectual Property Rights owned or used by WSC has not had a Material Adverse Effect, and no such loss or expiration is, to WSC's knowledge, threatened or pending. WSC has taken all reasonably necessary and desirable actions to maintain and protect the Intellectual Property Rights which it owns.

(ii) There have been no claims made against WSC asserting the invalidity, misuse or unenforceability of any Required Intellectual Property, and, to WSC's knowledge, there are no grounds for the same. WSC has not received any notices of, and is not aware of any facts which indicate a likelihood of, any infringement or misappropriation by, or conflict with, any third party with respect to Required Intellectual Property (including, without limitation, any demand or request that WSC license any rights from a third party), the conduct of WSC's business has not infringed, misappropriated or conflicted with and does not infringe, misappropriate or conflict with any Intellectual Property Rights of other Persons, nor would any future conduct as presently contemplated infringe, misappropriate or conflict with any Intellectual Property Rights of other Persons, in each case to the extent that the results of such conduct would cause a Material Adverse Effect. To WSC's knowledge, the Intellectual Property Rights owned by or licensed to WSC have not been infringed, misappropriated or conflicted by other Persons. The transactions contemplated by this Agreement shall have no adverse effect on WSC's right, title and interest in and to the Required Intellectual Property.

(iii) The Exceptions Schedule lists all patents, trademarks, service marks, trade names, and copyrights used in the WSC Business that are registered by WSC or for which applications for registration are pending.

3P. Insurance. WSC is not in default with respect to its obligations under any insurance policy maintained by it.

3Q. Employees. WSC has complied with all laws relating to the employment of labor (including, without limitation, provisions thereof relating to wages, hours, equal opportunity, collective bargaining and the payment of social security and other taxes), and WSC is not aware that it has any labor relations problems (including, without limitation, any union organization activities, threatened or actual strikes or work stoppages or grievances). Neither WSC nor,

to WSC's knowledge, any of its employees is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar agreements relating to, affecting or in conflict with the present or proposed business activities of WSC, except for agreements between WSC and its present and former employees. WSC has not employed more than one-hundred (100) employees on a full-time basis at any given time since March 1, 1998.

3R. Compliance with Laws. WSC has not violated any law or any governmental regulation or requirement which violation has had or would have a Material Adverse Effect, and WSC has not received notice of any such violation. WSC is not subject to, nor has reason to believe it may become subject to, any liability (contingent or otherwise) or corrective or remedial obligation arising under any Environmental and Safety Requirements which has had or would reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, (i) WSC has obtained all permits, licenses and authorizations required under, and have complied with, all Environmental and Safety Requirements, (ii) no notice has been received by WSC regarding any violation of, or any claim, liability or corrective or remedial obligation under, any Environmental and Safety Requirements and (iii) no facts or circumstances exist with respect to the past or present operations or facilities of WSC which would give rise to a liability or corrective or remedial obligation under any Environmental and Safety Requirements.

3S. Employee Benefits.

(1) The Exceptions Schedule contains an accurate and complete list of (a) each "employee benefit plan" (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) maintained by WSC and (b) each other retirement, savings, thrift, deferred compensation, severance, stock ownership, stock purchase, stock option, performance, bonus, incentive, fringe benefit, hospitalization or other medical, disability, life or other insurance, and any other welfare benefit maintained by WSC for the benefit of any present or former employee, officer or director of WSC, other than any such plan which is solely discretionary. Each such item listed on the Exceptions

Schedule is referred to herein as a "Benefit Plan." None of the Benefit Plans is a defined benefit pension plan or a Multi-employer plan.

(2) Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a determination from the Internal Revenue Service that such Benefit Plan is qualified under Section 401(a) of the Code, and nothing has occurred since the date of such determination that could adversely affect the qualification of such Benefit Plan.

(3) Except as would not have a Material Adverse Effect: (a) each Benefit Plan has been maintained, funded and administered in compliance with its respective terms and in compliance in all material respects with all applicable laws and regulations, including ERISA and the Code; and (b) there are no pending or threatened actions, suits, investigations or claims with respect to any Benefit Plan (other than routine claims for benefits) which could result in liability to WSC (whether direct or indirect). WSC has complied with the health care continuation requirements of Part 6 of Title I of ERISA.

3T. Books of Account. The books, records and accounts of WSC maintained with respect to the WSC Business accurately and fairly reflect, in all material respects, the transactions and the assets and liabilities of WSC with respect to the WSC Business. WSC has not engaged in any material transaction with respect to its business operations, maintained any bank account for the WSC Business or used any of the funds of WSC in the conduct of the WSC Business except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the WSC Business.

3U. Software. Any software used by WSC in the conduct of the WSC Business and not licensed from third parties has been developed entirely by the employees of WSC during the time they were employees only of WSC and does not include any inventions of the employees made prior to the time such employees became employees of WSC nor any intellectual property of any previous employer of such employee. With respect to any software used by WSC in the conduct of the WSC Business and licensed by WSC for such use from third parties, WSC is in material compliance with obligations arising under all related licensing agreements with such third parties.

3V. Director Action. The Board of Directors of WSC (at a meeting duly called and held or otherwise by valid consent) has by the requisite vote of all directors present (a) determined that the Merger is advisable and in the best interests of WSC and the WSC Stockholders, (b) approved this Agreement and the

transactions contemplated hereby, and (c) directed that the Merger be submitted for consideration by the WSC Stockholders.

3W. Net Book Deficit. As of the Commencement Time, the "net book deficit" of WSC will not be greater than $3,000,000; provided that the "net book deficit" of WSC at any time means the amount by which WSC's total liabilities at such time exceeds the amount of WSC's total assets at such time, in each case, as determined in accordance with GAAP (except for the absence of year-end adjustments). For purposes of determining the net book deficit, all Accounts Receivable will be valued at their respective face amounts, without allowance for uncollectible or doubtful accounts. In the event that the net book deficit is greater than $3,000,000 at the Commencement Time, the amount that Post-Merger WSC will pay to ABRY at Closing pursuant to Section 2D will be reduced in an amount equal to the amount by which the net book deficit exceeds $3,000,000.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF ABRY

In order to induce DTN to enter into this Agreement, ABRY represents and warrants to DTN and to the Merger Sub as follows:

4A. Existence and Good Standing. ABRY is a limited partnership duly organized, validly existing and, where applicable, in good standing under the laws of the State of Delaware. ABRY has the power and authority to own, lease and operate its property and to carry on its business as now being conducted and to own or lease the assets owned or leased by it. ABRY is duly qualified or licensed, or otherwise in good standing, to do business in each jurisdiction in

which it owns or leases properties, conducts operations or maintains a stock of goods, with full power and authority to carry on the business in which it is engaged and to execute and deliver and carry out the transactions contemplated by this Agreement.

4B. Limited Partnership Power; Authorization; Enforceable Obligations. ABRY has the power, authority and legal right to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by ABRY has been duly authorized by all necessary action by the limited partnership and its partners. This Agreement has been duly executed and delivered on behalf of ABRY by its duly authorized officers or representatives or attorney-in-fact, and this Agreement constitutes the legal, valid and binding obligations of ABRY, enforceable against it in accordance with its terms, subject to the effect of

applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or similar laws affecting the rights of creditors generally and the availability of equitable remedies.

4C. No Defaults. On the Closing Date (after giving effect to all approvals and consents which have been obtained) neither the execution and delivery by ABRY of this Agreement, nor the consummation by ABRY of the Merger or the other transactions contemplated by this Agreement to be consummated by ABRY, requires any consent under, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, or will result in the creation of any Lien (other than any Permitted Encumbrance) under, any of the terms, conditions, or provisions of any law, rule or regulation of any governmental authority, or any agreement, instrument, license or permit, or of any order, writ, injunction or decree to which ABRY is subject, or of the certificate of partnership or the partnership agreement of ABRY.

4D. Litigation. On the date of this Agreement, there is no litigation pending by or against, or to the knowledge of ABRY threatened against, ABRY which interferes in a material respect with, or could reasonably be expected to interfere in a material respect with, (a) the WSC Business as presently conducted or (b) the ability of WSC to carry out the transactions contemplated to be carried out by them pursuant to this Agreement, and at the Commencement Time, no such pending or threatened litigation will have or will reasonably be expected have such effect.

4E. Brokers. There is no broker or finder or other Person who would have any valid claim against WSC for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of, or action taken by, WSC, the Merger Sub or any Affiliate of any of them.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF DTN AND THE MERGER SUB

DTN and the Merger Sub, jointly and severally, represent and warrant as follows:

5A. Incorporation. DTN is a corporation duly organized, validly existing,

and in good standing (or has comparable active status) under the laws of the State of Delaware, and DTN has the corporate power and authority to enter into and consummate the transactions contemplated by this Agreement. From and after the time it is formed, the Merger Sub will be a corporation duly organized, validly existing, and in good standing (or has comparable active status) under the laws of the Commonwealth of Massachusetts and will have the corporate power and authority to enter into and consummate the transactions contemplated to be consummated by this Agreement.

5B. Corporate Action. Each action necessary to be taken by or on the part of either DTN or the Merger Sub in connection with the execution and delivery of this Agreement and the consummation of transactions contemplated hereby and necessary to make the same effective will be duly and validly taken by, and be effective at, the time by which such action is required to be taken. This Agreement has been duly and validly authorized, executed, and delivered by each of DTN and the Merger Sub and constitutes a valid and binding agreement, enforceable against each of them in accordance with and subject to its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or similar laws affecting the rights of creditors generally and the availability of equitable remedies.

5C. No Defaults. On the Closing Date (after giving effect to all approvals and consents which have been obtained), neither the execution and delivery by DTN or the Merger Sub of this Agreement, nor the consummation by DTN or the Merger Sub of the Merger and the other transactions contemplated by this Agreement, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any law, rule or regulation of any governmental authority, or any license or permit, or of any order, writ, injunction or decree to which DTN or the Merger Sub is subject, or of DTN's or the Merger Sub's certificate of incorporation or by-laws or similar organizational documents, or of any material contract, agreement, or instrument to which DTN or the Merger Sub is a party or by which DTN or the Merger Sub is bound.

5D. Brokers. There is no broker or finder or other Person what would have any valid claim against DTN or against the Merger Sub for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of, or action taken by, DTN, the Merger Sub or any Affiliate of any of them.

5E. Litigation. On the date of this Agreement, there is no litigation pending by or against, or to DTN's or the Merger Sub's knowledge threatened against, DTN or the Merger Sub which interferes in a material respect with, or could reasonably be expected to interfere in a material respect with the ability of DTN or of the Merger Sub to carry out the transactions contemplated to be

carried out by them pursuant to this Agreement and at the Commencement Time, no such pending or threatened litigation will have or will reasonably be expected to have such effect.

5F. Collection of Accounts Receivable. Following the Commencement Time, DTN and the Merger Sub shall use their respective best efforts to collect any and all Accounts Receivable provided that DTN and Post-Merger WSC will not be required to use greater efforts than those employed by WSC prior to the Commencement Time. All collections from any Person who is a debtor with respect to an Account Receivable will be applied in the chronological order of the respective due dates of the amounts owing by such Person to WSC, DTN and Post-Merger WSC (i.e., to the oldest unpaid amount first), unless such Person indicates in writing that a payment is to be applied in another, specified manner (in which case such payment will be applied in the manner specified). From the Commencement Time and through the eleven months after the Closing Date, none of DTN, Post-Merger WSC or ABRY will directly or indirectly encourage any such debtor to specify that any payment by such debtor to any of them be applied in any manner other than in the chronological manner described above. In the event that DTN or Post-Merger WSC makes a claim for indemnification under Section 12F arising out of a breach of a representation or warranty set forth in Section 3I, to the extent that any Accounts Receivable remain uncollected after eleven months following the Closing Date, DTN and the Merger Sub will assign to ABRY (for the benefit of the WSC Stockholders) the right to collect all such uncollected Accounts Receivable and to exercise all rights and remedies in connection thereto. DTN and the Merger Sub promptly will turn over to ABRY the proceeds of all collections in respect of the Accounts Receivable received after such eleven-month period, and the net proceeds of such collections received by ABRY will constitute additional Merger Consideration.

ARTICLE VI

COVENANTS OF WSC AND ABRY

6A. Maintenance of WSC Business until the Commencement Time

(1) Operation in Ordinary Course . Until the Commencement Time, WSC will use reasonable efforts to (a) continue to carry on the WSC Business, keep the books of account, records, and files of WSC, and realize upon the Accounts Receivable of WSC, in the ordinary and usual course, in a manner which is consistent with its past practices, and (b) timely file (taking into account any extensions of which WSC or any of its Subsidiaries may avail itself) federal, state, local and foreign Tax Returns and Tax reports required to be filed by WSC or any of its Affiliates.

(2) Access Generally. From time to time at the request of DTN, WSC will give or cause to be given to the officers, employees, accountants, counsel, and representatives of DTN:

(a) access (in the presence of any representative designated by

WSC, at WSC's option), upon reasonable prior notice, during normal business hours, to all facilities, property, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts,

commitments, records, equipment, machinery, fixtures, furniture, vehicles, accounts payable and receivable, and inventories of WSC (but, in any event, not personnel, unless WSC otherwise consents) related to the WSC Business; and

(b) all such other information in WSC's and its Affiliates' possession concerning the WSC Business as DTN may reasonably request, in each case at DTN's expense; provided that the foregoing does not disrupt or interfere with the business and operations of WSC in any material respect.

6B. Confidential Information. If for any reason the transactions contemplated in this Agreement are not consummated, WSC will not use or disclose to any Person (except to its agents, representatives and advisors, to its lenders and security holders and their respective agents, representatives and advisors, or as may be required by any applicable law) any confidential information received from DTN or any of their respective agents, representatives and advisors (each a "disclosing party" for purposes of this Section 6B) in the course of investigating, negotiating, and completing the transactions contemplated by this Agreement.

6C. Efforts to Consummate. Subject to the provisions of this Agreement, WSC and ABRY will each use reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the conditions set forth in Articles VIII and IX to be fulfilled and cause the Merger and the other transactions contemplated by this Agreement in connection with the Merger to be fully carried out. In addition, promptly after WSC (prior to the Commencement Time) or ABRY (prior to the Closing) becomes aware of any fact of circumstance which constitutes or would constitute a breach of any representation or warranty of WSC, DTN, ABRY or the Merger Sub set forth in this Agreement, WSC or ABRY will give DTN notice thereof.

6D. Non-Solicitation. From the date of this Agreement until the Closing or the earlier termination of this Agreement, ABRY will not, and will not cause (and will use reasonable efforts not to permit) any of its Subsidiaries, Affiliates, directors, officers, employees, representatives or agents to, directly or indirectly solicit, or initiate, entertain or enter into any discussions or transactions with, or encourage or provide any information to, any Person (other than any Person described in Section 6B), concerning any sale of any of the assets of WSC or of its Affiliates or any merger, stock acquisition or similar transaction involving WSC or its Affiliates; provided that nothing in this Section 6D will prohibit ABRY from furnishing, or causing

or permitting any other Person to furnish, information concerning WSC or its Affiliates to any governmental authority or court of competent jurisdiction or any other Person as may be required by law.

6E. Non-Competition. ABRY covenants and agrees, as an inducement to DTN to enter into this Agreement and to consummate the transactions contemplated herein, that for a period of three years following the Closing Date neither ABRY nor any Affiliate of ABRY (for so long but only for so long as it remains an Affiliate of ABRY) will, directly or indirectly, carry on or participate in the ownership, management or control of, or license Intellectual Property to be used in a manner competitive with the WSC Business by, any business enterprise that competes anywhere in the world with the WSC Business as it is being conducted on the Closing Date; provided that this Section 6E will not prohibit ABRY or any

Affiliate of ABRY from owning less than 10% of the common stock of any publicly-traded company or from owning any interest in, managing, controlling or participating in the management or control of, or licensing any Intellectual Property to, any business enterprise that so competes but the primary business of which is not the WSC Business.

6F. Confidentiality. After the Closing, ABRY shall continue to maintain the confidentiality of all information, documents and materials relating to the WSC Business which remain in ABRY's possession, except to the extent disclosure of any such information is (a) required by law, (b) authorized by DTN or (c) reasonably occurs in connection with disputes over, or arising under, the terms of this Agreement. In the event that ABRY reasonably believes after consultation with counsel that it is required by law to disclose any confidential information described in this Section 6F, ABRY will (a) provide DTN with prompt notice before such disclosure in order that DTN may attempt to obtain a protective order or other assurance that confidential treatment will be accorded such confidential information and (b) cooperate with DTN in attempting to obtain such order or assurance. The provisions of this Section 6F shall not apply to any information, documents or materials which are, as shown by appropriate written evidence, in the public domain or, as shown by appropriate written evidence, shall come into the public domain, other than by ABRY or its Affiliates.

ARTICLE VII

COVENANTS OF DTN AND THE MERGER SUB

7A. Confidential Information. If for any reason the transactions contemplated in this Agreement are not consummated, each of DTN and the Merger Sub will not use or disclose to any Person (except to its agents, representatives and advisors, to its lenders and their respective agents, representatives and advisors, or as may be required by any applicable law) any confidential information received from WSC, any of its Affiliates, or any of

their respective agents, representatives and advisors (each a "disclosing party" for purposes of this Section 7A) in the course of investigating, negotiating, and completing the transactions contemplated by this Agreement.

7B. Efforts to Consummate. Subject to the provisions of this Agreement, each of DTN and the Merger Sub will use reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the conditions set forth in Articles VIII and IX to be fulfilled and cause the Merger and the transactions contemplated by this Agreement in connection with the Merger to be fully carried out. In addition, promptly after DTN or the Merger Sub becomes aware prior to the Closing of any fact or circumstance which constitutes or would constitute a breach of any representation or warranty of DTN, the Merger Sub, WSC or ABRY set forth in this Agreement, DTN will give ABRY notice thereof.

7C. Continued Employment. WSC or the Merger Sub, in its capacity as Post-Merger WSC after the Effective Time, will pay to each Person who is a common law employee of WSC at the Commencement Time and to whom it does not offer continued employment after the Closing Date at the same rate of base pay

and the other terms and conditions applicable to such employment at such time, severance compensation in the form of a payment equal to one (1) week's base pay, and DTN and the Merger Sub agree to indemnify and hold harmless the WSC Stockholders and the present and former officers, directors, employees and agents of each of the WSC Stockholders and their respective Affiliates in respect of any loss, liability, cost, damage, claim or expense which may be incurred by or asserted against any of them arising out of or relating to any failure or refusal to so employ any such Person (including any change in any term or condition of such employment), or the termination of the employment of any such Person, at or after the Closing Date. Without limiting the foregoing indemnity, it is acknowledged that such employees will continue to be at-will employees, and the respective employers may terminate their employment or change their terms of employment at will, and/or WSC, Post-Merger WSC or their respective Affiliates may cover such employees under existing or new benefit plans, programs, and arrangements, and may amend or terminate the terms of any such plans, programs, or arrangements at any time (in each case, without reducing the indemnity obligation set forth in the preceding sentence). No employee or beneficiary of WSC, Post-Merger WSC or their respective Affiliates may sue to enforce the terms of this Agreement, including specifically this Section 7C, and no such employee or beneficiary shall be treated as a third party beneficiary of this Agreement.

ARTICLE VIII

CONDITIONS TO THE OBLIGATIONS OF WSC AND WSC STOCKHOLDERS AT THE CLOSING

The obligation of WSC and to the WSC Stockholders to consummate the Merger is, at WSC's and the WSC Stockholders' option, subject to the fulfillment of the following conditions at the time of the Closing:

8A. Representations, Warranties, Covenants.

(1) Each of the representations and warranties of DTN and the Merger Sub set forth in Article V, considered without regard to any materiality qualifiers contained therein, will be deemed to be made again at and as of the time of the Closing, and taken as a whole such representations and warranties, as so remade, will be true and accurate in all material respects, except to the extent of deviations therefrom permitted or contemplated by this Agreement; and

(2) each of DTN and the Merger Sub will in all material respects have performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or at the time of the Closing, taken as a whole (other than the delivery of the Merger Consideration for the WSC Share Equivalents and the payments described in Section 2D).

8B. Sufficient Funds to Satisfy Obligations. WSC will have received evidence which is reasonably satisfactory to WSC to the effect that the Merger Sub will have the funds described in Section 2D.

8C. DTN Legal Opinion. WSC and ABRY shall have received an opinion from Abrahams, Kaslow, & Cassman (or another firm reasonably acceptable to WSC and ABRY), counsel to DTN and the Merger Sub, dated the Closing Date, substantially in the form of the attached Exhibit 8C and otherwise reasonably satisfactory to WSC and ABRY.

8D. Other. The Merger will have been approved by the requisite members of the board of directors and stockholders of the Merger Sub.

ARTICLE IX

CONDITIONS TO THE OBLIGATIONS OF DTN AND THE MERGER SUB AT THE CLOSING

The obligations of the Merger Sub to pay the Merger Consideration for the WSC Share Equivalents and consummate the Merger on the Closing Date are, at the Merger Sub's option, subject to the fulfillment of the following conditions at the time of the Closing:

9A. Representations, Warranties, Covenants.

(1) Each of the representations and warranties of WSC and ABRY set forth in Article III (other than Sections 3I or 3W) and Article IV, considered without regard to any materiality qualifiers contained therein, will be deemed to be made again at and as of the Commencement Time (or at the time of the Closing, in the case of the representations and warranties set forth in Section 3B), and taken as a whole such representations and warranties, as so remade, will be true and accurate, except to the extent of deviations therefrom which are permitted or contemplated by this Agreement or which, in the aggregate, do not constitute and have not caused a Material Adverse Change;

(2) WSC will in all material respects have performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or at the Closing, taken as a whole; and

(3) ABRY will in all material respects have performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or at the time of the Closing, taken as a whole.

9B. WSC Legal Opinion. DTN and the Merger Sub shall have received an opinion from Lucash Gesmer & Updegrove (or another firm reasonably acceptable to DTN), counsel to WSC, dated the Closing Date, substantially in the form of the attached Exhibit 9B and otherwise reasonably satisfactory to DTN.

9C. ABRY Legal Opinion. DTN and the Merger Sub shall have received opinions from Testa, Hurwitz & Thibeault (or another firm reasonably acceptable to DTN), counsel to ABRY, dated the Closing Date, substantially in the form of the attached Exhibit 9C and otherwise reasonably satisfactory to DTN, with customary qualifications, exceptions and assumptions reasonably satisfactory to DTN.

9D. Other. The Merger will have been approved by the requisite members of the board of directors and the WSC Stockholders.

ARTICLE X

PRECLOSING COVENANTS

10A. Public Announcements. WSC, ABRY and DTN shall consult with each other

before issuing any press releases or otherwise making any public statements with respect to the Merger and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law.

10B. WSC Stockholder Meeting. WSC will serve notice to all WSC Stockholders of a shareholder meeting to be held in connection with the transactions contemplated herein at least 20 days prior to the date of such meeting and hold such meeting in accordance with the Massachusetts Business Corporation Law. Such notice will contain a statement of the rights of dissenting shareholders in accordance with Section 87 of the Massachusetts Business Corporation Law. WSC shall notify DTN of the results of the meeting.

10C. Management and Consulting Agreement.

(1) Engagement. WSC, ABRY and DTN agree as follows:

(a) As of the close of business on the date of this Agreement (the "Commencement Time"), WSC hereby engages DTN as manager of the WSC Business and as consultant thereto and DTN will provide such management and consulting services to WSC as DTN deems necessary or appropriate for the purpose of operating the WSC Business in the ordinary course until the Closing. As of the Commencement Time, DTN shall have all authority required to direct the operations of WSC Business in the ordinary course, including the authority to cause WSC to obtain funds available to WSC under the Bank Loan Agreement to be used for the purpose of managing the ordinary operations of the WSC Business; and WSC will use its best efforts to cause its employees to act in accordance with DTN's instructions given pursuant to such authority.

(b) DTN will perform management and consulting services under this Section 10C as an independent contractor, retaining control over and responsibility for its own operations and personnel. Neither DTN nor its officers, employees or agents will be considered employees or agents of WSC, ABRY or any of their Affiliates as a result of this Section 10C, nor will any of them have authority to contract in the name of or bind WSC by reason of this Section 10C, or to terminate any employee of WSC, except as WSC may expressly agree in writing.

(c) DTN shall not be paid any fees or remuneration by WSC, ABRY or any of their Affiliates for providing management and consulting services pursuant to this Section 10C.

(2) Liability. Neither DTN nor any of its Affiliates, stockholders, officers, employees or agents will be liable to WSC, ABRY or any of their Affiliates for Damages arising out of or in connection with the performance of services contemplated by this Section 10C, unless such Damages are a result of the gross negligence or willful misconduct of such Person; provided that if, prior to the termination of this Agreement, each of the conditions to the obligations of DTN and the Merger Sub at the Closing under Article IX is satisfied or waived and the Agreement is nonetheless terminated by DTN, DTN will reimburse WSC for all amounts borrowed under the Bank Loan Agreement after the Commencement Time, together with interest thereon at the rate provided in the Bank Loan Agreement, to the extent not paid or repaid by WSC prior to such termination. Prior to the Closing Date, DTN will not cause WSC to borrow any funds in connection with the performance of services contemplated by this Section 10C other than under the Bank Loan Agreement.

(3) No Breach. Notwithstanding any provision to this Agreement, none of the following (i) will be deemed to constitute a breach by WSC or ABRY of any representation, warranty, covenant or agreement set forth in this Agreement or (ii) will give rise to any claim for indemnification by ABRY pursuant to Section 12F of this Agreement:

(a) any fact or circumstance which occurs primarily as a result of any action or omission to act of DTN;

(b) any action taken or omission to act by WSC or any of its employees, officers or directors in compliance with any direction by DTN or any representative thereof; or

(c) any fact or circumstance which occurs primarily as a result of any item described in clause 10C(3)(b) above.

In addition, an opinion of legal counsel to WSC which is substantially in the form of the attached Exhibit 9B, except only in those respects that are consequences of items described in clauses (a), (b) and (c) above, will nonetheless be deemed to satisfy the condition set forth in Section 9B. Notwithstanding anything in this Section 10C, DTN will not have the authority prior to the Closing to take or direct WSC or any of its employees, officers or directors to take any action on WSC's behalf with respect to this Agreement (as distinct from actions relating to the conduct of the WSC Business).

ARTICLE XI

TERMINATION

11A. Termination. This Agreement may be terminated at any time prior to the Closing only as follows:

(1) by the mutual written consent of DTN and WSC;

(2) by WSC, if there has been a material breach by DTN or by the Merger Sub of any material covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of WSC at the Closing and such breach has not been waived by WSC or, in the case of a covenant breach, cured by DTN or by the Merger Sub, as the case may be, on or prior to the earlier of December 11, 1998 or the tenth (10th) day after written notice thereof from WSC;

(3) by DTN, if there has been a material breach by WSC or by ABRY of any material covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of DTN or of the Merger Sub at the Closing and such breach has not been waived by DTN or the Merger Sub or, in the case of a covenant breach, cured by WSC on or prior to December 11, 1998, or the tenth (10th) day after written notice thereof from DTN;

(4) by either WSC or DTN if the transactions contemplated hereby have not been consummated by December 11, 1998; or

(5) by DTN, if the WSC Stockholders have not approved the transactions contemplated hereby as required pursuant to the applicable provisions of the Massachusetts Business Corporation Law on or prior to December 11, 1998; provided, however, that neither WSC nor DTN shall be entitled to terminate this Agreement pursuant to this Section 11A if such Person's breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

11B. Effect of Termination. In the event that this Agreement shall be terminated pursuant to Section 11A, all further obligations of the parties hereto under this Agreement or otherwise shall terminate without further liability or obligation of WSC, ABRY, DTN or the Merger Sub; provided, however, that no party shall be released from liability hereunder if this Agreement is terminated pursuant to Section 11A by reason of such party's breach of this Agreement, and Sections 7A and 10C(2) shall survive any termination of this Agreement.

11C. Waiver of Right to Terminate. WSC and DTN shall be deemed to have waived their respective rights to terminate this Agreement upon the completion of the Closing. No such waiver shall constitute a waiver of any other rights arising from the non-fulfillment of any condition precedent set forth in Article VIII or IX hereof or any misrepresentation or breach of any warranty, covenant or agreement contained herein unless such waiver is made in writing and then any such written waiver shall only constitute a waiver of the specific matters set forth therein.

ARTICLE XII

ADDITIONAL AGREEMENTS; COVENANTS AFTER CLOSING

12A. Survival of Representations and Warranties. The representations, warranties, covenants and agreements of WSC and ABRY set forth in this Agreement or in any writing delivered to DTN or to the Merger Sub in connection with this Agreement shall survive the Closing to the extent provided in Section 12F.

12B. Mutual Assistance and Records. Each of DTN and WSC agree that they will mutually cooperate in the expeditious filing of all notices, reports and other filings with any governmental authority required to be submitted jointly by DTN and WSC in connection with the execution and delivery of this Agreement, the other agreements contemplated hereby and the consummation of the transactions contemplated hereby or thereby. Subsequent to the Closing, ABRY and DTN, at their own cost, will assist each other (including making records available) in the preparation of their respective Tax Returns and the filing and execution of any Tax elections, if required, as well as any audits or litigation that may ensue as a result of the filing thereof, to the extent that such assistance is reasonably requested.

12C. Access. DTN and WSC agree that after the Commencement Time WSC shall provide ABRY with reasonable access to any books, records, correspondence, files and other information retained by WSC hereunder, at ABRY's expense.

12D. Expenses. DTN, WSC and ABRY will pay all of their own fees and expenses in connection with the Agreement and the consummation of the transactions contemplated hereby.

12E. Taxes; Recording Charges. All sales, use, transfer, stamp, conveyance, value added or other Taxes arising out of the Merger or otherwise on account of this Agreement or the consummation of the transactions contemplated hereby and all charges for or in connection with the recording of any document or instrument contemplated hereby shall be paid by the Merger Sub.

12F. Indemnification by ABRY.

(1) After Closing and subject to the terms and conditions set forth in this Agreement, ABRY will indemnify DTN and Post-Merger WSC (the "Indemnified Parties") against, and agrees to hold them harmless from, any and all Damages incurred or suffered by any of them, arising out of or related in any way to (i) any misrepresentation or breach of any

representation, warranty or covenant of WSC or ABRY set forth in this Agreement, or the operation of the WSC Business prior to the Commencement Time, (ii) any amount owed by WSC to Peter R. Leavitt or Michael S. Leavitt, or claimed by them from WSC, or any other claim asserted by Peter R. Leavitt or Michael S. Leavitt against DTN or Post-Merger WSC, existing or arising out of, facts or circumstances existing at, or prior to, the Closing in excess of the $144,397 described in Section 2D, (iii) any Damages related to or in connection with the exercise of rights under Sections 86 to 98 of the Massachusetts Business Corporation Law by any WSC Stockholder who dissents from a vote to consummate the transactions

contemplated herein, or any liability of DTN or Post-Merger WSC as a result of the exercise of such rights or remedies and (iv) any Damages arising from or related to any claim by John C. Keelan against WSC as described in that certain demand letter, dated July 2, 1998; provided that ABRY's liability pursuant to this Section 12F will be subject to the following limitations:

(a) ABRY will not be liable for any Damages described in clause (1)(i) above unless and until the aggregate amount of all such Damages exceeds $50,000 (the "Threshold Amount"), in which event ABRY will be liable for such Damages to the extent that such aggregate amount exceeds the Threshold Amount. The Threshold Amount shall not apply to (i) any Taxes related to or in connection with the conduct of the WSC Business up to the Commencement Time ("Pre-Commencement Taxes"), or (ii) any breach of any representation or warranty set forth in Section 3I or 3W of this Agreement. ABRY will not be liable for any Damages described in clause (1)(i) above relating to any breach of any representation or warranty set forth in Section 3I of this Agreement unless and until the aggregate amount of all such Damages exceeds $60,000 (the "Receivables Threshold Amount"), in which event ABRY will be liable for such Damages to the extent such aggregate amount exceeds the Receivables Threshold Amount.

(b) ABRY will not be liable for any Damages (other than Pre-Commencement Taxes) described in clause (1)(i) above unless DTN gives ABRY written notice asserting the misrepresentation, breach or other matter in question prior to the first anniversary of the Closing Date.

(c) ABRY will not be liable for any Damages (other than Pre-Commencement Taxes) described in clause (1)(i) above to the extent that the aggregate amount of all Damages (other than Pre-Commencement Taxes) described in clause (1)(i) above exceeds the sum of $500,000.

In the case of any claim described in clause (1)(i), (ii), (iii) and (iv) above, Damages will include compensation for the business time spent by DTN employees to testify or be deposed as may be required by judicial process or requested by

ABRY in any proceeding brought by a third party and business time spent in any related travel (such business time to be reimbursed at a rate equal to one and one-half times the rate of base pay of the employee in question) and reasonable out-of-pocket expenses incurred in connection with such required testimony, deposition or travel.

(2) Notice of Claims. If any Person believes that it will suffer or has suffered, or will incur or has incurred, any Damages as to which a remedy may be had by it pursuant to this Section 12F, such Person shall notify ABRY promptly in writing describing such Damages, the amount thereof, if known, and the method of computation of such Damages, all with reasonable particularity.

(3) Defense of Third Party Claims. ABRY will have the right to conduct and control through counsel of its own choosing any related third party claim, action, or suit, but DTN or Post-Merger WSC may at their election,

participate in the defense of any such claim, action, or suit at their own cost and expense; provided that, if ABRY fails to defend any such claim, action, or suit, then DTN or Post-Merger WSC may

(a) defend such claim, action or suit through counsel of its own choosing such claim, action, or suit,

(b) so long as it gives ABRY at least fifteen (15) days prior written notice of the terms of the proposed settlement thereof and permits ABRY to then undertake the defense thereof, settle such claim, action or suit, and

(c) recover from ABRY the amount of such settlement or of any judgment and the costs and expenses of such defense.

ABRY will not compromise or settle any such third party claim, action, or suit unless (1) as a result of such compromise or settlement, DTN and Post-Merger WSC will be released from all liability to such third party or (2) ABRY obtains the prior written consent of DTN and Post-Merger WSC to such compromise or settlement, which consent will not be unreasonably withheld or delayed.

(4) Assignment of Rights Against Peter R. Leavitt and Michael S. Leavitt. At or after the Closing, DTN and Post-Merger WSC will take such actions as may be required, at ABRY's election, either to assign to ABRY or otherwise permit ABRY to have, the right to pursue all remedies that WSC may have against Peter R. Leavitt or Michael S. Leavitt existing or arising out of any fact or circumstance existing at or prior to the Closing (including any claim for any breach of representation or warranty or fraud in connection with transactions consummated on or about January

22, 1997), and (if such assignment has not occurred) ABRY will have the right to commence, conduct and control through counsel of its own choosing any claim, action or suit in connection with the pursuit of such remedies. Any such assignment or other action by DTN and/or Post-Merger WSC will be at ABRY's request and expense at or any time after Closing. Without limiting the foregoing, DTN and Post-Merger WSC agree that ABRY will be entitled to exercise such rights or pursue such remedies in the name of DTN and/or Post-Merger WSC and that ABRY will be entitled to all proceeds resulting from any such remedy, less any reasonable expenses (including any Tax) incurred by DTN or Post-Merger WSC in connection with the pursuit of such remedies (which expenses will be reimbursed by ABRY in any event).

ARTICLE XIII

MISCELLANEOUS

13A. Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived, only if such amendment or waiver is set forth in a writing executed by WSC, DTN and ABRY. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement. No

waiver of any of the provisions of this Agreement shall be deemed or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. The remedies provided herein are cumulative and not exclusive of any remedies available at law or in equity.

13B. Notices. All notices, demands and other communications to be given or delivered to DTN, the Merger Sub, WSC or ABRY under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered, sent by reputable overnight courier, or mailed by first class mail, return receipt requested, to the address indicated below (unless another address is so specified in writing):

Notices to WSC:

Weather Services Corporation
c/o ABRY Partners, Inc.
18 Newbury Street
Boston, Massachusetts 02116
Attention: P. Koenig

With a copy (which will not constitute notice) to each of:

Lucash Gesmer & Updegrove

40 Broad Street
Boston, MA 02109-4310
Attention: William Contente, Esq.

Notices to ABRY:
---

c/o ABRY Partners, Inc.
18 Newbury Street
Boston, MA 02116
Attention: P. Koenig

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

Kirkland & Ellis
Citicorp Center
153 East 53rd Street
New York, New York 10022-4675
Attention: J. Kuehn, Esq.

Notices to DTN, the Merger Sub or Post-Merger WSC:

Data Transmission Network Corporation
9110 West Dodge Road, Suite 200
Omaha, Nebraska 68114
Attention: G.T. Sloma

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

Abrahams, Kaslow & Cassman
8712 West Dodge Road
Suite 300
Omaha, NE 68114-3419
Attention: M.M. Lofgren, Esq.

13C. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither this Agreement nor any rights, benefits or obligations set forth herein may be assigned by WSC, DTN or Post-Merger WSC, except that DTN or Post-Merger WSC may assign its rights under this Agreement and any of the provisions hereof, as collateral security to any lender, in connection with the sale of the business or assets of Post-Merger WSC, or to any Affiliate of DTN.

13D. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13E. 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 will be applied against any Person.

13F. Captions. The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no caption had been used in this Agreement.

13G. Third Parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement, such third parties specifically including but without limitation any investors of DTN or WSC or employees of WSC.

13H. Complete Agreement. This document and the documents referred to herein contain the complete agreement between the parties and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

13I. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

13J. Governing Law. The internal law, but not the law of conflicts, of the Commonwealth of Massachusetts will govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

13K. Specific Performance. Each of WSC and ABRY recognizes and agrees that a breach by it of any of its covenants and agreements in this Agreement could cause irreparable harm to DTN, that DTN's remedies at law in the event of such breach would be inadequate, and that, accordingly, in the event of such breach a

restraining order or injunction or both may be issued against the breaching Person in addition to any other rights and remedies that may be available to DTN under applicable law. If the agreement set forth in Section 6E is more restrictive than permitted by the applicable laws of the jurisdiction in which DTN or the Merger Sub seeks enforcement thereof, Section 6E shall be limited to the extent required to permit enforcement under such applicable laws.

* * * * *

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

WSC:

WEATHER SERVICES CORPORATION

By:/s/ Robert MacInnis

Its:Treasurer

DTN:

DATA TRANSMISSION NETWORK CORPORATION

By:/s/ Joseph M. Urzendowski

Its: Vice President Operations

ABRY:

ABRY BROADCAST PARTNERS II, L.P.
By ABRY Capital, L.P.
Its General Partner

By: ABRY Holdings, Inc.
Its General Partner

By:/s/ Peggy Koenig

Its:

APPENDIX

"ABRY" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Accounts Receivable" shall have the meaning set forth in Section 3I.

"Affiliate" of any Person means any other Person which is controlled by, controls, or is under common control with, such first Person.

"Agreement" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Bank Loan Agreement" shall have the meaning set forth in the definition of the term "Loan Agreements."

"Benefit Plan" shall have the meaning set forth in Section 3S(i).

"Closing" shall have the meaning set forth in Section 2C.

"Closing Date" shall have the meaning set forth in Section 3C.

"Code" shall have the meaning set forth in Section 3M.

"Commencement Time" shall have the meaning set forth in Section 10C(1).

"Damages" shall mean all demands, claims, actions or causes of action, assessments, losses, damages, costs, expenses, liabilities, judgments, awards, fines, sanctions, penalties, charges and amounts paid in settlement, including, without limitation, reasonable costs, fees and expenses of attorneys, experts, accountants, appraisers, consultants, witnesses, investigators and any other gents or representatives of such Person (with such amounts to be determined net of any resulting Tax benefit actually received or realized and net of any refund or reimbursement of any portion of such amounts actually received or realized,

including, without limitation, reimbursement by way of insurance or third party indemnification), but specifically excluding (i) except as otherwise provided in this Agreement, any costs incurred by or allocated to Indemnified Parties with respect to time spent by employees of the Indemnified Parties or any of its Affiliates and (ii) any lost profits or opportunity costs or exemplary or punitive damages (except to the extent assessed in connection with a third-party claim with respect to which the Person against which such damages are assessed is entitled to indemnification hereunder).

"DTN" shall have the meaning set forth in the introductory paragraph of this Agreement.

"DTN Warrant" shall have the meaning set forth in Section 2A.

"Effective Time" means the time of the filing of the Articles of Merger described in Section 1C.

"Environmental and Safety Requirements" means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety and pollution or protection of the environment (including, without limitation, all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, process ing, discharge, release, threatened release, control or cleanup of any hazardous or otherwise regulated materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation).

"ERISA" shall have the meaning set forth in Section 3S(i).

"GAAP" shall have the meaning set forth in Section 3H.

"Intellectual Property Rights" means all (i) patents, patent applications, patent disclosures and inventions, (ii) trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith, (iii) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) computer software, data, data bases and documentation thereof, (vi) trade secrets and other confidential information (including, without limitation, ideas, formulas,

compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information), (vii) other intellectual property rights and (viii) copies and tangible embodiments thereof (in whatever form or medium).

"Indemnified Parties" shall have the meaning set forth in 12F(1).

"Intellectual Property" shall mean all United States and foreign patents, patent applications, registered and unregistered Marks (as hereinafter defined) and all applications for registration thereof, registered and unregistered copyrights and all applications for registration thereof, industrial designs and industrial design applications, computer software programs, data bases, inventions, trade secrets, proprietary know-how, invention disclosures, ideas, formulae, ingredient compositions, recipes, manufacturing and production processes and techniques, technical data, standards, specifications, plans, proposals, financial business and marketing plans, customer and supplier lists and proprietary information of any type, whether or not written.

"Latest Balance Sheet" shall have the meaning set forth in Section 3H(ii).

"Lien" means any mortgage, pledge, hypothecation, encumbrance, lien (statutory or otherwise), preference, priority or other security agreement of any kind or nature whatsoever (includ ing any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

"Loan Agreements" shall mean (i) the Credit Agreement by and among WSC and BankBoston, N.A., dated as of August 8, 1997, as amended (the "Bank Loan Agreement"), and the Master Lease Agreement and Master Lease Finance Agreement by and among WSC and BankBoston Leasing, Inc., dated as of July 22, 1997, as amended, (ii) the Convertible Promissory Notes issued by WSC to ABRY on September 29, 1997, October 30, 1997, November 26, 1997, October 15, 1998 but effective as of January 14, 1998 and on October 15, but effective as of January 29, 1998, (iii) the Credit Agreement by and among WSC and ABRY, dated as of October 15, 1998 but effective as of January 29, 1998, and (iv) the Promissory Note, dated as of August 13, 1997, issued by WSC to Elizabeth Ann Wallace and David A. Wallace, trustees of the John E. Wallace Non-Exempt Marital Trust, dated October 19, 1972.

"Management Agreement" shall mean the Management and Consulting Services Agreement dated as of January 22, 1997 between ABRY Partners, Inc. and WSC.

"Material Adverse Effect" shall mean a material adverse effect on the general business affairs, financial condition or results of operations of the WSC Business other than as a result of seasonal variations.

"Merger" shall have the meaning set forth in Section 1B.

"Merger Consideration" shall have the meaning set forth in Section 2A(1).

"Merger Sub" shall have the meaning set forth in

"Old WSC Certificates" shall have the meaning set forth in Section 1H.

"Permitted Encumbrance" means (i) Liens arising by operation of law and securing the payment of Taxes which are not yet due and payable, (ii) with respect to any property leased by WSC, the interest of the lessor in such property and (iii) easements, rights-of-way, reservations of rights, conditions or covenants, zoning, building or similar restrictions or other non-monetary Liens or defects that do not, individually or in the aggregate, materially interfere with the WSC Business as presently conducted.

A "Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated association or government or department thereof.

"Pre-Commencement Taxes" shall have the meaning set forth in Section 12F(1)(a).

"Post-Merger WSC" shall have the meaning set forth in Section 1B.

"Receivables Threshold Amount" shall have the meaning set forth in Section 12F(1)(a).

"Required Intellectual Property" shall have the meaning set forth in Section 3O(i).

With respect to any Person, a "Subsidiary" means any corporation, partnership, limited liability company, association or other business entity of which, at the time of such reference, (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, or a majority economic interest, 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 partnership, limited liability company, 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 will be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person or Persons will be allocated a majority of partnership, company, association or other business entity gains or losses or will be or control the managing director or general partner of such partnership, company, association or other business entity.

"Taxes" means all Taxes, assessments, charges, duties, fees, levies or other governmental charges, including, without limitation, all Federal, state provincial, local, foreign and other income, capital (including large corporations), franchise, profits, capital gains, capital stock, transfer, sales, use, goods and services and other value-added, occupation, property, excise, severance, windfall profits, stamp, license, payroll, withholding, estimated and other Taxes of any kind whatsoever, and deficiency assessments, as well as all additions to Tax, penalties and interest imposed with respect to the foregoing.

"Tax Return" shall mean any return, declaration, report, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax of any party or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Threshold Amount" shall have the meaning set forth in 12F.

"WSC Business" shall have the meaning set forth in the introductory paragraph of this Agreement.

"WSC Closing Documents" means all agreements, certificates, instruments and other documents required by this Agreement to be executed and delivered by WSC or the WSC Stockholders, as the case may be, at or before the Closing.

"WSC Right" means any security or right issued by WSC which is not a WSC Share, which is outstanding immediately prior to the Effective Time and which is directly or indirectly convertible into or exercisable or exchangeable for any

capital stock of WSC at such time.

"WSC Share Equivalent" means any WSC Right or WSC Share.

"WSC Share" means any share of capital stock of WSC which is outstanding immediately prior to the Effective Time.

"WSC Stockholders" means any Person who owns beneficially or of record WSC Rights or WSC Shares.

DATA TRANSMISSION NETWORK CORPORATION

COMMON STOCK PURCHASE WARRANT

Expiring December 11, 2005

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THIS WARRANT AND ANY SHARES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE STATE SECURITIES LAWS. THIS WARRANT AND SUCH SHARES ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFERABILITY SET FORTH IN THIS WARRANT.

Common Stock Purchase Warrant
Expiring December 11, 2005

Omaha, Nebraska
December 11, 1998

DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation (the "Company"), for value received, hereby certifies that Peter R. Leavitt, or registered assigns, is entitled to purchase from the Company 5,176 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock, par value $.001 per share, of the Company (the "Common Stock") at the purchase price per share of $34.00, at any time or from time to time prior to 3 P.M., New

York City time, on December 11, 2005, all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant is one of the Common Stock Purchase Warrants issued in connection with the Company's acquisition of all of the issued and outstanding capital stock of Weather Services Corporation, a Massachusetts corporation ("WSC"), pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of November 12, 1998 between the Company, Merger Sub, WSC, and ABRY. Certain capitalized terms used in this Warrant are defined in Section 14. If a capitalized term used in this Warrant is not defined in Section 14, or elsewhere in this Warrant, such term shall have the meaning given such term in the Merger Agreement.

1. Exercise of Warrant.

1.1. Manner of Exercise.

(a) This Warrant may be exercised by the holder hereof, in whole or in part, during normal business hours on any Business Day prior to the expiration of this Warrant by surrender of this Warrant, with the form of subscription at the end hereof (or a reasonable facsimile thereof) duly executed by such holder, to the Company at its principal office (or, if such exercise shall be in connection with an underwritten Public Offering of shares of Common Stock (or Other Securities) subject to this Warrant, at the location at which the Company shall have agreed to deliver the shares of Common Stock (or Other Securities) subject to such offering), accompanied by payment, in

cash or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying (a) the number of shares of Common Stock (without giving effect to any adjustment therein) designated in such form of subscription by (b) the Warrant Price, and such holder shall thereupon be entitled to receive the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) determined as provided in Sections 2 through 4.

(b) Holder may elect in writing delivered to the Company as provided above to receive, without payment of additional consideration, shares of Common Stock equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company at its principal office. Thereupon, the Company shall issue to such holder such number of fully paid and nonassessable shares of Common Stock as is computed using the following formula:

$$X = \frac{Y\ (A-B)}{A}$$

where X = the number of shares to be issued to such holder pursuant to this subsection 1.1(b).

Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this subsection 1.1(b).

A = the Market Price of one share of Common Stock as at the time the net issue election is made pursuant to this subsection 1.1(b).

B = the Warrant Price in effect under this Warrant at the time the net issue election is made pursuant to this subsection 1.1(b).

1.2. When Exercise Deemed Effected. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the Business Day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1, and at such time the person or persons in whose name or names any certificate or certificates for shares of Common Stock (or Other Securities) shall be issuable upon such exercise as provided in Section 1.3 shall be deemed to have become the holder or holders of record thereof.

1.3. Delivery of Stock Certificates, Etc. As soon as practicable after the exercise of this Warrant, in whole or in part, and in any event within ten (10) Business Days thereafter (unless such exercise shall be in connection with an underwritten Public Offering of shares of Common Stock (or Other Securities) subject to this Warrant, in which event concurrently with such exercise), the Company at its expense (including the payment by it of any taxes (other than transfer taxes) applicable to the Company) will cause to be issued

in the name of and delivered to the holder hereof or, subject to Section 8, as such holder (upon payment by such holder of any applicable transfer taxes) may direct,

(a) a certificate or certificates for the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such holder shall be entitled upon such exercise plus, in lieu of any fractional share to which such holder would otherwise be entitled, cash in an amount equal to the same fraction of the Market Price per share of such Common Stock (or Other Securities) on the Business Day next preceding the date of such exercise, and

(b) in case such exercise is in part only, a new Warrant of like tenor, calling in the aggregate on the face thereof for the number of

shares of Common Stock equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares designated by the holder upon such exercise as provided in Section 1.1.

1.4. Company to Reaffirm Obligations. The Company will, at the time of or at any time after each exercise of this Warrant, upon the request of the holder hereof or of any shares of Common Stock (or Other Securities) issued upon such exercise, acknowledge in writing its continuing obligation to afford to such holder all rights (including, without limitation, any right of registration of any shares of Common Stock (or Other Securities) issuable upon exercise of this Warrant pursuant to Section 9) to which such holder shall continue to be entitled after such exercise in accordance with the terms of this Warrant, provided that if any such holder shall fail to make any such request, the failure shall not affect the continuing obligation of the Company to afford such rights to such holder.

2. Adjustments.

2.1. Number of Shares; Warrant Price. The number of shares of Common Stock which the holder of this Warrant shall be entitled to receive upon each exercise hereof shall be determined by multiplying the number of shares of Common Stock which would otherwise (but for the provisions of this Section 2) be issuable upon such exercise, as designated by the holder hereof pursuant to Section 1.1, by a fraction of which (a) the numerator is $34.00 and (ii) the denominator is the Warrant Price in effect on the date of such exercise. The "Warrant Price" shall initially be $34.00 per share, and shall be adjusted and readjusted from time to time as provided in this Section 2 and, as so adjusted or readjusted, shall remain in effect until a further adjustment or readjustment thereof is required by this Section 2.

2.2. Adjustment of Warrant Price.

2.2.1. Issuance of Additional Shares of Common Stock. In case the Company, at any time or from time to time after December 11, 1998 (the "Initial Date"), shall issue or sell Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 2.3 or

2.4) without consideration or for a consideration per share less than the Base Price in effect, in each case, on the date of and immediately prior to such issue or sale, then, and in each such case, subject to Section 2.8, such Warrant Price shall be reduced, concurrently with such issue or sale, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Warrant Price by a fraction,

(a) the numerator of which shall be (i) the number of shares of Common Stock outstanding immediately prior to such issue or sale plus

(ii) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of such Additional Shares of Common Stock so issued or sold would purchase at the Base Price, and

(b) the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issue or sale,

provided that, for the purposes of this Section 2.2.1 (x) immediately after any Additional Shares of Common Stock are deemed to have been issued pursuant to Section 2.3 or 2.4, such Additional Shares shall be deemed to be outstanding, and (y) treasury shares shall not be deemed to be outstanding.

2.2.2. Extraordinary Dividends and Distributions. In case the Company at any time or from time to time after the Initial Date shall declare, order, pay or make a dividend or other distribution (including, without limitation, any distribution of other or additional stock or other securities or property or Options by way of dividend or spin-off, reclassification, recapitalization or similar corporate rearrangement) on any Common Stock, other than (a) a dividend payable in Additional Shares of Common Stock or in Options for Common Stock or (b) a dividend payable in cash and declared out of the earned surplus of the Company, then, and in each such case, subject to Section 2.8, the Warrant Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of any class of securities entitled to receive such dividend or distribution shall be reduced, effective as of the close of business on such record date, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Warrant Price by a fraction,

(x) the numerator of which shall be the Current Market Price in effect on such record date or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading, less the value of such dividend or distribution (as determined in good faith by the Board of Directors of the Company) applicable to one share of Common Stock, and

(y) the denominator of which shall be such Current Market Price.

2.3. Treatment of Options and Convertible Securities. In case the Company at any time or from time to time after the Initial Date shall issue, sell, grant or assume, or shall fix a record date for the determination of holders of any class of securities entitled to receive, any Options or Convertible Securities, then, and in each such case, the maximum number of

Additional Shares of Common Stock (as set forth in the instrument relating

thereto, without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be issued for purposes of Section 2.2 as of the time of such issue, sale, grant or assumption or, in case such a record date shall have been fixed, as of the close of business on such record date (or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading), provided that such Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section 2.5) of such shares would be less than the Base Price in effect, in each case, on the date of and immediately prior to such issue, sale, grant or assumption or immediately prior to the close of business on such record date (or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading), as the case may be, and provided, further, that in any such case in which Additional Shares of Common Stock are deemed to be issued,

(a) no further adjustment of the Warrant Price shall be made upon the subsequent issue or sale of Additional Shares of Common Stock or Convertible Securities upon the exercise of such Options or the conversion or exchange of such Convertible Securities;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Company, or decrease in the number of Additional Shares of Common Stock issuable, upon the exercise, conversion or exchange thereof (by change of rate or otherwise), the Warrant Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options, or the rights of conversion or exchange under such Convertible Securities, which are outstanding at such time;

(c) upon the expiration of any such Options or of the rights of conversion or exchange under any such Convertible Securities which shall not have been exercised (or upon purchase by the Company and cancellation or retirement of any such Options which shall not have been exercised or of any such Convertible Securities the rights of conversion or exchange under which shall not have been exercised), the Warrant Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration (or such cancellation or retirement, as the case may be), be recomputed as if:

(x) in the case of options for Common Stock or of Convertible Securities, the only Additional Shares of Common Stock issued or sold were the Additional Shares of Common Stock, if any, actually issued or sold upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was (i) an amount equal to (A) the consideration actually received by the Company for the issue, sale, grant or assumption of all such options, whether or not exercised, plus (B) the consideration actually received by the Company upon such exercise, minus (C) the consideration paid by the Company for any purchase of such Options which were not exercised, or (ii) an amount equal to (A) the consideration actually received by the Company for the issue, sale, grant or assumption of all such Convertible Securities which were actually converted or exchanged, plus (B) the additional consideration, if any, actually received by the Company upon such conversion or exchange, minus (C) the consideration paid by the Company for any purchase of such Convertible Securities the rights of conversion or exchange under which were not exercised, and

(y) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued or sold upon the exercise of such Options were issued at the time of the issue, sale, grant or assumption of such options, and the consideration received by the Company for the Additional Shares of Common Stock deemed to have then been issued was an amount equal to (i) the consideration actually received by the Company for the issue, sale, grant or assumption of all such options, whether or not exercised, plus (ii) the consideration deemed to have been received by the Company (pursuant to Section 2.4) upon the issue or sale of the Convertible Securities with respect to which such options were actually exercised, minus (iii) the consideration paid by the Company for any purchase of such Options which were not exercised;

(d) no readjustment pursuant to subdivision (b) or (c) above shall have the effect of increasing the Warrant Price by an amount in excess of the amount of the adjustment thereof originally made in respect of the issue, sale, grant or assumption of such Options or Convertible Securities; and

(e) in the case of any such Options which expire by their terms not more than 30 days after the date of issue, sale, grant or assumption thereof, no adjustment of the Warrant Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in subdivision (c) above.

In case at any time after the Initial Date the Company shall be required to increase the number of Additional Shares of Common Stock subject to

any Option or into which any Convertible Securities (other than the Warrants)

are convertible or exchangeable pursuant to the operation of anti-dilution provisions applicable thereto, such Additional Shares of Common Stock shall be deemed to be issued for purposes of Section 2.2 as of the time of such increase.

2.4. Treatment of Stock Dividends, Stock Splits, Etc. In case the Company at any time or from time to time after the Initial Date shall declare or pay any dividend or other distribution on any class of stock of the Company payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then, and in each such case, Additional Shares of Common Stock shall be deemed to have been issued (a) in the case of any such dividend, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend, or (b) in the case of any such subdivision, at the close of business on the day immediately prior to the day upon which such corporate action becomes effective.

2.5. Computation of Consideration. For the purposes of this Section 2:

(a) The consideration for the issue or sale of any Additional Shares of Common Stock or for the issue, sale, grant or assumption of any Options or Convertible Securities, irrespective of the accounting treatment of such consideration, shall

(x) insofar as it consists of cash, be computed at the amount of cash received by the Company, without deducting any expenses paid or incurred by the Company or any commissions or compensation paid or concessions or discounts allowed to underwriters, dealers or others performing similar services and any accrued interest or dividends in connection with such issue or sale,

(y) insofar as it consists of consideration (including securities) other than cash, be computed at the fair value thereof at the time of such issue or sale, as determined in good faith by the Board of Directors of the Company, without deducting any expenses paid or incurred by the Company for any commissions or compensation paid or concessions or discounts allowed to underwriters, dealers or others performing similar services and any accrued interest or dividends in connection with such issue or sale, and

(z) in case Additional Shares of Common Stock are issued or sold or Convertible Securities are issued, sold, granted or assumed together with other stock or securities or other assets of

the Company for a consideration which covers both, be the proportion of such consideration so received, computed as provided in subdivisions (x) and (y) above, allocable to such Additional Shares of Common Stock or Convertible Securities, as the case may be, all as determined in good faith by the Board of Directors of the Company.

(b) All options issued, sold, granted or assumed together with other stock or securities or other assets of the Company for a

consideration which covers both, all Additional Shares of Common Stock, Options or Convertible Securities issued in payment of any dividend or other distribution on any class of stock of the Company and all Additional Shares of Common Stock issued to effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock) shall be deemed to have been issued without consideration.

(c) Additional Shares of Common Stock deemed to have been issued for consideration pursuant to Section 2.3, relating to Options and Convertible Securities, shall be deemed to have been issued for a consideration per share determined by dividing

(x) the total amount, if any, received and receivable by the Company as consideration for the issue, sale, grant or assumption of the Options or Convertible Securities in question, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise in full of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, in each case computing such consideration as provided in the foregoing subdivision (a), by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(d) Additional Shares of Common Stock issued or deemed to have been issued pursuant to the operation of anti-dilution provisions applicable to Convertible Securities (other than the Warrants), Options

or other securities of the Company (either as a result of the adjustments provided for by the Warrants or otherwise) shall be deemed to have been issued without consideration.

2.6. Adjustments for Combinations, Etc. In case the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Warrant Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

2.7. Dilution in Case of Other Securities. In case any Other Securities shall be issued or sold or shall become subject to issue or sale upon the conversion or exchange of any Common Stock (or Other Securities) of the Company (or any issuer of Other Securities or any other Person referred to in Section 3) or to subscription, purchase or other acquisition pursuant to any

options issued or granted by the Company (or any such other issuer or Person) for a consideration such as to dilute, on a basis consistent with the standards established in the other provisions of this Section 2, the purchase rights granted by this Warrant, then, and in each such case, the computations, adjustments and readjustments provided for in this Section 2 with respect to the Warrant Price shall be made as nearly as possible in the manner so provided and applied to determine the amount of Other Securities from time to time receivable upon the exercise of this Warrant, so as to protect the holder of this Warrant against the effect of such dilution.

2.8. Minimum Adjustment of Warrant Price. If the amount of any adjustment of the Warrant Price required pursuant to this Section 2 would be less than one-tenth of one percent of the Warrant Price in effect at the time such adjustment is otherwise so required to be made, such amount shall be carried forward and adjustment with respect thereto made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate at least one-tenth of one percent of such Warrant Price; provided that, upon the exercise of this Warrant, all adjustments carried forward and not theretofore made up to and including the date of such exercise shall be made to the nearest one one-hundredth of a cent.

3. Consolidation, Merger, Sale of Assets, Reorganization. Etc.

3.1. General Provisions. In case the Company, after the Initial Date, (a) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation of such consolidation or merger, or (b) shall permit any other Person to consolidate with or merge into the Company and the Company shall be the continuing or surviving Person but, in connection with such consolidation or merger, Common Stock or Other Securities shall be changed

into or exchanged for cash, stock or other securities of any other Person or any other property, or (c) shall transfer all or substantially all of its properties and assets to any other Person, or (d) shall effect a capital reorganization or reclassification of Common Stock or Other Securities (other than a capital reorganization or reclassification resulting in the issue of additional Shares of Common Stock for which adjustment in the Warrant Price is provided in Section 2.2.1 or 2.2.2), then, and in the case of each such transaction, the Company shall give written notice thereof to the holder of this Warrant not less than 30 days prior to the consummation thereof and proper provision shall be made so that, upon the basis and the terms and in the manner provided in this Section 3, the holder of this Warrant, upon the exercise hereof at any time after the consummation of such transaction, shall be entitled to receive, at the aggregate Warrant Price in effect at the time of such consummation for all Common Stock (or other Securities) issuable upon such exercise immediately prior to such consummation, in lieu of the Common Stock (or Other Securities) issuable upon such exercise prior to such consummation, either of the following, as such holder shall elect by written notice to the Company on or before the date immediately preceding the date of the consummation of such transaction (and, in the absence of such notice, the provisions of subdivision (y) below shall be deemed to have been elected by such holder):

(x) the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder upon such consummation if such holder had exercised this Warrant immediately prior thereto, subject to adjustments (subsequent to such consummation) as nearly equivalent as possible to the adjustments provided for in Section 2 and this Section 3, provided that if a purchase, tender or exchange offer shall have been made to and accepted by the holders of Common Stock under circumstances in which, upon completion of such purchase, tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Section 13(d)(3) of the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the outstanding shares of Common Stock, and if the holder of this Warrant so designates in such notice given to the Company, the holder of this Warrant shall be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if the holder of this Warrant had exercised this Warrant prior to the expiration of such purchase, tender or exchange offer, accepted such offer and all of the Common Stock held by such holder had been purchased pursuant to such purchase, tender or exchange offer, subject to adjustments (from and after the consummation of such purchase,

tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in Section 2 and this Section 3; or

(y) the number of shares of Voting Common Stock (or equivalent equity interests) of the Acquiring Person or, if the Acquiring Person fails to meet, but its Parent meets, the requirements set forth in the proviso below, of its Parent, subject to adjustments (subsequent to such corporate action) as nearly equivalent as possible to the adjustments provided for in Section 2 and this Section 3, determined by dividing (i) the product obtained by multiplying (A) the number of shares of Common Stock (or Other Securities) to which the holder of this Warrant would have been entitled had such holder exercised this Warrant immediately prior to the consummation of such transaction, times (B) the greater of the Acquisition Price and the Warrant Price in effect on the date immediately preceding the date of such consummation, by (ii) the Current Market Price per share of the Voting Common Stock (or equivalent equity interests) of the Acquiring Person or its Parent, as the case may be, on the date immediately preceding the date of such consummation;

provided that the Company shall not effect any of the transactions described in subdivisions (a) through (d) above unless, immediately after the date of the consummation of such transaction, the Acquiring Person or its Parent is required to file, by virtue of having an outstanding class of Voting Common Stock (or equivalent equity interests), reports with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act, and such Voting Common Stock (or

equivalent equity interest) is listed or admitted to trading on a national securities exchange or is quoted in the NASD automated quotation system. In the event that the Acquiring Person fulfills the requirements contained in the immediately preceding proviso, then, if the holder of this Warrant shall elect (or shall be deemed to elect) to receive Voting Common Stock (or equivalent equity interests) pursuant to subdivision (y) above, such holder shall be entitled to receive, upon the basis stated in such subdivision (y), only the Voting Common Stock (or equivalent equity interests) of the Acquiring Person.

3.2. Assumption of Obligations. Notwithstanding anything contained in this Warrant or the Merger Agreement to the contrary, the Company will not effect any of the transactions described in subdivisions (a) through (d) of Section 3.1 unless, prior to the consummation thereof, each Person (other than the Company) which may be required to deliver any cash, stock or other securities or other property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the holder of this Warrant, (a) the obligations of the Company under this Warrant (and if the Company shall survive the consummation of such transaction, such assumption shall be in addition to, and shall not release the

Company from, any continuing obligations of the Company under this Warrant) and (b) the obligation to deliver to such holder such cash, stock or other securities or other property as, in accordance with the foregoing provisions of this Section 3, such holder may be entitled to receive, and such Person shall have similarly delivered to such holder an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to such holder, stating that this Warrant shall thereafter continue in full force and effect and the terms hereof (including, without limitation, all of the provisions of Section 2 and this Section 3) shall be applicable to the cash, stock or other securities or other property which such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto.

4. Other Dilutive Events. In case any event shall occur as to which the provisions of Section 2 or Section 3 are not strictly applicable but the failure to make any adjustment would not fairly protect the purchase rights represented by this Warrant in accordance with the essential intent and principles of such sections, then, in each such case, the Company shall appoint a firm of independent public accountants of recognized national standing (which may be the regular auditors of the Company), which shall give their opinion upon the adjustment, if any, on a basis consistent with the essential intent and principles established in Sections 2 and 3, necessary to preserve, without dilution, the purchase rights represented by this Warrant. Upon receipt of such opinion the Company will promptly mail a copy thereof to the holder of this Warrant and shall make the adjustments described therein.

5. No Dilution or Impairment. The Company will not, by amendment of its certificate of incorporation or through any consolidation, merger, reorganization, transfer of assets, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against dilution or other impairment. Without limiting the

generality of the foregoing, the Company (a) will not permit the par value of any shares of stock receivable upon the exercise of this Warrant to exceed the amount payable therefor upon such exercise, (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of stock upon the exercise of all outstanding warrants issued by the Company (including this Warrant) from time to time, and (c) will not take any action which results in any adjustment of the Warrant Price if the total number of shares of Common Stock (or Other Securities) issuable after the action upon the exercise of all outstanding warrants issued by the Company (including this Warrant) would exceed the total number of shares of Common Stock (or other Securities) then authorized by the Company's certificate of incorporation and available for the purpose of issue upon such exercise.

6. Accountants' Report as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable upon the exercise of this Warrant, the Company at its expense will promptly compute such adjustment or readjustment in accordance with the terms of this Warrant, and will prepare a certificate of the chief financial officer of the Company setting forth such adjustment or readjustment and showing in reasonable detail the method of calculation thereof and the facts upon which such adjustment or readjustment is based, including without limitation a statement of (a) the consideration received or to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued, (b) the number of shares of Common Stock outstanding or deemed to be outstanding, and (c) the Warrant Price in effect immediately prior to such issue or sale and as adjusted and readjusted (if required by Section 2) on account thereof. The Company will forthwith mail a copy of each such certificate to each holder of a Warrant and will, upon the written request at any time of the holder of this Warrant, furnish to such holder a like certificate setting forth the Warrant Price at the time in effect and showing in reasonable detail how it was calculated. In addition, with respect to any fiscal year of the Company during which any such adjustment or readjustment shall have been made, the Company will cause the independent public accountants reporting upon the Company's financial statements for such fiscal year to verify, concurrently with their annual audit of the Company's financial statements, the computations made by the Company during such fiscal year and to prepare and to deliver to the holder of this Warrant a report setting forth substantially the information described above in this Section 6 with respect to all such adjustments and readjustments. The Company will also keep copies of all such certificates and reports at its principal office and will cause the same to be available for inspection at such office during normal business hours by the holder of this Warrant or any prospective purchaser of this Warrant designated by the holder thereof.

7. Notices of Corporate Action. In the event of

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger involving the Company and any other Person or any transfer of all or substantially all the assets of the Company to any other Person, or

(c) any voluntary or involuntary dissolution, liquidation or

winding-up of the Company,

the Company will mail to the holder of this Warrant a notice specifying (x) the date or expected date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right, and (y) the date or expected date on which any such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place and the time, if any such time is to be fixed, as of which the holders of record of Common Stock (or Other Securities) shall be entitled to exchange their shares of Common Stock (or Other Securities) for the securities or other property deliverable upon such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least 20 days prior to the date therein specified, in the case of any date referred to in the foregoing subdivision (x), and at least 30 days prior to the date therein specified, in the case of the date referred to in the foregoing subdivision (y).

8. Restrictions on Transfer.

8.1. Restrictive Legends. Except as otherwise permitted by this Section 8, each certificate for Common Stock (or Other Securities) issued upon the exercise of this Warrant and each certificate issued upon the direct or indirect Transfer of any such Common Stock (or Other Securities) shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933 and may not be transferred except in compliance with such Act and applicable state securities laws. Such shares are also subject to certain restrictions on transferability imposed by a Common Stock Purchase Warrant expiring December 11, 2005, a copy of which is on file at the offices of the Company."

8.2. Notice of Proposed Transfer; Opinions of Counsel. Prior to any Transfer of any Restricted Securities which are not registered under an effective registration statement under the Securities Act (other than a Transfer pursuant to Rule 144 or any comparable rule under such Act), the holder thereof will give written notice to the Company of such holder's intention to effect such Transfer and to comply in all other respects with this Section 8.2. Each such notice (a) shall describe the manner and circumstances of the proposed Transfer in sufficient detail to enable counsel to render the opinions referred to below, and (b) shall designate counsel for the holder giving such notice (who

may be internal counsel for such holder). The holder giving such notice will submit a copy thereof to the counsel designated in such notice and the Company will promptly submit a copy thereof to its counsel. The following provisions

shall then apply:

(x) If in the opinion of such counsel for the holder the proposed Transfer may be effected without registration (a copy of which opinion shall be delivered to the Company), and if such opinion is reasonably satisfactory to the Company, such holder shall thereupon be entitled to Transfer such Restricted Securities in accordance with the terms of the notice delivered by such holder to the Company. Each Warrant or certificate, if any, issued upon or in connection with such Transfer shall bear the appropriate restrictive legend set forth in Section 8.1 unless, in the opinion of such counsel and the Company's counsel, such legend is no longer required to insure compliance with the Securities Act.

(y) If the opinion of such counsel for the holder is not to the effect that the proposed Transfer may legally be effected without registration of such Restricted Securities under the Securities Act, such holder shall not be entitled to Transfer such Restricted Securities (other than in a Transfer pursuant to Rule 144 or any comparable rule under the Securities Act) until the conditions specified in subdivision (x) above shall be satisfied or until registration of such Restricted Securities under the Securities Act has become effective.

Notwithstanding the foregoing provisions of this Section 8.2, the holder of any Restricted Securities shall be permitted to Transfer any such Restricted Securities pursuant to Rule 144A under the Securities Act, provided that each transferee agrees in writing to be bound by all the restrictions on transfer of such Restricted Securities contained in this Section 8.2.

8.3. Termination of Restrictions. The restrictions imposed by this Section 8 upon the transferability of Restricted Securities shall cease and terminate as to any particular Restricted Securities (a) when such securities shall have been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering such Restricted Securities, (a) when, in the opinions of both counsel for the holder thereof and counsel for the Company, such restrictions are no longer required in order to insure compliance with the Securities Act, or (c) when such securities may be immediately sold by the holder as determined under Rule 144 under the Securities Act. Whenever such restrictions shall terminate as to any Restricted Securities, as soon as practicable thereafter and in any event within ten Business Days, the holder thereof shall be entitled to receive from the Company, without expense (other than transfer taxes, if any), new securities of like tenor not bearing the applicable legend set forth in Section 8.1 hereof.

8.4. Holder's Representations and Warranties. Holder hereby represents and warrants to the Company as follows:

(a) Holder is acquiring this Warrant and any shares of Common Stock acquired upon exercise of this Warrant for its own account, for investment and not with a view to any "distribution" within the meaning of the Securities Act.

(b) Holder is knowledgeable and experienced in making venture capital investments, is able to bear the economic risk of loss of its investment in the Company, has been granted the opportunity to make an investigation of the affairs of the Company and has used such opportunity either directly or through its authorized representative.

(c) Holder understands that because the shares of Common Stock issuable under this Warrant have not been registered under the Securities Act, it cannot dispose of any or all of such shares of Common Stock unless such shares are subsequently registered under the Securities Act or exemptions from registration are available. Holder acknowledges and understands that, except as provided in this Warrant, it has no registration rights. By reason of these restrictions, Holder understands that it may be required to hold such shares of Common Stock for an indefinite period of time.

(d) Holder is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act.

9. Registration under Securities Act, Etc.

9.1. Incidental Registration.

(a) Right to Include Registrable Securities. If the Company at any time on or prior to December 11, 2005 proposes to register any of its securities under the Securities Act (other than by a registration on Form S-4 or S-8 or any successor or similar forms), whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities for sale to the public under the Securities Act, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and of such holders' rights under this Section 9.1. Upon the written request of any such holder made within 20 days after receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), the Company will use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the holders thereof, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the

securities which the Company proposes to register, provided that (x) the Company shall not be required to effect the registration pursuant to this Section 9.1 of any Warrants (but shall be required to effect the registration of Registrable Securities described in clauses (b) and (c) of the definition of Registrable Securities) and (y) if, at any

time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities for the same period as the delay in registering such other securities. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 9.1.

(b) Priority in Incidental Registrations. If a registration pursuant to this Section 9.1 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, that the dollar amount or number of shares of Registrable Securities and other shares of Common Stock or Other Securities to be included in the offering exceeds the maximum dollar amount or number that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method or the probability of success of such offering (the "Maximum Number of Shares"), then the Company shall include in such registration:

(x) if the registration is a primary offering for the Company, (i) first, the shares of Common Stock or Other Securities that the Company proposes to sell for its own account which can be sold without exceeding the Maximum Number of Shares; (ii) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock or Other Securities requested to be included in such registration by the holders thereof with registration rights granted prior to the date hereof which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such other security holders, as nearly as practicable, on the basis of the number of shares of Common Stock or Other Securities requested to be included in such offering by such other security holders); and (iii) third, to the extent the Maximum Number of Shares has not been reached under the

foregoing clauses (i) and (ii), the Registrable Securities and shares of Common Stock or Other Securities requested to be included in such registration by the holder of this Warrant and other security holders with registration rights which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such holder and other security holders, as nearly as practicable, on the basis of the number of shares of Registrable Securities and Common Stock or Other Securities requested to be included in such offering by the holder and such other security holders); and

(y) if the registration is for a secondary offering for any of the Company's securityholders, (i) first, if the registration was requested by other security holders with demand registration

rights, then the shares of Common Stock or Other Securities that such other security holders have requested to be included in such offering which can be sold without exceeding the Maximum Number of Shares; (ii) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock or Other Securities requested to be included in such registration by other security holders with registration rights granted prior to the date hereof which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such other security holders, as nearly as practicable, on the basis of the number of shares of Common Stock or Other Securities requested to be included in such offering by such other security holders); and (iii) third, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (i) and (ii), the Registrable Securities and shares of Common Stock or Other Securities requested to be included in such registration by the holder of this Warrant and other security holders with registration rights which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such holder and other security holders, as nearly as practicable, on the basis of the number of shares of Registrable Securities and Common Stock or Other Securities requested to be included in such offering by the holder and such other security holders).

9.2. Registration Procedures. If and whenever (x) the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 9.1 or (y) there is a Requesting Holder in connection with any other proposed registration by the Company under the Securities Act, the Company will as expeditiously as possible:

(a) prepare and file with the Commission the requisite registration statement (including such audited financial statements as

may be required by the Securities Act or the rules and regulations promulgated thereunder) to effect such registration and use its best efforts to cause such registration statement to become effective, provided that before filing such registration statement or any amendments thereto, the Company will furnish to the counsel selected by the holders of Registrable Securities whose Registrable Securities are to be included in such registration copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel, and provided, further, that the Company may discontinue any registration of its securities which are not Registrable Securities at any time prior to the effective date of the registration statement relating thereto;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration statement and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement and the expiration of 90 days

after such registration statement becomes effective, except with respect to any such registration statement filed pursuant to Rule 415 (or any successor Rule) under the Securities Act, in which case such period shall be 2 years;

(c) furnish to each seller of Registrable Securities covered by such registration statement and each Requesting Holder such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request;

(d) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each seller thereof and each Requesting Holder shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for

any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (d) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(f) furnish to each seller of Registrable Securities and each Requesting Holder a signed counterpart, addressed to such seller (and the underwriters, if any), of

(x) an opinion of counsel for the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten Public Offering, dated the date of any closing under the underwriting agreement), reasonably satisfactory in form and substance to such seller, and

(y) a "comfort" letter, dated the effective date of such registration statement (and, if such registration includes an underwritten Public Offering, dated the date of any closing under the underwriting agreement), signed by the independent public accountants who have certified the Company's financial statements included in such registration statement (it being understood that such letter, if the cost thereof does not constitute a "Registration Expense", is to be delivered only at the request of,

and at the expense of, any seller of Registrable Securities or Requesting Holder),

covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten Public Offerings of securities and, in the case of the accountants' letter, such other financial matters, as such seller (or the underwriters, if any) may reasonably request;

(g) immediately notify each seller of such Registrable Securities, and (if requested by any such seller) confirm such advice in writing, (w) when the prospectus or any prospectus supplement or post-effective

amendment has been filed, and, with respect to the registration statement or any post-effective amendment, when the same has become effective, (x) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information, (y) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose, and (z) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(h) use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time;

(i) immediately notify each holder of Registrable Securities covered by such registration statement and each Requesting Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such holder promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month

after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, and not file any amendment or supplement to such registration statement or prospectus to which any such seller or any Requesting Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or

regulations thereunder, having been furnished with a copy thereof at least five (5) business days prior to the filing thereof;

(k) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(1) cooperate with the sellers of such Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which securities shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company; and enable such Registrable Securities to be in such denominations and registered in such names as such sellers may request at least two business days prior to any sale of Registrable Securities;

(m) use its best efforts (x) to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange (if such Registrable Securities are not already so listed) and on each additional national securities exchange on which similar securities issued by the Company are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (y) to secure designation of all such Registrable Securities covered by such registration statement as a NASDAQ "national market system security" within the meaning of Rule llAa2-1 of the Commission or, failing that, secure NASDAQ authorization for such Registrable Securities and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD;

(n) provide a CUSIP number for all Registrable Securities, not later than the effective date of the applicable registration statement; and

(o) enter into such agreements and take such other actions as the Requisite Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require each holder of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such holder and the distribution of such securities as the Company may from time to time reasonably request in writing.

9.3. Underwritten Offerings.

9.3.1. Incidental Underwritten Offerings. If the Company at any time proposes to register any of its securities under the Securities Act as contemplated by Section 9.1 and such securities are to be distributed by or through one or more underwriters, the Company will, subject to the provisions of Section 9.1(b), use its best efforts, if requested by any holder of Registrable Securities, to arrange for such underwriters to include the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such holders of Registrable Securities. No holder of Registrable Securities shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder and such holder's intended method of distribution and any other representation required by law.

9.3.2. Holdback Agreements.

(x) Each holder of Registrable Securities agrees, if so required by the managing underwriter, not to effect any public sale or distribution of securities of the Company of the same class as the securities included in such Registration Statement, during the seven days prior to the date on which any underwritten registration pursuant to Section 9.1 has become effective and the 90 days thereafter, except as part of such underwritten registration or to the extent that such holder is prohibited by applicable law from agreeing to withhold Registrable Securities from sale or is acting in its capacity as a fiduciary or an investment adviser. Without limiting the scope of the term "fiduciary," a holder shall be deemed to be acting as a fiduciary or an investment adviser if its actions or the Registrable Securities proposed to be sold are subject to ERISA, the Investment Company Act of 1940 or the Investment Advisers Act of 1940 or if such Registrable Securities are held in a separate account under applicable insurance law or regulation.

(y) The Company agrees (i) not to effect any public sale or distribution of its equity securities or securities convertible into or exchangeable or exercisable for any of such securities during the seven (7) days prior to the date on which any underwritten registration pursuant to Section 9.1 has become effective and the 90 days thereafter, except as part of such underwritten registration and except pursuant to registrations on Form S-4 or S-8 or any successor or similar forms thereto, and (ii) to cause each holder of its equity securities or of any securities convertible into or exchangeable or exercisable for any

of such securities, in each case purchased from the Company at any time after the date of this Agreement (other than in a Public Offering), to agree not to effect any such public sale or distribution of such securities, during such period, except as part of such underwritten registration.

9.4. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act, the Company will give the holders of Registrable Securities registered under such registration statement, their underwriters, if any, each Requesting Holder and their respective counsel and accountants, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

9.5. Rights of Requesting Holders. The Company will not file any registration statement under the Securities Act, whether or not pursuant to registration rights granted to other holders of its securities and whether or not for sale for its own account (other than by a registration on Form S-4, S-8 or any successor form thereto), unless it shall first have given to each Person which holds any Registrable Securities issued by the Company at least 30 days' prior written notice thereof. Any such holder who shall so request within 30 days after such notice (a "Requesting Holder") shall have the rights of a Requesting Holder provided in Sections 9.2, 9.4 and 9.6. In addition, if any registration statement refers to any Requesting Holder by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (a) the insertion therein of language, in form and substance reasonably satisfactory to such holder, to the effect that, if true, the holding by such holder of such securities does not necessarily make such holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by such holder of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to such holder.

9.6. Indemnification.

(a) The Company will, and hereby does, indemnify, to the extent

permitted by applicable law, each holder of Registrable Securities and its Affiliates and their respective officers and directors, if any, and each Person, if any, who controls such holder within the meaning of Section 15 of the Securities Act, against all losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses (under the Securities Act or common law or otherwise), joint or several, caused by

any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus (and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities (or proceedings in respect thereof) or expenses are caused by any untrue statement or alleged untrue statement contained in or by any omission or alleged omission from information furnished in writing to the Company by such holder expressly for use therein. If the offering pursuant to any registration statement provided for under this Warrant is made through underwriters, no action or failure to act on the part of such underwriters (whether or not any such underwriter is an Affiliate of any holder of Registrable Securities) shall affect the obligations of the Company to indemnify any holder of Registrable Securities or any other Person pursuant to the preceding sentence. If the offering pursuant to any registration statement provided for under this Agreement is made through underwriters, the Company agrees to enter into an underwriting agreement in customary form with such underwriters and the Company agrees to indemnify such underwriters, their officers and directors, if any, and each Person, if any, who controls such underwriters within the meaning of Section 15 of the Securities Act to the same extent as hereinbefore provided with respect to the indemnification of the holders of Registrable Securities; provided that the Company shall not be required to indemnify any such underwriter, or any officer or director of such underwriter or any Person who controls such underwriter within the meaning of Section 15 of the Securities Act, to the extent that the loss, claim, damage, liability (or proceedings in respect thereof) or expense for which indemnification is claimed results from such underwriter's failure to send or give a copy of the amended or supplemented final prospectus to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such amended or supplemented final prospectus prior to such written confirmation and the underwriter was given notice of the availability of such amended or supplemented final prospectus.

(b) In connection with any registration statement in which a

holder of Registrable Securities is participating, each such holder will indemnify, to the extent permitted by applicable law, the Company, its officers and directors and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses resulting from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement or prospectus or preliminary prospectus or any amendment thereof or supplement thereto or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in or such omission is from information so furnished in writing by such holder expressly for use therein, provided that such holder's obligations hereunder shall be limited to an amount equal to

the proceeds to such holder of the Registrable Securities sold pursuant to such registration statement.

(c) Any Person entitled to indemnification under the provisions of this Section 9.6 shall (x) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification (but the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 9.6, except to the extent that the indemnifying party is actually prejudiced by such failure) and (y) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, permit such indemnifying party to assume the defense of such claim, with counsel reasonably satisfactory to the indemnified party; and if such defense is so assumed, such indemnifying party shall not enter into any settlement without the consent of the indemnified party if such settlement attributes liability to the indemnified party and such indemnifying party shall not be subject to any liability for any settlement made without its consent (which shall not be unreasonably withheld); and any underwriting agreement entered into with respect to any registration statement provided for under this Agreement shall so provide. In the event an indemnifying party shall not be entitled, or elects not, to assume the defense of a claim, such indemnifying party shall not be obligated to pay the fees and expenses of more than one counsel or firm of counsel for all parties indemnified by such indemnifying party in respect of such claim, unless in the reasonable judgment of any such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties in respect to such claim. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of a participating holder of Registrable Securities, its officers, directors or any Person, if any, who controls such holder as

aforesaid, and shall survive the transfer of such securities by such holder.

(d) If the indemnification provided for in this Section 9.6 shall for any reason be held by a court to be unavailable to an indemnified party under Section 9.6(a) or (b) hereof in respect of any loss, claim, damage or liability, or any action in respect thereof, then, in lieu of the amount paid or payable under Section 9.6(a) or (b), the indemnified party and the indemnifying party under Section 9.6(a) or (b) shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating the same), (x) in such proportion as is appropriate to reflect the relative fault of the Company and the prospective sellers of Registrable Securities covered by the registration statement which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, as well as any other relevant equitable considerations or (y) if the allocation provided by clause (x) above is not permitted by applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Company and such prospective sellers from the offering of the securities covered by such registration statement, provided, that for purposes of clauses (x) or (y), the relative benefits received by the

prospective sellers shall be deemed not to exceed the amount of proceeds received by such prospective sellers and no holder of Registrable Securities shall be required to contribute any amount in excess of the amount such holder could have been required to pay to an indemnified party if the indemnity under subsection (a) of this Section 9.6 was available. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Such sellers' obligations to contribute as provided in this Section 9.6(d) are several in proportion to the relative value of their respective Registrable Securities covered by such registration statement and not joint. In addition, no Person shall be obligated to contribute hereunder any amounts in payment for any settlement of any action or claim effected without such Person's consent, which consent shall not be unreasonably withheld.

(e) Indemnification and contribution similar to that specified in the preceding subdivisions of this Section 9.6 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation of any governmental authority other than the Securities Act.

(f) An indemnifying party shall make payments of all amounts required to be made pursuant to the foregoing provisions of this Section 9.6 to or for the account of the indemnified party from time to time promptly upon receipt of bills or invoices relating thereto or when otherwise due or payable.

9.7. Adjustments Affecting Registrable Securities. The Company will not effect or permit to occur any combination or subdivision of shares which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in any registration of its securities contemplated by this Section 9 or the marketability of such Registrable Securities under any such registration.

9.8. Other Registration of Common Stock. If any shares of the Common Stock required to be reserved for purposes of issuance upon exercise of this Warrant in connection with their sale in a registration pursuant to Section 9.1 require registration with or approval of any governmental authority under any federal or state law (other than the Securities Act) before such shares may be issued upon such exercise, the Company will, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved, as the case may be.

9.9. Nominees for Beneficial Owners. For purposes of this Section 9, in the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election, be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Section 9 or any determination of any number or percentage of shares of Registrable Securities held by any holder or holders of Registrable Securities contemplated by this Section 9. If the beneficial owner of any Registrable

Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

9.10. Rule 144 and Rule 144A. The Company shall take all actions reasonably necessary to enable holders of Registrable Securities to sell such securities without registration under the Securities Act within the limitation of the provisions of Rule 144 and Rule 144A under the Securities Act, as such rules may be amended from time to time, or any similar rules or regulations hereafter adopted by the Commission, including, without limitation, filing on a timely basis all reports required to be filed pursuant to the Exchange Act.

10. Availability of Information. The Company will cooperate with each holder of any Restricted Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the

availability of an exemption from the Securities Act for the sale of any Restricted Securities. The Company will furnish to the holder of this Warrant, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Company to its stockholders, and copies of all regular and periodic reports and all registration statements and prospectuses filed by the Company with any securities exchange or with the Commission.

11. Reservation of Stock, Etc. The Company will at all times reserve and keep available, solely for issuance and delivery upon exercise of this Warrant, the number of shares of Common Stock (or Other Securities) from time to time issuable upon exercise of this Warrant at the time outstanding. All shares of Common Stock (or Other Securities) shall be duly authorized and, when issued upon such exercise, shall be validly issued and, in the case of shares, fully paid and nonassessable, with no liability on the part of the holders thereof.

12. Listing on Securities Exchange. The Company will (a) list on each national securities exchange on which any Common Stock may at any time be listed, subject to official notice of issuance upon exercise of this Warrant, and will maintain such listing of, all shares of Common Stock from time to time issuable upon exercise of this Warrant or (b) secure and maintain designation of all shares of Common Stock from time to time issuable upon exercise of this Warrant as a NASDAQ "national market system security" within the meaning of Rule llAa2-1 of the Commission or, failing that, secure NASDAQ authorization for such shares of Common Stock.

13. Ownership, Transfer and Substitution of Warrants.

13.1. Ownership of Warrants. The Company may treat the person in whose name this Warrant is registered on the register kept at the principal office of the Company as the owner and holder thereof for all purposes,

notwithstanding any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes, notwithstanding any notice to the contrary. Subject to Section 8, a Warrant, if properly assigned, may be exercised by a new holder without first having a new Warrant issued.

13.2. Transfer and Exchange of Warrants. Upon the surrender of any Warrant, properly endorsed, for registration of transfer or for exchange at the principal office of the Company, the Company at its expense will (subject to compliance with Section 8, if applicable) execute and deliver to or upon the order of the holder thereof a new Warrant or Warrants of like tenor, in denominations of at least 1,000 shares, in the name of such holder or as such holder (upon payment by such holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of

shares of Common Stock called for on the face or faces of the Warrant or Warrants so surrendered.

13.3. Replacement of Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction of any Warrant held by a Person other than the Purchaser or any institutional investor, upon delivery of indemnity reasonably satisfactory to the Company in form and amount or, in the case of any such mutilation, upon surrender of such Warrant for cancellation at the principal office of the Company, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

14. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Acquiring Person: the continuing or surviving corporation or other entity of a consolidation or merger with the Company (if other than the Company), the transferee of substantially all of the properties and assets of the Company, the corporation or other entity consolidating with or merging into the Company in a consolidation or merger in connection with which the Common Stock is changed into or exchanged for stock or other securities of any other Person or cash or any other property, or, in the case of a capital reorganization or reclassification, the Company.

Acquisition Price: as applied to the Common Stock, with respect to any transaction to which Section 3 applies, (a) the price per share equal to the greater of the following, determined in each case as of the date immediately preceding the date of consummation of such transaction: (x) the Market Price of the Common Stock and (y) the highest amount of cash plus the Fair Value of the highest amount of securities or other property which the holder of this Warrant would have been entitled as a shareholder to receive upon such consummation if such holder had exercised this Warrant immediately prior thereto, or (b) if a purchase, tender or an exchange offer is made by the Acquiring Person (or by any of its affiliates) to the holders of the Common Stock and such offer is accepted by the holders of more than 50% of the outstanding shares of Common Stock, the greater of (i) the price determined in accordance with the foregoing subdivision (a), and (ii) the price per share equal to the greater of the following, determined in each case as of the date immediately preceding the acceptance of such offer by the holders of more than 50% of the outstanding shares of Common

Stock: (A) the Market Price of the Common Stock and (B) the highest amount of cash plus the Fair Value of the highest amount of securities or other property which the holder of this Warrant would be entitled as a shareholder to receive pursuant to such offer if such holder had exercised this Warrant immediately prior to the expiration of such offer and accepted the same.

Additional Shares of Common Stock: all shares (including treasury

shares) of Common Stock issued or sold (or, pursuant to Section 2.3 or 2.4, deemed to be issued) by the Company after the Initial Date, whether or not subsequently reacquired or retired by the Company, other than (a) shares of Common Stock issued upon the exercise of any Warrants and (b) not more than 3,010,000 shares of Common Stock issued upon the exercise of stock options granted to directors, officers and other employees of the Company pursuant to the DTN Stock Option Plan of 1989, as amended, and the DTN Non-Employee Director Option Plan, as amended, and (c) 75,000 shares of Common Stock issuable upon the exercise of existing warrants.

Base Price: on any date specified herein, the lesser of (a) the Current Market Price or (b) the Warrant Price.

Business Day: any day other than a Saturday or a Sunday or a day on which commercial banking institutions in the City of New York are authorized by law to be closed, provided that, in determining the period within which certificates or Warrants are to be issued and delivered pursuant to Section 1.3 at a time when shares of Common Stock (or Other Securities) are listed or admitted to trading on any national securities exchange or in the over-the-counter market and in determining the Market Price of any securities listed or admitted to trading on any national securities exchange or in the over-the-counter market, "Business Day" shall mean any day when the principal exchange in which securities are then listed or admitted to trading is open for trading or, if such securities are traded in the over-the-counter market in the United States, such system is open for trading, and provided, further, that any reference to "days" (unless Business Days are specified) shall mean calendar days.

Commission: the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act, whichever is the relevant statute for the particular purpose.

Common Stock: the Company's common stock, par value $.001 per share, as constituted on the date hereof, any stock into which such common stock shall have been changed or any stock resulting from any reclassification of such common stock, and all other stock of any class or classes (however designated) of the Company the holders of which have the right, without limitation as to amount, either to all or to a share of the balance of current dividends and liquidating dividends after the payment of dividends and distributions on any shares entitled to preference.

Company: Data Transmission Network Corporation, a Delaware corporation.

Convertible Securities: any evidences of indebtedness, shares of stock (other than Common Stock) or other securities directly or indirectly convertible into or exchangeable for Additional Shares of Common Stock.

Current Market Price: on any date specified herein, (a) with respect to Common Stock or to Voting Common Stock (or equivalent equity interests) of an Acquiring Person or its Parent, (x) the average daily Market Price during the period of the most recent 20 consecutive Business Days ending on such date, or (y) if shares of Common Stock or such Voting Common Stock (or equivalent equity interests), as the case may be, are not then listed or admitted to trading on any national securities exchange and if the closing bid and asked prices thereof are not then quoted or published in the over-the-counter market, the Market Price on such date; and (b) with respect to any other securities, the Market Price on such date.

Exchange Act: the Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time of determination.

Fair Value: with respect to any securities or other property, the fair value thereof as of a date which is within 15 days of the date as of which the determination is to be made (a) determined by an agreement between the Company and the Requisite Holders or (b) if the Company and the Requisite Holders fail to agree, determined jointly by an independent investment banking firm retained by the Company and by an independent investment banking firm retained by the Requisite Holders, either of which firms may be an independent investment banking firm regularly retained by the Company or any such holder or (c) if the Company or such holders shall fail so to retain an independent investment banking firm within five Business Days of the retention of such firm by such holders or the Company, as the case may be, determined solely by the firm so retained or (d) if the firms so retained by the Company and by such holders shall be unable to . reach a joint determination within 15 Business Days of the retention of the last firm so retained, determined by another independent investment banking firm which is not a regular investment banking firm of the Company or any such holder chosen by the first two such firms. Each of the Company and the holders of the Warrants shall be responsible for the fees and expenses of the investment banking firm retained by them under the foregoing clause (b) and shall share equally the fees and expenses of any investment banking firm retained under the foregoing clause (d).

Initial Date: the meaning specified in Section 2.2.

Market Price: on any date specified herein, (a) with respect to Common Stock or to Voting Common Stock (or equivalent equity interests) of an Acquiring Person or its Parent, the amount per share equal to (x) the last sale price of shares of such security, regular way, on such date or, if no such sale takes place on such date, the average of the closing bid and asked prices thereof on such date, in each case as officially reported on the principal national securities exchange on which the same are then listed or admitted to trading, or (y) if no shares of such security are then listed or admitted to trading on any national securities exchange but such security is designated as a

national market system security by the NASD, the last trading price of such security on such date, or if such security is not so designated, the average of the reported closing bid and asked prices thereof on such date as shown by the NASDAQ system or, if no shares thereof are then quoted in such system, as published by the National Quotation Bureau, Incorporated or any successor organization, and in either case as reported by any member firm of the New York Stock Exchange selected by the Company, or (z) if no shares of such security are then listed or admitted to trading on any national exchange or designated as a national market system security and if no closing bid and asked prices thereof are then so quoted or published in the over-the-counter market, the higher of (x) the book value thereof as determined by agreement between the Company and the Requisite Holders, or if the Company and the Requisite Holders fail to agree, by any firm of independent public accountants of recognized standing selected by the Board of Directors of the Company, as of the last day of any month ending within 60 days preceding the date as of which the determination is to be made and (y) the fair value thereof determined in good faith by the Board of Directors of the Company thereof as of a date which is within 15 days of the date as of which the determination is to be made; and (b) with respect to any other securities, the fair value thereof determined in good faith by the Board of Directors of the Company as of a date which is within 15 days of the date as of which the determination is to be made.

Maximum Number of Shares: the meaning specified in Section 9.1(b).

Merger Agreement: the meaning specified in the opening paragraphs of this Warrant.

NASD: the National Association of Securities Dealers.

NASDAO: the Automated Quotation System of the NASD.

Options: rights, options or warrants to subscribe for, purchase or otherwise acquire either Additional Shares of Common Stock or Convertible Securities.

Other Securities: any stock (other than Common Stock) and other securities of the Company or any other Person (corporate or otherwise) which the holder of this Warrant at any time shall be entitled to receive, or shall have received, upon the exercise of this Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 3 or otherwise.

Parent: as to any Acquiring Person, any corporation or other Person which (a) controls the Acquiring Person directly or indirectly through one or more intermediaries, (b) is required to include the Acquiring Person in its consolidated financial statements under generally accepted accounting principles and (c) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

Person: an individual, a partnership, limited liability company, an association, a joint venture, a corporation, a business, a trust, an unincorporated organization or a government or any department, agency or subdivision thereof.

Public Offering: any offering of Common Stock to the public pursuant to an effective registration statement under the Securities Act.

Registrable Securities: (a) this Warrant, (b) any shares of Common Stock or Other Securities issued or issuable upon exercise of this Warrant and (c) any securities issued or issuable with respect to any Common Stock or Other Securities referred to in subdivision (b) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (x) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (y) they shall have been sold as permitted under Rule 144 (or any successor provision) under the Securities Act, or (z) they shall have ceased to be outstanding.

Registration Expenses: all expenses incident to the Company's performance of or compliance with Section 9, including, without limitation, all registration, filing and NASD fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance (provided that "Registration Expenses" will not include any "cold comfort" letter requested solely by the holders of Registrable Securities in connection with any registration if the Company shall not have elected or been required by the underwriters with respect to such registration to cause such a letter to be delivered), the reasonable fees and disbursements of a single counsel and single firm of accountants retained by the holders of the Registrable Securities being registered, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any, provided that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of Company personnel or general overhead expenses of the Company, auditing fees, premiums or other expenses relating to liability insurance required by underwriters of the Company, or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

Requesting Holder: the meaning specified in Section 9.5.

Requisite Holders: the holders of more than 50% of the Registrable Securities issued and outstanding at such time.

Restricted Securities: (a) any Warrants bearing the applicable legend set forth in Section 8.1, (b) any shares of Common Stock (or Other Securities) which have been issued upon the exercise of Warrants and which are evidenced by a certificate or certificates bearing the applicable legend set forth in such Section 8.1, and (c) unless the context otherwise requires, any shares of Common Stock (or Other Securities) which are at the time issuable upon the exercise of Warrants and which, when so issued, will be evidenced by a certificate or certificates bearing the applicable legend set forth in Section 8.1.

Securities Act: the Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time of determination.

Subsidiary: any corporation, association or other business entity a majority (by number of votes) of the Voting Common Stock of which is at the time owned by the Company or by one or more Subsidiaries or by the Company and one or more Subsidiaries.

Transfer: unless the context otherwise requires, any sale, assignment, pledge or other disposition of any security, or of any interest therein, which could constitute a "sale" as that term is defined in Section 2(3) of the Securities Act.

Voting Common Stock: with respect to any corporation, association or other business entity, stock of any class or classes (or equivalent interest) , if the holders of the stock of such class or classes (or equivalent interests) are ordinarily, in the absence of contingencies, entitled to vote for the election of a majority of the directors (or persons performing similar functions) of such corporation, association or business entity, even if the right so to vote has been suspended by the happening of such a contingency.

Warrant Price: the meaning specified in Section 2.1.

Warrants: the Common Stock Purchase Warrants issued by the Company under the Merger Agreement.

15. Remedies. The Company stipulates that the remedies at law of the holder of this Warrant in the event of any default or threatened default by the Company in the performance of or compliance with any of the terms of this Warrant are not and will not be adequate and that, to the fullest extent

permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

16. No Rights or Liabilities as Stockholder. Nothing contained in this Warrant shall be construed as conferring upon the holder hereof any voting or other rights as a stockholder of the Company or as imposing any liabilities on such holder to purchase any securities or as a stockholder of the Company,

whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise.

17. Notices. All notices and other communications under this Warrant shall be in writing and shall be mailed by registered or certified mail, return receipt requested, addressed (a) if to the holder of this Warrant or any holder of any Common Stock (or Other Securities), at the registered address of such holder as set forth in the register kept at the principal office of the Company, or (b) if to the Company, to the attention of its Chief Financial Officer at its principal office, provided that the exercise of any Warrant shall be effected in the manner provided in Section 1.

18. Expiration; Notice. The Company will give the holder of this Warrant no less than 45 days' nor more than 90 days' notice of the expiration of the right to exercise this Warrant. The right to exercise this Warrant shall expire at 3 P.M., New York City time, December 11, 2005. The registration rights provided in Section 9 shall expire at 3 P.M., New York City time, December 11, 2005 with respect to any shares of Common Stock issued previously to such time upon the exercise hereof.

19. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. The agreements of the Company contained in this Warrant other than those applicable solely to the Warrants and the holders thereof shall inure to the benefit of and be enforceable by any holder or holders at the time of any Common Stock (or Other Securities) issued upon the exercise of Warrants, whether so expressed or not. This Warrant shall be construed and enforced in accordance with and governed by the laws of the State of New York. The section headings in this Warrant are for purposes of convenience only and shall not constitute a part hereof.

DATA TRANSMISSION NETWORK CORPORATION

By: _____

Its: _____

FORM OF SUBSCRIPTION

(To be executed only upon exercise of Warrant)

To: _____

The undersigned registered holder of the within Warrant hereby irrevocably exercises such Warrant for, and purchases thereunder, _____ shares of Common Stock of Data Transmission Network Corporation, a Delaware corporation, and herewith makes payment of $_____ therefor, and requests that the certificates for such shares be issued in the name of _____, and delivered to _____, whose address is _____.

Dated: _____.

(Signature must conform in all respects to the name of holder as specified on the face of this Warrant)

[insert address]

FORM OF ASSIGNMENT

(To be executed only upon transfer of Warrant)

For value received, the undersigned registered holder of the within Warrant hereby sells, assigns and transfers unto _____ the right represented by such Warrant to purchase shares of Common Stock of Data Transmission Network Corporation, a Delaware corporation, to which such Warrant relates, and appoints _____ Attorney to make such transfer on the books of _____ maintained for such purpose, with full power of substitution in the premises.

Dated: _____.

(Signature must conform in all respects to the name of holder as specified on the face of this Warrant)

[insert address]

Signed in the presence of:

DATA TRANSMISSION NETWORK CORPORATION

COMMON STOCK PURCHASE WARRANT

Expiring December 11, 2005

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THIS WARRANT AND ANY SHARES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE STATE SECURITIES LAWS. THIS WARRANT AND SUCH SHARES ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFERABILITY SET FORTH IN THIS WARRANT.

Common Stock Purchase Warrant
Expiring December 11, 2005

Omaha, Nebraska
December 11, 1998

DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation (the "Company"), for value received, hereby certifies that ABRY Broadcast Partners II, L.P., a Delaware limited partnership, or registered assigns, is entitled to purchase from the Company 14,824 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock, par value $.001 per share, of the Company (the "Common Stock") at the purchase price per share of $34.00, at any time or from time to time prior to 3 P.M., New York City time, on December 11, 2005, all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant is one of the Common Stock Purchase Warrants issued in connection with the Company's acquisition of all of the issued and outstanding capital stock of Weather Services Corporation, a Massachusetts corporation ("WSC"), pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of November 12, 1998 between the Company, Merger Sub, WSC, and ABRY. Certain capitalized terms used in this Warrant are defined in Section 14. If a capitalized term used in this Warrant is not defined in Section 14, or elsewhere in this Warrant, such term shall have the meaning given such term in the Merger Agreement.

1. Exercise of Warrant.

1.1. Manner of Exercise.

(a) This Warrant may be exercised by the holder hereof, in whole or in part, during normal business hours on any Business Day prior to the expiration of this Warrant by surrender of this Warrant, with the form of subscription at the end hereof (or a reasonable facsimile thereof) duly executed by such holder, to the Company at its principal office (or, if such exercise shall be in connection with an underwritten Public Offering

of shares of Common Stock (or Other Securities) subject to this Warrant, at the location at which the Company shall have agreed to deliver the shares of Common Stock (or Other Securities) subject to such offering), accompanied by payment, in cash or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying (a) the number of shares of Common Stock (without giving effect to any adjustment therein) designated in such form of subscription by (b) the Warrant Price, and such holder shall thereupon be entitled to receive the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) determined as provided in Sections 2 through 4.

(b) Holder may elect in writing delivered to the Company as provided above to receive, without payment of additional consideration, shares of

Common Stock equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company at its principal office. Thereupon, the Company shall issue to such holder such number of fully paid and nonassessable shares of Common Stock as is computed using the following formula:

$$X = \frac{Y\ (A-B)}{A}$$

where X = the number of shares to be issued to such holder pursuant to this subsection 1.1(b).

Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this subsection 1.1(b).

A = the Market Price of one share of Common Stock as at the time the net issue election is made pursuant to this subsection 1.1(b).

B = the Warrant Price in effect under this Warrant at the time the net issue election is made pursuant to this subsection 1.1(b).

1.2. When Exercise Deemed Effected. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the Business Day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1, and at such time the person or persons in whose name or names any certificate or certificates for shares of Common Stock (or Other Securities) shall be issuable upon such exercise as provided in Section 1.3 shall be deemed to have become the holder or holders of record thereof.

1.3. Delivery of Stock Certificates, Etc. As soon as practicable after the exercise of this Warrant, in whole or in part, and in any event within ten (10) Business Days thereafter (unless such exercise shall be in connection with an underwritten Public Offering of shares of Common Stock (or Other Securities) subject to this Warrant, in which event concurrently with such exercise), the Company at its expense (including the payment by it of any taxes (other than transfer taxes) applicable to the Company) will cause to be issued in the name

of and delivered to the holder hereof or, subject to Section 8, as such holder (upon payment by such holder of any applicable transfer taxes) may direct,

(a) a certificate or certificates for the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such holder shall be entitled upon such exercise plus, in lieu of any fractional share to which such holder would otherwise be entitled, cash in an amount equal to the same fraction of the Market Price per share of such Common Stock (or Other Securities) on the

Business Day next preceding the date of such exercise, and

(b) in case such exercise is in part only, a new Warrant of like tenor, calling in the aggregate on the face thereof for the number of shares of Common Stock equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares designated by the holder upon such exercise as provided in Section 1.1.

1.4. Company to Reaffirm Obligations. The Company will, at the time of or at any time after each exercise of this Warrant, upon the request of the holder hereof or of any shares of Common Stock (or Other Securities) issued upon such exercise, acknowledge in writing its continuing obligation to afford to such holder all rights (including, without limitation, any right of registration of any shares of Common Stock (or Other Securities) issuable upon exercise of this Warrant pursuant to Section 9) to which such holder shall continue to be entitled after such exercise in accordance with the terms of this Warrant, provided that if any such holder shall fail to make any such request, the failure shall not affect the continuing obligation of the Company to afford such rights to such holder.

2. Adjustments.

2.1. Number of Shares; Warrant Price. The number of shares of Common Stock which the holder of this Warrant shall be entitled to receive upon each exercise hereof shall be determined by multiplying the number of shares of Common Stock which would otherwise (but for the provisions of this Section 2) be issuable upon such exercise, as designated by the holder hereof pursuant to Section 1.1, by a fraction of which (a) the numerator is $34.00 and (ii) the denominator is the Warrant Price in effect on the date of such exercise. The "Warrant Price" shall initially be $34.00 per share, and shall be adjusted and readjusted from time to time as provided in this Section 2 and, as so adjusted or readjusted, shall remain in effect until a further adjustment or readjustment thereof is required by this Section 2.

2.2. Adjustment of Warrant Price.

2.2.1. Issuance of Additional Shares of Common Stock. In case the Company, at any time or from time to time after December 11, 1998 (the "Initial Date"), shall issue or sell Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 2.3 or 2.4) without consideration or for a consideration per share less than the Base Price

in effect, in each case, on the date of and immediately prior to such issue or sale, then, and in each such case, subject to Section 2.8, such Warrant Price shall be reduced, concurrently with such issue or sale, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Warrant Price by a

fraction,

(a) the numerator of which shall be (i) the number of shares of Common Stock outstanding immediately prior to such issue or sale plus (ii) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of such Additional Shares of Common Stock so issued or sold would purchase at the Base Price, and

(b) the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issue or sale,

provided that, for the purposes of this Section 2.2.1 (x) immediately after any Additional Shares of Common Stock are deemed to have been issued pursuant to Section 2.3 or 2.4, such Additional Shares shall be deemed to be outstanding, and (y) treasury shares shall not be deemed to be outstanding.

2.2.2. Extraordinary Dividends and Distributions. In case the Company at any time or from time to time after the Initial Date shall declare, order, pay or make a dividend or other distribution (including, without limitation, any distribution of other or additional stock or other securities or property or Options by way of dividend or spin-off, reclassification, recapitalization or similar corporate rearrangement) on any Common Stock, other than (a) a dividend payable in Additional Shares of Common Stock or in Options for Common Stock or (b) a dividend payable in cash and declared out of the earned surplus of the Company, then, and in each such case, subject to Section 2.8, the Warrant Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of any class of securities entitled to receive such dividend or distribution shall be reduced, effective as of the close of business on such record date, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Warrant Price by a fraction,

(x) the numerator of which shall be the Current Market Price in effect on such record date or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading, less the value of such dividend or distribution (as determined in good faith by the Board of Directors of the Company) applicable to one share of Common Stock, and

(y) the denominator of which shall be such Current Market Price.

2.3. Treatment of Options and Convertible Securities. In case the Company at any time or from time to time after the Initial Date shall issue, sell, grant or assume, or shall fix a record date for the determination of holders of any class of securities entitled to receive, any Options or Convertible Securities, then, and in each such case, the maximum number of Additional Shares of Common

Stock (as set forth in the instrument relating thereto, without regard to any

provisions contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be issued for purposes of Section 2.2 as of the time of such issue, sale, grant or assumption or, in case such a record date shall have been fixed, as of the close of business on such record date (or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading), provided that such Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section 2.5) of such shares would be less than the Base Price in effect, in each case, on the date of and immediately prior to such issue, sale, grant or assumption or immediately prior to the close of business on such record date (or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading), as the case may be, and provided, further, that in any such case in which Additional Shares of Common Stock are deemed to be issued,

(a) no further adjustment of the Warrant Price shall be made upon the subsequent issue or sale of Additional Shares of Common Stock or Convertible Securities upon the exercise of such Options or the conversion or exchange of such Convertible Securities;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Company, or decrease in the number of Additional Shares of Common Stock issuable, upon the exercise, conversion or exchange thereof (by change of rate or otherwise), the Warrant Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options, or the rights of conversion or exchange under such Convertible Securities, which are outstanding at such time;

(c) upon the expiration of any such Options or of the rights of conversion or exchange under any such Convertible Securities which shall not have been exercised (or upon purchase by the Company and cancellation or retirement of any such Options which shall not have been exercised or of any such Convertible Securities the rights of conversion or exchange under which shall not have been exercised), the Warrant Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration (or such cancellation or retirement, as the case may be), be recomputed as if:

(x) in the case of options for Common Stock or of Convertible Securities, the only Additional Shares of Common Stock issued or sold were the Additional Shares of Common Stock, if any, actually issued or sold upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was (i) an amount equal to (A) the consideration actually received by the Company for the issue, sale, grant or assumption of all such options, whether or not exercised, plus (B) the consideration actually received by the Company upon such exercise, minus (C) the consideration paid by the Company for any purchase of such Options which were not exercised, or (ii) an amount equal to (A) the consideration actually received by the Company for the issue, sale, grant or assumption of all such Convertible Securities which were actually converted or exchanged, plus (B) the additional consideration, if any, actually received by the Company upon such conversion or exchange, minus (C) the consideration paid by the Company for any purchase of such Convertible Securities the rights of conversion or exchange under which were not exercised, and

(y) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued or sold upon the exercise of such Options were issued at the time of the issue, sale, grant or assumption of such options, and the consideration received by the Company for the Additional Shares of Common Stock deemed to have then been issued was an amount equal to (i) the consideration actually received by the Company for the issue, sale, grant or assumption of all such options, whether or not exercised, plus (ii) the consideration deemed to have been received by the Company (pursuant to Section 2.4) upon the issue or sale of the Convertible Securities with respect to which such options were actually exercised, minus (iii) the consideration paid by the Company for any purchase of such Options which were not exercised;

(d) no readjustment pursuant to subdivision (b) or (c) above shall have the effect of increasing the Warrant Price by an amount in excess of the amount of the adjustment thereof originally made in respect of the issue, sale, grant or assumption of such Options or Convertible Securities; and

(e) in the case of any such Options which expire by their terms not more than 30 days after the date of issue, sale, grant or assumption thereof, no adjustment of the Warrant Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in subdivision (c) above.

In case at any time after the Initial Date the Company shall be required to increase the number of Additional Shares of Common Stock subject to any Option or into which any Convertible Securities (other than the Warrants) are convertible or exchangeable pursuant to the operation of anti-dilution

provisions applicable thereto, such Additional Shares of Common Stock shall be deemed to be issued for purposes of Section 2.2 as of the time of such increase.

2.4. Treatment of Stock Dividends, Stock Splits, Etc. In case the Company at any time or from time to time after the Initial Date shall declare or pay any dividend or other distribution on any class of stock of the Company payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then, and in each such case, Additional Shares of Common Stock shall be deemed to have been issued (a) in the case of any such dividend, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend, or (b) in the case of any such subdivision, at the close of business on the day immediately prior to the day upon which such corporate action becomes effective.

2.5. Computation of Consideration. For the purposes of this Section 2:

(a) The consideration for the issue or sale of any Additional Shares of Common Stock or for the issue, sale, grant or assumption of any Options or Convertible Securities, irrespective of the accounting treatment of such consideration, shall

(x) insofar as it consists of cash, be computed at the amount of cash received by the Company, without deducting any expenses paid or incurred by the Company or any commissions or compensation paid or concessions or discounts allowed to underwriters, dealers or others performing similar services and any accrued interest or dividends in connection with such issue or sale,

(y) insofar as it consists of consideration (including securities) other than cash, be computed at the fair value thereof at the time of such issue or sale, as determined in good faith by the Board of Directors of the Company, without deducting any expenses paid or incurred by the Company for any commissions or compensation paid or concessions or discounts allowed to underwriters, dealers or others performing similar services and any accrued interest or dividends in connection with such issue or sale, and

(z) in case Additional Shares of Common Stock are issued or sold or Convertible Securities are issued, sold, granted or assumed together with other stock or securities or other assets of the Company for a consideration which covers both, be the proportion of such consideration so received, computed as provided in subdivisions (x) and (y) above, allocable to such Additional Shares of Common Stock or Convertible Securities, as the case may be, all as

determined in good faith by the Board of Directors of the Company.

(b) All options issued, sold, granted or assumed together with other stock or securities or other assets of the Company for a consideration which covers both, all Additional Shares of Common Stock, Options or

Convertible Securities issued in payment of any dividend or other distribution on any class of stock of the Company and all Additional Shares of Common Stock issued to effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock) shall be deemed to have been issued without consideration.

(c) Additional Shares of Common Stock deemed to have been issued for consideration pursuant to Section 2.3, relating to Options and Convertible Securities, shall be deemed to have been issued for a consideration per share determined by dividing

(x) the total amount, if any, received and receivable by the Company as consideration for the issue, sale, grant or assumption of the Options or Convertible Securities in question, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise in full of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, in each case computing such consideration as provided in the foregoing subdivision (a), by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(d) Additional Shares of Common Stock issued or deemed to have been issued pursuant to the operation of anti-dilution provisions applicable to Convertible Securities (other than the Warrants), Options or other securities of the Company (either as a result of the adjustments provided for by the Warrants or otherwise) shall be deemed to have been issued without consideration.

2.6. Adjustments for Combinations, Etc. In case the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Warrant Price in

effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

2.7. Dilution in Case of Other Securities. In case any Other Securities shall be issued or sold or shall become subject to issue or sale upon the conversion or exchange of any Common Stock (or Other Securities) of the Company (or any issuer of Other Securities or any other Person referred to in Section 3) or to subscription, purchase or other acquisition pursuant to any options issued

or granted by the Company (or any such other issuer or Person) for a consideration such as to dilute, on a basis consistent with the standards established in the other provisions of this Section 2, the purchase rights granted by this Warrant, then, and in each such case, the computations, adjustments and readjustments provided for in this Section 2 with respect to the Warrant Price shall be made as nearly as possible in the manner so provided and applied to determine the amount of Other Securities from time to time receivable upon the exercise of this Warrant, so as to protect the holder of this Warrant against the effect of such dilution.

2.8. Minimum Adjustment of Warrant Price. If the amount of any adjustment of the Warrant Price required pursuant to this Section 2 would be less than one-tenth of one percent of the Warrant Price in effect at the time such adjustment is otherwise so required to be made, such amount shall be carried forward and adjustment with respect thereto made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate at least one-tenth of one percent of such Warrant Price; provided that, upon the exercise of this Warrant, all adjustments carried forward and not theretofore made up to and including the date of such exercise shall be made to the nearest one one-hundredth of a cent.

3. Consolidation, Merger, Sale of Assets, Reorganization. Etc.

3.1. General Provisions. In case the Company, after the Initial Date, (a) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation of such consolidation or merger, or (b) shall permit any other Person to consolidate with or merge into the Company and the Company shall be the continuing or surviving Person but, in connection with such consolidation or merger, Common Stock or Other Securities shall be changed into or exchanged for cash, stock or other securities of any other Person or any other property, or (c) shall transfer all or substantially all of its properties and assets to any other Person, or (d) shall effect a capital reorganization or reclassification of Common Stock or Other Securities (other than a capital reorganization or reclassification resulting in the issue of additional Shares of Common Stock for which adjustment in the Warrant Price is provided in Section 2.2.1 or 2.2.2), then, and in the case of each such transaction, the Company shall give written notice thereof to the holder of this Warrant not less than 30

days prior to the consummation thereof and proper provision shall be made so that, upon the basis and the terms and in the manner provided in this Section 3, the holder of this Warrant, upon the exercise hereof at any time after the consummation of such transaction, shall be entitled to receive, at the aggregate Warrant Price in effect at the time of such consummation for all Common Stock (or other Securities) issuable upon such exercise immediately prior to such consummation, in lieu of the Common Stock (or Other Securities) issuable upon such exercise prior to such consummation, either of the following, as such holder shall elect by written notice to the Company on or before the date immediately preceding the date of the consummation of such transaction (and, in the absence of such notice, the provisions of subdivision (y) below shall be deemed to have been elected by such holder):

(x) the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder upon such consummation if such holder had exercised this Warrant immediately prior thereto, subject to adjustments (subsequent to such consummation) as nearly equivalent as possible to the adjustments provided for in Section 2 and this Section 3, provided that if a purchase, tender or exchange offer shall have been made to and accepted by the holders of Common Stock under circumstances in which, upon completion of such purchase, tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Section 13(d)(3) of the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the outstanding shares of Common Stock, and if the holder of this Warrant so designates in such notice given to the Company, the holder of this Warrant shall be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if the holder of this Warrant had exercised this Warrant prior to the expiration of such purchase, tender or exchange offer, accepted such offer and all of the Common Stock held by such holder had been purchased pursuant to such purchase, tender or exchange offer, subject to adjustments (from and after the consummation of such purchase, tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in Section 2 and this Section 3; or

(y) the number of shares of Voting Common Stock (or equivalent equity interests) of the Acquiring Person or, if the Acquiring Person fails to meet, but its Parent meets, the requirements set forth in the proviso below, of its Parent, subject to adjustments (subsequent to such corporate action) as nearly equivalent as

possible to the adjustments provided for in Section 2 and this Section 3, determined by dividing (i) the product obtained by multiplying (A) the number of shares of Common Stock (or Other Securities) to which the holder of this Warrant would have been entitled had such holder exercised this Warrant immediately prior to the consummation of such transaction, times (B) the greater of the Acquisition Price and the Warrant Price in effect on the date immediately preceding the date of such consummation, by (ii) the Current Market Price per share of the Voting Common Stock (or equivalent equity interests) of the Acquiring Person or its Parent, as the case may be, on the date immediately preceding the date of such consummation;

provided that the Company shall not effect any of the transactions described in subdivisions (a) through (d) above unless, immediately after the date of the consummation of such transaction, the Acquiring Person or its Parent is required to file, by virtue of having an outstanding class of Voting Common Stock (or equivalent equity interests), reports with the Commission pursuant to Section 13

or Section 15(d) of the Exchange Act, and such Voting Common Stock (or equivalent equity interest) is listed or admitted to trading on a national securities exchange or is quoted in the NASD automated quotation system. In the event that the Acquiring Person fulfills the requirements contained in the immediately preceding proviso, then, if the holder of this Warrant shall elect (or shall be deemed to elect) to receive Voting Common Stock (or equivalent equity interests) pursuant to subdivision (y) above, such holder shall be entitled to receive, upon the basis stated in such subdivision (y), only the Voting Common Stock (or equivalent equity interests) of the Acquiring Person.

3.2. Assumption of Obligations. Notwithstanding anything contained in this Warrant or the Merger Agreement to the contrary, the Company will not effect any of the transactions described in subdivisions (a) through (d) of Section 3.1 unless, prior to the consummation thereof, each Person (other than the Company) which may be required to deliver any cash, stock or other securities or other property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the holder of this Warrant, (a) the obligations of the Company under this Warrant (and if the Company shall survive the consummation of such transaction, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under this Warrant) and (b) the obligation to deliver to such holder such cash, stock or other securities or other property as, in accordance with the foregoing provisions of this Section 3, such holder may be entitled to receive, and such Person shall have similarly delivered to such holder an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to such holder, stating that this Warrant shall thereafter continue

in full force and effect and the terms hereof (including, without limitation, all of the provisions of Section 2 and this Section 3) shall be applicable to the cash, stock or other securities or other property which such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto.

4. Other Dilutive Events. In case any event shall occur as to which the provisions of Section 2 or Section 3 are not strictly applicable but the failure to make any adjustment would not fairly protect the purchase rights represented by this Warrant in accordance with the essential intent and principles of such sections, then, in each such case, the Company shall appoint a firm of independent public accountants of recognized national standing (which may be the regular auditors of the Company), which shall give their opinion upon the adjustment, if any, on a basis consistent with the essential intent and principles established in Sections 2 and 3, necessary to preserve, without dilution, the purchase rights represented by this Warrant. Upon receipt of such opinion the Company will promptly mail a copy thereof to the holder of this Warrant and shall make the adjustments described therein.

5. No Dilution or Impairment. The Company will not, by amendment of its certificate of incorporation or through any consolidation, merger, reorganization, transfer of assets, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against dilution

or other impairment. Without limiting the generality of the foregoing, the Company (a) will not permit the par value of any shares of stock receivable upon the exercise of this Warrant to exceed the amount payable therefor upon such exercise, (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of stock upon the exercise of all outstanding warrants issued by the Company (including this Warrant) from time to time, and (c) will not take any action which results in any adjustment of the Warrant Price if the total number of shares of Common Stock (or Other Securities) issuable after the action upon the exercise of all outstanding warrants issued by the Company (including this Warrant) would exceed the total number of shares of Common Stock (or other Securities) then authorized by the Company's certificate of incorporation and available for the purpose of issue upon such exercise.

6. Accountants' Report as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable

upon the exercise of this Warrant, the Company at its expense will promptly compute such adjustment or readjustment in accordance with the terms of this Warrant, and will prepare a certificate of the chief financial officer of the Company setting forth such adjustment or readjustment and showing in reasonable detail the method of calculation thereof and the facts upon which such adjustment or readjustment is based, including without limitation a statement of (a) the consideration received or to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued, (b) the number of shares of Common Stock outstanding or deemed to be outstanding, and (c) the Warrant Price in effect immediately prior to such issue or sale and as adjusted and readjusted (if required by Section 2) on account thereof. The Company will forthwith mail a copy of each such certificate to each holder of a Warrant and will, upon the written request at any time of the holder of this Warrant, furnish to such holder a like certificate setting forth the Warrant Price at the time in effect and showing in reasonable detail how it was calculated. In addition, with respect to any fiscal year of the Company during which any such adjustment or readjustment shall have been made, the Company will cause the independent public accountants reporting upon the Company's financial statements for such fiscal year to verify, concurrently with their annual audit of the Company's financial statements, the computations made by the Company during such fiscal year and to prepare and to deliver to the holder of this Warrant a report setting forth substantially the information described above in this Section 6 with respect to all such adjustments and readjustments. The Company will also keep copies of all such certificates and reports at its principal office and will cause the same to be available for inspection at such office during normal business hours by the holder of this Warrant or any prospective purchaser of this Warrant designated by the holder thereof.

7. Notices of Corporate Action. In the event of

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger involving the Company and any other Person or any transfer of all or substantially all the assets of the Company to any other Person, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

the Company will mail to the holder of this Warrant a notice specifying (x) the date or expected date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right, and (y) the date or expected date on which any such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place and the time, if any such time is to be fixed, as of which the holders of record of Common Stock (or Other Securities) shall be entitled to exchange their shares of Common Stock (or Other Securities) for the securities or other property deliverable upon such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least 20 days prior to the date therein specified, in the case of any date referred to in the foregoing subdivision (x), and at least 30 days prior to the date therein specified, in the case of the date referred to in the foregoing subdivision (y).

8. Restrictions on Transfer.

8.1. Restrictive Legends. Except as otherwise permitted by this Section 8, each certificate for Common Stock (or Other Securities) issued upon the exercise of this Warrant and each certificate issued upon the direct or indirect Transfer of any such Common Stock (or Other Securities) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and may not be transferred except in compliance with such Act and applicable state securities laws. Such shares are also subject to certain restrictions on transferability imposed by a Common Stock Purchase Warrant expiring December 11, 2005, a copy of which is on file at the offices of the Company."

8.2. Notice of Proposed Transfer; Opinions of Counsel. Prior to any Transfer of any Restricted Securities which are not registered under an effective registration statement under the Securities Act (other than a Transfer pursuant to Rule 144 or any comparable rule under such Act), the holder thereof will give written notice to the Company of such holder's intention to effect such Transfer and to comply in all other respects with this Section 8.2. Each such notice (a) shall describe the manner and circumstances of the proposed Transfer in sufficient detail to enable counsel to render the opinions referred to below, and (b) shall designate counsel for the holder giving such notice (who

may be internal counsel for such holder). The holder giving such notice will

submit a copy thereof to the counsel designated in such notice and the Company will promptly submit a copy thereof to its counsel. The following provisions shall then apply:

(x) If in the opinion of such counsel for the holder the proposed Transfer may be effected without registration (a copy of which opinion shall be delivered to the Company), and if such opinion is reasonably satisfactory to the Company, such holder shall thereupon be entitled to Transfer such Restricted Securities in accordance with the terms of the notice delivered by such holder to the Company. Each Warrant or certificate, if any, issued upon or in connection with such Transfer shall bear the appropriate restrictive legend set forth in Section 8.1 unless, in the opinion of such counsel and the Company's counsel, such legend is no longer required to insure compliance with the Securities Act.

(y) If the opinion of such counsel for the holder is not to the effect that the proposed Transfer may legally be effected without registration of such Restricted Securities under the Securities Act, such holder shall not be entitled to Transfer such Restricted Securities (other than in a Transfer pursuant to Rule 144 or any comparable rule under the Securities Act) until the conditions specified in subdivision (x) above shall be satisfied or until registration of such Restricted Securities under the Securities Act has become effective.

Notwithstanding the foregoing provisions of this Section 8.2, the holder of any Restricted Securities shall be permitted to Transfer any such Restricted Securities pursuant to Rule 144A under the Securities Act, provided that each transferee agrees in writing to be bound by all the restrictions on transfer of such Restricted Securities contained in this Section 8.2.

8.3. Termination of Restrictions. The restrictions imposed by this Section 8 upon the transferability of Restricted Securities shall cease and terminate as to any particular Restricted Securities (a) when such securities shall have been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering such Restricted Securities, (a) when, in the opinions of both counsel for the holder thereof and counsel for the Company, such restrictions are no longer required in order to insure compliance with the Securities Act, or (c) when such securities may be immediately sold by the holder as determined under Rule 144 under the Securities Act. Whenever such restrictions shall terminate as to any Restricted Securities, as soon as practicable thereafter and in any event within ten Business Days, the holder thereof shall be entitled to receive from the Company, without expense (other than transfer taxes, if any), new securities of like tenor not bearing the applicable legend set forth in Section 8.1 hereof.

8.4. Holder's Representations and Warranties. Holder hereby represents and warrants to the Company as follows:

(a) Holder is acquiring this Warrant and any shares of Common Stock acquired upon exercise of this Warrant for its own account, for investment and not with a view to any "distribution" within the meaning of the Securities Act.

(b) Holder is knowledgeable and experienced in making venture capital investments, is able to bear the economic risk of loss of its investment in the Company, has been granted the opportunity to make an investigation of the affairs of the Company and has used such opportunity either directly or through its authorized representative.

(c) Holder understands that because the shares of Common Stock issuable under this Warrant have not been registered under the Securities Act, it cannot dispose of any or all of such shares of Common Stock unless such shares are subsequently registered under the Securities Act or exemptions from registration are available. Holder acknowledges and understands that, except as provided in this Warrant, it has no registration rights. By reason of these restrictions, Holder understands that it may be required to hold such shares of Common Stock for an indefinite period of time.

(d) Holder is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act.

9. Registration under Securities Act, Etc.

9.1. Incidental Registration.

(a) Right to Include Registrable Securities. If the Company at any time on or prior to December 11, 2005 proposes to register any of its securities under the Securities Act (other than by a registration on Form S-4 or S-8 or any successor or similar forms), whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities for sale to the public under the Securities Act, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and of such holders' rights under this Section 9.1. Upon the written request of any such holder made within 20 days after receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), the Company will use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the holders thereof, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such

Registrable Securities in the registration statement which covers the securities which the Company proposes to register, provided that (x) the Company shall not be required to effect the registration pursuant to this Section 9.1 of any Warrants (but shall be required to effect the registration of Registrable Securities described in clauses (b) and (c) of the definition of Registrable Securities) and (y) if, at any time after giving written notice of its intention to register any securities and

prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities for the same period as the delay in registering such other securities. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 9.1.

(b) Priority in Incidental Registrations. If a registration pursuant to this Section 9.1 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, that the dollar amount or number of shares of Registrable Securities and other shares of Common Stock or Other Securities to be included in the offering exceeds the maximum dollar amount or number that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method or the probability of success of such offering (the "Maximum Number of Shares"), then the Company shall include in such registration:

(x) if the registration is a primary offering for the Company, (i) first, the shares of Common Stock or Other Securities that the Company proposes to sell for its own account which can be sold without exceeding the Maximum Number of Shares; (ii) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock or Other Securities requested to be included in such registration by the holders thereof with registration rights granted prior to the date hereof which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such other security holders, as nearly as practicable, on the basis of the number of shares of Common Stock or Other Securities requested to be included in such offering by such

other security holders); and (iii) third, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (i) and (ii), the Registrable Securities and shares of Common Stock or Other Securities requested to be included in such registration by the holder of this Warrant and other security holders with registration rights which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such holder and other security holders, as nearly as practicable, on the basis of the number of shares of Registrable Securities and Common Stock or Other Securities requested to be included in such offering by the holder and such other security holders); and

(y) if the registration is for a secondary offering for any of the Company's securityholders, (i) first, if the registration was requested by other security holders with demand registration rights, then the shares of Common Stock or Other Securities that such other

security holders have requested to be included in such offering which can be sold without exceeding the Maximum Number of Shares; (ii) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock or Other Securities requested to be included in such registration by other security holders with registration rights granted prior to the date hereof which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such other security holders, as nearly as practicable, on the basis of the number of shares of Common Stock or Other Securities requested to be included in such offering by such other security holders); and (iii) third, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (i) and (ii), the Registrable Securities and shares of Common Stock or Other Securities requested to be included in such registration by the holder of this Warrant and other security holders with registration rights which can be sold without exceeding the Maximum Number of Shares (allocated pro rata among such holder and other security holders, as nearly as practicable, on the basis of the number of shares of Registrable Securities and Common Stock or Other Securities requested to be included in such offering by the holder and such other security holders).

9.2. Registration Procedures. If and whenever (x) the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 9.1 or (y) there is a Requesting Holder in connection with any other proposed registration by the Company under the Securities Act, the Company will as expeditiously as possible:

(a) prepare and file with the Commission the requisite registration

statement (including such audited financial statements as may be required by the Securities Act or the rules and regulations promulgated thereunder) to effect such registration and use its best efforts to cause such registration statement to become effective, provided that before filing such registration statement or any amendments thereto, the Company will furnish to the counsel selected by the holders of Registrable Securities whose Registrable Securities are to be included in such registration copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel, and provided, further, that the Company may discontinue any registration of its securities which are not Registrable Securities at any time prior to the effective date of the registration statement relating thereto;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration statement and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement and the expiration of 90 days after such

registration statement becomes effective, except with respect to any such registration statement filed pursuant to Rule 415 (or any successor Rule) under the Securities Act, in which case such period shall be 2 years;

(c) furnish to each seller of Registrable Securities covered by such registration statement and each Requesting Holder such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request;

(d) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each seller thereof and each Requesting Holder shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be

required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (d) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(f) furnish to each seller of Registrable Securities and each Requesting Holder a signed counterpart, addressed to such seller (and the underwriters, if any), of

(x) an opinion of counsel for the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten Public Offering, dated the date of any closing under the underwriting agreement), reasonably satisfactory in form and substance to such seller, and

(y) a "comfort" letter, dated the effective date of such registration statement (and, if such registration includes an underwritten Public Offering, dated the date of any closing under the underwriting agreement), signed by the independent public accountants who have certified the Company's financial statements included in such registration statement (it being understood that such letter, if the cost thereof does not constitute a "Registration

Expense", is to be delivered only at the request of, and at the expense of, any seller of Registrable Securities or Requesting Holder),

covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten Public Offerings of securities and, in the case of the accountants' letter, such other financial matters, as such seller (or the underwriters, if any) may reasonably request;

(g) immediately notify each seller of such Registrable Securities, and (if requested by any such seller) confirm such advice in writing, (w) when the prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to the registration statement

or any post-effective amendment, when the same has become effective, (x) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information, (y) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose, and (z) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(h) use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time;

(i) immediately notify each holder of Registrable Securities covered by such registration statement and each Requesting Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such holder promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month after the effective

date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, and not file any amendment or supplement to such registration statement or prospectus to which any such seller or any Requesting Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder, having been furnished with a copy thereof at least five (5) business days prior to the filing thereof;

(k) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(l) cooperate with the sellers of such Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which securities shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company; and enable such Registrable Securities to be in such denominations and registered in such names as such sellers may request at least two business days prior to any sale of Registrable Securities;

(m) use its best efforts (x) to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange (if such Registrable Securities are not already so listed) and on each additional national securities exchange on which similar securities issued by the Company are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (y) to secure designation of all such Registrable Securities covered by such registration statement as a NASDAQ "national market system security" within the meaning of Rule llAa2-1 of the Commission or, failing that, secure NASDAQ authorization for such Registrable Securities and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD;

(n) provide a CUSIP number for all Registrable Securities, not later than the effective date of the applicable registration statement; and

(o) enter into such agreements and take such other actions as the Requisite Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require each holder of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such holder and the distribution of such securities as the Company may from time to time reasonably request in writing.

9.3. Underwritten Offerings.

9.3.1. Incidental Underwritten Offerings. If the Company at any time proposes to register any of its securities under the Securities Act as

contemplated by Section 9.1 and such securities are to be distributed by or through one or more underwriters, the Company will, subject to the provisions of Section 9.1(b), use its best efforts, if requested by any holder of Registrable Securities, to arrange for such underwriters to include the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such holders of Registrable Securities. No holder of Registrable Securities shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder and such holder's intended method of distribution and any other representation required by law.

9.3.2. Holdback Agreements.

(x) Each holder of Registrable Securities agrees, if so required by the managing underwriter, not to effect any public sale or distribution of securities of the Company of the same class as the securities included in such Registration Statement, during the seven days prior to the date on which any underwritten registration pursuant to Section 9.1 has become effective and the 90 days thereafter, except as part of such underwritten registration or to the extent that such holder is prohibited by applicable law from agreeing to withhold Registrable Securities from sale or is acting in its capacity as a fiduciary or an investment adviser. Without limiting the scope of the term "fiduciary," a holder shall be deemed to be acting as a fiduciary or an investment adviser if its actions or the Registrable Securities proposed to be sold are subject to ERISA, the Investment Company Act of 1940 or the Investment Advisers Act of 1940 or if such Registrable Securities are held in a separate account under applicable insurance law or regulation.

(y) The Company agrees (i) not to effect any public sale or distribution of its equity securities or securities convertible into or exchangeable or exercisable for any of such securities during the seven (7) days prior to the date on which any underwritten registration pursuant to Section 9.1 has become effective and the 90 days thereafter, except as part of such underwritten registration and except pursuant to registrations on Form S-4 or S-8 or any successor or similar forms thereto, and (ii) to cause each holder of its equity securities or of any securities convertible into or exchangeable or exercisable for any of such securities, in each case purchased from the Company at any time after the date of this Agreement (other than in a Public Offering), to agree not to effect

any such public sale or distribution of such securities, during such period, except as part of such underwritten registration.

9.4. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act, the Company will give the holders of Registrable Securities registered under such registration statement, their underwriters, if any, each Requesting Holder and their respective counsel and accountants, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

9.5. Rights of Requesting Holders. The Company will not file any registration statement under the Securities Act, whether or not pursuant to registration rights granted to other holders of its securities and whether or not for sale for its own account (other than by a registration on Form S-4, S-8 or any successor form thereto), unless it shall first have given to each Person which holds any Registrable Securities issued by the Company at least 30 days' prior written notice thereof. Any such holder who shall so request within 30 days after such notice (a "Requesting Holder") shall have the rights of a Requesting Holder provided in Sections 9.2, 9.4 and 9.6. In addition, if any registration statement refers to any Requesting Holder by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (a) the insertion therein of language, in form and substance reasonably satisfactory to such holder, to the effect that, if true, the holding by such holder of such securities does not necessarily make such holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by such holder of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to such holder.

9.6. Indemnification.

(a) The Company will, and hereby does, indemnify, to the extent permitted by applicable law, each holder of Registrable Securities and its Affiliates and their respective officers and directors, if any, and each Person, if any, who controls such holder within the meaning of Section 15

of the Securities Act, against all losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses (under the Securities Act or common law or otherwise), joint or several, caused by any untrue statement or alleged untrue statement of a material fact contained in any

registration statement or prospectus (and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities (or proceedings in respect thereof) or expenses are caused by any untrue statement or alleged untrue statement contained in or by any omission or alleged omission from information furnished in writing to the Company by such holder expressly for use therein. If the offering pursuant to any registration statement provided for under this Warrant is made through underwriters, no action or failure to act on the part of such underwriters (whether or not any such underwriter is an Affiliate of any holder of Registrable Securities) shall affect the obligations of the Company to indemnify any holder of Registrable Securities or any other Person pursuant to the preceding sentence. If the offering pursuant to any registration statement provided for under this Agreement is made through underwriters, the Company agrees to enter into an underwriting agreement in customary form with such underwriters and the Company agrees to indemnify such underwriters, their officers and directors, if any, and each Person, if any, who controls such underwriters within the meaning of Section 15 of the Securities Act to the same extent as hereinbefore provided with respect to the indemnification of the holders of Registrable Securities; provided that the Company shall not be required to indemnify any such underwriter, or any officer or director of such underwriter or any Person who controls such underwriter within the meaning of Section 15 of the Securities Act, to the extent that the loss, claim, damage, liability (or proceedings in respect thereof) or expense for which indemnification is claimed results from such underwriter's failure to send or give a copy of the amended or supplemented final prospectus to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such amended or supplemented final prospectus prior to such written confirmation and the underwriter was given notice of the availability of such amended or supplemented final prospectus.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder will indemnify, to the extent permitted by applicable law, the Company, its officers and directors and each Person, if any, who controls the Company

within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses resulting from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement or prospectus or preliminary prospectus or any amendment thereof or supplement thereto or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in or such omission is from information so furnished in writing by such holder expressly for use therein, provided that such holder's obligations

hereunder shall be limited to an amount equal to the proceeds to such holder of the Registrable Securities sold pursuant to such registration statement.

(c) Any Person entitled to indemnification under the provisions of this Section 9.6 shall (x) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification (but the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 9.6, except to the extent that the indemnifying party is actually prejudiced by such failure) and (y) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, permit such indemnifying party to assume the defense of such claim, with counsel reasonably satisfactory to the indemnified party; and if such defense is so assumed, such indemnifying party shall not enter into any settlement without the consent of the indemnified party if such settlement attributes liability to the indemnified party and such indemnifying party shall not be subject to any liability for any settlement made without its consent (which shall not be unreasonably withheld); and any underwriting agreement entered into with respect to any registration statement provided for under this Agreement shall so provide. In the event an indemnifying party shall not be entitled, or elects not, to assume the defense of a claim, such indemnifying party shall not be obligated to pay the fees and expenses of more than one counsel or firm of counsel for all parties indemnified by such indemnifying party in respect of such claim, unless in the reasonable judgment of any such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties in respect to such claim. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of a participating holder of Registrable Securities, its officers, directors or any Person, if any, who controls such holder as aforesaid, and shall survive the transfer of such securities by such holder.

(d) If the indemnification provided for in this Section 9.6 shall for any reason be held by a court to be unavailable to an indemnified party under Section 9.6(a) or (b) hereof in respect of any loss, claim, damage or liability, or any action in respect thereof, then, in lieu of the amount paid or payable under Section 9.6(a) or (b), the indemnified party and the indemnifying party under Section 9.6(a) or (b) shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating the same), (x) in such proportion as is appropriate to reflect the relative fault of the Company and the prospective sellers of Registrable Securities covered by the registration statement which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action or proceeding in respect thereof, as well as any other relevant equitable considerations or (y) if the allocation provided by clause (x) above is not permitted by

applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Company and such prospective sellers from the offering of the securities covered by such registration statement, provided, that for purposes of clauses (x) or (y), the relative benefits received by the prospective sellers shall be deemed not to exceed the amount of proceeds received by such prospective sellers and no holder of Registrable Securities shall be required to contribute any amount in excess of the amount such holder could have been required to pay to an indemnified party if the indemnity under subsection (a) of this Section 9.6 was available. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Such sellers' obligations to contribute as provided in this Section 9.6(d) are several in proportion to the relative value of their respective Registrable Securities covered by such registration statement and not joint. In addition, no Person shall be obligated to contribute hereunder any amounts in payment for any settlement of any action or claim effected without such Person's consent, which consent shall not be unreasonably withheld.

(e) Indemnification and contribution similar to that specified in the preceding subdivisions of this Section 9.6 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation of any governmental authority other than the Securities Act.

(f) An indemnifying party shall make payments of all amounts required to be made pursuant to the foregoing provisions of this Section

9.6 to or for the account of the indemnified party from time to time promptly upon receipt of bills or invoices relating thereto or when otherwise due or payable.

9.7. Adjustments Affecting Registrable Securities. The Company will not effect or permit to occur any combination or subdivision of shares which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in any registration of its securities contemplated by this Section 9 or the marketability of such Registrable Securities under any such registration.

9.8. Other Registration of Common Stock. If any shares of the Common Stock required to be reserved for purposes of issuance upon exercise of this Warrant in connection with their sale in a registration pursuant to Section 9.1 require registration with or approval of any governmental authority under any federal or state law (other than the Securities Act) before such shares may be issued upon such exercise, the Company will, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved, as the case may be.

9.9. Nominees for Beneficial Owners. For purposes of this Section 9, in the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election, be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Section 9 or any determination of any number or percentage of shares of Registrable Securities held by any holder or holders of Registrable Securities

contemplated by this Section 9. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

9.10. Rule 144 and Rule 144A. The Company shall take all actions reasonably necessary to enable holders of Registrable Securities to sell such securities without registration under the Securities Act within the limitation of the provisions of Rule 144 and Rule 144A under the Securities Act, as such rules may be amended from time to time, or any similar rules or regulations hereafter adopted by the Commission, including, without limitation, filing on a timely basis all reports required to be filed pursuant to the Exchange Act.

10. Availability of Information. The Company will cooperate with each holder of any Restricted Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of an exemption from the Securities Act for the sale of any Restricted Securities. The Company will furnish to the holder of this

Warrant, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Company to its stockholders, and copies of all regular and periodic reports and all registration statements and prospectuses filed by the Company with any securities exchange or with the Commission.

11. Reservation of Stock, Etc. The Company will at all times reserve and keep available, solely for issuance and delivery upon exercise of this Warrant, the number of shares of Common Stock (or Other Securities) from time to time issuable upon exercise of this Warrant at the time outstanding. All shares of Common Stock (or Other Securities) shall be duly authorized and, when issued upon such exercise, shall be validly issued and, in the case of shares, fully paid and nonassessable, with no liability on the part of the holders thereof.

12. Listing on Securities Exchange. The Company will (a) list on each national securities exchange on which any Common Stock may at any time be listed, subject to official notice of issuance upon exercise of this Warrant, and will maintain such listing of, all shares of Common Stock from time to time issuable upon exercise of this Warrant or (b) secure and maintain designation of all shares of Common Stock from time to time issuable upon exercise of this Warrant as a NASDAQ "national market system security" within the meaning of Rule llAa2-1 of the Commission or, failing that, secure NASDAQ authorization for such shares of Common Stock.

13. Ownership, Transfer and Substitution of Warrants.

13.1. Ownership of Warrants. The Company may treat the person in whose name this Warrant is registered on the register kept at the principal office of the Company as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes, notwithstanding

any notice to the contrary. Subject to Section 8, a Warrant, if properly assigned, may be exercised by a new holder without first having a new Warrant issued.

13.2. Transfer and Exchange of Warrants. Upon the surrender of any Warrant, properly endorsed, for registration of transfer or for exchange at the principal office of the Company, the Company at its expense will (subject to compliance with Section 8, if applicable) execute and deliver to or upon the order of the holder thereof a new Warrant or Warrants of like tenor, in denominations of at least 1,000 shares, in the name of such holder or as such holder (upon payment by such holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of

shares of Common Stock called for on the face or faces of the Warrant or Warrants so surrendered.

13.3. Replacement of Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction of any Warrant held by a Person other than the Purchaser or any institutional investor, upon delivery of indemnity reasonably satisfactory to the Company in form and amount or, in the case of any such mutilation, upon surrender of such Warrant for cancellation at the principal office of the Company, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

14. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Acquiring Person: the continuing or surviving corporation or other entity of a consolidation or merger with the Company (if other than the Company), the transferee of substantially all of the properties and assets of the Company, the corporation or other entity consolidating with or merging into the Company in a consolidation or merger in connection with which the Common Stock is changed into or exchanged for stock or other securities of any other Person or cash or any other property, or, in the case of a capital reorganization or reclassification, the Company.

Acquisition Price: as applied to the Common Stock, with respect to any transaction to which Section 3 applies, (a) the price per share equal to the greater of the following, determined in each case as of the date immediately preceding the date of consummation of such transaction: (x) the Market Price of the Common Stock and (y) the highest amount of cash plus the Fair Value of the highest amount of securities or other property which the holder of this Warrant would have been entitled as a shareholder to receive upon such consummation if such holder had exercised this Warrant immediately prior thereto, or (b) if a purchase, tender or an exchange offer is made by the Acquiring Person (or by any of its affiliates) to the holders of the Common Stock and such offer is accepted by the holders of more than 50% of the outstanding shares of Common Stock, the greater of (i) the price determined in accordance with the foregoing subdivision (a), and (ii) the price per share equal to the greater of the following, determined in each case as of the date immediately preceding the acceptance of such offer by the holders of more than 50% of the outstanding shares of Common Stock: (A) the Market Price of the Common Stock and (B) the highest amount of

cash plus the Fair Value of the highest amount of securities or other property which the holder of this Warrant would be entitled as a shareholder to receive pursuant to such offer if such holder had exercised this Warrant immediately prior to the expiration of such offer and accepted the same.

Additional Shares of Common Stock: all shares (including treasury shares) of Common Stock issued or sold (or, pursuant to Section 2.3 or 2.4, deemed to be issued) by the Company after the Initial Date, whether or not subsequently reacquired or retired by the Company, other than (a) shares of Common Stock issued upon the exercise of any Warrants and (b) not more than 3,010,000 shares of Common Stock issued upon the exercise of stock options granted to directors, officers and other employees of the Company pursuant to the DTN Stock Option Plan of 1989, as amended, and the DTN Non-Employee Director Option Plan, as amended, and (c) 75,000 shares of Common Stock issuable upon the exercise of existing warrants.

Base Price: on any date specified herein, the lesser of (a) the Current Market Price or (b) the Warrant Price.

Business Day: any day other than a Saturday or a Sunday or a day on which commercial banking institutions in the City of New York are authorized by law to be closed, provided that, in determining the period within which certificates or Warrants are to be issued and delivered pursuant to Section 1.3 at a time when shares of Common Stock (or Other Securities) are listed or admitted to trading on any national securities exchange or in the over-the-counter market and in determining the Market Price of any securities listed or admitted to trading on any national securities exchange or in the over-the-counter market, "Business Day" shall mean any day when the principal exchange in which securities are then listed or admitted to trading is open for trading or, if such securities are traded in the over-the-counter market in the United States, such system is open for trading, and provided, further, that any reference to "days" (unless Business Days are specified) shall mean calendar days.

Commission: the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act, whichever is the relevant statute for the particular purpose.

Common Stock: the Company's common stock, par value $.001 per share, as constituted on the date hereof, any stock into which such common stock shall have been changed or any stock resulting from any reclassification of such common stock, and all other stock of any class or classes (however designated) of the Company the holders of which have the right, without limitation as to amount, either to all or to a share of the balance of current dividends and liquidating dividends after the payment of dividends and distributions on any shares entitled to preference.

Company: Data Transmission Network Corporation, a Delaware corporation.

Convertible Securities: any evidences of indebtedness, shares of stock (other than Common Stock) or other securities directly or indirectly convertible

into or exchangeable for Additional Shares of Common Stock.

Current Market Price: on any date specified herein, (a) with respect to Common Stock or to Voting Common Stock (or equivalent equity interests) of an Acquiring Person or its Parent, (x) the average daily Market Price during the period of the most recent 20 consecutive Business Days ending on such date, or (y) if shares of Common Stock or such Voting Common Stock (or equivalent equity interests), as the case may be, are not then listed or admitted to trading on any national securities exchange and if the closing bid and asked prices thereof are not then quoted or published in the over-the-counter market, the Market Price on such date; and (b) with respect to any other securities, the Market Price on such date.

Exchange Act: the Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time of determination.

Fair Value: with respect to any securities or other property, the fair value thereof as of a date which is within 15 days of the date as of which the determination is to be made (a) determined by an agreement between the Company and the Requisite Holders or (b) if the Company and the Requisite Holders fail to agree, determined jointly by an independent investment banking firm retained by the Company and by an independent investment banking firm retained by the Requisite Holders, either of which firms may be an independent investment banking firm regularly retained by the Company or any such holder or (c) if the Company or such holders shall fail so to retain an independent investment banking firm within five Business Days of the retention of such firm by such holders or the Company, as the case may be, determined solely by the firm so retained or (d) if the firms so retained by the Company and by such holders shall be unable to . reach a joint determination within 15 Business Days of the retention of the last firm so retained, determined by another independent investment banking firm which is not a regular investment banking firm of the Company or any such holder chosen by the first two such firms. Each of the Company and the holders of the Warrants shall be responsible for the fees and expenses of the investment banking firm retained by them under the foregoing clause (b) and shall share equally the fees and expenses of any investment banking firm retained under the foregoing clause (d).

Initial Date: the meaning specified in Section 2.2.

Market Price: on any date specified herein, (a) with respect to Common Stock or to Voting Common Stock (or equivalent equity interests) of an Acquiring Person or its Parent, the amount per share equal to (x) the last sale price of shares of such security, regular way, on such date or, if no such sale takes place on such date, the average of the closing bid and asked prices thereof on such date, in each case as officially reported on the principal national securities exchange on which the same are then listed or admitted to trading, or (y) if no shares of such security are then listed or admitted to trading on any national securities exchange but such security is designated as a national

market system security by the NASD, the last trading price of such security on such date, or if such security is not so designated, the average of the reported closing bid and asked prices thereof on such date as shown by the NASDAQ system or, if no shares thereof are then quoted in such system, as published by the National Quotation Bureau, Incorporated or any successor organization, and in either case as reported by any member firm of the New York Stock Exchange selected by the Company, or (z) if no shares of such security are then listed or admitted to trading on any national exchange or designated as a national market system security and if no closing bid and asked prices thereof are then so quoted or published in the over-the-counter market, the higher of (x) the book value thereof as determined by agreement between the Company and the Requisite Holders, or if the Company and the Requisite Holders fail to agree, by any firm of independent public accountants of recognized standing selected by the Board of Directors of the Company, as of the last day of any month ending within 60 days preceding the date as of which the determination is to be made and (y) the fair value thereof determined in good faith by the Board of Directors of the Company thereof as of a date which is within 15 days of the date as of which the determination is to be made; and (b) with respect to any other securities, the fair value thereof determined in good faith by the Board of Directors of the Company as of a date which is within 15 days of the date as of which the determination is to be made.

Maximum Number of Shares: the meaning specified in Section 9.1(b).

Merger Agreement: the meaning specified in the opening paragraphs of this Warrant.

NASD: the National Association of Securities Dealers.

NASDAO: the Automated Quotation System of the NASD.

Options: rights, options or warrants to subscribe for, purchase or otherwise acquire either Additional Shares of Common Stock or Convertible Securities.

Other Securities: any stock (other than Common Stock) and other securities of the Company or any other Person (corporate or otherwise) which the holder of this Warrant at any time shall be entitled to receive, or shall have received, upon the exercise of this Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 3 or otherwise.

Parent: as to any Acquiring Person, any corporation or other Person which (a) controls the Acquiring Person directly or indirectly through one or more intermediaries, (b) is required to include the Acquiring Person in its consolidated financial statements under generally accepted accounting principles

and (c) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

Person: an individual, a partnership, limited liability company, an association, a joint venture, a corporation, a business, a trust, an unincorporated organization or a government or any department, agency or subdivision thereof.

Public Offering: any offering of Common Stock to the public pursuant to an effective registration statement under the Securities Act.

Registrable Securities: (a) this Warrant, (b) any shares of Common Stock or Other Securities issued or issuable upon exercise of this Warrant and (c) any securities issued or issuable with respect to any Common Stock or Other Securities referred to in subdivision (b) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (x) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (y) they shall have been sold as permitted under Rule 144 (or any successor provision) under the Securities Act, or (z) they shall have ceased to be outstanding.

Registration Expenses: all expenses incident to the Company's performance of or compliance with Section 9, including, without limitation, all registration, filing and NASD fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance (provided that "Registration Expenses" will not include any "cold comfort" letter requested solely by the holders of Registrable Securities in connection with any registration if the Company shall not have elected or been required by the underwriters with respect to such registration to cause such a letter to be delivered), the reasonable fees and disbursements of a single counsel and single firm of accountants retained by the holders of the Registrable Securities being registered, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any, provided that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of Company personnel or

general overhead expenses of the Company, auditing fees, premiums or other expenses relating to liability insurance required by underwriters of the Company, or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

Requesting Holder: the meaning specified in Section 9.5.

Requisite Holders: the holders of more than 50% of the Registrable Securities issued and outstanding at such time.

Restricted Securities: (a) any Warrants bearing the applicable legend set forth in Section 8.1, (b) any shares of Common Stock (or Other Securities) which have been issued upon the exercise of Warrants and which are evidenced by a certificate or certificates bearing the applicable legend set forth in such Section 8.1, and (c) unless the context otherwise requires, any shares of Common Stock (or Other Securities) which are at the time issuable upon the exercise of Warrants and which, when so issued, will be evidenced by a certificate or certificates bearing the applicable legend set forth in Section 8.1.

Securities Act: the Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time of determination.

Subsidiary: any corporation, association or other business entity a majority (by number of votes) of the Voting Common Stock of which is at the time owned by the Company or by one or more Subsidiaries or by the Company and one or more Subsidiaries.

Transfer: unless the context otherwise requires, any sale, assignment, pledge or other disposition of any security, or of any interest therein, which could constitute a "sale" as that term is defined in Section 2(3) of the Securities Act.

Voting Common Stock: with respect to any corporation, association or other business entity, stock of any class or classes (or equivalent interest) , if the holders of the stock of such class or classes (or equivalent interests) are ordinarily, in the absence of contingencies, entitled to vote for the election of a majority of the directors (or persons performing similar functions) of such corporation, association or business entity, even if the right so to vote has been suspended by the happening of such a contingency.

Warrant Price: the meaning specified in Section 2.1.

Warrants: the Common Stock Purchase Warrants issued by the Company under

the Merger Agreement.

15. Remedies. The Company stipulates that the remedies at law of the holder of this Warrant in the event of any default or threatened default by the Company in the performance of or compliance with any of the terms of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

16. No Rights or Liabilities as Stockholder. Nothing contained in this Warrant shall be construed as conferring upon the holder hereof any voting or other rights as a stockholder of the Company or as imposing any liabilities on such holder to purchase any securities or as a stockholder

of the Company, whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise.

17. Notices. All notices and other communications under this Warrant shall be in writing and shall be mailed by registered or certified mail, return receipt requested, addressed (a) if to the holder of this Warrant or any holder of any Common Stock (or Other Securities), at the registered address of such holder as set forth in the register kept at the principal office of the Company, or (b) if to the Company, to the attention of its Chief Financial Officer at its principal office, provided that the exercise of any Warrant shall be effected in the manner provided in Section 1.

18. Expiration; Notice. The Company will give the holder of this Warrant no less than 45 days' nor more than 90 days' notice of the expiration of the right to exercise this Warrant. The right to exercise this Warrant shall expire at 3 P.M., New York City time, December 11, 2005. The registration rights provided in Section 9 shall expire at 3 P.M., New York City time, December 11, 2005 with respect to any shares of Common Stock issued previously to such time upon the exercise hereof.

19. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. The agreements of the Company contained in this Warrant other than those applicable solely to the Warrants and the holders thereof shall inure to the benefit of and be enforceable by any holder or holders at the time of any Common Stock (or Other Securities) issued upon the exercise of Warrants, whether so expressed or not. This Warrant shall be construed and enforced in accordance with and governed by the laws of the State of New York. The section headings in this Warrant are for

purposes of convenience only and shall not constitute a part hereof.

DATA TRANSMISSION NETWORK CORPORATION

By: /s/ Joseph M. Urzendowski
Its: Vice President - Operations

FORM OF SUBSCRIPTION

(To be executed only upon exercise of Warrant)

To: _____

The undersigned registered holder of the within Warrant hereby irrevocably exercises such Warrant for, and purchases thereunder, _____ shares of Common Stock of Data Transmission Network Corporation, a Delaware corporation, and herewith makes payment of $_____ therefor, and requests that the certificates for such shares be issued in the name of _____, and delivered to _____, whose address is _____.

Dated: _____.

(Signature must conform in all respects to the name of holder as specified on the face of this Warrant)

[insert address]

FORM OF ASSIGNMENT

(To be executed only upon transfer of Warrant)

For value received, the undersigned registered holder of the within Warrant hereby sells, assigns and transfers unto _____ the right represented by such Warrant to purchase shares of Common Stock of Data Transmission Network Corporation, a Delaware corporation, to which such Warrant relates, and appoints _____ Attorney to make such transfer on the books of _____ maintained for such purpose, with full power of substitution in the premises.

Dated: _____.

(Signature must conform in all respects to the name of holder as specified on the face of this Warrant)

[insert address]

Signed in the presence of:

AMENDMENT TO
STOCK PURCHASE AGREEMENT

This AMENDMENT TO STOCK PURCHASE AGREEMENT ("Amendment") is dated as of January 12, 1999, and is entered into by and among Data Transmission Network Corporation, a Delaware corporation ("Buyer"), and Donald W. Bowles, Excel Interfinancial Corporation, Charter Financial Holdings, LLC, Steven L. Reynolds and Douglas Vanderbilt (collectively the "Sellers" and individually a "Seller").

RECITALS:

A. Buyer and Sellers are all of the present parties to that certain Stock Purchase Agreement dated May 27, 1998 (the "Agreement").

B. Buyer and Sellers desire to extend by three months the term of certain earnout payments to Sellers under the Agreement as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth therein and herein, the parties hereto agree as follows:

1. Amendments to Agreement. (a) The first sentence of Subsection (b) of Section 1.02 of the Agreement is amended by deleting it in its entirety and inserting the following sentence in its place:

> "Sellers will be paid pro rata, based on their percentage ownership of the Shares, 640% of the amount (the "Excess Amount"), if any, by which the Recurring Revenue (as hereinafter defined) for each of the calendar quarters ending June 30, 1998, September 30, 1998, December 31, 1998, March 31, 1999, June 30, 1999, and September 30, 1999 exceeds the Base Amount (as hereinafter defined)."

(b) The first sentence of Subsection (c) of Section 1.02 of the Agreement is amended by substituting the date of October 1, 1999 in place of the date of July 1, 1999 in such sentence.

(c) The third sentence of Section 7.02 of the Agreement is amended by deleting it in its entirety and inserting the following sentence in its place:

> "In full consideration for the purchase by Buyer of the Goodwill, Buyer shall pay to Bowles (i) 160% of the Excess Amount (as defined in Section 1.02(b)) for each of the calendar quarters ending June 30, 1998, September 30, 1998, December 31, 1998, March 31, 1999, June 30, 1999, and September 30, 1999 and (ii) 20% of the Non-recurring Revenue (as defined in Section 1.02(c)) received by the Company after the Closing Date and before October 1, 1999."

2. Binding Effect. This Amendment shall be binding upon and inure to the benefit of Buyer and Sellers and their respective successors and permitted assigns.

3. Superseding. From and after the date hereof, all references to the Agreement shall mean the Agreement, as amended by this Amendment.

4. Confirmation. Except as otherwise expressly set forth in this Amendment, the Agreement is hereby ratified and confirmed and remains in full force and effect.

5. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Amendment by signing any such counterpart.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

DATA TRANSMISSION NETWORK CORPORATION

By: /s/ Charles R. Wood
Charles R. Wood, Sr. Vice President

/s/ Donald W. Bowles

Donald W. Bowles

EXCEL INTERFINANCIAL CORPORATION

By: /s/ Richard Muir

Richard Muir, Executive Vice President

CHARTER FINANCIAL HOLDINGS, LLC

By: /s/ John L. O'Donnell

John L. O'Donnell, Manager

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/s/ Steven L. Reynolds

Steven L. Reynolds

/s/ Douglas Vanderbilt

Douglas Vanderbilt

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January 26, 1999

Mr. Sebastian E. Casseta, Chief Executive Officer
SmartServ Online, Inc.
Metro Center, One Station Place
Stamford, CT 06902

Re: Possible Merger with Data Transmission Network Corporation ("DTN")

Dear Mr. Casseta:

This letter sets forth our agreement in principle whereby a wholly owned subsidiary of DTN ("Merger Sub") would merge with SmartServ Online, Inc. ("SSOL") (the "Merger") upon the terms, and subject to the conditions, generally described below.

ECONOMIC TERMS

1. Merger. The Merger would be accomplished in a manner which would qualify it as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1986, as amended, and, if possible, permit it to be accounted for as a "pooling-of-interests". Either Merger Sub or SSOL would be the surviving corporation following the Merger, but the articles of incorporation, bylaws, directors and officers of the surviving corporation immediately following the Merger would be as specified by DTN.

2. Merger Agreement. It is understood that SSOL and DTN will attempt in good faith to negotiate and sign a definitive merger agreement (the "Definitive Agreement") upon the terms and subject to the conditions set forth in this letter of intent. The parties to this letter of intent other than SSOL and DTN (the "Principal Stockholders") will be the holders of 46% or more of the SSOL Common Stock on an as if converted and fully diluted basis. On or before the execution of the Definitive Agreement, the Principal Stockholders will agree to exercise their warrants, options and other rights to acquire SSOL Common Stock and vote their SSOL Common Stock in favor of approval of the Merger; provided, however, Sebastian Casseta and Mario Rossi will not be obligated to do so if it would cause a short-swing profit recapture pursuant to Section 16(b) of the Securities Exchange Act of 1934. If such recapture would result, then the parties shall agree to cooperate in any reasonable arrangement designed to assure the vote of such SSOL Common Stock in favor of approval of the Merger and yet avoid such recapture. If no such reasonable arrangement is available, DTN could elect to either proceed without the exercise of the options and warrants of Messrs. Casseta and Rossi or terminate the Definitive Agreement.

3. Merger Consideration. In the Merger, the holders of outstanding stock of SSOL on an as if converted and fully diluted basis (the "SSOL Stockholders") would receive shares of Data Transmission Network Corporation Common Stock ("DTN Common Shares") having an aggregate market value equal to the lesser of $14,800,000 or the amount determined by multiplying $3.50 by the number of shares of SSOL Common Stock held by SSOL Stockholders on an as if converted and fully diluted basis (the "Merger Consideration"). The market value of a DTN Common Share for purposes of the Merger would be based upon the average of its closing prices on the Nasdaq Stock Market on each of the 10 trading days ending on the third trading day prior to the date of the closing ("Closing") of the Merger, but would not be lower than $28.35 or higher than $34.65.

RELATED MATTERS

4. Registration of Securities. DTN would agree to file a federal registration statement prior to the Closing covering all of the DTN Common Shares issued to the SSOL Stockholders in the Merger. The registration would be on Form S-4 or such other form as DTN elects. The registration, if effective, would permit the SSOL Stockholders to sell the DTN Common Shares into the public market. DTN would pay the cost of such registration. DTN would agree to use its best efforts to cause the registration statement (and required state registrations, if any) to become effective upon the consummation of the Merger and as soon as reasonably practicable following the execution of the Definitive Agreement. DTN also would use its best efforts to list the DTN Common Shares to be issued to the SSOL Stockholders on the Nasdaq Stock Market promptly after the Closing.

5. Confidentiality and Non-Competition Agreements. Each of Sebastian Casseta and Mario Rossi would enter into a Confidentiality and Non-Competition Agreement (the "Non-Competition Agreements") in form mutually satisfactory to DTN and such employees. The Non-Competition Agreements would be for a duration which is the longer of three years following the Closing or two years following the employee's termination of employment with the surviving corporation, would be for the maximum geographic territory permitted by applicable law, and would have the maximum scope of precluded conduct permitted by applicable law (or such lesser period, territory and/or scope as DTN may elect).

6. Employment Agreements. Each of Sebastian Casseta and Mario Rossi would enter into an Employment Agreement (the "Employment Agreements") in form mutually satisfactory to DTN and such employees, which would be equivalent to the compensatory terms of their existing employment agreements with SSOL. The Employment Agreements would be for a duration of three years following the Closing, would be subject to termination by the surviving corporation with or without cause, except upon termination by the surviving corporation other than for cause or death or disability of such employee, such employee shall receive

upon termination the present value of the compensation such employee would have received during the remaining term of the Employment Agreement.

CONDITIONS TO OBLIGATIONS

7. Subject to Definitive Merger Agreement. This letter of intent expresses the parties' intent to move forward with the Merger and the terms upon which they would move forward. This letter of intent is based upon certain assumptions which need to be verified through a due diligence review process by DTN. Except for the provisions of Sections 9 through 13 which shall be binding upon the parties in accordance with their terms through June 30, 1999, the provisions of this letter of intent shall not obligate the parties to consummate the Merger or provide the basis for liability of one party to another if such Merger is not consummated for any reason. A party's obligations to consummate the Merger shall arise only if and when a Definitive Agreement, if any, is entered into by the parties. The parties agree to negotiate in good faith to try to reach a Definitive Agreement by March 31, 1999. The Definitive Agreement would contain representations, warranties, indemnities, covenants, conditions, provisions for opinions, etc. as are customary in transactions of this nature.

8. Special Conditions. In addition to the conditions to Closing which customarily would be contained in the Definitive Agreement, the parties' obligations to consummate the Merger would be subject to the following conditions being satisfied as of Closing:

a. Final Due Diligence. DTN shall be satisfied in good faith with the results of its continued due diligence with respect to matters arising, matters changing, or matters coming to its attention during the period between the date of the Definitive Agreement and the Closing.

b. Entering into Other Agreements. The parties, as applicable, shall have negotiated and entered into the Confidentiality and Non-Competition Agreements and Employment Agreements. In addition, DTN shall have negotiated and entered into an agreement with Spencer Trask Securities, Inc. regarding the payment of expenses and fees by SSOL pursuant to that certain Letter of Intent dated August 11, 1998 concerning a proposed private placement of securities of SSOL, which agreement shall be satisfactory to DTN in its sole and absolute discretion.

c. Board and Stockholder Approval. The parties' respective Boards of Directors, the SSOL Stockholders and the sole stockholder of Merger Sub shall have approved the Merger and authorized the execution and delivery of the Definitive Agreement and other closing documents. Principal Stockholders would agree to vote their SSOL Common Stock in favor of approval of the Merger.

d. Options, Warrants, and Conversion Rights. All outstanding options, warrants and conversion rights with respect to SSOL capital stock shall have been exercised or the rights thereunder shall have been relinquished by such holders prior to Closing or shall have been replaced at Closing with DTN Common Shares or options and warrants for DTN Common Shares.

e. No Material Change. DTN's and Merger Sub's obligations shall be subject to there not having been a material adverse change in SSOL's business, operations, prospects, assets, liabilities, financial position or results of operations, as determined by DTN in its reasonable judgment. SSOL's and the SSOL Stockholders' obligations shall be subject to there not having been a material adverse change in DTN's business, operations, prospects, assets, liabilities, financial position or results of operations, as determined by SSOL in its reasonable judgment.

f. Litigation. DTN's and Merger Sub's obligations shall be subject to SSOL not having any claims, litigation, proceedings or regulatory changes pending which, in DTN's reasonable judgment, materially adversely affect the Merger. SSOL's and the SSOL Stockholders' obligations shall be subject to DTN not having any claims, litigation, proceedings or regulatory changes pending which, in SSOL's reasonable judgment, materially adversely affect the Merger.

g. Dissenting Stockholders. DTN's and Merger Sub's obligations shall be subject to the condition that no SSOL Stockholders holding in the aggregate more than five percent (5%) of the SSOL Common Stock on an as if converted and fully diluted basis shall have perfected their dissenters' rights or demanded payment for their SSOL Common Shares under Delaware statutory dissenters' rights provisions.

h. Effective Registration Statement. The federal registration of the DTN Common Shares as contemplated in Section 4 shall be effective at the Closing.

i. Pooling-of-Interests and Tax-Free Reorganization Treatment. Nothing shall have occurred which would disqualify the Merger as a "reorganization" within the meaning of Section 368 of the Code. In addition, if the Merger can be accounted for as a "pooling-of-interests", nothing shall have occurred after the execution of this letter of intent which would disqualify the Merger as a "pooling-on-interests" for accounting purposes.

j. Pooling Letters. If the Merger can be accounted for as a "pooling-of-interests", each of DTN and SSOL shall have received from their own independent accountants a letter, dated the date of the Closing, to the effect that, for financial reporting purposes, the Merger qualifies for

"pooling-of-interests" accounting treatment under generally accepted accounting principles if consummated in accordance with the Definitive Agreement.

k. Fairness Opinion. The Board of Directors of SSOL shall have received an opinion of its financial advisor to the effect that the consideration to be received by the SSOL Stockholders in the Merger is fair to the SSOL Stockholders from a financial point of view.

COVENANTS

9. Covenants. In addition to the covenants pending Closing which customarily would be contained in a Definitive Agreement, SSOL and, solely with respect to paragraph g below, the Principal Stockholders agree to:

a. Conduct of Business. Conduct SSOL's business only in the ordinary course, and not engage in any extraordinary transactions without DTN's prior consent.

b. Disposition of Assets. Not dispose of any assets of SSOL, except in the ordinary course of business.

c. Employee Matters. Except with the approval of DTN, not materially increase the annual level of compensation or benefits of any employee or grant any unusual or extraordinary bonuses, benefits or other forms of direct or indirect compensation to any employee, officer, director or consultant.

d. Issuance of Securities. Not issue any equity securities or rights to acquire equity securities except with the prior approval of DTN.

e. Dividends or Distributions. Not pay any dividends, redeem any securities, or otherwise cause assets of SSOL to be distributed to any SSOL Stockholder or affiliate.

f. Borrowings. Not borrow any funds, under existing lines of credit or otherwise, except as reasonably necessary for the ordinary operation of SSOL's business in a manner, and in amounts, in keeping with historical practices.

g. No Other Negotiations. Between the date hereof and May 31, 1999, not initiate, solicit, encourage, or participate in any discussions with, or provide any information to, any corporation, partnership, person, entity or group, other than DTN and its employees and agents, concerning any merger, consolidation, sale of assets or similar transaction involving SSOL, or any sale of capital stock of SSOL, including securities convertible into or exchangeable for such securities. If a Definitive Agreement is entered into by the parties, this standstill shall extend until Closing or termination of the Definitive Agreement in accordance with its terms. SSOL and the Principal Stockholders

acknowledge that DTN is relying upon the provisions of this paragraph in incurring the time and expense of due diligence and preparation of documents.

MISCELLANEOUS

10. Access and Due Diligence Updates. SSOL shall make available to DTN and its representatives full access to SSOL's books, records, files, contracts, documents, facilities, attorneys, accountants and employees for purposes of DTN's due diligence review.

11. Confidential Information. The parties by signing this letter of intent agree that DTN, Merger Sub, SSOL and the Principal Stockholders will each keep confidential and will not disclose, except as required by law (including SEC and Nasdaq requirements), to anyone except employees and agents on a "need to know" basis for purposes of evaluating, negotiating, preparing documents for and consummating the anticipated Merger, all information provided by the other parties about its business which could reasonably be expected to be proprietary or confidential information. Prior to any disclosure of this letter of intent, or the proposed Merger or other confidential information which may be required by law, the party seeking to make such disclosure shall advise the other parties so that appropriate protective action may be taken as needed. The parties shall consult with each other regarding the content of the press release to announce this letter of intent. If negotiations between the parties terminate for any reason, each party will promptly return all proprietary and confidential information received from the other parties and shall not use any such information, directly or indirectly, for their personal benefit. The obligations of this paragraph shall survive the termination of negotiations.

12. Expenses. Each party to this letter of intent shall bear its own expenses associated with the due diligence process and the negotiation and preparation of a Definitive Agreement and related documents and the consummation of the Merger; provided, however, all of SSOL's investment banking, appraisal, brokerage, legal, accounting and other related fees in connection with the Merger must be approved by DTN in advance.

13. Broker. Except for the Letter of Intent between SSOL and Spencer Trask Securities, Inc. referred to in Section 8(b), each party represents that it has not retained a broker in connection with this transaction.

If you agree that this reflects our agreement in principle, please sign the enclosed copy of this letter and return it to us.

Very truly yours,

Data Transmission Network Corporation

/s/ Charles R. Wood

Charles R. Wood, Sr. Vice President

AGREED:

SmartServ Online, Inc.

/s/ Sebastian E. Cassetta

Sebastian E. Cassetta, Chairman and CEO

Principal Stockholders:

CONSENT TO PREPAYMENT OF SUBORDINATED DEBT

The undersigned, being all of the lenders (both revolving and term, the "Lenders") to Data Transmission Network Corporation (the "Company") under the 1997 Revolving Credit Agreement (the "Revolving Credit Agreement") , dated as of February 26, 1997, as amended from time to time, among the Company and the Lenders and the 1997 Term Credit Agreement (the "Term Credit Agreement"), dated as of February 26, 1997, as amended from time to time, among the Company and certain of the Lenders, hereby consent under Section 4.16 of the Revolving Credit Agreement and Section 5.16 of the Term Credit Agreement that the Company may prepay on or about March 16, 1998 $15,000,000 of the 11.25% Senior Subordinated Notes due 2004, together with accrued interest and prepayment amounts due in connection with such prepayment.

This CONSENT TO PREPAYMENT OF SUBORDINATED DEBT is effective as of February 26, 1998.

FIRST NATIONAL BANK OF OMAHA

By
/s/ James P. Bonham
James P. Bonham

Its Vice President

FIRST NATIONAL BANK
WAHOO, NEBRASKA

By /s/ Elizabeth Rezac

Elizabeth Rezac

Its 2nd Vice President

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NBD BANK

By /s/ Nathan L. Bloch

Nathan L. Bloch

Its First Vice President

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NORWEST BANK
NEBRASKA, N.A.

By /s/ Kevin Munro

Kevin Munro

Its Vice President

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THE SUMITOMO BANK, LIMITED

By /s/ Michael F. Murphy

Michael F. Murphy

Its Vice President and Manager

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MERCANTILE BANK OF ST. LOUIS, N.A.

By /s/ Joseph L. Sooter, Jr.

Joseph L. Sooter, Jr.

Its Vice President

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FIRST BANK, NATIONAL ASSOCIATION

By/s/ Beth Morgan

Beth Morgan

Its Vice President

BANK OF MONTREAL

By

Its

LASALLE NATIONAL BANK,
a national banking association

By /s/ Tom Harmon

Tom Harmon
Its Assistant Vice President

NATIONSBANK, N.A (successor in interest to
The Boatmen's National Bank of St. Louis)

By /s/ Roger Bettlach

Roger Bettlach

Its Assistant Vice President

THIRD AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT

THIS THIRD AMENDMENT to 1997 REVOLVING CREDIT AGREEMENT (the "Third Amendment") is intended to amend the terms of the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, as previously amended, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; NBD BANK, N.A.; NORWEST BANK NEBRASKA, N.A.; THE SUMITOMO BANK, LIMITED; MERCANTILE BANK OF ST. LOUIS, N.A.; FIRST BANK, NATIONAL ASSOCIATION; BANK OF MONTREAL; LASALLE NATIONAL BANK; and NATIONSBANK, N.A. (successor to THE BOATMEN'S NATIONAL BANK OF ST. LOUIS). All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

The parties hereby acknowledge that, effective as of the date hereof, $16,000,000 of the revolving credit facility available to Borrower under the Agreement shall be advanced to Borrower for the purpose of prepaying certain subordinated debt and such advance shall be immediately converted to a term loan in accordance with Section 2.4 of the Agreement. Notwithstanding Section 2.5 of the Agreement, such loan shall bear interest at the fixed rate of 7.5% per annum. In Section 2.1 of the Agreement, the reference to the maximum amount of revolving credit available to be advanced shall be reduced from $33,000,000 to $17,000,000, and the references to each Bank's maximum advance limit shall be reduced accordingly on a pro rata basis, as shown on Exhibit A. No further increases in the Base Revolving Credit Facility are available to be implemented under Section 2.1 of the Agreement.

In connection with this Third Amendment the Borrower is contemporaneously executing and delivering to the Banks Converted Notes dated as of the date hereof in the respective principal amounts shown on Exhibit A hereto. This Third Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the Existing Term Notes and the Related Bank Debt.

This Third Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this THIRD AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT dated as of March 16, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson

Title:Vice President, CFO & Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham

Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE SUMITOMO BANK, LIMITED

By /s/ Michael F. Murphy

Title:Vice President and Manager

By /s/ Teresa A. Lekich

Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of

credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By /s/ Elizabeth Rezac

Title Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NBD BANK

By Nathan L. Bloch

Title:First Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to

make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin Munro

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By /s/ Tom Harmon

Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By Joseph L. Sooter, Jr.

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST BANK, NATIONAL
ASSOCIATION

By /s/ Beth Morgan

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONSBANK, N.A. (successor in interest to
THE BOATMEN'S NATIONAL BANK
OF ST. LOUIS

By /s/ Roger Bettlach

Title: Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL, a Canadian bank

By /s/ Kevin Cullen

Title: Associate

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

Exhibit A
to
THIRD AMENDMENT TO
1997 REVOLVING CREDIT AGREEMENT

Maximum Amount

<TABLE>
<CAPTION>

Bank	Pro Rata %	Current Revolving Revolving Facility	Available Under Revolving Facility*
<S>	<C>	<C>	<C>
FNB-O	20.7%	$ 6,831,000	$ 3,519,000
FNB-W	.5%	165,000	85,000
NBD	11.9%	3,927,000	2,023,000
Norwest	4.8 %	1,584,000	816,000
LaSalle	19.9%	6,567,000	3,383,000
Sumitomo	10.0%	3,300,000	1,700,000
Mercantile	10.3%	3,399,000	1,751,000

Montreal	11.6%	3,828,000	1,972,000
First Bank	10.3%	3,399,000	1,751,000
		$33,000,000	$17,000,000

*Includes current amounts, if any, outstanding after Conversion

</TABLE>

FOURTH AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT

THIS FOURTH AMENDMENT to 1997 REVOLVING CREDIT AGREEMENT (the "Fourth Amendment") is intended to amend the terms of the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, as previously amended, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; NBD BANK, N.A.; NORWEST BANK NEBRASKA, N.A.; THE SUMITOMO BANK, LIMITED; MERCANTILE BANK OF ST. LOUIS, N.A.; U.S. BANK, NATIONAL ASSOCIATION (formerly known as First Bank, National Association); BANK OF MONTREAL; LASALLE NATIONAL BANK; and NATIONSBANK, N.A. (successor to THE BOATMEN'S NATIONAL BANK OF ST. LOUIS). All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

1. The definitions in Article I of the Agreement are amended as follows:

Lenders: FNB-O, FNB-W, NBD, Norwest, LaSalle, Mercantile, U.S. Bank, Montreal and Nationsbank, in their capacity as Revolving Lenders under this Agreement, the Term Lenders, lenders of the Related Bank Debt, Nationsbank, as successor in interest to Boatmen's (as to Articles VI and VII and as to Section 8.6 only), and such additional lenders as may be added hereto or thereto from time to time.

Revolving Lenders: FNB-O, FNB-W, NBD, Norwest, LaSalle, Mercantile, U.S. Bank, Montreal and Nationsbank, and such additional Revolving Lenders as may be added as Revolving Lenders under Section 2.1 hereto from time to time by mutual written agreement of the parties.

2. The following shall be added to the definitions in Article I of the Agreement:

Nationsbank: Nationsbank, N.A., a national banking association, having an office at 800 Market Street, 12th Floor, St. Louis, Missouri 63101-2506, and its successors and assigns.

U.S Bank: U.S. Bank, formerly known as First Bank, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, and its successors and assigns.

3. Section 2.1 of the Agreement is hereby amended to read as follows:

2.1 Revolving Credit. Until the earlier of June 30, 2000, or the date on which the loan hereunder is converted to a term loan in accordance with Section 2.4, the Revolving Lenders severally agree to advance funds for general corporate purposes not to exceed $65,000,000 (the "Base Revolving Credit Facility") to the Borrower on a revolving credit basis (amounts outstanding under the Acquisition Notes, Existing Term Notes and Related Bank Debt shall not be counted against such Base Revolving Credit Facility limit). Such Advances shall be made on a pro rata basis by the Revolving Lenders, based on the following maximum advance limits and applicable percentages for each Revolving Lender: (i) as to FNB-O, $13,000,000 (20.0%); (ii) as to FNB-W, $325,000 (.50%); (iii) as to NBD, $2,015,000 (3.1%); (iv) as to Norwest, $6,500,000 (10.0%); (v) as to LaSalle, $8,320,000 (12.8%); (vi) as to Nationsbank, $8,515,000 (13.1%); (vii) as to Mercantile, $11,245,000 (17.3%), (viii) as to U.S. Bank, $8,515,000 (13.1%); and (ix) as to Montreal, $6,565,000 (10.1%). The Borrower shall not be entitled to any Advance hereunder if, after the making of such Advance, the Leverage Ratio would exceed thirty-six (36), determined at the time of the Advance. Nor shall the Borrower be entitled to any further Advances hereunder after the occurrence of a material adverse change in its management personnel, as described in Section 4.14(b), or after the occurrence of any Event of Default with respect to the Borrower. Advances shall be made, on the terms and conditions of this Agreement, upon the Borrower's request. Requests shall be made by 12:00 noon Omaha time on the Business Day prior to the requested date of the Advance. Requests shall be made by presentation to FNB-O of a drawing certificate in the form of Exhibit B. The Borrower's obligation to make payments of principal and interest on the foregoing revolving credit indebtedness shall be further evidenced by the Revolving Credit Notes.

4. Section 2.5 of the Agreement is hereby amended to read as follows:

2.5 Interest on Converted Notes. After Conversion, interest shall accrue on the Principal Loan Amount outstanding on the respective Converted Note from time to time at a variable rate, which shall fluctuate on a monthly basis, which is equal to the Revolving Credit Rate plus one quarter of one percent (.25%). For purposes of computing such variable rate, changes in the Base Rate shall be effective on the first day of each month based on the Base Rate in effect on such day. Notwithstanding anything in the foregoing to the contrary, after Conversion, the Borrower may elect to have a fixed interest rate apply to the outstanding Principal Loan Amount converted and outstanding after the date of giving notice of such fixed rate election (the "Fixed Rate Notice"). Such fixed rate shall be the greater of:

(a) the Revolving Credit Rate in effect on the date of the notice1, plus three-eighths of one percent (.375%), or

(b) the average of the yields on constant maturity Treasury Bonds with maturities of three (3) years and five (5) years, as quoted in the immediately preceding monthly Release for the month

preceding such Release, plus the incremental percentage shown below:

Leverage Ratio1	Incremental %
Greater than 36	2.25%
Greater than 24 but not in excess of 36	2.00%
24 or less	1.75%

Any election of a fixed rate by the Borrower shall be final and irrevocable. Interest shall be due each month concurrently with the Borrower's principal payment. Notwithstanding anything to the contrary elsewhere herein, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest on all indebtedness hereunder at a fluctuating rate equal to the Default Rate. All interest due under this Agreement shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance of all indebtedness hereunder notwithstanding any permitted or unpermitted failure of the Borrower to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If the Borrower's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was at such date more than thirty-six (36), the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Existing Term Note or Converted Note is less than seven and one-half percent (7.50%) per annum, a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, the Borrower shall be obligated to pay the following fees: (i) three-eighths of one percent (.375%) of the outstanding principal balance as of the date preceding the Trigger Event of each Existing Term Note or Converted Note which accrues interest at less than seven and one-half percent (7.50%) per annum, which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six (6) month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve (12) month anniversary of the Trigger Event.

---

1 Determined based on the Leverage Ratio calculated on the Total Indebtedness and Operating Cash Flow as ofthe last day of the preceding month, adjusted to show any increases in teh Leverage Ratio as a result of additional Total

Indebtedness incurred (reduced by any principal payments on such Total Indebtedness) during the quarter in which the rate is being fixed as described above.

5. Section 4.4 (a) is hereby amended to read as follows:

(a) The Borrower shall not at any time permit the Leverage Ratio to exceed forty-eight (48).

6. Section 4.19 is hereby amended to read as follows:

4.19 Capital Expenditures. The Borrower shall not incur in any fiscal year, commencing with the fiscal year beginning January 1, 1998, capital expenditures, determined in accordance with generally accepted accounting principles, of more than $2,000,000; provided, however, that capital expenditures for (a) equipment to be used by Subscribers of the Borrower, and (b) telecommunication equipment, computer equipment, software, and software consulting shall not be counted for purposes of this annual limitation.

7. Section 4.20 is hereby amended to read as follows:

4.20 Acquisitions. The Borrower shall not acquire any stock or any equity interest in, or warrants therefor or securities convertible into the same, or a substantial portion of the assets of, another entity without the prior written consent of the Revolving Lenders; provided, however, that the Borrower shall be permitted to make on a cumulative basis from and after July 1, 1998, such acquisitions in an amount not to exceed Twenty Million Dollars ($20,000,000) in the aggregate without the consent of the Revolving Lenders if:

(a) such acquisitions are in or from entities which:

(i) are in the business of electronically communicating time-sensitive information to subscribers;

(ii) have their principal place of business in the United States or Canada; and

(iii) have a positive operating cash flow, calculated in the same method as is used to calculate the Borrower's Operating Cash Flow for purposes of this Agreement; and

(b) the Borrower or any Subsidiary is not, and immediately after making such acquisition, will not be in default under any covenant or provisions of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum

net worth and limitations on indebtedness); and

(c) no one acquisition exceeds Ten Million Dollars ($10,000,000).

8. Exhibits A, B and C are hereby amended to read as shown on the attached Exhibits A, B and C to this Fourth Amendment.

9. All references to June 30, 1999, in the Agreement shall be amended to read June 30, 2000.

10. Effective as of May 15, 1998, the Borrower shall issue new Notes in the form specified in Exhibit A hereto to the Revolving Lenders. On such date, the Revolving Lenders shall either lend, or be repaid, the principal amounts shown on Exhibit D hereof, so that the principal amounts outstanding on the Base Revolving Credit Facility will match the percentages shown for each Revolving Lender in Section 2.1 of the Agreement as amended by this Fourth Amendment. Upon the delivery of the new Notes, the existing Revolving Credit Lenders will cancel and will return to the Borrower the existing Revolving Credit Notes. Effective as of May 15, 1998, The Sumitomo Bank, Limited will cease to be a Revolving Lender. On such date, the Borrower shall repay to The Sumitomo Bank, Limited the principal amount shown on Exhibit D hereto and shall pay all accrued interest and any other amounts then due and payable to The Sumitomo Bank, Limited. Upon receipt of such amounts from or on behalf of the Borrower, The Sumitomo Bank, Limited will cancel and return to the Borrower its Revolving Credit Note.

11. In connection with this Fourth Amendment the Borrower is contemporaneously executing and delivering to the Banks revised Notes dated as of the date hereof in the respective principal amounts shown in Section 3 above.

12. This Fourth Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the Existing Term Notes and the Related Bank Debt.

13. This Fourth Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this FOURTH AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT dated as of May 15, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson

Brian L. Larson

Title: Vice President, Secretary & Treasurer

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham

James P. Bonham

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE SUMITOMO BANK, LIMITED

By /s/ Brian M. Smith

Brian M. Smith

Title: Sr. Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By /s/ Elizabeth Rezac

Elizabeth Rezac

Title: Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NBD BANK

By

Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or

document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin Munro

Kevin Munro

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By /s/ Tom Harmon

Tom Harmon

Title: Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By /s/ Joseph L. Sooter, Jr.

Joseph L. Sooter, Jr.

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U.S. BANK, NATIONAL ASSOCIATION

By /s/ Beth Morgan

Beth Morgan

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONSBANK, N.A.

By

Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL,
Chicago Branch

By /s/ W. T. Calder

W. T. Calder

Title: Director

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

EXHIBIT A

TO 1997 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
NBD BANK,
NORWEST BANK NEBRASKA, N.A.,
NATIONSBANK, N.A.,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK

FORM OF NOTES

SECURED BUSINESS PROMISSORY NOTE

Omaha, Nebraska $
, 19 June 30, 2000
---------- ---- ----------
(Note Date) (Maturity Date)

REVOLVING NOTE TERMS

On or before June 30, 2000, DATA TRANSMISSION NETWORK CORPORATION ("Maker") promises to pay to the order of [REVOLVING LENDER] ("Lender") the principal sum hereof, which shall be the lesser of Dollars, or so much thereof as may have been advanced by Lender, either directly under this Note or as an advance pursuant to the 1997 Revolving Credit Agreement dated as of February 26, 1997, as amended from time to time (the "Agreement") among Maker and Lender, First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., LaSalle National Bank, Nationsbank, N.A., Mercantile Bank of St. Louis, N.A., Bank of Montreal, and U.S. Bank, National

Association (collectively, the "Lenders"). All capitalized terms not defined herein shall have their respective meanings as set forth in the Agreement.

Interest shall accrue on the principal sum hereof from and including the Note Date above to the earlier of the Maturity Date or the date of Conversion (as such term is defined hereafter) at a variable rate, which shall fluctuate on a monthly basis, equal to the rate announced from time to time by FNB-O as its "National Base Rate" minus a margin as determined below. The margin shall be adjusted quarterly after receipt of Maker's Quarterly Compliance Certificate (as defined in the Agreement), commencing with the Quarterly Compliance Certificate for the quarter ended June 30, 1998. Adjustments shall be retroactive to the beginning of the current quarter.

(a) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 42, the margin for the current quarter (meaning the quarter in which the certificate is required to be delivered) shall be .25%.

(b) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 36 but equal to or less than 42, the margin for the current quarter shall be .50%.

(c) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 30 but equal to or less than 36, the margin for the current quarter shall be .75%.

(d) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 24 but equal to or less than 30, the margin for the current quarter shall be 1.00%.

(e) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 18 but equal to or less than 24, the margin for the current quarter shall be 1.25%.

(f) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was equal to or less than 18, the margin for the current quarter shall be 1.375%.

The Base Rate minus the applicable margin as determined above is hereinafter referred to as the "Revolving Credit Rate." Changes in the Base Rate shall be effective on the first day of each month, based on the Base Rate in effect as of such day. Interest shall be due upon the rendering of each monthly invoice therefor by FNB-O.

TERM NOTE TERMS

Upon the earlier of: (i) June 30, 2000; or (ii) Maker's giving notice of its election to convert the revolving credit loan evidenced by this Note, or any portion thereof, to a term loan, the revolving loan referenced above (or applicable portion thereof) shall be deemed converted to a term loan (the "Conversion"). Any such term loan shall be evidenced by notes (the "Converted Notes") separate from the initial Revolving Credit Notes. Upon the issuance of Converted Notes, the Revolving Credit Facility shall be reduced by the principal amount of such Converted Notes and no further Advances shall be made by the Revolving Lenders on the converted amount. The then outstanding principal hereunder shall become due and payable in forty-eight equal installments of principal, with the first such installment due on the last day of the month following Conversion, or, if such day is not a Business Day, on the next succeeding Business Day, subsequent installments due on the last day of each consecutive month thereafter. In any event, the total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than June 30, 2004.

After Conversion, interest shall accrue on the principal outstanding from time to time at a variable rate, which shall fluctuate on a monthly basis, which is equal to the Revolving Credit Rate plus .25%. For purposes of computing such variable rate, changes in the Base Rate shall be effective on the first day of each month based on the Base Rate in effect on such day. Notwithstanding anything in the foregoing to the contrary, after Conversion, Maker may elect to have a fixed interest rate apply to the outstanding Principal Loan Amount converted and outstanding after the date of giving notice of such fixed rate election (the "Fixed Rate Notice"). Such fixed rate shall be equal to the greater of:

(a) the Revolving Credit Rate in effect on the date of the notice2, plus .375%, or

(b) the average of the yields on constant maturity Treasury Bonds with maturities of three years and five years, as quoted in the immediately preceding monthly Federal Reserve Statistical Release (the "Release") plus the following incremental percentage determined based upon the Leverage Ratio3: (x) if the Leverage Ratio is greater than 36, the incremental percentage shall be 2.25%; (y) if the Leverage Ratio is greater than 24 but not in excess of 36, the incremental percentage shall be 2.00%; and (z) if the Leverage Ratio is 24 or less, the incremental percentage should be 1.75%;

Any election of a fixed rate by Maker shall be final and irrevocable. Interest shall be due each month concurrently with the Maker's principal payment. Notwithstanding anything to the contrary elsewhere herein, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of

principal and interest at a fluctuating rate equal to the Default Rate. Interest shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance hereunder notwithstanding any permitted or unpermitted failure of Maker to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If Maker's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was in excess of thirty-six (36), the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Existing Term Note (as defined in the Agreement) or Converted Note is less than 7.50% per annum, a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, Maker shall be obligated to pay the following fees: (i) .375% of the outstanding principal balance as of the date preceding the Trigger Event of each Existing Term Note or Converted Note which accrues interest at less than seven and one-half percent (7.50%) per annum which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

2 Determined based on the Leverage Ratio calculated on the Total Indebtedness and Operating Cash Flow as of the last day of the preceding month, adjusted to show any increases in the Leverage Ratio as a result of additional Total Indebtedness incurred (reduced by any principal payments on such Total Indebtedness) during the quarter in which the rate is being fixed as described above .

Maker may at any time prepay in whole or in part the Principal Loan Amount outstanding under this Revolving Credit Note or a Converted Note if the Maker has given the Revolving Lenders at least two (2) business days prior written notice of its intention to make such prepayment. Any such prepayment may be made without penalty except for a Converted Note as to which interest is accrued at a fixed rate in accordance with clause (a) or (b) above, in which event a prepayment penalty shall be due to the Lender, at Lender's option, either: (1) the Make-Whole Premium due in respect of such prepayment; or (2) the applicable prepayment fee as set forth below. The applicable prepayment fee for any Converted Note shall be: (i) if the notice electing fixed interest was given within twelve (12) months of Conversion, the fee shall be 1.50% of the amount of such prepayment; (ii) if the notice electing fixed interest was given after twelve (12) months of Conversion, but within twenty-four (24) months of Conversion, the fee shall be .75% of the amount of such prepayment; and (iii) if the notice electing fixed interest was given after twenty- four (24) months of Conversion, but within thirty-six (36) months of Conversion, the fee shall be .30% of the amount of such prepayment.

Payment of this Note and the performance of Maker's obligations under the Agreement ("Obligations") are secured by a security interest granted to First National Bank of Omaha, as agent for the Lenders and others ("Agent"), under the Security Agreement in:

All of Maker's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Maker in deposits and advance payments made to Maker by its customers and Subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in DTN transmission computer software used in the provision of the Basic DTN Subscription Service and Farm Dayta Service to Maker's Subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired and all proceeds and products thereof; and

such additional collateral as is more specifically described in the Security Agreement.

Maker's liability under its Obligations shall not be affected by any of the following:

Acceptance or retention by Lender or Agent of other property or interests as security for the Obligations, or for the liability of any person other than a Maker with respect to the Obligations;

The release of all or any of the Collateral or other security for any of the Obligations to any Maker;

Any release, extension, renewal, modification or compromise of any of the Obligations or the liability of any obligor thereon; or

Failure by Lender or Agent to resort to other security or any person liable for any of the Obligations before resorting to the Collateral.

Neither Lender nor Agent is required to take any action whatsoever in respect of the Collateral. Impairment or destruction of the Collateral shall not release Maker of its liability hereunder.

Maker represents, warrants and covenants as follows:

Maker is authorized to grant to Agent a security interest in the Collateral;

This Note, the Agreement and the Security Agreement have been duly authorized, executed and delivered by the Maker and constitute legal, valid and binding obligations of Maker;

This Note evidences a loan for business or agricultural purposes; and

Maker agrees to pay all costs of collection in connection with this Note, the Agreement and the Security Agreement, including reasonable attorneys' fees and legal expenses.

Upon the failure of Maker to make any payment of principal or interest when due hereunder or the occurrence of any Event of Default, all of the Obligations shall, at the option of Agent and without notice or demand, mature and become immediately due and payable; and Agent shall have all rights and remedies for default provided by the Uniform Commercial Code, any other applicable law and/or the Obligations.

All costs and expenses incurred by Lender or Agent in enforcing its rights under this Note or any mortgage, endorsement, surety agreement, guaranty relating thereto are the obligation of Maker and are immediately due and payable. Interest shall accrue on such costs and expenses from the date of incurrence at the rate specified herein for delinquent Note payments. Each Maker, endorser, surety and guarantor hereby waives presentment, protest, demand, notice of dishonor, and the defense of any statute of limitations.

Without affecting the liability of any Maker, endorser, surety or guarantor, the holder or Agent may, without notice, renew or extend the time for payment, accept partial payments, release or impair any Collateral or other security for the payment of this Note or agree to sue any party liable on it.

Neither Lender nor Agent shall be deemed to have waived any of its rights upon or under this Note, or under any mortgage, endorsement, surety agreement or guaranty, unless such waivers be in writing and signed by Lender or Agent, as the case may be. No delay or omission on the part of Lender or Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender or Agent on liabilities or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

Maker, if more than one, shall be jointly and severally liable hereunder and all provisions hereof regarding the liabilities or security of Maker shall apply to any liability or any security of any or all of them. This Note shall be binding upon the heirs, executors, administrators, assigns or successors of

Maker; shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Note, and if all transactions between Lender and Maker shall be at any time closed, shall be equally applicable to any new transactions thereafter, provided that Lender's interest in the Collateral shall be limited to the extent provided in the Security Agreement; shall benefit Lender, its successors and assigns; and shall so continue in force notwithstanding any change in any partnership party hereto, whether such change occurs through death, retirement or otherwise.

All obligations of Maker hereunder shall be payable in immediately available funds in lawful money of the United States of America at the principal office of First National Bank of Omaha in Omaha, Nebraska or at such other address as may be designated by Bank in writing.

This Note shall be construed according to the laws of the State of Nebraska.

Unless the content otherwise requires, all terms used herein which are defined in the Uniform Commercial Code shall have the meanings therein stated.

Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Note is given in substitution of that certain Secured Business Promissory Note dated June 30, 1997, in the original principal amount of $_____. This Note shall not affect, and there remains outstanding from the Maker to one or more of the Lenders the Related Bank Debt, certain Secured Business Promissory Notes issued under the Term Agreement, and certain Converted Notes, and all extensions, renewals, and substitutions of or for the foregoing.

Executed as of this _____ day of _____, _____.

DATA TRANSMISSION NETWORK CORPORATION

By: _____

Title:

PROMISSORY NOTE SCHEDULE

Loan Advances and Payments of Principal

DATA TRANSMISSION NETWORK CORPORATION

REVOLVING NOTE ADVANCES AND PAYMENTS:

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

TERM NOTE:

Date of Conversion:

Amount Due at Date of Conversion:

Fixed Rate Notice Date: Fixed Rate: %

Date	Amount of Payment	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

EXHIBIT B

TO 1997 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
NBD BANK,
NORWEST BANK NEBRASKA, N.A.,
NATIONSBANK, N.A.,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK,

DRAWING CERTIFICATE

DRAWING CERTIFICATE

To induce the First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., LaSalle National Bank, Nationsbank, N.A., Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and Bank of Montreal (the "Revolving Lenders") to make an advance under the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, between the undersigned (the "Borrower"), Nationsbank, N.A. as the successor in interest to The Boatmen's National Bank of St. Louis ("Boatmen's), and the Revolving Lenders (as to Boatmen's and the Revolving Lenders together, (the "Banks"), the Borrower hereby certifies to the Banks that its Operating Cash Flow (as defined in the Agreement) as represented below is true and correct and that there is no default under the aforementioned Agreement, or on any other liability of the Borrower to the Banks.

All information as of: Date

a)	Maximum Revolving Credit Facility	$
b)	Principal on Converted Notes, Acquisition Notes, Existing Term Notes, and Related Bank Debt Outstanding	$
c)	Principal on Revolving Credit	$
d)	ADVANCE REQUEST	$
e)	Total Proposed Bank Debt (line b + line c + line d, but not to exceed line a)	$
f)	Most recent month's operating cash flow	$
g)	Prior month's operating cash flow	$
h)	Operating Cash Flow (average of line f and line g)	$
i)	Total Indebtedness	$
j)	Leverage Ratio (line i divided by line h), not to exceed 36	$

Name of Borrower: Data Transmission Network Corporation
Signature:
Title:

EXHIBIT C

TO 1997 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
NBD BANK,
NORWEST BANK NEBRASKA, N.A.,
NATIONSBANK, N.A.,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK

OFFICER'S CERTIFICATE

COMPLIANCE CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

First National Bank of Omaha
Attn: James Bonham
16th & Dodge Streets
Omaha, Nebraska 68102

Date

I certify that Data Transmission Network Corporation is in compliance with the requirements set forth in the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, between First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., LaSalle National Bank, Nationsbank, N.A., Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and Data Transmission Network Corporation.

The following calculations are as of _____ (statement date) as required by Section 4.1(d) of said Agreement:

Evaluations:

Total Indebtedness (TI):

Operating Cash Flow:	most recent month ending	previous month ending
Net Income (loss)		
Interest Expense		
Depreciation		
Amortization		
Deferred Income Taxes		
Non-Ordinary Non-Cash Charges (Credits)		
Total	a)	b)

Operating Cash Flow = OCF = (a+b)/2 = _____

Leverage Ratio (TI/OCF):

Section 2.3

Pricing: If the Leverage Ratio is greater than 42 then the margin is .25%. If the Leverage Ratio is greater than 36 but equal to or less than 42 then the margin is .50%. If the Leverage Ratio is greater than 30 but equal to or less than 36 then the margin is .75%. If the Leverage Ratio is greater than 24 but equal to or less than 30 then the margin is 1.00%. If the Leverage Ratio is greater than 18 but equal to or less than 24 then the margin is 1.25%. If the Leverage Ratio is equal to or less than 18 then the margin is 1.375%.

Position: The Revolving Credit Rate is the Base Rate minus _____

Section 2.5

Trigger Fee: If the Leverage Ratio is more than 36, then a one time fee, paid in three installments of 3/8% of the then outstanding principal balances, on any of the Existing Term

Notes, Acquisition Notes or Converted Notes which have an interest rate less than 7.5% per annum is due.

Position: A Trigger Event has/has not occurred.

Section 4.3

Net Worth: A minimum Net Worth (exclusive of subordinated debt) of $23,500,000 plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 5.3, "Net Worth" shall not include any subordinated debt.

Minimum Net Worth (exclusive of subordinated debt)= $23,500,000.

Net Income	Year ending	Addition (50%)
$_____	12/31/97	$_____
Total Minimum Net Worth		$

Position: Total Net Worth (exclusive of subordinated debt) = $_____

The Borrower [is/is not] in compliance with Section 4.3.

Section 4.4

Indebtedness: At no time will the Leverage Ratio exceed 48

Position: Leverage Ratio =

Total Indebtedness plus subordinated debt plus guaranty contingencies (Adjusted Total Indebtedness or ATI):4 At no time will Adjusted Total Indebtedness exceed 60 x OCF

Position: Adjusted Total Indebtedness = $ (60 x OCF) - (ATI) = $ The Borrower [is/is not] in compliance with Section 4.4.

Section 4.7

Distributions: Neither the Borrower nor any Subsidiary shall declare any dividends (other than dividends payable in stock of the Borrower or dividends or distributions from any consolidated Subsidiary) or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided that the Borrower need not obtain the Lenders' consent with respect to dividends in any one (1) year which are in the aggregate less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 4.1.

Position: Net Operating Profit

After Taxes for
last four (4) quarters = _____
x .25

Available for dividends
or distributions in the most
recent quarter plus the
prior three (3) quarters = _____
Dividends and distributions
(excluding dividends payable
solely in stock of the Borrower and distributions
from consolidated Subsidiaries) declared or paid
in the most recent quarter plus the prior three
(3) quarters =

The Borrower [is/is not] in compliance with Section 4.7.

Section 4.15

Interest Coverage: The ratio of OCF to Interest Expense ("IE")at the end of each quarter will not be less than 2.25 to 1.0 (225%).

Position: OCF = $
IE = $
OCF/IE = %

The Borrower [is/is not] in compliance with Section 4.15.

Section 4.19

Capital Expenditures: The Borrower shall not make capital expenditures (other than permitted earning assets specified in Section 4.19) in any fiscal year, commencing with the fiscal year beginning January 1, 1998, in excess of $2,000,000.

Position: Capital Expenditures (other than permitted earning assets specified in Section 4.19) this fiscal year = $_____

The Borrower [is/is not] in compliance with Section 4.19.

Section 4.20

Acquisitions: The Borrower shall not make acquisitions which in the aggregate exceed $20,000,000 and in any one instance exceed $10,000,000 except certain permitted unlimited acquisitions.

Position: Acquisitions (other than permitted unlimited acquisitions) in the aggregate since the date of the Agreement = _____.

Date	Amount	Acquired Company

Permitted Unlimited Acquisition:

Date	Amount	Acquired Company	Principal Place of Business	Line Of Business

The Borrower [is/is not] in compliance with Section 4.20.

Additional Representations:

There have/have not been any sale(s) of assets which would require prepayment of the Notes under Section 4.2.

There has/has not been:

(i) a Change of Control or a material adverse change in management personnel as defined in Section 4.14 of the Agreement;

(ii) a default under Section 6.1(j) or 6.1(l) regarding a change in ownership or control of the Company; or.

(iii) an indemnity claim by Broadcast Partners under Section 6.1(m).

Name of Borrower: Data Transmission Network Corporation

Signature:

Title:

<TABLE>
<CAPTION>

EXHIBIT D

TO

FOURTH AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT

Lender	Current %	Current Outstanding	%	Revised %	Revised Outstanding	Adjustment5
<S>	<C>	<C>		<C>	<C>	<C>
FNB-O	20.7	$931,500		20.0%	$900,000	($ 31,500)
FNB-W	.5	22,500		.5	22,500	-------
NBD	11.9	535,500		3.1	139,500	(396,000)
Norwest	4.8	216,000		10.0	450,000	234,000
LaSalle	19.9	895,500		12.8	576,000	(319,500)
Nationsbank	0.0	------		13.1	589,500	589,500
Sumitomo	10.0	450,000		0.0	------	(450,000)
Mercantile	10.3	463,500		17.3	778,500	315,000
Montreal	11.6	522,000		10.1	454,500	(67,500)
U.S. Bank	10.3	463,500		13.1	589,500	126,000
TOTALS		$4,500,000			$4,500,000	$ -------

<FN>

3

4 This section need not be completed unless Borrower has subordinated debt or guaranty contingencies.

5 Plus interest through May 15, 1998
</FN>
</TABLE>

FIFTH AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT

THIS FIFTH AMENDMENT to 1997 REVOLVING CREDIT AGREEMENT (the "Fifth Amendment") is intended to amend the terms of the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, as previously amended, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; NBD BANK, N.A.; NORWEST BANK NEBRASKA, N.A.; THE SUMITOMO BANK, LIMITED; MERCANTILE BANK OF ST. LOUIS, N.A.; U.S. BANK, NATIONAL ASSOCIATION (formerly known as First Bank, National Association); BANK OF MONTREAL; LASALLE NATIONAL BANK; and NATIONSBANK, N.A. (successor to THE BOATMEN'S NATIONAL BANK OF ST. LOUIS). All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

1. The definitions in Article I of the Agreement are amended as follows:

Revolving Credit Notes: The following sentence is added to the end of such definition:

> Solely for purposes of Section 7.2 of this Agreement and any reference to such Section 7.2, the Revolving Credit Notes shall include the amounts, if any, due to (a) FNB-O and/or the Revolving Lenders under the Letter of Credit Facility, and (b) Norwest in connection with the Norwest Letters of Credit.

2. The following shall be added to the definitions in Article I of the Agreement:

Base Revolving Credit Facility: The amount specified in Section 2.1 of this Agreement, which shall include the aggregate amounts which may be available under the Revolving Credit Notes and the Lender Letter of Credit Facility.

FNB-O Letter of Credit Facility: An amount not to exceed $500,000 at any time which FNB-O may elect in its discretion to provide to the Borrower and one or more of its

Subsidiaries under Section 2.11 (a) hereof.

FNB-O Letter(s) of Credit:Letter(s) of Credit issued under the FNB-O Letter of Credit Facility.

Lender Letter of Credit Facility: The letter of credit facility provided for in Section 2.11 (b) hereof.

Lender Letter(s) of Credit: Letter(s) of Credit issued under the Lender Letter of Credit Facility, the outstanding face amount of which shall not exceed $1,000,000 at any time.

Letter of Credit Facility:Either the FNB-O or the Lender Letter of Credit Facility or, if the context so requires, both such letter of credit facilities.

Letter of Credit Fees: The Letter of Credit Fees specified in Section 2.11 (d) of the Agreement.

Letter(s) of Credit: Either the FNB-O Letter(s) of Credit or the Lender Letter(s) of Credit, or if the context so requires, both such types of letters of credit.

Norwest Letters of Credit:The letters of credit indicated below which were issued by Norwest for the account of Kavouras, Inc.: (a) letter of credit no. S405712, in the amount of $132,954.00 with an expiration date of August 15, 1998; and (b) letter of credit no. S405444, in the amount of $130,949.00 with an expiration date of July 30, 1999; but not letters of credit issued in exchange, renewal, extension or substitution of such original letters

of credit.

3. The following shall be added as Section 2.11 of the Agreement:

2.11 Letter of Credit Facilities. In order to accommodate the needs of the Borrower or one or more of its Subsidiaries, from time to time FNB-O on its own behalf may, or FNB-O as the Agent of the Revolving Lenders under this Agreement shall, upon application of the Borrower and, if requested by FNB-O the applicable Subsidiary, issue letters of credit on the terms, and upon satisfaction of the conditions, specified below:

(a) FNB-O Letter of Credit Facility. FNB-O may elect to issue letters of credit solely on its own behalf ("FNB-O Letters of Credit"); provided, however, that at the time of issuance of such FNB-O Letters of Credit, the aggregate amount available to be drawn on Letters of Credit issued and outstanding under this FNB-O Letter of Credit Facility shall not exceed $500,000. The issuance of FNB-O Letters of Credit shall not cause the Base Revolving Credit Facility to be reduced.

(b) Lender Letter of Credit Facility. Whenever FNB-O elects not to issue an FNB-O Letter of Credit or the aggregate amount available to be drawn on FNB-O Letters of Credit exceeds, or upon the issuance of a new Letter of Credit will exceed, $500,000, the Agent on behalf of the Revolving Lenders shall issue from time to time for the account of the Borrower or one or more of its Subsidiaries letters of credit in the name of First National Bank of Omaha but which are designated as Lender Letters of Credit (the "Lender Letters of Credit"); provided, however, the Agent shall have no obligation to issue any such Lender Letter of Credit unless at such time the Borrower meets all the conditions for an Advance under the Base Revolving Credit Facility and, after such issuance, the aggregate face amount of Lender Letters of Credit outstanding will not exceed $1,000,000 and will not exceed the then available Base Revolving Credit Facility, as reduced by the outstanding principal amount of the Converted Notes and the Revolving Credit Notes, as more specifically set forth in this Agreement. The Revolving Lenders shall be obligated to fund pro rata according to their respective pro rata percentages shown in Section 2.1 of this Agreement any draws on such Lender Letters of Credit and shall be entitled to share pro rata in the Letter of Credit Fees and reimbursement amounts received in connection with such Lender Letters of Credit. The sum of (i) amounts drawn under such Lender Letters of Credit which have not been reimbursed by the Borrower, and (ii) the amounts available to be drawn under outstanding Lender Letters of Credit shall operate to reduce the Base Revolving Credit Facility

by such sum.

(c) Letter of Credit Documents, Fees. Prior to the issuance by FNB-O of any Letters of Credit, the Borrower and, if requested by FNB-O, the applicable Subsidiary, shall execute and deliver to

FNB-O an application and continuing letter of credit agreement, such agreements to be in the forms attached hereto as Exhibit C to this Fifth Amendment, as such forms may be amended from time to time for general use in connection with letters of credit issued by FNB-O.

(d) Letter of Credit Fees. In addition to all costs incurred by FNB-O in the issuance and enforcement of the Letters of Credit which are to be reimbursed by the Borrower in accordance with the application and continuing letter of credit agreement executed in connection with each Letter of Credit, the Borrower shall pay to FNB-O (on its own behalf as to FNB-O Letters of Credit and as Agent as to Lender Letters of Credit) a letter of credit fee (the "Letter of Credit Fee") equal to one percent (1%) per annum of the undrawn amount of such Letter of Credit, such fee to be paid quarterly in arrears based on the average amount outstanding during such quarter; provided, however, that at any time that an Event of Default has occurred and is continuing under the Agreement, such fee shall be equal to five percent (5%) per annum). Interest shall accrue on amounts drawn under any Letter of Credit, until such amount is reimbursed, at the then current rate for amounts outstanding under the Revolving Note and, for any period that such draw remains unreimbursed more than two Business Days after such draw, at the Default Rate. In addition, the Borrower shall pay such other administrative fees, including a fee for opening the Letter of Credit, as are agreed in writing between FNB-O and the Borrower. Amounts received by the Agent for opening a Lender Letter of Credit or as administrative fees other than the Letter of Credit remain the property of the Agent and shall not be shared pro rata with the Revolving Lenders.

(e) Security. Amounts due in connection with the Letters of Credit and the Norwest Letters of Credit are secured by the Collateral pledged under the Security Agreement and any security agreement given by a Subsidiary in favor of the Lenders. In addition, the Agent shall have the right to require additional collateral, including cash collateral equal to 100% of the aggregate of the amounts available to be drawn under the Letters of Credit, upon the occurrence of an Event of Default under the Agreement.

4. The Drawing Certificate attached to the Agreement as Exhibit B shall be amended as shown on Exhibit B to this Fifth Amendment.

5. This Fifth Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the Existing Term Notes and the Related Bank Debt.

6. This Fifth Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this FIFTH AMENDMENT TO 1997 REVOLVING CREDIT AGREEMENT dated as of July 10, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson

Title: Vice President, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE SUMITOMO BANK, LIMITED

By /s/Brian M. Smith

Title: Senior Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By/s/ Elizabeth E. Rezac

Title: Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NBD BANK

By /s/ Nathan L. Bloch

Title:First Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin D. Munro

Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By/s/ Tom Harmon

Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By/s/ Joseph L. Sooter, Jr.

Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U.S. BANK, NATIONAL ASSOCIATION

By /s/ Beth Morgan

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONSBANK, N.A.

By/s/ Michael F. Murphy

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL,
Chicago Branch

By/s/ Karen Klapper

Title: Director

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

EXHIBIT B

TO 1997 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
NBD BANK,
NORWEST BANK NEBRASKA, N.A.,
NATIONSBANK, N.A.,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK,

DRAWING CERTIFICATE

DRAWING CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

To induce the First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., LaSalle National Bank, Nationsbank, N.A., Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and Bank of Montreal (the "Revolving Lenders") to make an advance under the 1997 Revolving Credit Agreement (the "Agreement") dated as of February 26, 1997, between the undersigned (the "Borrower"), Nationsbank, N.A. as the successor in interest to The Boatmen's National Bank of St. Louis ("Boatmen's), and the Revolving Lenders (as to Boatmen's and the Revolving Lenders together, (the "Banks"), the Borrower hereby certifies to the Banks that its Operating Cash Flow (as defined in the Agreement) as represented below is true and correct and that there is no default under the aforementioned Agreement, or on any other liability of the Borrower to the Banks.

All information as of: Date

a)	Maximum Revolving Credit Facility	$
b)	Principal on Converted Notes	$_____
c)	Acquisition Notes, Existing Term Notes, and Related Bank Debt Outstanding	$
d)	Principal on Revolving Credit Notes	$
e)	Unreimbursed amounts drawn under Lender Letters of Credit	$
f)	Amount available to be drawn under outstanding Lender Letters of Credit	
g)	ADVANCE REQUEST (not to exceed line a - line b - line d - line e - line f)	$
h)	Total Proposed Bank Debt (line b + line c + line d + line e + line f + line g)	$
i)	Most recent month's operating cash flow	$
j)	Prior month's operating cash flow	$
k)	Operating Cash Flow (average of line i and line j)	$
l)	Total Indebtedness	$
m)	Leverage Ratio (line l divided by line m), not to exceed 36	$

Name of Borrower: Data Transmission Network Corporation
Signature:
Title:

EXHIBIT C

TO 1997 REVOLVING CREDIT AGREEMENT

among

DATA TRANSMISSION NETWORK,

FIRST NATIONAL BANK OF OMAHA,

FIRST NATIONAL BANK, WAHOO, NEBRASKA,

NBD BANK,

NORWEST BANK NEBRASKA, N.A.,

NATIONSBANK, N.A.,

MERCANTILE BANK OF ST. LOUIS, N.A.,

U.S. BANK, NATIONAL ASSOCIATION,

BANK OF MONTREAL

AND

LASALLE NATIONAL BANK,

FORMS OF APPLICATION AND CONTINUING LETTER OF CREDIT AGREEMENT

FIRST AMENDMENT TO 1997 TERM CREDIT AGREEMENT

THIS FIRST AMENDMENT to 1997 TERM CREDIT AGREEMENT (the "First Amendment") is intended to amend the terms of the 1997 Term Credit Agreement (the "Agreement") dated as of February 26, 1997, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; NBD BANK, N.A.; NORWEST BANK NEBRASKA, N.A.; THE SUMITOMO BANK, LIMITED; MERCANTILE BANK OF ST. LOUIS, N.A.; FIRST BANK, NATIONAL ASSOCIATION; BANK OF MONTREAL; and LASALLE NATIONAL BANK. All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

The parties hereby acknowledge that, effective as of the date hereof:

1. Section 5.20 of the Agreement is amended to read as follows:

5.20 Acquisitions. The Borrower shall not acquire any stock or any equity interest in, or warrants therefor or securities into the same, or a substantial portion of the assets of, another entity without the prior written consent of the Lenders; provided, however, that the Borrower shall be permitted to make on a cumulative basis from and after July 1, 1997 such acquisitions in an amount not to exceed Fifteen Million Dollars ($15,000,000) in the aggregate without the consent of the Lenders if such acquisitions are in or from entities which: (a) are in the business of electronically communicating time-sensitive information to subscribers;

(b) have their principal place of business in the United States or Canada; and

(c) have a positive operating cash flow, calculated in the same method as is used to calculate the Borrower's Operating Cash Flow for purposes of this Agreement; and

the Borrower or any Subsidiary is not, and immediately after the making of such acquisition, will not be in default under any other covenant or provision of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness).

This First Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the existing Notes and the Related Bank Debt.

This First Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall

remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this FIRST AMENDMENT TO 1997 TERM CREDIT AGREEMENT dated as of February 1, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By/s/ Brian L. Larson

Title: Vice President, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham

Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE SUMITOMO BANK, LIMITED

By /s/ Michael F. Murphy
Title:Vice President and Manager

By/s/ Teresa A. Lekich
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By/s/ Elizabeth Rezac
Title:Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska

law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NBD BANK

By /s/ Nathan L. Bloch
Title:First Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin Munro
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By/s/ Tom Harmon
Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any

contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By/s/ Joseph L. Sooter, Jr.
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST BANK, NATIONAL ASSOCIATION

By /s/Beth Morgan
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL,
Chicago Branch

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska

law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

SECOND AMENDMENT TO 1997 TERM CREDIT AGREEMENT

THIS SECOND AMENDMENT to 1997 TERM CREDIT AGREEMENT (the "First Amendment") is intended to amend the terms of the 1997 Term Credit Agreement (the "Agreement") dated as of February 26, 1997, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; NBD BANK, N.A.; NORWEST BANK NEBRASKA, N.A.; THE SUMITOMO BANK, LIMITED; MERCANTILE BANK OF ST. LOUIS, N.A.; U.S. BANK, NATIONAL ASSOCIATION (formerly First Bank, National Association); BANK OF MONTREAL; and LASALLE NATIONAL BANK. All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

The parties hereby acknowledge that, effective as of the date hereof:

1. The following definitions in Article I of the Agreement are amended as follows:

Banks: FNB-O, FNB-W, U.S. Bank, Mercantile, NBD, Norwest, Sumitomo, Nationsbank, LaSalle and Montreal, and such additional banks as may be added hereto from time to time by mutual written agreement of the parties.

Operative

Documents: This 1997 Loan Agreement, the Notes, the Security Agreement, the financial statements regarding the Collateral and the documents and certificates, other than the Purchase Agreement, delivered pursuant to Article VI.

2. Section 2.2 shall be amended to read as follows:

2.2 Notes. The Notes shall bear interest on the principal loan amount thereof outstanding through June 30, 1999, at the rate of 8.25% per annum; thereafter the interest rate for the balance of the term shall be set on June 30, 1999, at two percent (2.00%) above the yield on constant maturity Treasury Bonds with maturities of three years, as quoted for the Business Day immediately preceding June 30, 1999 in the applicable Release. Notwithstanding the foregoing, the Notes issued to the following Lenders shall bear interest as follows: (i) as to U.S. Bank, at the rate of 8.36% per annum through June 30, 1999 (whereupon the interest rate reset described above shall be applicable); and (ii) as to Mercantile, NBD, Sumitomo, Norwest, FNB-W and Montreal, at a variable rate per annum equal to New York Prime minus one-half of one percent (0.5%). After an Event of Default has occurred, interest shall accrue: (i) with respect to the fixed rate Notes, on the entire outstanding balance of principal and interest at a

fluctuating rate equal to the Revolving Credit Rate plus four percent (4.00%); and (ii) as to the floating rate Notes, on the principal loan amount thereof at a rate per annum equal to three and one-half percent (3.5%) above New York Prime. Interest shall be calculated on actual days elapsed and a year of 360 days. If the Borrower's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was at such date more than thirty-six (36), the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Note is less than seven and one-half percent (7.50%), a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, the Borrower shall be obligated to pay the Lenders the following fees: (i) three-eighths of one percent (.375%) of the outstanding principal balance of such Note as of the date preceding the Trigger Event, which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

3. Section 5.4 (a) shall be amended to read as follows:

(a) The Borrower shall not at any time permit the Leverage Ratio to exceed forty-eight (48).

4. Section 5.19 shall be amended to read as follows:

5.19 Capital Expenditures. The Borrower shall not incur in any fiscal year, commencing with the fiscal year beginning January 1, 1998, capital expenditures, determined in accordance with generally accepted accounting principles, of more than $2,000,000; provided, however, that capital expenditures for (a) equipment to be used by subscribers of the Borrower, and (b) telecommunications equipment, computer equipment, software and software consulting shall not be counted for purposes of this annual limitation.

5. Section 5.20 is hereby amended to read as follows:

5.20 Acquisitions. The Borrower shall not acquire any stock or any equity interest in, or warrants therefor or securities into the same, or a substantial portion of the assets of, another entity without the prior written consent of the Lenders; provided, however, that the Borrower shall be permitted to make on a

cumulative basis from and after July 1, 1998 such acquisitions in an amount not to exceed Twenty Million Dollars ($20,000,000) in the aggregate without the consent of the Lenders if:

(a) such acquisitions are in or from entities which:

(i) are in the business of electronically communicating time-sensitive information to subscribers;

(ii) have their principal place of business in the United States or Canada; and

(iii) have a positive operating cash flow, calculated in the same method as is used to calculate the Borrower's Operating Cash Flow for purposes of this Agreement; and

(b) the Borrower or any Subsidiary is not, and immediately after the making of such acquisition, will not be in default under any other covenant or provision of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness); and

(c) no one acquisition shall exceed Ten Million Dollars ($10,000,000).

6. Exhibit B is hereby amended to read as shown on Exhibit B to this Second Amendment.

7. This Second Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the existing Notes and the Related Bank Debt.

8. This Second Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this SECOND AMENDMENT TO 1997 TERM CREDIT AGREEMENT dated as of May 15, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson
Title:VP, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE SUMITOMO BANK, LIMITED

By_____
Title:

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NBD BANK

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF ST. LOUIS, N.A.

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U.S. BANK, NATIONAL ASSOCIATION

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL,
Chicago Branch

By_____
Title:

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

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EXHIBIT B

TO 1997 TERM CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
NBD BANK,
NORWEST BANK NEBRASKA, N.A.,
THE SUMITOMO BANK, LIMITED,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK

OFFICER'S CERTIFICATE

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- 527 -

COMPLIANCE CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

First National Bank of Omaha Date

Attn: James Bonham
16th & Dodge Streets
Omaha, Nebraska 68102

I certify that Data Transmission Network Corporation is in compliance with the requirements set forth in the 1997 Term Credit Agreement (the "Agreement") dated as of February 26, 1997, between First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., LaSalle National

Bank,The Sumitomo Bank, Ltd., Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and Data Transmission Network Corporation.

The following calculations are as of (statement date) as required by Section 5.1(d) of said Agreement:

Evaluations:

Total Indebtedness (TI):

Operating Cash Flow:	most recent month ending	previous month ending
Net Income (loss)	----------	----------
Interest Expense	----------	----------
Depreciation	----------	----------
Amortization	----------	----------
Deferred Income Taxes	----------	----------
Non-Ordinary Non-Cash Charges (Credits)	----------	----------
Total	a) ----------	b) ----------

Operating Cash Flow = OCF = (a+b)/2 = ----------

Leverage Ratio (TI/OCF):

Section 2.2

Trigger Fee: If the Leverage Ratio is more than 36, then a one time fee is due, paid in three installments of 3/8% of the then outstanding principal balances, on any of the Notes which have an interest rate less than 7.5% per annum.

Position: A Trigger Event has/has not occurred.

Section 5.3

Net Worth: A minimum Net Worth (exclusive of subordinated debt) of $23,500,000 plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 5.3, "Net Worth" shall not include any subordinated debt.

Minimum Net Worth (exclusive of subordinated debt)= $ 23,500,000.

Net Income	Year ending	Addition (50%)
$_____	12/31/97	$_____
Total Minimum Net Worth		$

Position:

Total Net Worth (exclusive of subordinated debt) = $_____

The Borrower [is/is not] in compliance with Section 5.3.

Section 5.4

Indebtedness: At no time will the Leverage Ratio exceed 48

Position: Leverage Ratio = ---------

Total Indebtedness plus subordinated debt plus guaranty contingencies (Adjusted Total Indebtedness or ATI)1: At no time will Adjusted Total Indebtedness exceed 60 x OCF

Position: Adjusted Total Indebtedness = $
(60 x OCF) - (ATI) = $

The Borrower [is/is not] in compliance with Section 5.4.

Section 5.7

Distributions: Neither the Borrower nor any Subsidiary shall declare any dividends (other than dividends payable in stock of the Borrower or dividends or distributions from any consolidated

Subsidiary) or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided that the Borrower need not obtain the Lenders' consent with respect to dividends in any one (1) year which are in the aggregate less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 5.1.

Position:		
Net Operating Profit After Taxes for last four (4) quarters	=	_____
		x .25
Available for dividends or distributions in the most recent quarter plus the prior three (3) quarters	=	_____
Dividends and distributions (excluding dividends payable solely in stock of the Borrower and distributions from consolidated Subsidiaries) declared or paid in the most recent quarter plus the prior three (3) quarters	=	_____

The Borrower [is/is not] in compliance with Section 5.7.

Section 5.15

Interest Coverage:	The ratio of OCF to Interest Expense ("IE") at the end of each quarter will not be less than 2.25 to 1.0 (225%).
Position:	OCF = $ IE = $ OCF/IE = %

The Borrower [is/is not] in compliance with section 5.1.5.

Section 5.19

Capital Expenditures:

The Borrower shall not make capital expenditures (other than permitted earning assets specified in Section 5.19) in any fiscal year, commencing with the fiscal year beginning January 1, 1998, in excess of $2,000,000.

Position: Capital Expenditures (other than permitted earning assets specified in Section 5.19) this fiscal year = $_____

The Borrower [is/is not] in compliance with Section 5.19.

Section 5.20

Acquisitions: The Borrower shall not make acquisitions which in the aggregate exceed $20,000,000 and in any one instance exceed $10,000,000 except certain permitted unlimited acquisitions.

Position: Acquisitions (other than permitted unlimited acquisitions) in the aggregate since the date of the Agreement = _____.

Date	Amount	Acquired Company

Permitted Unlimited Acquisition:

Date	Amount	Acquired Company	Principal Place of Business	Line Of Business

The Borrower [is/is not] in compliance with Section 5.20.

Additional Representations:

There have/have not been any sale(s) of assets which would require prepayment of the Notes under Section 5.2.

There has/has not been:

(i) a Change of Control or a material adverse change in management personnel as defined in Section 5.14 of the Agreement;

(ii) a default under Section 7.1(j) or 7.1(l) regarding a change in ownership or control of the Company; or.

(iii) an indemnity claim by Broadcast Partners under Section 7.1(m).

Name of Borrower: Data Transmission Network Corporation

Signature: /s/ Brian L. Larson

Title:VP, CFO and Secretary

1This section need not be completed unless Borrower has subordinated debt or guaranty contingencies.

FIRST AMENDMENT TO 1997 SECURITY AGREEMENT

This First Amendment to 1997 Security Agreement is made as of May 15, 1998 to the 1997 Security Agreement (the "Agreement") dated as of February 26, 1997, among Data Transmission Network Corporation, First National Bank of Omaha, First National Bank, Wahoo, Nebraska, NBD Bank, Norwest Bank Nebraska, N.A., U.S. Bank, National Association (formerly known as First Bank, National Association), The Sumitomo Bank, Ltd., Mercantile Bank of St. Louis, N.A., Bank of Montreal, LaSalle National Bank, and Nationsbank, N.A. ("Nationsbank," as successor in interest to The Boatmen's National Bank of St. Louis).

The parties hereto acknowledge and agree that all references in the Agreement to The Boatmen's National Bank of St. Louis shall be deemed to refer to Nationsbank and that First National Bank of Omaha shall hold the Collateral described in the Agreement on behalf of the lenders named therein and on behalf of Nationsbank as a new Revolving Lender under the 1997 Revolving Credit Agreement dated as of February 26, 1997, as amended from time to time by the parties thereto.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson
Its: VP, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA, as agent for itself and the other banks party to the Agreement

By /s/ James P. Bonham
Its: Vice President

1998 REVOLVING CREDIT AGREEMENT

among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK
and
NATIONAL BANK OF CANADA

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1998 REVOLVING CREDIT AGREEMENT

This 1998 REVOLVING CREDIT AGREEMENT (the "Agreement") is entered into as of the 7th day of December, 1998, among DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation having its principal place of business at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114 (the "Borrower"), FIRST NATIONAL BANK OF OMAHA, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102 ("FNB-O"), FIRST NATIONAL BANK, WAHOO, NEBRASKA, a national banking association having its principal place of business at Wahoo, Nebraska 68066 ("FNB-W"), THE FIRST NATIONAL BANK OF CHICAGO, a national banking association having its principal place of business at One First National Plaza, Chicago, Illinois 60670-0173 ("First of Chicago"), NORWEST BANK NEBRASKA, N.A., a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102 ("Norwest"), DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, being represented by its office at 75 Wall Street, New York, New York 10005 ("Dresdner"), MERCANTILE BANK OF ST. LOUIS, N.A., a national banking association having its principal place of business at One Mercantile Center, 7th and Washington Streets, St. Louis, Missouri 63101 ("Mercantile"), U.S. BANK, NATIONAL ASSOCIATION, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508 ("U.S. Bank"), BANK OF MONTREAL, a Canadian bank represented by its office at 430 Park Avenue, New York, New York 10022 ("Montreal"), LASALLE NATIONAL BANK, a national banking association being represented by its offices at One Metropolitan Square, 211 North Broadway, St. Louis, Missouri 63102 ("LaSalle"); and NATIONAL BANK OF CANADA, a Canadian bank being represented by its office at 1200 17th Street, Suite 2760, Denver, Colorado 80202 ("NBC").

WITNESSETH:

WHEREAS, the Borrower and certain of the Lenders (as such term is hereinafter defined) are parties to a 1997 Term Credit Agreement dated as of February 26, 1997, which has been amended, (the "1997 Term Credit Agreement"), the proceeds of which were used to acquire substantially all of the assets of Broadcast Partners, a general partnership having its principal place of business in Des Moines, Iowa;

WHEREAS, the Borrower and certain of the Lenders are parties to a 1997 Revolving Credit Agreement dated as of February 26, 1997, which has been amended (the "1997 Revolving Credit Agreement"), which 1997 Revolving Credit Agreement provided a revolving credit facility for general corporate purposes;

WHEREAS, the Borrower desires to increase the amount of the revolving credit

facility which was the subject of the 1997 Revolving Credit Agreement; and

WHEREAS, the parties do not intend for this 1998 Revolving Credit Agreement to be deemed to extinguish any existing indebtedness of the Borrower or to release, terminate or affect the priority of any security therefor, but the parties do intend that this 1998 Revolving Credit Agreement shall supersede and replace the terms of the above-referenced 1997 Revolving Credit Agreement;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

I. DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

Acquisition Notes: The Notes issued by the Borrower to the Term Lenders under the Term Agreement dated as of May 3, 1996, and all extensions, renewals and substitutions, if any, of or for the same.

Advance: Any advance of funds to the Borrower by the Revolving Lenders or any of them under the revolving credit facility provided in this Agreement.

Agreement: This 1998 Revolving Credit Agreement dated as of December 7, 1998, between the Borrower and certain Lenders, as amended or restated from time to time.

Base Rate: The floating interest rate announced from time to time by FNB-O as its "National Base Rate." The National Base Rate is set by FNB-O, solely in its discretion, to reflect generally the rates charged by national money center banks as their reference rates. (Previously, the rate was announced by FNB-O as its "New York Base Rate.") Rates charged by FNB-O may be at, above or below the National Base Rate, as determined by FNB-O as to each respective customer.

Base Revolving Credit Facility: The amount specified in Section 2.1 of this Agreement, which shall include the aggregate amounts which may be available under the Revolving Credit Notes and the Lender Letter of Credit Facility.

Boatmen's: The Boatmen's National Bank of St. Louis, a national banking association having its principal place of business at One Boatmen's Plaza, 800 Market Street, St. Louis, Missouri 63166-0236 (now known as NationsBank, N.A.), and its successors and assigns.

Borrower: Data Transmission Network Corporation, a Delaware corporation having its principal place of business at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114.

Broadcast Partners: Broadcast Partners, a general partnership having its current principal place of business at 11275 Aurora Avenue, Des Moines, Iowa 50322.

Business Day: Any day other than a Saturday, Sunday or a legal holiday on which banks in the State of Nebraska are not open for business.

Change of Control: (a) At any time when any of the equity securities of the Borrower shall be registered under Section 12 of the Securities Exchange Act of 1934 as amended from time to time (the "Exchange Act"), (i) any person, entity or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) (other than any person which is a management employee, or any such "group" which consists entirely of management employees, of the Borrower) being or becoming the beneficial owner, directly or indirectly, of more than 50% of the voting stock of the Borrower, or (ii) a majority of the members of the Borrower's board of directors (the "Board") consisting of persons other than Continuing Directors (as hereinafter defined); and (b) at any other time, less than 50% of the voting stock of the Borrower being owned beneficially, directly or indirectly, by employees of the Borrower or its subsidiaries. As used herein, the term "Continuing Director" means any member of the Board on June 29, 1995, and any other member of the Board who shall be recommended or elected to succeed a Continuing Director by a majority of Continuing Directors who are the members of the Board.

Collateral: All personal property of the Borrower described in the Security Agreement, whether now owned or hereafter acquired, including, without limitation:

(a) all of the Borrower's accounts, accounts receivable, Subscriber contract rights, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles; and

(b) all proceeds and products of the foregoing.

Conversion: This term shall have the meaning set forth in Section 2.4.

Converted Notes: Any note evidencing Conversion under or of all or a portion of the Revolving Credit Notes (or any such similar notes issued to any additional Revolving Lenders hereinafter added to this Agreement), and all extensions, renewals and substitutions of or for the foregoing.

Default Rate: The floating interest rate announced from time to time by FNB-O as its "National Base Rate" plus 4.0%. The National Base Rate is set by FNB-O, solely in its discretion, to reflect generally the rates charged by national money center banks as their reference rates. (Previously, the rate was announced by FNB-O as its "New York Base Rate.") Rates charged by FNB-O may be at, above or below the National Base Rate, as determined by FNB-O as to each respective customer.

Dresdner Dresdner Bank AG, New York and Grand Cayman Branches, being represented by its office at 75 Wall Street, New York, New York 10005, and its successors and assigns.

Existing Term Notes: That certain promissory note from the Borrower to FNB-O, FirsTier, FNB-W, NBD, Norwest and Boatmen's (now NationsBank, N.A.) dated as of February 27, 1995; and those certain promissory notes from the Borrower to FNB-O, FNB-W, NBD, Norwest, Sumitomo, Mercantile, First Bank, Montreal, and LaSalle dated as of March 31, 1997, and March 16, 1998, and, as to each, all extensions, renewals, and substitutions of or for the foregoing.

FNB-O: First National Bank of Omaha, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102, and its successors and assigns.

FNB-O Letter of Credit Facility: An amount not to exceed $500,000 at any time which FNB-O may elect in its discretion to provide to the Borrower and one or more of its Subsidiaries under Section 2.11 (a) hereof.

FNB-O Letter(s) of Credit: Letter(s) of Credit issued under the FNB-O Letter of Credit Facility.

FNB-W: First National Bank, Wahoo, Nebraska, a national banking association having its principal place of business at Wahoo, Nebraska 68066, and its successors and assigns.

First Bank: First Bank, National Association, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, and its successors and assigns (it being acknowledged that First Bank is the successor in interest to FirsTier.)

First of Chicago: The First National Bank of Chicago, a national banking association having its principal place of business at One First National Plaza, Chicago, Illinois 60670-0173, and its successors and assigns.

FirsTier — FirsTier Bank, National Association, having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508 (predecessor to U.S. Bank).

Fixed Rate Notice: This term shall have the meaning set forth in Section 2.5.

Interest Rate Protection Contract Amounts: "Interest Rate Protection Contract Amounts" shall mean amounts due from the Borrower under interest rate protection contracts between the Borrower and one or more Lenders as to (i) the interest differential amounts due in respect of periodic netting payments under any such contract, and (ii) any amount due as a result of marking to market the Borrower's obligations under any such contract upon the occurrence of an event of default under, or other early termination of, such contract; in either case without inclusion of fees and other expenses related to such contract. Such Interest Rate Protection Contract Amounts shall be reported in writing to FNB-O and the Borrower by the applicable Lender at such times as shall be appropriate to carry out the intent of this Agreement.

LaSalle: LaSalle National Bank, a national banking association having its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603.

Lender Letter of Credit Facility: The letter of credit facility provided for in Section 2.11 (b) hereof.

Lender Letter(s) of Credit: Letter(s) of Credit issued under the Lender Letter of Credit Facility, the outstanding face amount of which shall not exceed $1,000,000 at any time.

Lenders: FNB-O, FNB-W, First of Chicago, Norwest, LaSalle, Dresdner, Mercantile, U.S. Bank, Montreal, and NBC, in their capacity as Revolving Lenders under this Agreement, the Term Lenders, lenders of the Related Bank Debt, NationsBank, formerly Boatmen's (as to Articles VI and VII and as to Section 8/6 only), and the Existing Term Notes , and such additional lenders as may be added hereto or thereto from time to time.

Letter of Credit Facility: Either the FNB-O or the Lender Letter of Credit Facility or, if the context so requires, both such letter of credit facilities.

Letter of Credit Fees: The Letter of Credit Fees specified in Section 2.11 (d)

of this Agreement.

Letter(s) of Credit: Either the FNB-O Letter(s) of Credit or the Lender Letter(s) of Credit, or if the context so requires, both such types of letters of credit.

Leverage Ratio: The number which is obtained at the time of determination by dividing Total Indebtedness at the applicable time by Operating Cash Flow at the applicable time.

Make-Whole Premium: An amount which shall be sufficient, as determined by the relevant Lender in good faith and on a reasonable basis and certified to the Borrower in writing, to compensate the Lender for any loss (including any lost yield), cost or expense incurred by the Lender (i) in liquidating or redeploying deposits or other funds acquired by the Lender to fund or maintain the loan prepaid and (ii) in unwinding, amending, canceling or otherwise modifying or terminating any match funding, swap or other arrangement entered into by the Lender in connection with acquiring or maintaining the funding for the loan prepaid.

Mercantile: Mercantile Bank of St. Louis, N.A., a national banking association having its principal place of business at One Mercantile Center, 7th and Washington Streets, St. Louis, Missouri 63101, and its successors and assigns.

Montreal: Bank of Montreal, a Canadian bank being represented by its offices at 430 Park Avenue, New York, New York 10022.

NBC: National Bank of Canada, a Canadian bank being represented by its offices at 1200 17th Street, Suite 2760, Denver, Colorado 80202.

NBD: NBD Bank, a bank organized under the laws of the State of Michigan and having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226, and its successors and assigns.

NationsBank: NationsBank, N.A., a national banking association having an office at 800 Market Street, 12th Floor, St. Louis, Missouri 63101-2506 (successor to The Boatmen's National Bank of St. Louis), and its successors and assigns.

Net Operating Profit After Taxes: For any period, the net earnings (or loss) after taxes of Borrower and its Subsidiaries on a consolidated basis for such period taken as a single accounting period and determined in conformity with generally accepted accounting principles; provided that there shall be excluded (i) the income (or loss) of any entity accrued prior to the date it becomes a Subsidiary of Borrower or is merged into or consolidated with Borrower and (ii) any

extraordinary gains or losses for such period determined in accordance with generally accepted accounting principles.

Net Worth: The Borrower's consolidated net worth as determined in accordance with generally accepted accounting principles plus subordinated debt. For purposes of this definition, "subordinated debt" means indebtedness of the Borrower which is subordinate, in a manner satisfactory to the Lenders, to the indebtedness due to the Lenders, and the repayment of which is forbidden during the existence of any Event of Default hereunder; provided however, that any such indebtedness shall not be deemed subordinated debt to the extent of the amount of principal payments that are due thereon within one (1) year from the date of determination.

Norwest: Norwest Bank Nebraska, N.A., a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102, and its successors and assigns.

Norwest Letter of Credit: The letter of credit no. S405444, in the amount of $130,949.00 with an expiration date of July 30, 1999, which was issued by Norwest for the account of Kavouras, Inc.; but not letters of credit issued in exchange, renewal, extension or substitution of such original letter of credit.

Notes: (i) The Revolving Credit Notes, the Converted Notes, the Existing Term Notes, the Acquisition Notes, and such additional similar notes as may be issued to certain additional Lenders, and all extensions, renewals, and substitutions of or for the foregoing; and (ii) notes and, in the case of interest rate protection contracts, such contracts evidencing the obligations of the Borrower to any Lender under the Related Bank Debt.

Operating Cash Flow: The Borrower's consolidated average monthly earnings or loss before interest, depreciation, amortization and taxes, less current tax expense and plus or minus any non-ordinary non-cash charges or credits to earnings, which average shall be based on the Borrower's actual financial results in the two (2) full calendar months preceding the date of determination. For purposes of calculating Operating Cash Flow for this Agreement, the Borrower shall not permit deferred commission expenses to be capitalized for any period in excess of twelve (12) months.

Operative Documents: This Agreement, the Notes, the Security Agreement, the financing statements regarding the Collateral and the

documents and certificates delivered pursuant to Section 5.1.

Principal Loan Amount: As to the Revolving Credit Notes, the aggregate principal amount of all unpaid Advances outstanding at any time (not including the unpaid balance under the Related Bank Debt, Existing Term Notes or any Acquisition Notes, or any amounts converted to a term loan hereunder), and as to Converted Notes hereunder, the unpaid principal amount thereof.

Purchase Agreement: The Asset Purchase and Sale Agreement dated as of May 3, 1996, between the Borrower and Broadcast Partners, as amended from time to time.

Quarterly Compliance Certificate: The certificate delivered to the Lenders by the Borrower pursuant to Section 4.1(d).

Related Bank Debt: The aggregate unpaid balance of all indebtedness, now or hereafter existing (including future advances) under certain interest rate protection contracts entered into from time to time by the Borrower with one or more of the Lenders.

Release: The Federal Reserve Statistical Release.

Restricted Quarter: This term shall have the meaning set forth in Section 2.5 hereof.

Revolving Credit Notes: The Notes issued to the Revolving Lenders pursuant to Section 2.1, and such additional similar notes as may be issued to Revolving Lenders hereinafter added to this Agreement by mutual written agreement of the parties, and all extensions, renewals, and substitutions of or for the same. Such notes shall be in the form of Exhibit A hereto. Solely for purposes of Section 7.2 of this Agreement and any reference to such Section 7.2, the Revolving Credit Notes shall include the amounts, if any, due to (a) FNB-O and/or the Revolving Lenders under the Letter of Credit Facility, and (b) Norwest in connection with the Norwest Letter of Credit.

Revolving Credit Rate: The Base Rate minus the applicable margin as determined pursuant to Section 2.3.

Revolving Lenders: FNB-O, FNB-W, First of Chicago, Norwest, LaSalle, Dresdner, Mercantile, U.S. Bank, Montreal and NBC, and such additional Revolving Lenders as may be added as Revolving Lenders under Section 2.1 hereto from time to time by mutual written agreement of the parties.

Security Agreement: The 1998 Security Agreement dated as of the date hereof, between the Borrower and FNB-O, as agent for the Lenders, (which amends and restates the 1997 Security Agreement dated as of February 26, 1997, as amended by the First Amendment to 1997 Security Agreement dated as of May 15, 1998), and as further amended or restated from time to time.

Subscribers: Those customers of the Borrower which have subscribed for the Borrower's "Basic DTN Subscription Service" and/or "Farm Dayta Service" and/or other similar services and who are not in default of their payment or other obligations with respect thereto.

Subsidiary: Any corporation business association, partnership, joint venture, limited liability company or other business entity in which the Borrower, or one or more of its Subsidiaries, or the Borrower and one or more of its Subsidiaries has either (i) more than 50% of the equity ownership thereof, or (ii) the power to elect a majority of the directors or to control the identification of the managing or general partners or similar governing persons thereof.

Sumitomo: The Sumitomo Bank, Limited, a Japanese bank being represented by its office at 200 North Broadway, Suite 1625, St. Louis, Missouri 63102, and acting through its Chicago branch, and its successors and assigns.

Term Agreement: The 1998 Term Credit Agreement dated as of the date hereof, among the Borrower and certain Lenders specified therein, (which amends and restates the 1997 Term Credit Agreement dated as of February 26, 1997, as amended by the First Amendment to 1997 Term Credit Agreement dated as of February 1, 1998; and the Second Amendment to 1997 Term Credit Agreement dated as of May 15, 1998), and as further amended or restated from time to time.

Term Lenders: "Lenders" to the Borrower as such term is defined in the Term Agreement.

Total Indebtedness: All loans and other obligations of the Borrower and its Subsidiaries, without duplication, for borrowed money (including, without limitation, the indebtedness due to the Lenders) regardless of the maturity thereof. For purposes of this definition of "Total Indebtedness," indebtedness under an interest rate protection agreement shall mean the amount if any, at the time of determination, of the unpaid Interest Rate Protection Contract Amounts; provided, however, that solely for purposes of voting under this Agreement by the Lenders, "Total Indebtedness" will not include such Interest Rate Protection Contract Amounts.

Trigger Event: This term shall have the meaning set forth in Section 2.5 hereof.

U.S. Bank: U.S.Bank, National Association, formerly known as First Bank, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, and its successors and assigns.

All accounting terms not otherwise defined herein shall have the meaning ordinarily applied under generally accepted accounting principles.

II. REVOLVING FACILITY

2.1 Revolving Credit. Until the earlier of June 30, 2000, or the date on which the loan hereunder is converted to a term loan in accordance with Section 2.4, the Revolving Lenders severally agree to advance funds for general corporate purposes not to exceed $80,800,000 (the "Base Revolving Credit Facility") to the Borrower on a revolving credit basis (amounts outstanding under the Acquisition Notes, Existing Term Notes and Related Bank Debt shall not be counted against such Base Revolving Credit Facility limit). Such Advances shall be made on a pro rata basis by the Revolving Lenders, based on the following maximum advance limits and applicable percentages for each Revolving Lender: (i) as to FNB-O, $16,000,000 (19.80%); (ii) as to FNB-W, $325,000 (.40%); (iii) as to First of Chicago, $2,015,000 (2.49%); (iv) as to Norwest, $6,500,000 (8.04%); (v) as to LaSalle, $8,320,000 (10.30%); (vi) as to Dresdner, $8,515,000 (10.54%); (vii) as to Mercantile, $11,245,000 (13.92%), (viii) as to U.S. Bank, $8,515,000 (10.54%); (ix) as to Montreal, $6,565,000 (8.13%); and (x) as to NBC, $12,800,000 (15.84%). The Borrower shall not be entitled to any Advance hereunder if, after the making of such Advance, the Leverage Ratio would exceed thirty-six (36), determined at the time of the Advance. Nor shall the Borrower be entitled to any further Advances hereunder after the occurrence of a material adverse change in its management personnel, as described in Section 4.14(b), or after the occurrence of any Event of Default with respect to the Borrower. Advances shall be made, on the terms and conditions of this Agreement, upon the Borrower's request. Requests shall be made by 12:00 noon Omaha time on the Business Day prior to the requested date of the Advance. Requests shall be made by presentation to FNB-O of a drawing certificate in the form of Exhibit B. The Borrower's obligation to make payments of principal and interest on the foregoing revolving credit indebtedness shall be further evidenced by the Revolving Credit Notes.

2.2. The Borrower shall pay to the Revolving Lenders a commitment fee equal to the product of the per annum unused commitment fee percentage shown below times the unadvanced portion of the Maximum Revolving Credit Facility described above:

Leverage Ratio	Unused Commitment Fee Percentage
Greater than 42	.375%
Greater than 24 but not in	

excess of 42	.250%
24 or less	.125%

Such fee shall be paid to FNB-O quarterly (calendar quarters) in arrears and based on the average unused portion of the revolving credit commitment during the applicable quarter and the Leverage Ratio in effect on the last day of the month preceding such quarter. FNB-O shall distribute to each Revolving Lender its pro rata share of such fee based on the maximum advance limits set forth above. Furthermore, the Borrower will pay to FNB-O an agenting fee equal to $40,000 annually, payable quarterly in arrears.

2.3 Interest on Revolving Credit. Until the earlier of June 30, 2000, or the date on which the revolving credit loan hereunder is converted to a term loan, interest shall accrue on the Principal Loan Amount outstanding from time to time at a variable rate, which shall fluctuate on a monthly basis, equal to the Base Rate minus a margin as determined below. The margin shall be adjusted quarterly after receipt of the Borrower's Quarterly Compliance Certificate. Adjustments shall be retroactive to the beginning of the current quarter.

Leverage Ratio	Margin Below Base Rate
Greater than 42	.25%
Greater than 36 but not more than 42	.50%
Greater than 30 but not more than 36	.75%
Greater than 24 but not more than 30	1.00%
Greater than 18 but not more than 24	1.25%
18 or less	1.375%

The Base Rate minus the applicable margin as determined above is hereinafter referred to as the "Revolving Credit Rate." Changes in the Base Rate shall be effective on the first day of each month, based on the Base Rate in effect as of such day. Interest shall be due upon the rendering of each monthly invoice therefor by FNB-O. Notwithstanding anything to the contrary elsewhere herein,

after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest on all indebtedness hereunder at a fluctuating rate equal to the Default Rate.

2.4 Conversion. Upon the earlier of: (i) June 30, 2000; or (ii) the Borrower's giving notice of its election to convert the revolving credit loan hereunder, or any portion thereof, to a term loan, the revolving credit loan described above (or applicable portion thereof) shall be deemed converted to a term loan (hereinafter referred to as "Conversion"). Any such term loans shall be evidenced by notes (the "Converted Notes") separate from the initial Revolving Credit Notes. Upon the issuance of Converted Notes, the Revolving Credit Facility will be reduced by the principal amount of such Converted Notes (and shall be increased to the extent permitted in Section 2.1(b) hereof), and

no further Advances shall be made by the Revolving Lenders on the converted amount. The then outstanding Principal Loan Amount of each respective Converted Note shall become due and payable in forty-eight (48) equal installments of principal, with the first such installment due on the last day of the month following Conversion, or, if such day is not a Business Day, on the next succeeding Business Day, and subsequent installments due on the last day of each consecutive month thereafter. In any event, the total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than June 30, 2004.

2.5 Interest on Converted Notes. After Conversion, interest shall accrue on the Principal Loan Amount outstanding on the respective Converted Note from time to time at a variable rate, which shall fluctuate on a monthly basis, which is equal to the Revolving Credit Rate plus one quarter of one percent (.25%). For purposes of computing such variable rate, changes in the Base Rate shall be effective on the first day of each month based on the Base Rate in effect on such day. Notwithstanding anything in the foregoing to the contrary, after Conversion, the Borrower may elect to have a fixed interest rate apply to the outstanding Principal Loan Amount converted and outstanding after the date of giving notice of such fixed rate election (the "Fixed Rate Notice"). Such fixed rate shall be the greater of:

(a) the Revolving Credit Rate in effect on the date of the notice1, plus three-eighths of one percent (.375%), or

(b) the average of the yields on constant maturity Treasury Bonds with maturities of three (3) years and five (5) years, as quoted in the immediately preceding monthly Release for the month preceding such Release, plus the incremental percentage shown below:

Leverage Ratio1	Incremental %
Greater than 36	2.25%
Greater than 24 but not in excess of 36	2.00%
24 or less	1.75%

Any election of a fixed rate by the Borrower shall be final and irrevocable. Interest shall be due each month concurrently with the Borrower's principal payment. Notwithstanding anything to the contrary elsewhere herein, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest on all indebtedness hereunder at a fluctuating rate equal to the Default Rate. All interest due under this Agreement shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance of all indebtedness hereunder notwithstanding any permitted or unpermitted failure of the Borrower to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If the Borrower's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was at such date more than thirty-six (36), the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Existing Term Note or Converted Note is less than seven and one-half

percent (7.50%) per annum, a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, the Borrower shall be obligated to pay the following fees: (i) three-eighths of one percent (.375%) of the outstanding principal balance as of the date preceding the Trigger Event of each Existing Term Note or Converted Note which accrues interest at less than seven and one-half percent (7.50%) per annum, which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six (6) month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve (12) month anniversary of the Trigger Event.

2.6 Payments. All obligations of the Borrower under the Related Bank Debt (other than obligations under any interest rate protection contract), Revolving Credit Notes and Converted Notes and under the other Operative Documents shall be payable in immediately available funds in lawful money of the United States of America at the principal office of FNB-O in Omaha, Nebraska or at such other address as may be designated by FNB-O in writing. In the event that a payment day is not a Business Day, the payment shall be due on the next succeeding Business Day.

2.7 Prepayments. The Borrower may at any time prepay the Principal Loan Amount outstanding under the Revolving Credit Notes or any of the Converted Notes if the Borrower has given the Revolving Lenders at least two (2) Business Days prior written notice of its intention to make such prepayment. Any such prepayment may be made without penalty except for Converted Notes as to which interest is accruing at a fixed rate in accordance with Section 2.5, in which

event a prepayment penalty shall be due to each Revolving Lender, at each Revolving Lender's option, either: (1) the Make-Whole Premium due to such Revolving Lender in respect of such prepayment; or (2) such Revolving Lender's applicable prepayment fee as set forth below. The applicable prepayment fee for any Converted Note shall be: (i) if the notice electing fixed interest was given within twelve (12) months of Conversion, the fee shall be one and one-half percent (1.50%) of the amount of such prepayment; (ii) if the notice electing fixed interest was given after twelve (12) months of Conversion but within twenty-four (24) months of Conversion, the fee shall be three-fourths of one percent (.75%) of the amount of such prepayment; (iii) if the notice electing fixed interest was given after twenty-four (24) months of Conversion but within thirty-six (36) months of Conversion, the fee shall be three-tenths of one percent (.30%) of the amount of such prepayment. The applicable prepayment fee for any Existing Term Note shall be as specified in such Existing Term Note.

2.8 Security. All obligations of the Borrower hereunder and under the Operative Documents, including, without limitation, the Borrower's obligations to make payments of principal and interest on the Notes shall be secured by a first security interest in the Collateral, as more specifically described in the Security Agreement.

2.9 Existing Term Notes. The Borrower's obligations under the Existing Term Notes shall continue in full force and effect in accordance with the terms thereof. Such notes shall be deemed amended to include this 1998 Revolving Credit Agreement within the definition of Obligations in such notes, it being understood that this 1998 Revolving Credit Agreement, rather than the 1997 Revolving Credit Agreement, shall be controlling with respect to defaults, covenants and all other relevant matters arising under the Existing Term Notes and the Notes executed and delivered in connection with this 1998 Revolving Credit Agreement. The Existing Term Notes shall continue to be secured by the

security interest provided in the Security Agreement.

2.10 Related Bank Debt. Nothing herein shall be deemed to alter or amend the Borrower's obligations under the Related Bank Debt or any collateral security therefor, all of which shall continue in full force and effect in accordance with the terms thereof.

2.11 Letter of Credit Facilities. In order to accommodate the needs of the Borrower or one or more of its Subsidiaries, from time to time FNB-O on its own behalf may, or FNB-O as the Agent of the Revolving Lenders under this Agreement shall, upon application of the Borrower and, if requested by FNB-O the applicable Subsidiary, issue letters of credit on the terms, and upon satisfaction of the conditions, specified below:

(a) FNB-O Letter of Credit Facility. FNB-O may elect to issue letters of credit solely on its own behalf ("FNB-O Letters of Credit"); provided, however, that at the time of issuance of such FNB-O Letters of Credit, the aggregate amount available to be drawn on Letters of Credit issued and outstanding under this FNB-O Letter of Credit Facility shall not exceed $500,000. The issuance of FNB-O Letters of Credit shall not cause the Base Revolving Credit Facility to be reduced.

(b) Lender Letter of Credit Facility. Whenever FNB-O elects not to issue an FNB-O Letter of Credit or the aggregate amount available to be drawn on FNB-O Letters of Credit exceeds, or upon the issuance of a new Letter of Credit will

exceed, $500,000, the Agent on behalf of the Revolving Lenders shall issue from time to time for the account of the Borrower or one or more of its Subsidiaries letters of credit in the name of First National Bank of Omaha but which are designated as Lender Letters of Credit (the "Lender Letters of Credit"); provided, however, the Agent shall have no obligation to issue any such Lender Letter of Credit unless at such time the Borrower meets all the conditions for an Advance under the Base Revolving Credit Facility and, after such issuance, the aggregate face amount of Lender Letters of Credit outstanding will not exceed $1,000,000 and will not exceed the then available Base Revolving Credit Facility, as reduced by the outstanding principal amount of the Converted Notes and the Revolving Credit Notes, as more specifically set forth in this Agreement. The Revolving Lenders shall be obligated to fund pro rata according to their respective pro rata percentages shown in Section 2.1 of this Agreement any draws on such Lender Letters of Credit and shall be entitled to share pro rata in the Letter of Credit Fees and reimbursement amounts received in connection with such Lender Letters of Credit. The sum of (i) amounts drawn under such Lender Letters of Credit which have not been reimbursed by the Borrower, and (ii) the amounts available to be drawn under outstanding Lender Letters of Credit shall operate to reduce the Base Revolving Credit Facility by such sum.

(c) Letter of Credit Documents, Fees. Prior to the issuance by FNB-O of any Letters of Credit, the Borrower and, if requested by FNB-O, the applicable Subsidiary, shall execute and deliver to FNB-O an application and continuing letter of credit agreement, such agreements to be in the forms attached hereto as Exhibit C to this 1998 Revolving Credit Agreement, as such forms may be amended from time to time for general use in connection with letters of credit issued by FNB-O.

(d) Letter of Credit Fees. In addition to all costs incurred by FNB-O in the issuance and enforcement of the Letters of Credit which are to be reimbursed

by the Borrower in accordance with the application and continuing letter of credit agreement executed in connection with each Letter of Credit, the Borrower shall pay to FNB-O (on its own behalf as to FNB-O Letters of Credit and as Agent as to Lender Letters of Credit) a letter of credit fee (the "Letter of Credit Fee") equal to one percent (1%) per annum of the undrawn amount of such Letter of Credit, such fee to be paid quarterly in arrears based on the average amount outstanding during such quarter; provided, however, that at any time that an Event of Default has occurred and is continuing under the Agreement, such fee shall be equal to five percent (5%) per annum). Interest shall accrue on amounts drawn under any Letter of Credit, until such amount is reimbursed, at the then current rate for amounts outstanding under the Revolving Note and, for any period that such draw remains unreimbursed more than two Business Days after such draw, at the Default Rate. In addition, the Borrower shall pay such other administrative fees, including a fee for opening the Letter of Credit, as are agreed in writing between FNB-O and the Borrower. Amounts received by the Agent for opening a Lender Letter of Credit or as administrative fees other than the Letter of Credit remain the property of the Agent and shall not be shared pro rata with the Revolving Lenders.

(e) Security. Amounts due in connection with the Letters of Credit and the Norwest Letter of Credit are secured by the Collateral pledged under the Security Agreement and any security agreement given by a Subsidiary in favor of the Lenders. In addition, the Agent shall have the right to require additional collateral, including cash collateral equal to 100% of the aggregate of the amounts available to be drawn under the Letters of Credit, upon the occurrence of an Event of Default under the Agreement.

III. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that as of the date hereof and as of the date of each and every request for an Advance hereunder, the following are and shall be true and correct:

3.1 Corporate Existence. It is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and each Subsidiary is a corporation duly organized, validly existing and in good standing in its state of incorporation as shown on Schedule I, and it and each of its Subsidiaries is duly qualified and in good standing in all states where it is doing business except where the failure to be so qualified would not have a material adverse effect on it and it has full power and authority to own and operate its properties and to carry on its business. As of the date of this Agreement, the Borrower has no Subsidiaries other than those shown on Schedule I.

3.2 Corporate Authority. It has full corporate power, authority and legal right to execute, deliver and perform the Operative Documents to which it is a party, and all other instruments and agreements contemplated hereby and thereby, and to perform its obligations hereunder and thereunder; and such actions have been duly authorized by all necessary corporate action, and are not in conflict with any applicable law or regulation, or any order, judgment or decree of any court or other governmental agency or instrumentality or its articles of incorporation or bylaws, or with any provisions of any indenture, contract or agreement to which it or any of its Subsidiaries is a party or by which it or any of its Subsidiaries or any of its or their property may be bound.

3.3 Validity of Agreements. The Borrower's Operative Documents have been duly authorized, executed and delivered and constitute its legal, valid and

binding agreements, enforceable against the Borrower in accordance with their respective terms (except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, moratorium or similar laws now or hereafter in effect, or by principles of equity).

3.4 Litigation. Neither the Borrower nor any Subsidiary is a party to any pending lawsuit or proceeding before or by any court or governmental body or agency, which is likely to have a materially adverse effect on the Borrower's ability to perform its obligations under its Operative Documents; nor is the Borrower aware of any threatened lawsuit or proceeding, to which it or any Subsidiary may become a party or of any investigation of any Court or governmental body or agency into its affairs, which if instituted would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

3.5 Governmental Approvals. The execution, delivery and performance by the Borrower of the Operative Documents do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency other than as contemplated herein and therein.

3.6 Defaults Under Other Documents. Neither the Borrower nor any Subsidiary is in default or in violation (nor has any event occurred which, with notice or lapse of time or both, would constitute a default or violation) under any document or any agreement or instrument to which it may be a party or under which it or any of its properties may be bound and the result of which would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

3.7 Judgments. There are no outstanding or unpaid judgments (which are not adequately bonded) of the Borrower or any Subsidiary which would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

3.8 Compliance with Laws. Neither the Borrower nor any Subsidiary is in violation of any laws, regulations or judicial or governmental decrees in any respect which could have any material adverse effect upon the validity or enforceability of any of the terms of the Borrower's Operative Documents or which could have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

3.9 Taxes. All tax returns of the Borrower and its Subsidiaries for material taxes required to be filed have been filed or extensions permitted by law have been obtained; all taxes of the Borrower and its Subsidiaries of a material nature and which are due and payable as reflected on such returns have been paid, other than taxes which are due but for which only a nominal late payment penalty is payable and for which the taxing authority is not yet entitled to enforce its remedies for payment thereof and other than taxes being contested in good faith and with respect to which adequate reserves have been established; and no material amounts of taxes of the Borrower and its Subsidiaries not reflected on such returns are payable.

3.10 Collateral. The Borrower has good and marketable title to the Collateral and the Collateral is free from all liens, encumbrances or security interests, except as disclosed on Schedule A attached hereto. The Borrower's principal place of business, chief executive office, and the principal place where it keeps its records concerning the Collateral is Suite 200, 9110 West

Dodge Road, Omaha, Nebraska 68114. The Borrower also keeps certain of its records regarding the Collateral at 11275 Aurora Avenue, Des Moines, Iowa 50322.

3.11 Pension Benefits. Neither the Borrower nor any Subsidiary maintains a "Plan" as defined in Section 3 of the Employees Retirement Income Security Act of 1974 ("ERISA"), or each such entity is in compliance with the minimum funding requirements with respect to any such "Plan" maintained by it and it has not incurred any material liability to the Pension Benefit Guaranty Corporation ("PBGC") or otherwise under ERISA in connection with any such Plan.

3.12 Margin Regulations. No part of the proceeds of any Advance hereunder shall be used to purchase or carry any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the

United States) or any "margin security" (within the meaning of Regulation G of said Board of Governors), or to extend credit to others for the purpose of purchasing or carrying any such margin stock or margin security. No part of the proceeds of any Advance hereunder shall be used for any purpose that violates, or which is inconsistent with, the provisions of Regulation G, T, U or X of said Board of Governors.

3.13 Financial Condition. The financial condition of the Borrower and its Subsidiaries is truly and accurately set forth in the most recent financial statement which has been provided to the Lenders and no material adverse change has occurred which would make such financial statement inaccurate or misleading.

IV. COVENANTS

The Borrower hereby covenants that:

4.1 Financial Reports

(a) Within forty-five (45) days after the end of each month, the Borrower, at its sole expense, shall furnish the Lenders a consolidated balance sheet, a statement of earnings of the Borrower and its consolidated Subsidiaries and a statement of cash flows of the Borrower and its consolidated Subsidiaries, and such financial statements on a consolidating basis as to the Borrower, all such financial statements to be prepared in accordance with generally accepted accounting principles consistently applied and certified as completed and correct, subject to normal changes resulting from year-end audit adjustments, by the chief financial officer of the Borrower.

(b) Within ninety (90) days after the close of the Borrower's fiscal year, the Borrower, at its sole expense, shall furnish the Lenders: (i) a consolidated balance sheet, a statement of earnings of the Borrower and its consolidated Subsidiaries and a statement of cash flows of the Borrower and its consolidated Subsidiaries, certified by Deloitte & Touche, or other independent certified public accountants acceptable to the Lenders, that such financial reports fairly present the financial condition of the Borrower and its consolidated Subsidiaries and have been prepared in accordance with generally accepted accounting principles consistently applied; and (ii) a certificate from such accountants certifying that in making the requisite audit for certification of the Borrower's financial statements, the auditors either (1) have obtained no knowledge, and are not

otherwise aware of, any condition or event which constitutes an Event of Default or which with the passage of time or the giving of notice would constitute an Event of Default under Sections 4.3, 4.4, 4.7, 4.9(b), 4.9(d), 4.11, 4.19, or 4.20; or (2) have discovered such condition or event, as specifically set forth in such certificate, which constitutes an Event of Default or which with the passage of time or the giving of notice would constitute an Event of Default under such sections. The auditors

shall not be liable to the Lenders by reason of the auditors' failure to obtain knowledge of such event or condition in the ordinary course of their audit unless such failure is the result of negligence or willful misconduct in the performance of the audit.

(c) Within thirty (30) days after submission to the Securities and Exchange Commission, the Borrower shall provide to the Lenders copies of its Forms 10K and 10Q, as submitted to the Securities and Exchange Commission during the term of this Agreement.

(d) Within twenty (20) days after the end of each quarter, the Borrower, at its expense, shall furnish the Lenders a certificate of the chief financial officer of the Borrower in the form of Exhibit D, setting forth such information (including detailed calculations) sufficient to verify the conclusions of such officer after due inquiry and review, that:

(i) The Borrower and each Subsidiary, either (y) is in compliance with the requirements set forth in this Agreement or (z) is NOT in compliance with the foregoing for reasons specifically set forth therein; and

(ii) The chief financial officer of the Borrower has reviewed or caused to be reviewed all of the terms of the Operative Documents of the Borrower and that such review either (1) has NOT disclosed the existence of any condition or event which constitutes an event of default or any condition or event which with the passage of time or the giving of notice would constitute an event of default under the Operative Documents or (2) has disclosed the existence of a condition or event which constitutes an event of default, or a condition or event which with the passage of time or the giving of notice would constitute an event of default, under the aforesaid instrument or instruments and the specific condition or event is specifically set forth.

(e) The Borrower shall provide the Lenders with such other financial reports and statements as the Lenders may reasonably request.

4.2 Corporate Structure and Assets. The Borrower shall not merge or consolidate with any other corporation or entity unless the Borrower shall be the surviving entity, nor sell any assets except items that are obsolete or no longer necessary for operation of the business, other than in the ordinary course of business without the prior written consent of the Lenders. The Lenders shall be entitled to receive as a prepayment on the Notes the proceeds of any sale of assets of the Borrower which are prohibited by the preceding sentence. Notwithstanding the foregoing prepayment requirements, any such prohibited sale shall remain a violation of this Agreement. In addition, the Borrower shall not engage in any business materially different from that in which it is presently engaged without the prior written consent of the Lenders, which consent shall

not be unreasonably withheld. The foregoing restrictions on mergers and consolidations shall not apply if: (i) in the case of a merger, the Borrower is the surviving entity and expressly reaffirms its obligations hereunder; (ii) in the case of a consolidation, the resulting corporation expressly assumes the

obligations of the Borrower hereunder; (iii) the surviving or resulting corporation is organized under the laws of the United States or a jurisdiction thereof; (iv) after giving effect to such merger or consolidation, the surviving or resulting corporation will be engaged in substantially the same lines of business as are now engaged in by the Borrower; and (v) immediately after giving effect to such merger or consolidation, no Event of Default will exist hereunder.

4.3 Net Worth. The Borrower shall maintain a minimum Net Worth during the term of this Agreement of at least $23,500,000, plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 4.3, "Net Worth" shall not include any subordinated debt.

4.4 Indebtedness

(a) The Borrower shall not at any time permit the Leverage Ratio to exceed forty-eight (48).

(b) On the day the Borrower or a Subsidiary becomes liable with respect to any debt and immediately after giving effect thereto and to the concurrent retirement of any other debt, the sum of Total Indebtedness, plus the amount of any outstanding subordinated debt of the Borrower and its Subsidiaries, plus the contingent obligations of the Borrower and its Subsidiaries under any guaranty of the debt of any other person or entity (other than unsecured debt of a Subsidiary incurred in the ordinary course of business for other than borrowed money or to finance the purchase price of any property or business) shall not exceed an amount equal to sixty (60) times Operating Cash Flow at such date.

4.5 Use of Proceeds. The Borrower shall not use the proceeds of the Advances hereunder to purchase or carry any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) or any "margin security" (within the meaning of Regulation G of said Board of Governors), or to extend credit to others for the purpose of purchasing or carrying any such margin stock or margin security. No part of such proceeds shall be used for any purpose that violates, or which is inconsistent with, the provisions of Regulation G, T, U or X of said Board of Governors. This section shall not preclude the Borrower from repurchasing any of its own issued and outstanding common stock; provided, however, that such repurchase does not result in the occurrence of any other Event of Default hereunder.

4.6 Notice of Default. The Borrower shall give to the Lenders prompt written notification of the existence or occurrence of:

(a) any fact or event which results, or which with notice or the passage of time, or both, would result in an Event of Default hereunder;

(b) any proceedings instituted by or against the Borrower in any federal, state or local court or before any governmental body or agency, or before any arbitration board, or any such proceedings threatened against the Borrower by any governmental agency, which is likely to have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents;

(c) any default or event of default involving the payment of money under any agreement or instrument which is material to the Borrower or any Subsidiary to which such entity is a party or by which it or any of its property may be bound, and which default or event of default would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents; and

(d) the Borrower shall give immediate notice of the commencement of any proceeding under the Federal Bankruptcy Code by or against the Borrower or any Subsidiary.

4.7 Distributions

(a) Neither Borrower nor any Subsidiary shall declare any dividends or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided, however, that the Borrower may declare stock dividends; provided, further, that the Borrower need not obtain the Lenders' consent with respect to (i) dividends in any one (1) year which are, in the aggregate, less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 4.1; or (ii) dividends or distributions from any consolidated Subsidiary.

(b) Neither the Borrower nor any Subsidiary other than a Subsidiary which is wholly-owned by the Borrower shall purchase, redeem, or otherwise retire any shares of its capital stock or warrants of its capital stock if, immediately after the making of such purchase or redemption, the Borrower or any Subsidiary will be in default of any other covenant or provision of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness).

4.8 Compliance with Law and Regulations. The Borrower and each Subsidiary shall comply in all material respects with all applicable federal and state laws and regulations.

4.9 Maintenance of Property; Accounting; Corporate Form; Taxes; Insurance

(a) The Borrower and each Subsidiary shall maintain its property in good condition in all material respects, ordinary wear and tear excepted, and make all renewals, replacements, additions, betterments and improvements thereto necessary for the efficient operation of its business.

(b) The Borrower and each Subsidiary shall keep true books of record and accounts in which full and correct entries shall be made of all its business transactions, all in accordance with generally accepted accounting principles consistently applied.

(c) The Borrower and each Subsidiary shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate form of existence as is necessary for the continuation of its business in substantially the same form, except where such failure to do so with respect to any Subsidiary would not have a material adverse effect on the ability of the Borrower to perform its obligations under the Operative Documents.

(d) The Borrower and each Subsidiary shall pay all taxes, assessments and governmental charges or levies imposed upon it or its property; provided, however, that the Borrower or any Subsidiary shall not be required to pay any of the foregoing taxes which are being diligently contested in good faith by appropriate legal proceedings and with respect to which adequate reserves have been established.

(e) The Borrower shall maintain or cause to be maintained liability insurance and casualty insurance, in a form and amount satisfactory to FNB-O as agent for the Lenders, upon the Collateral (excluding equipment or inventory provided to Subscribers in the ordinary course of business) and other tangible assets owned by it and its Subsidiaries. The Borrower shall name FNB-O as agent for the Lenders as the loss payee on all such casualty insurance, and as an additional insured on all such liability insurance and shall provide the Lenders with evidence of such insurance upon request.

4.10 Inspection of Properties and Books. The Borrower shall recognize and honor the right of the Lenders, upon request to an officer of the Borrower, to visit and inspect any of the properties of, to examine the books, accounts, and other records of, and to take extracts therefrom and to discuss the affairs, finances, loans and accounts of, and to be advised as to the same by the officers of, the Borrower at all such times, in such detail and through such agents and representatives as the Lenders may reasonably desire.

4.11 Guaranties. Neither the Borrower nor any Subsidiary shall guaranty or become responsible for the indebtedness of any other person or entity; provided, however, that a Subsidiary may guaranty the obligation of the Borrower; provided further, that the Borrower may guaranty the obligations of a Subsidiary so long as no Event of Default (or no event or occurrence which with the passage of time or notice, or both, would become an Event of Default) has occurred or will occur hereunder, taking into account such guaranty and indebtedness.

4.12 Collateral. Neither the Borrower nor any Subsidiary shall incur or permit to exist any mortgage, pledge, lien, security interest or other encumbrance on the Collateral, except as permitted in the Security Agreement.

Subject to Section 4.4(b), the foregoing shall not be construed to prohibit the Borrower or any Subsidiary from acquiring leased equipment in the ordinary course of business. Without limiting the generality of the foregoing, the Borrower covenants and agrees that it shall on request enforce for the benefit of the Lenders, but at the sole expense of the Borrower, any and all rights and remedies (including, without limitation, rights to indemnity), that it may have with respect to the existence of any liens, security interests or other encumbrances that may exist on the property of the Borrower acquired from Broadcast Partners under the Purchase Agreement.

4.13 Name; Location. The Borrower shall give the Lenders ninety (90) days

notice prior to changing its name, identity or corporate structure, moving its principal place of business, chief executive office or place where it keeps its records concerning the Collateral.

4.14 Notice of Change in Ownership or Management. During the term of this Agreement, the Borrower shall give the Lenders notice of the occurrence of any of the following described events, which notice shall be given as soon as the Borrower obtains notice or knowledge thereof:

(a) any change, directly or indirectly, in the existing controlling interest in the Borrower; or

(b) any material adverse change in its management personnel. A material adverse change in the Borrower's management personnel shall be deemed to have occurred if any one (1) of the following has occurred with respect to two of the four (4) individuals who are both officers and members of the Board of Directors of the Borrower: (i) the resignation, retirement, or voluntary or involuntary termination of employment and/or status of such persons as officers and directors of the Borrower; (ii) any announcement, notice of intent, resolution or similar advance notice with respect to the matters referenced in the foregoing clause; or (iii) the death, disability or legal incompetence of such persons.

4.15 Interest Coverage. The ratio of Operating Cash Flow to interest expense (as determined in accordance with generally accepted accounting principles but excluding amortization of deferred offering costs and any fees related to the Trigger Event in Section 2.5 of this Agreement) at the end of each quarter during the term of this Agreement, as shown on the Quarterly Compliance Report, shall not be less than 2.25 to 1.0.

4.16 Subordinated Debt. Neither the Borrower nor any Subsidiary shall incur any subordinated debt or issue any preferred stock or warrants for preferred stock except upon the prior written consent of the Lenders. Neither the Borrower nor any Subsidiary shall make any voluntary or optional prepayment on any subordinated debt without the prior written consent of the Lenders. Similarly, the Borrower shall not amend its articles of incorporation or any other documents or agreements relating to the issuance of subordinated debt, preferred stock or warrants for preferred stock without the prior written consent of the Lenders.

4.17 Subsidiaries. The Borrower shall give prompt written notice to the Lenders of the Borrower's intent to acquire, or the Borrower's acquisition of,

any Subsidiary. Prior to the creation or acquisition of such Subsidiary, the Borrower (i) shall cause a first security interest in the assets of such Subsidiary to be perfected in favor of FNBO, as agent for the Lenders, and (ii) shall cause the Subsidiary to enter into a security agreement, to execute and file such financing statements and to provide opinions all in form satisfactory to the Lenders as to compliance with this section.

4.18 Amendments to Purchase Agreement. The Borrower shall not amend the Purchase Agreement without the prior written consent of the Lenders.

4.19 Capital Expenditures. The Borrower shall not incur in any fiscal year, commencing with the fiscal year beginning January 1, 1998, capital expenditures, determined in accordance with generally accepted accounting principles, of more than $2,000,000; provided, however, that capital expenditures for (a) equipment

to be used by Subscribers of the Borrower, and (b) telecommunication equipment, computer equipment, software, and software consulting shall not be counted for purposes of this annual limitation.

4.20 Acquisitions. The Borrower shall not acquire any stock or any equity interest in, or warrants therefor or securities convertible into the same, or a substantial portion of the assets of, another entity without the prior written consent of the Revolving Lenders; provided, however, that the Borrower shall be permitted to make on a cumulative basis from and after July 1, 1998, such acquisitions (excluding the acquisition of A-T Financial Information, Inc. directly or through Asset Growth Corporation) in an amount not to exceed Twenty Million Dollars ($20,000,000) in the aggregate without the consent of the Revolving Lenders if:

(a) such acquisitions are in or from entities which:

(i) are in the business of electronically communicating time-sensitive information to their customers;

(ii) have their principal place of business in the United States or Canada; and

(iii) except for Weather Services Corporation, have a positive operating cash flow, calculated in the same method as is used to calculate the Borrower's Operating Cash Flow for purposes of this Agreement; and

(b) the Borrower or any Subsidiary is not, and immediately after making such acquisition, will not be in default under any covenant or provisions of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness); and

(c) except for the acquisition of A-T Financial Information, Inc. directly or through Asset Growth Corporation, no one acquisition exceeds Ten Million Dollars ($10,000,000).

V. CONDITIONS PRECEDENT

6.1 Events of Default. Any and all obligations of the Lenders hereunder are subject to satisfaction of the following conditions precedent:

(a) FNB-O, as agent, shall have received an opinion of counsel to the Borrower covering such matters as the Lenders may request (including, without limitation, corporate existence and good standing, corporate authority, due authorization, execution and delivery of the Operative Documents, the legal, valid, binding and enforceable nature of the Operative Documents, and the perfection and priority of the security interest in the Collateral granted to the Lenders), such opinion to be satisfactory in form and substance to counsel to FNB-O;

(b) FNB-O, as agent, shall have received such certificates and documents as the Lenders may reasonably request from the Borrower, including articles of incorporation and bylaws, certificates regarding good standing, incumbency, copies of other corporate documents, and appropriate authorizing resolutions; and

(c) the Operative Documents shall have been duly authorized and executed and shall be in full force and effect, and such UCC financing statements shall have been executed and filed in such offices as may be appropriate to perfect the security interest of FNB-O, as agent for the Lenders, in the Collateral.

VI. DEFAULTS AND REMEDIES

6.1 Events of Default. Any of the following shall be deemed an event of default under this Agreement (an "Event of Default"):

(a) Any payment of principal required by any of the Operative Documents shall not be paid when due.

(b) Any payment of interest or other fees due hereunder or under any of the Operative Documents shall not be paid within fifteen (15) calendar days after the date on which such payment was invoiced or due.

(c) Any representation or warranty of the Borrower under any of the Operative Documents, or any financial reports or statements or certificates submitted pursuant to this Agreement, shall prove to have been false in any material respect when made.

(d) A failure of the Borrower or any Subsidiary to comply with any requirement or restriction applicable to such entity and contained in Sections 4.1, 4.2, 4.3, 4.4, 4.7, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.19, or 4.20 of this Agreement.

(e) A failure of the Borrower or any Subsidiary to comply with any requirement or restriction contained in any provision of the Operative Documents not otherwise specified in this Article VI, which failure remains unremedied for ten (10) days following receipt of notice from FNB-O on behalf of the Lenders.

(f) The occurrence of a default or a breach of any of the obligations of the Borrower or any Subsidiary (other than obligations of such Subsidiary to the Borrower) under any note, loan agreement, preferred stock, subordinated debt instrument or agreement, or any other agreement evidencing an obligation to repay borrowed money.

(g) The entry of a final judgment against the Borrower or any Subsidiary for the payment of money, which is not covered by insurance, and the expiration of thirty (30) days from the date of such entry during which the judgment is not discharged in full or stayed.

(h) The occurrence of any one or more of the following:

(1) The Borrower or any Subsidiary shall file a voluntary petition in bankruptcy or an order for relief shall be entered in a bankruptcy case as to such entity or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent

to or acquiesce in the appointment of any trustee, receiver or liquidator of such entity or of all or any part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts or shall generally not pay its debts as they become due; or

(2) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Borrower or any Subsidiary seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of the Borrower or any Subsidiary or of all or any part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of such entity and such appointments shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

(3) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Collateral, or any judgment involving monetary damages shall be entered against the Borrower or any Subsidiary which shall become a lien on the Collateral or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy.

(i) Any event of default shall occur under any Operative Document.

(j) A change shall occur after November 8, 1993, directly or indirectly, in the ownership or control of the Borrower; provided, however, that changes in the ownership or control of, or new issuances of, voting common stock which do not exceed, cumulatively, 50% of the total issued and outstanding shares of the Borrower as of September 30, 1993 shall not be deemed an Event of Default under this Section 6.1(j); provided further, that acquisitions of additional shares by members of the existing executive management group of the Borrower shall not be counted as changes in the ownership or control of the Borrower under this Section 6.1(j). For purposes of computing the total issued and outstanding shares as of September 30, 1993, warrants and options for such shares shall be included.

(k) An Event of Default shall occur under any Existing Term Note or the Related Bank Debt and the expiration of any applicable cure period thereunder.

(l) The Borrower shall be obligated to prepay all or any portion of its subordinated debt as a result of a Change of Control.

(m) The Borrower or any Subsidiary is not at any time after September 30, 1999, in compliance with Year 2000 requirements and such failure creates a material adverse effect on the ability of the Borrower to

carry out its business.

6.2 Remedies. If an Event of Default occurs and is continuing, upon the election of the Lenders holding two-thirds of the then outstanding aggregate Total Indebtedness of the Borrower to the Lenders (including under the Revolving Credit Notes, the Existing Term Notes, the Related Bank Debt, the Acquisition Notes, and any similar indebtedness), the entire unpaid principal amount under the Notes, together with interest accrued thereon, shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Lenders may exercise their rights under the other Operative Documents, the Notes, the Term Agreement, and the Related Bank Debt (and the operative documents with respect thereto), including, without limitation, under the Security Agreement. For purposes of this Article VI, the term Lenders includes NationsBank, formerly Boatmen's. In addition, the Lenders shall have such other remedies as are available at law and in equity. Remedies under this Agreement, the Operative Documents, the Notes, the Term Agreement, the Related Bank Debt (and the operative documents with respect thereto) are cumulative. Any waiver must be in writing by the Lenders and no waiver shall constitute a waiver as to any other occurrence which constitutes an Event of Default or as to any party not specifically included in such written waiver.

VII. INTER-CREDITOR AGREEMENTS

7.1 FNB-L as Servicer. FNB-O will act as sole servicer of the loans evidenced by the Notes (other than in connection with interest rate protection contracts). For purposes of this Article VII, the term Lenders includes NationsBank, formerly Boatmen's and the term Event of Default means any Event of Default hereunder, under one or more of the Notes, or under the Term Agreement or the Related Bank Debt. FNB-O will enforce, administer and otherwise deal with the loans made by the Lenders in accordance with safe and prudent banking standards employed by FNB-O in the case of the loan made by FNB-O. Without limiting the generality of the foregoing, FNB-O will, on its own behalf and on behalf of the Lenders: (i) maintain originals of the Operative Documents (excluding the Notes) and the operative documents in connection with the Term Agreement and the Related Bank Debt; (ii) receive requests for Advances from the Borrower, promptly transmit the same to the Revolving Lenders and make such Advances on behalf of the Revolving Lenders (provided that FNB-O is assured of reimbursement therefor by the other Revolving Lenders for their pro rata shares); (iii) receive payments and prepayments from the Borrower and apply such payments as provided in Section 7.2; (iv) receive notices from the Borrower and send copies thereof to the Lenders if FNB-O has reasonable cause to believe that such Lenders have not received such notice from another source; and (v) advise the Lenders of the occurrence of any Event of Default which FNB-O obtains actual knowledge of. The Lenders agree not to attempt to take any action against the Borrower under the Operative Documents, the Notes, the Term Agreement or the Related Bank Debt or with respect to the indebtedness evidenced thereby without FNB-O's consent unless holders of two-thirds of the then outstanding aggregate Total Indebtedness of the Borrower to the Lenders (including under the Notes and any similar indebtedness) shall have requested FNB-O to take specific action against the Borrower and FNB-O shall have failed to do so within a reasonable period after receipt of such request. All actions, consents, waivers and approvals by the Lenders shall be deemed taken or given and amendments hereto deemed agreed to if the holders of more than two-thirds of the outstanding aggregate Total Indebtedness of the Borrower to the Lenders shall have indicated their consent thereto. Notwithstanding the foregoing, unanimous approval of the applicable Lenders under the respective Notes shall be required for: (i) any

reduction or compromise of the principal loan amount of such Notes, the amount or rate of interest accrued or accruing thereon or the fees due hereunder; and (ii) extension of the date of any scheduled payment; and unanimous consent of all the Lenders shall be required for (iii) permitting the sale of or releasing the security interest of the Lenders in Collateral which comprises more than ten percent (10%) of net book value of fixed assets of the Borrower; and (iv) any amendment of Sections 7.1 or 7.2 hereof. A Revolving Lender's commitment hereunder may not be increased without the consent of such Revolving Lender, it being understood, however, that increases in the total revolving credit facility hereunder may be made with the consent of the holders of more than two-thirds of the outstanding aggregate total outstanding obligation of the Borrower to the Revolving Lenders, so long as such increase does not result in the increase of any non-consenting Revolving Lender's commitment hereunder.

7.2 Application of Payments. Until the earlier of the occurrence of an Event of Default or any Lender's giving of notice to the others that it deems itself insecure, payments or prepayments made by the Borrower may be applied to the indebtedness designated by the Borrower or otherwise applied as follows:

(a) first, to pay interest to date on the Revolving Credit Notes and fees due to the Lenders;

(b) second, to make payments due but unpaid under any of the other Notes; and

(c) third, pro rata to the Lenders, such pro rata share to be determined as set forth below in subsection (bb) of this Section 7.2.

After the occurrence of an Event of Default or any Lender's giving of notice that it deems itself insecure, payments or prepayments on the Notes received by FNB-O or any of the Lenders and funds realized upon the disposition of any of the Collateral shall be applied as follows:

(aa) first, to reimburse FNB-O for any costs, expenses, and disbursements (including attorneys' fees) which may be incurred or made by FNB-O: (i) in connection with its servicing obligations; (ii) in the process of collecting such payments or funds; or (iii) as advances made by FNB-O to protect the Collateral (provided, however, that FNB-O shall have no obligation to make such protective advances); and

(bb) second, pari passu among the Lenders, based on their respective pro rata shares of the funds to be applied. Each Lender's pro rata share shall be equal to a fraction, (x) the numerator of which shall be the total principal loan amount then outstanding which is owing to each such Lender under its Notes, and (y) the denominator of which shall be the total principal loan amount then outstanding which is owing to the Lenders under all Notes. As to any Note which represents an obligation of the Borrower to one or more Lenders under an interest rate protection contract, "principal loan amount then outstanding" shall mean, as of the date of determination by FNB-O of the Lenders' respective pro rata shares, the amount, if any, of the unpaid Interest Rate Protection Contract Amounts.

Except as specifically provided in this Section 7.2, FNB-O shall have no

obligation to repay or prepay any amount due from the Borrower to any of the other Lenders nor shall FNB-O have any obligation to purchase all or a part of any Note hereunder or any Advance made by any Lenders, nor shall the Lenders have any recourse whatsoever against FNB-O with respect to any failure of the Borrower to repay the indebtedness referenced herein.

7.3 Liability of FNB-O. FNB-O shall not be liable to the Lenders for any error of judgment or for any action taken or omitted to be taken by it hereunder, except for gross negligence or willful misconduct. Without limiting the generality of the foregoing, FNB-O, except as expressly set forth herein, (a) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no representation or warranty with respect to, and shall not be responsible for, the accuracy, completeness, execution, legality, validity, legal effect or enforceability of this 1998 Revolving Credit Agreement, the Notes, or the other Operative Documents or the operative documents under the Term Agreement or the Related Bank Debt, or the value or sufficiency of any Collateral given by the Borrower or the priority of the Lenders' security interest therein or the financial condition of the Borrower; and (c) shall not be responsible for the performance or observance of any of the terms, covenants or conditions of the Operative Documents, the Existing Term Notes, or the operative documents under any Related Bank Debt on the part of the Borrower and shall not have any duty to inspect the property (including, without limitation, the books and records) of the Borrower.

7.4 Transfers. No Lender shall subdivide, transfer or grant a participation in its respective Notes or in any Advance hereunder without the prior written consent of FNB-O which consent shall not be unreasonably withheld. For purposes of this Section 7.4, "Notes" shall not include interest rate protection contracts.

7.5 Reliance. The Lenders acknowledge that they have been advised that none of the Notes nor any interest therein or related thereto has been (i) registered under the Securities Act of 1933, as amended, nor (ii) insured by the Federal Deposit Insurance Corporation. The Lenders acknowledge that they have received from the Borrower all financial information and other data relevant to their decision to extend credit to the Borrower and that they have independently approved the credit quality of the Borrower.

7.6 Relationship of Lenders. The Lenders intend for the relationships created by this Agreement to be construed as concurrent direct loans from each Lender respectively to the Borrower. Nothing herein shall be construed as a loan from any Lender to FNB-O or as creating a partnership or joint venture relationship among them.

7.7 New Lenders. In the event that new Lenders are added to this Agreement, the Term Agreement or the Related Bank Debt, such Lenders shall be required to agree to the inter-creditor provisions of this Article VII.

VIII. MISCELLANEOUS

8.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be effectively amended, changed, modified or altered, except in writing executed by all parties.

8.2 Governing Law. The Operative Documents shall be governed by and construed pursuant to the laws of the State of Nebraska.

8.3 Notices. Until changed by written notice from one party hereto to the other, all communications under the Operative Documents shall be in writing and shall be hand delivered or mailed by registered mail to the parties as follows:

If to the Borrower:

DATA TRANSMISSION NETWORK CORPORATION
Suite 200
9110 West Dodge Road
Omaha, Nebraska 68114
Attention: Chief Financial Officer

If to the Lenders:

FIRST NATIONAL BANK OF OMAHA
One First National Center
Omaha, Nebraska 68102
Attention: Mr. James P. Bonham

Notices shall be deemed given when mailed, except that any notice by the Borrower under Sections 2.4 and 2.5 shall not be deemed given until received by FNB-O.

8.4 Headings. The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

8.5 Counterparts. This Agreement may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

8.6 Survival; Successors and Assigns. The covenants, agreements, representations and warranties made herein, and in the certificates delivered pursuant hereto, shall survive the execution and delivery to the Lenders of this Agreement and shall continue in full force and effect so long as any Note or any obligation to the Lenders under any of the Operative Documents is outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall bind the successors and assigns of the Borrower and shall inure to the benefit of the successors and assigns of the Lenders.

8.7 Severability. If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8.8 Assignment. The Borrower may not assign its rights or obligations hereunder and any assignment in contravention of the terms hereof shall be void.

8.9 Amendments. Any amendment, modification or supplement to this Agreement must be in writing and must be signed by the requisite parties hereto.

8.10 Consent to Form of Security Agreement, Term Agreement. The parties hereto expressly approve the form of the Term Agreement and the Security Agreement, both amended and restated as of the date hereof.

IN WITNESS WHEREOF, the Borrower, Boatmen's and the Revolving Lenders have caused this 1998 Revolving Credit Agreement to be executed by their duly authorized corporate officers as of the day and year first above written.

DATA TRANSMISSION NETWORK
CORPORATION

By /s/ Brian L. Larson
Title:VP, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES

By /s/ Patrick A. Keleher
Title:Vice President

By /s/ Brian Haughney
Title: Assistant Treasurer

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO,
NEBRASKA

By /s/ Elizabeth Rezac
Title:Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Nathan L. Bloch
Title: First Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin D. Munro
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By /s/ Tom Harmon
Title: Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By /s/ Joseph L. Sooter, Jr.
Title: Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U.S. BANK, NATIONAL
ASSOCIATION

By /s/Beth Morgan
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONSBANK, N.A. (Successor to The Boatmen's National Bank of St. Louis)

By/s/ Roger Bettlach
Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL, a Canadian bank

By /s/ Allegra Griffiths
Title:Director

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONAL BANK OF CANADA, a Canadian bank

By /s/ Kevin L. Cullen
Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

SCHEDULE I

TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK AND
NATIONAL BANK OF CANADA

<TABLE>
<CAPTION>

Subsidiary	State of Incorporation	Shares	% of Ownership
<S>	<C>	<C>	<C>
National Datamax, Inc.	California	873,300	100%
Kavouras, Inc.	Minnesota	155 5/12	100%
DTN Acquisition, Inc.	Nebraska	100	100%
DTN Market Commuications Group, Inc.	Nebraska	100	100%
DTN Merger Co.	Massachusetts	100	100%

Paragon Software, Inc.*	Illinois	1,000	100%

*Owned by DTN Acquisition, Inc.

</TABLE>

EXHIBIT A

TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK,
NATIONSBANK, N.A.
AND
NATIONAL BANK OF CANADA

FORM OF NOTES

SECURED BUSINESS PROMISSORY NOTE

Omaha, Nebraska	$	
, 19		June 30, 2000
---------- ----		----------
(Note Date)		(Maturity Date)

REVOLVING NOTE TERMS

On or before June 30, 2000, DATA TRANSMISSION NETWORK CORPORATION ("Maker") promises to pay to the order of [REVOLVING LENDER] ("Lender") the principal sum hereof, which shall be the lesser of Dollars, or so much thereof as may have been advanced by Lender, either directly under this Note or as an advance pursuant to the 1998 Revolving Credit Agreement dated as of December 7, 1998, as amended from time to time (the "Agreement") among Maker and Lender, First National Bank of Omaha, First National Bank, Wahoo, Nebraska, The First National Bank of Chicago, Norwest Bank Nebraska, N.A., LaSalle National Bank, Dresdner Bank AG, New York and Grand Cayman Branches, Mercantile Bank of St. Louis, N.A., Bank of Montreal, U.S. Bank, National Association, and National Bank of Canada (collectively, the "Lenders"). All capitalized terms not defined herein shall have their respective meanings as set forth in the Agreement.

Interest shall accrue on the principal sum hereof from and including the Note Date above to the earlier of the Maturity Date or the date of Conversion (as such term is defined hereafter) at a variable rate, which shall fluctuate on a monthly basis, equal to the rate announced from time to time by FNB-O as its "National Base Rate" minus a margin as determined below. The margin shall be adjusted quarterly after receipt of Maker's Quarterly Compliance Certificate (as defined in the Agreement). Adjustments shall be retroactive to the beginning of the current quarter.

(a) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 42, the margin for the current quarter (meaning the quarter in which the certificate is required to be delivered) shall be .25%.

(b) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 36 but equal to or less than 42, the margin for the current quarter shall be .50%.

(c) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 30 but equal to or less than 36, the margin for the current quarter shall be .75%.

(d) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 24 but equal to or less than 30, the margin for the current quarter shall be 1.00%.

(e) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 18 but equal to or less than 24, the margin for the current quarter shall be 1.25%.

(f) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was equal to or less than 18, the margin for the current quarter shall be 1.375%.

The Base Rate minus the applicable margin as determined above is hereinafter referred to as the "Revolving Credit Rate." Changes in the Base Rate shall be effective on the first day of each month, based on the Base Rate in effect as of such day. Interest shall be due upon the rendering of each monthly invoice therefor by FNB-O.

TERM NOTE TERMS

Upon the earlier of: (i) June 30, 2000; or (ii) Maker's giving notice of its election to convert the revolving credit loan evidenced by this Note, or any portion thereof, to a term loan, the revolving loan referenced above (or applicable portion thereof) shall be deemed converted to a term loan (the "Conversion"). Any such term loan shall be evidenced by notes (the "Converted Notes") separate from the initial Revolving Credit Notes. Upon the issuance of Converted Notes, the Revolving Credit Facility shall be reduced by the principal amount of such Converted Notes (and shall be increased to the extent permitted in Section 2.1(b) of the Agreement) and no further Advances shall be made by the Revolving Lenders on the converted amount. The then outstanding principal hereunder shall become due and payable in forty-eight equal installments of principal, with the first such installment due on the last day of the month following Conversion, or, if such day is not a Business Day, on the next succeeding Business Day, subsequent installments due on the last day of each consecutive month thereafter. In any event, the total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than June 30, 2004.

After Conversion, interest shall accrue on the principal outstanding from time to time at a variable rate, which shall fluctuate on a monthly basis, which is equal to the Revolving Credit Rate plus .25%. For purposes of computing such variable rate, changes in the Base Rate shall be effective on the first day of each month based on the Base Rate in effect on such day. Notwithstanding anything in the foregoing to the contrary, after Conversion, Maker may elect to have a fixed interest rate apply to the outstanding Principal Loan Amount converted and outstanding after the date of giving notice of such fixed rate election (the "Fixed Rate Notice"). Such fixed rate shall be equal to the greater of:

(a) the Revolving Credit Rate in effect on the date of the notice2, plus .375%, or

(b) the average of the yields on constant maturity Treasury Bonds with maturities of three years and five years, as quoted in the immediately preceding monthly Federal Reserve Statistical Release (the "Release") plus the following incremental percentage determined based upon the Leverage Ratio3 as of the last day of the preceding month: (x) if the Leverage Ratio is greater than 36, the incremental percentage shall be 2.25%; (y) if the Leverage Ratio is greater than 24 but not in excess of 36, the incremental percentage shall be 2.00%; and (z) if the Leverage Ratio is 24 or less, the incremental percentage should be 1.75%;

Any election of a fixed rate by Maker shall be final and irrevocable. Interest shall be due each month concurrently with the Maker's principal payment. Notwithstanding anything to the contrary elsewhere herein, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest at a fluctuating rate equal to the Default Rate. Interest shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance hereunder notwithstanding any permitted or unpermitted failure of Maker to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If Maker's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was in excess of thirty-six (36) at the end of such quarter, the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to

delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Existing Term Note (as defined in the Agreement) or Converted Note is less than 7.50% per annum, a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, Maker shall be obligated to pay the following fees: (i) .375% of the outstanding principal balance as of the date preceding the Trigger Event of each Existing Term Note or Converted Note which accrues interest at less than seven and one-half percent (7.50%) per annum which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

Maker may at any time prepay in whole or in part the Principal Loan Amount outstanding under this Revolving Credit Note or a Converted Note if the Maker has given the Revolving Lenders at least two (2) business days prior written notice of its intention to make such prepayment. Any such prepayment may be made without penalty except for a Converted Note as to which interest is accrued at a fixed rate in accordance with clause (a) or (b) above, in which event a prepayment penalty shall be due to the Lender, at Lender's option, either: (1) the Make-Whole Premium due in respect of such prepayment; or (2) the applicable prepayment fee as set forth below. The applicable prepayment fee for any Converted Note shall be: (i) if the notice electing fixed interest was given within twelve (12) months of Conversion, the fee shall be 1.50% of the amount of such prepayment; (ii) if the notice electing fixed interest was given after twelve (12) months of Conversion, but within twenty-four (24) months of Conversion, the fee shall be .75% of the amount of such prepayment; and (iii) if the notice electing fixed interest was given after twenty- four (24) months of Conversion, but within thirty-six (36) months of Conversion, the fee shall be .30% of the amount of such prepayment.

GENERAL TERMS

Payment of this Note and the performance of Maker's obligations under the Agreement ("Obligations") are secured by a security interest granted to First National Bank of Omaha, as agent for the Lenders and others ("Agent"), under the Security Agreement in:

> All of Maker's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Maker in deposits and advance payments made to Maker by its customers and Subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in DTN transmission computer software used in the provision of the Basic DTN Subscription Service and Farm Dayta Service to Maker's Subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired and all proceeds and products thereof; and

such additional collateral as is more specifically described in the Security Agreement.

Maker's liability under its Obligations shall not be affected by any of the following:

Acceptance or retention by Lender or Agent of other property or

interests as security for the Obligations, or for the liability of any person other than a Maker with respect to the Obligations;

The release of all or any of the Collateral or other security for any of the Obligations to any Maker;

Any release, extension, renewal, modification or compromise of any of the Obligations or the liability of any obligor thereon; or

Failure by Lender or Agent to resort to other security or any person liable for any of the Obligations before resorting to the Collateral.

Neither Lender nor Agent is required to take any action whatsoever in respect of the Collateral. Impairment or destruction of the Collateral shall not release Maker of its liability hereunder.

Maker represents, warrants and covenants as follows:

Maker is authorized to grant to Agent a security interest in the Collateral;

This Note, the Agreement and the Security Agreement have been duly authorized, executed and delivered by the Maker and constitute legal, valid and binding obligations of Maker;

This Note evidences a loan for business or agricultural purposes; and

Maker agrees to pay all costs of collection in connection with this Note, the Agreement and the Security Agreement, including reasonable attorneys' fees and legal expenses.

Upon the failure of Maker to make any payment of principal or interest when due hereunder or the occurrence of any Event of Default, all of the Obligations shall, at the option of Agent and without notice or demand, mature and become immediately due and payable; and Agent shall have all rights and remedies for default provided by the Uniform Commercial Code, any other applicable law and/or the Obligations.

All costs and expenses incurred by Lender or Agent in enforcing its rights under this Note or any mortgage, endorsement, surety agreement, guaranty relating thereto are the obligation of Maker and are immediately due and payable. Interest shall accrue on such costs and expenses from the date of incurrence at the rate specified herein for delinquent Note payments. Each Maker, endorser, surety and guarantor hereby waives presentment, protest, demand, notice of dishonor, and the defense of any statute of limitations.

Without affecting the liability of any Maker, endorser, surety or guarantor, the holder or Agent may, without notice, renew or extend the time for payment, accept partial payments, release or impair any Collateral or other security for the payment of this Note or agree to sue any party liable on it.

Neither Lender nor Agent shall be deemed to have waived any of its rights upon or under this Note, or under any mortgage, endorsement, surety agreement or guaranty, unless such waivers be in writing and signed by Lender or Agent, as

the case may be. No delay or omission on the part of Lender or Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender or Agent on liabilities or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

Maker, if more than one, shall be jointly and severally liable hereunder and all provisions hereof regarding the liabilities or security of Maker shall apply to any liability or any security of any or all of them. This Note shall be binding upon the heirs, executors, administrators, assigns or successors of Maker; shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Note, and if all transactions between Lender and Maker shall be at any time closed, shall be equally applicable to any new transactions thereafter, provided that Lender's interest in the Collateral shall be limited to the extent provided in the Security Agreement; shall benefit Lender, its successors and assigns; and shall so continue in force notwithstanding any change in any partnership party hereto, whether such change occurs through death, retirement or otherwise.

All obligations of Maker hereunder shall be payable in immediately available funds in lawful money of the United States of America at the principal office of First National Bank of Omaha in Omaha, Nebraska or at such other address as may be designated by Bank in writing.

This Note shall be construed according to the laws of the State of Nebraska.

Unless the content otherwise requires, all terms used herein which are defined in the Uniform Commercial Code shall have the meanings therein stated.

Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Note is given in substitution of that certain Secured Business Promissory Note dated _____, ____ the original principal amount of $_____. This Note shall not affect, and there remains outstanding from the Maker to the Lender the Related Bank Debt and the Existing Term Notes (as such terms are defined in the Agreement), and, as to each, all extensions, renewals, and substitutions of or for the foregoing.

Executed as of this _____ day of _____, _____.

CORPORATION

By:
Title:

PROMISSORY NOTE SCHEDULE

Loan Advances and Payments of Principal

DATA TRANSMISSION NETWORK CORPORATION

REVOLVING NOTE ADVANCES AND PAYMENTS:

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

TERM NOTE:

Date of Conversion:

Amount Due at Date of Conversion:

Fixed Rate Notice Date: Fixed Rate: %

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

EXHIBIT B

TO 1998 REVOLVING CREDIT AGREEMENT

among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK,
AND
NATIONAL BANK OF CANADA

DRAWING CERTIFICATE

DRAWING CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

To induce the First National Bank of Omaha, First National Bank, Wahoo, Nebraska, The First National Bank of Chicago, Norwest Bank Nebraska, N.A., LaSalle National Bank, Dresdner Bank AG, New York and Grand Cayman Branches, Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, Bank of Montreal, and National Bank of Canada (the "Revolving Lenders") to make an advance under the 1998 Revolving Credit Agreement (the "Agreement") dated as of December 7, 1998, between the undersigned (the "Borrower"), and the Revolving Lenders (the "Banks"), the Borrower hereby certifies to the Banks that its Operating Cash Flow (as defined in the Agreement) as represented below is true and correct and that there is no default under the aforementioned Agreement, or on any other liability of the Borrower to the Banks.

All information as of: Date

a) Maximum Revolving Credit Facility $

b) Principal on Converted Notes $_____

c) Acquisition Notes, Existing Term Notes, and Related Bank Debt Outstanding $

d) Principal on Revolving Credit Notes $

e) Unreimbursed amounts drawn under Lender Letters of Credit $

f) Amount available to be drawn under outstanding Lender Letters of Credit

g) ADVANCE REQUEST (not to exceed line a - line b - line d - line e - line f) $

h) Total Proposed Bank Debt
(line b + line c + line d + line e + line f + line g) $

I) Most recent month's operating cash flow $

j) Prior month's operating cash flow $

k) Operating Cash Flow
(average of line I and line j) $

l) Total Indebtedness $

m) Leverage Ratio (line l divided by line m), not to exceed
36 $

Name of Borrower: Data Transmission Network Corporation
Signature:
Title:

EXHIBIT C

TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK
AND
NATIONAL BANK OF CANADA

FORMS OF APPLICATION AND CONTINUING LETTER OF CREDIT AGREEMENT

EXHIBIT D

TO 1998 REVOLVING CREDIT AGREEMENT
among

DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK
AND
NATIONAL BANK OF CANADA

OFFICER'S CERTIFICATE

COMPLIANCE CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

First National Bank of Omaha Date
Attn: James Bonham
16th & Dodge Streets
Omaha, Nebraska 68102

I certify that Data Transmission Network Corporation is in compliance with the requirements set forth in the 1998 Revolving Credit Agreement (the "Agreement") dated as of December 7, 1998, between First National Bank of Omaha, First National Bank, Wahoo, Nebraska, The First National Bank of Chicago, Norwest Bank Nebraska, N.A., LaSalle National Bank, Dresdner Bank AG, New York and Grand Cayman Branches, Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and National Bank of Canada, and Data Transmission Network Corporation.

The following calculations are as of _____ (statement date) as required by Section 4.1(d) of said Agreement:

Evaluations:

Total Indebtedness (TI):

Operating Cash Flow:	most recent month ending _____	previous month ending _____
Net Income (loss)		
Interest Expense		
Depreciation		
Amortization		
Deferred Income Taxes		

Non-Ordinary
Non-Cash
Charges (Credits)

Total a) b)

Operating Cash Flow = OCF = (a+b)/2 =

Leverage Ratio (TI/OCF):

Section 2.3

Pricing: If the Leverage Ratio is greater than 42 then the margin is .25%. If the Leverage Ratio is greater than 36 but equal to or less than 42 then the margin is .50%. If the Leverage Ratio is greater than 30 but equal to or less than 36 then the margin is .75%. If the Leverage Ratio is greater than 24 but equal to or less than 30 then the margin is 1.00%. If the Leverage Ratio is greater than 18 but equal to or less than 24 then the margin is 1.25%. If the Leverage Ratio is equal to or less than 18 then the margin is 1.375%.

Position: The Revolving Credit Rate is the Base Rate minus _____

Section 2.5

Trigger

Fee: If Total Indebtedness is more than 36 times Operating Cash Flow, then a one time fee, paid in three installments of 3/8% of the then outstanding principal balances, on any of the Existing Term Notes, Acquisition Notes or Converted Notes which have an interest rate less than 7.5% per annum is due.

Position: A Trigger Event has/has not occurred.

Section 4.3

Net Worth: A minimum Net Worth (exclusive of subordinated debt) of $23,500,000 plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 5.3, "Net Worth" shall not include any subordinated debt.

Minimum Net Worth (exclusive of subordinated debt)= $23,500,000.

Net Income	Year ending	Addition (50%)
$_____	12/31/97	$_____
Total Minimum Net Worth		$

Position:

Total Net Worth (exclusive of subordinated debt) = $_____

Section 4.4

Indebtedness: At no time will the Leverage Ratio exceed 48.

Position: Leverage Ratio =

Total Indebtedness plus subordinated debt plus guaranty contingencies (Adjusted Total Indebtedness or ATI): At no time will Adjusted Total Indebtedness exceed 60 x OCF

Position: Adjusted Total Indebtedness = $
(60 x OCF) - (ATI) = $

Section 4.7

Distributions: Neither the Borrower nor any Subsidiary shall declare any dividends (other than dividends payable in stock of the Borrower or dividends or distributions from any consolidated Subsidiary) or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided that the Borrower need not obtain the Lenders' consent with respect to dividends in any one (1) year which are in the aggregate less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 4.1.

Position: Net Operating Profit After Taxes for last four (4) quarters = _____

x .25

Available for dividends or distributions in the most recent quarter plus the prior three (3) quarters = _____

Dividends and distributions (excluding dividends payable solely in stock of the Borrower and distributions

from consolidated Subsidiaries) declared or paid in the most recent quarter plus the prior three (3) quarters =

The Borrower [is/is not] in compliance with Section 4.7.

Section 4.15

Interest Coverage:	The ratio of OCF to Interest Expense ("IE") at the end of each quarter will not be less than 2.25 to 1.0 (225%).
Position:	OCF = $ IE = $ OCF/IE = %

Section 4.19

Capital Expenditures:

The Borrower shall not make capital expenditures (other than permitted earning assets specified in Section 4.19) in any fiscal year, commencing with the fiscal year beginning January 1, 1998, in excess of $1,000,000.

Position: Capital Expenditures (other than permitted earning assets specified in Section 4.19) this fiscal year = $_____

The Borrower [is/is not] in compliance with Section 4.19.

Section 4.20

Acquisitions:

The Borrower shall not make acquisitions which in the aggregate exceed $20,000,000 and in any one instance exceed $10,000,000 except certain permitted unlimited acquisitions.

Position: Acquisitions (other than permitted unlimited acquisitions) in the aggregate since the date of the Agreement = _____.

Date	Amount	Acquired Company

Permitted Unlimited Acquisition:

Date	Amount	Acquired Company	Principal Place of Business	Line Of Business

The Borrower [is/is not] in compliance with Section 4.20.

Additional Representations:

There have/have not been any sale(s) of assets which would require prepayment of the Notes under Section 4.2.

There has/has not been:

(i) a Change of Control or a material adverse change in management personnel as defined in Section 4.14 of the Agreement; or

(ii) a default under Section 6.1(j) or 6.1(l) regarding a change in ownership or control of the Company.

Name of Borrower: Data Transmission Network Corporation

Signature:

Title:

SCHEDULE A

TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
LASALLE NATIONAL BANK
AND
NATIONAL BANK OF CANADA

PERMITTED ENCUMBRANCES

Secured Party — Financing Statements

Nebraska Secretary of State

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
First National Bank of Omaha	12/28/87	#401690	
	10/13/92	#564918	Amendment
	11/13/92	#568176	Continued
First National Bank of Omaha, as agent	5/8/96	#691938	Amendment
FirsTier, Lincoln	6/24/87	#384782	
First National Bank of Omaha	2/03/88	#405477	Amendment
First National Bank, Wahoo	5/28/92	#553205	Continued

NBD, Detroit	10/13/92	#564919	Amendment
	2/05/93	#576038	Amendment
	11/10/93	#603168	Amendment
First National Bank of Omaha, as agent	5/8/96	#691936	Amendment
FirsTier, Lincoln	2/10/88	#406144	
First National Bank of Omaha	10/13/92	#564917	Amendment
First National Bank, Wahoo	1/07/93	#572981	Continued
NBD, Detroit	2/05/93	#576039	Amendment
	11/10/93	#603169	Amendment
First National Bank of Omaha, as agent	5/8/96	#691937	Amendment

First Bank of Minneapolis	11/25/91	#534665	
(Norstan)	8/24/92	#561090	Assignment

Douglas County Clerk, Nebraska

FirsTier, Lincoln	2/11/88	#000534	
First National Bank of Omaha	10/15/92	#000534	Amendment
First National Bank, Wahoo	1/08/93	#0000054	Continued
NBD, Detroit	2/05/93	#000253	Amendment
	11/17/93	#54	Amendment
First National Bank of Omaha, as agent	5/ /96		Amendment

Iowa Secretary of State

FirsTier, Lincoln	2/10/88	H842023	
First National Bank of Omaha	10/15/92	K395184	Amendment
First National Bank, Wahoo	1/08/93	K424887	Continued
NBD, Detroit	2/08/93	K434908	Amendment
	11/15/93	K503145	Amendment
First National Bank of Omaha, as agent	5/6/96	K734148	Amendment

Kansas Secretary of State

FirsTier, Lincoln	2/10/88	#1286572	
First National Bank of Omaha	10/15/92	#1842986	Amendment
First National Bank, Wahoo	1/08/93	#1868482	Continued
NBD, Detroit	2/11/93	#1879069	Amendment
	11/12/93	#1964342	Amendment
First National Bank of Omaha, as agent	7/18/96	#2265201	Amendment

Illinois Secretary of State

FirsTier, Lincoln	3/18/88	#2402370	
First National Bank of Omaha	10/21/92	#3043202	Amendment
First National Bank, Wahoo	2/11/93	#3084199	Amendment
NBD, Detroit	2/25/93	#3089132	Continued
	12/09/93	#3197498	Amendment
First National Bank of Omaha, as agent	7/9/96	#3562627	Amendment

Michigan Secretary of State

FirsTier, Lincoln	2/12/88	#C034473	
First National Bank of Omaha	10/16/92	#C646856	Amendment

First National Bank, Wahoo	1/08/93	#C672590	Continued
NBD, Detroit	3/01/93	#C689434	Amendment
	11/15/93	#C778208	Amendment
First National Bank of Omaha, as agent	7/8/96	#D128002	Amendment

Wisconsin Secretary of State

FirsTier, Lincoln	2/18/88	#968701	
First National Bank of Omaha	10/21/92	#1309942	Amendment
First National Bank, Wahoo	01/15/93	#1326550	Continued
NBD, Detroit	2/08/93	#1331412	Amendment
	11/23/93	#1393268	Amendment
First National Bank of Omaha, as agent	7/23/96	#1602740	Amendment

Indiana Secretary of State

FirsTier, Lincoln	2/11/88	#1454192	
First National Bank of Omaha	10/21/92	#1808780	Amendment
First National Bank, Wahoo	1/11/93	#1822115	Continued
NBD, Detroit	2/08/93	#1827451	Amendment
	11/12/93	#1878806	Amendment
First National Bank of Omaha, as agent	7/9/96	#2065412	Amendment

Minnesota Secretary of State

FirsTier, Lincoln	2/17/88	1#121648#00	
First National Bank of Omaha	10/16/92	#1537269	Amendment
First National Bank, Wahoo	01/19/93	#1557397	Continued
NBD, Detroit	2/08/93	#1562125	Amendment
	11/23/93	#1632156	Amendment
First National Bank of Omaha, as agent	9/5/96	#1875684	Amendment

South Dakota Secretary of State

FirsTier, Lincoln	2/10/88	880410802864	
First National Bank of Omaha	10/16/92	#22901003596	Amend.
First National Bank, Wahoo	1/08/93	#30081001734	Cont.
NBD, Detroit	2/09/93	#30391203308	Amend.
	11/22/93	#33261003899	Amend.
First National Bank of Omaha, as agent	7/8/96	#961900902562	Amend.

Missouri Secretary of State

FirsTier, Lincoln	2/11/88	#1555991	
First National Bank of Omaha	10/16/92	#2184193	Amendment

First National Bank, Wahoo	1/08/93	#2212473	Continued
NBD, Detroit	2/08/93	#2224113	Amendment
	11/15/93	#2331876	Amendment
First National Bank of Omaha, as agent	7/8/96	#2684601	Amendment

Ohio Secretary of State

FirsTier, Lincoln	2/12/88	#Y00095612	
First National Bank of Omaha	10/19/92	#01097336	Amendment
First National Bank, Wahoo	1/11/93	#01119343901	Cont.
NBD, Detroit	2/09/93	#02099338901	Amend.
	11/12/93	#1129331801	Amendment
First National Bank of Omaha, as agent	7/9/96	#07099607117	Amendment

Kentucky Secretary of State

First National Bank of Omaha	11/12/93	134318	
First National Bank of Omaha, as agent	7/23/96		Amendment

Pennsylvania Department of State

First National Bank of Omaha	11/12/93	22571277	
First National Bank of Omaha, as agent	7/8/96	25631529	Amendment

Oklahoma Secretary of State

First National Bank of Omaha	11/12/93	059782	
First National Bank of Omaha, as agent	7/8/96	035257	Amendment

Mississippi Secretary of State

First National Bank of Omaha	11/12/93	0756092--	
First National Bank of Omaha, as agent	7/8/96	01015782	Amendment

Colorado Secretary of State

First National Bank of Omaha	11/12/93	932082461	
First National Bank of Omaha, as agent	7/8/96	962051575	Amendment

California Secretary of State

First National Bank of Omaha	11/12/93	93229491	
First National Bank of Omaha, as agent	7/5/96	96191C0067	Amendment

Washington Secretary of State

First National Bank of Omaha	11/15/93	933190075	
First National Bank of Omaha, as agent	7/5/96	96-187-9060	Amendment

Montana Secretary of State

First National Bank of Omaha	11/15/93	419540	
First National Bank of Omaha, as agent	7/8/96	419540	Amendment

Arizona Secretary of State

First National Bank of Omaha	11/15/93	765359	
First National Bank of Omaha, as agent	7/8/96	765359	Amendment
North Carolina Secretary of State			
First National Bank of Omaha	11/15/93	050742	
First National Bank of Omaha, as agent	7/8/96	1357308	Amendment
North Dakota Secretary of State			
First National Bank of Omaha	11/16/93	93-380331	
First National Bank of Omaha, as agent	7/8/96	96-608985	Amendment
Florida Secretary of State			
First National Bank of Omaha	11/17/93	930000236992	
First National Bank of Omaha, as agent	7/10/96	960000142090	Amendment
Texas Secretary of State			
First National Bank of Omaha	11/29/93	227591--	
First National Bank of Omaha, as agent	7/8/96	96683548	Amendment
Alabama Secretary of State			
First National Bank of Omaha, as agent	6/27/95	B-95-26462FS	
	7/19/96	95-26462	Amendment

Arkansas Secretary of State			
First National Bank of Omaha, as agent	6/29/95	968722	
	7/10/96	968722	Amendment
New York Secretary of State			
First National Bank of Omaha, as agent	6/26/95	130246	
	7/8/96	532973	Amendment

</TABLE>

1Determined based on the Leverage Ratio calculated on the Total Indebtedness and Operating Cash Flow as of the last day of the preceding month, adjusted to show any increases in the Leverage Ratio as a result of additional Total Indebtedness incurred (reduced by any principal payments on such Total Indebtedness) during the quarter in which the rate is being fixed as described above.

2 Determined based on the Leverage Ratio calculated on the Total Indebtedness and Operating Cash Flow as of the last day of the preceding month, adjusted to

show any increases in the Leverage Ratio as a result of additional Total Indebtedness incurred (reduced by any principal payments on such Total Indebtedness) during the quarter in which the rate is being fixed as described above.

FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT to 1998 REVOLVING CREDIT AGREEMENT (the "First Amendment") is intended to amend the terms of the 1998 Revolving Credit Agreement (the "Agreement") dated as of December 7, 1998, among DATA TRANSMISSION NETWORK CORPORATION; FIRST NATIONAL BANK OF OMAHA; FIRST NATIONAL BANK, WAHOO, NEBRASKA; THE FIRST NATIONAL BANK OF CHICAGO; NORWEST BANK NEBRASKA, N.A.; DRESDNER BANK, AG, NEW YORK AND GRAND CAYMAN BRANCHES; MERCANTILE BANK OF ST. LOUIS, N.A.; U.S. BANK, NATIONAL ASSOCIATION; BANK OF MONTREAL; LASALLE NATIONAL BANK; NATIONAL BANK OF CANADA; FIRST NATIONAL BANK OF OMAHA, as Agent; and DRESDNER BANK, AG, NEW YORK AND GRAND CAYMAN BRANCHES, as Documentation Agent. All terms and conditions of the Agreement shall remain in full force and effect except as expressly amended herein. All capitalized terms herein shall have the meanings prescribed in the Agreement. The Agreement shall be amended as follows:

1. Section 2.1 of the Agreement is hereby amended to read as follows:

2.1 Revolving Credit. Until the earlier of June 30, 2001, or the date on which the loan hereunder is converted to a term loan in accordance with Section 2.4, the Revolving Lenders severally agree to advance funds for general corporate purposes not to exceed $122,900,000 (the "Base Revolving Credit Facility") to the Borrower on a revolving credit basis (amounts outstanding under the Acquisition Notes, Existing Term Notes and Related Bank Debt shall not be counted against such Base Revolving Credit Facility limit). Such Advances shall be made on a pro rata basis by the Revolving Lenders, based on the following maximum advance limits and applicable percentages for each Revolving Lender: (i) as to FNB-O, $19,000,000 (15.46%); (ii) as to FNB-W, $490,000 (.40%); (iii) as to First of Chicago, $7,010,000 (5.7%); (iv) as to Norwest, $9,810,000 (7.98%); (v) as to LaSalle, $10,860,000 (8.84%); (vi) as to Dresdner, $23,164,000 (18.85%); (vii) as to Mercantile, $17,000,000 (13.83%), (viii) as to U.S. Bank, $12,856,000 (10.46%); (ix) as to Montreal, $9,910,000 (8.06%); and (x) as to NBC, $12,800,000 (10.42%). The Borrower shall not be entitled to any Advance hereunder if, after the making of such Advance, the Leverage Ratio would exceed thirty-six (36), determined at the time of the Advance. Nor shall the Borrower be entitled to any further Advances hereunder after the occurrence of a material adverse change in its management personnel, as described in Section 4.14(b), or after the occurrence of any Event of Default with respect to the Borrower. Advances shall be made, on the terms and conditions of this Agreement, upon the

Borrower's request. Requests shall be made by 12:00 noon Omaha time on the Business Day prior to the requested date of the

Advance. Requests shall be made by presentation to FNB-O of a drawing certificate in the form of Exhibit B. The Borrower's obligation to make payments of principal and interest on the foregoing revolving credit indebtedness shall be further evidenced by the Revolving Credit Notes.

2. The agent fee referenced in the last sentence of Section 2.2 of the Agreement is hereby increased from $40,000.00 to $50,000.00.

3. Section 3.13 of the Agreement is hereby amended to read as follows:

3.13 Financial Condition. The financial condition of the Borrower and its Subsidiaries is truly and accurately set forth in the most recent financial statements which have been provided from time to time to the Lenders and no material adverse change in the financial condition of the Borrower and its Subsidiaries, taken as a whole, has occurred since the date of such financial statements.

4. All references in the Agreement to June 30, 2000, shall be amended to June 30, 2001; and the reference in Section 2.4 to the maturity date of the Converted Notes shall be amended from June 30, 2004 to June 30, 2005.

5. In connection with this First Amendment, each of the Lenders whose pro rata portion of the Base Revolving Credit Facility is being increased will receive at the closing specified in Paragraph 6 below the closing fee shown in Exhibit B to this First Amendment.

6. On the closing date for this First Amendment, which shall be a date mutually acceptable to the Borrower and the Agent, the Revolving Lenders shall either lend, or be repaid, the principal amounts shown on Exhibit C hereof, so that the principal amounts outstanding on the Base Revolving Credit Facility will match the percentages shown for each Revolving Lender in Section 2.1 of the Agreement as amended by this First Amendment. Effective as of such closing date, the Borrower shall issue new Notes in the form specified in Exhibit A hereto to the Revolving Lenders in the respective principal amounts shown in Paragraph 1 of this First Amendment. Upon the delivery of the new Notes, the existing Revolving Credit Lenders will cancel and will return to the Borrower the existing Revolving Credit Notes.

7. This First Amendment shall not affect and there remain outstanding from the Borrower to the Banks, the Existing Term Notes and the Related Bank Debt.

8. This First Amendment may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

Except as expressly agreed herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT dated as of January 29, 1999.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian Larson
Title:CFO

FIRST NATIONAL BANK OF OMAHA

By James P. Bonham
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES

By /s/ Patrick A. Keleher
Title:Vice President

By /s/ Brian Haughney
Title:Assistant Treasurer

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By /s/ Elizabeth Rezac
Title:Second Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Nathan L. Bloch
Title:First Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/James
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska

law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK, a national banking association

By/s/ Tom Harmon
Title:Assistant Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF
ST. LOUIS, N.A.

By /s/Joseph L. Sooter, Jr.
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U.S. BANK, NATIONAL
ASSOCIATION

By/s/ Beth Morgan
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NATIONAL BANK OF CANADA, a Canadian bank

By /s/
Title:Vice President

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL, a Canadian bank

By/s/ Karen Klapper
Title:Director

NOTICE: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

EXHIBIT A

TO FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK, NATIONAL BANK OF CANADA,
FIRST NATIONAL BANK OF OMAHA, as Agent
AND
DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as Documentation Agent

FORM OF NOTES

13
- 618 -

SECURED BUSINESS PROMISSORY NOTE

Omaha, Nebraska $

, 19 June 30, 2001
---------- ---- ----------
(Note Date) (Maturity Date)

REVOLVING NOTE TERMS

On or before June 30, 2001, DATA TRANSMISSION NETWORK CORPORATION ("Maker") promises to pay to the order of [REVOLVING LENDER] ("Lender") the principal sum hereof, which shall be the lesser of_____ Dollars, or so much thereof as may have been advanced by Lender, either directly under this Note or as an advance pursuant to the 1998 Revolving Credit Agreement

dated as of December 7, 1998, as amended from time to time (the "Agreement") among Maker and Lender, First National Bank of Omaha, First National Bank, Wahoo, Nebraska, The First National Bank of Chicago, Norwest Bank Nebraska, N.A., LaSalle National Bank, Dresdner Bank AG, New York and Grand Cayman Branches, Mercantile Bank of St. Louis, N.A., Bank of Montreal, U.S. Bank, National Association, and National Bank of Canada (collectively, the "Lenders"), First National Bank of Omaha, as Agent, and Dresdner Bank, AG, New York and Grand Cayman Branches, as Documentation Agent. All capitalized terms not defined herein shall have their respective meanings as set forth in the Agreement.

Interest shall accrue on the principal sum hereof from and including the Note Date above to the earlier of the Maturity Date or the date of Conversion (as such term is defined hereafter) at a variable rate, which shall fluctuate on a monthly basis, equal to the rate announced from time to time by FNB-O as its "National Base Rate" minus a margin as determined below. The margin shall be adjusted quarterly after receipt of Maker's Quarterly Compliance Certificate (as defined in the Agreement). Adjustments shall be retroactive to the beginning of the current quarter.

(a) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 42, the margin for the current quarter (meaning the quarter in which the certificate is required to be delivered) shall be .25%.

(b) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 36 but equal to or less than 42, the margin for the current quarter shall be .50%.

(c) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 30 but equal to or less than 36, the margin for the current quarter shall be .75%.

(d) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 24 but equal to or less than 30, the margin for the current quarter shall be 1.00%.

(e) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was greater than 18 but equal to or less than 24, the margin for the current quarter shall be 1.25%.

(f) If the Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was equal to or less than 18, the margin for the current quarter shall be 1.375%.

The Base Rate minus the applicable margin as determined above is hereinafter referred to as the "Revolving Credit Rate." Changes in the Base Rate shall be effective on the first day of each month, based on the Base Rate in effect as of such day. Interest shall be due upon the rendering of each monthly invoice therefor by FNB-O.

TERM NOTE TERMS

Upon the earlier of: (i) June 30, 2001; or (ii) Maker's giving notice of its election to convert the revolving credit loan evidenced by this Note, or any portion thereof, to a term loan, the revolving loan referenced above (or applicable portion thereof) shall be deemed converted to a term loan (the "Conversion"). Any such term loan shall be evidenced by notes (the "Converted Notes") separate from the initial Revolving Credit Notes. Upon the issuance of Converted Notes, the Revolving Credit Facility shall be reduced by the principal amount of such Converted Notes (and shall be increased to the extent permitted in Section 2.1(b) of the Agreement) and no further Advances shall be made by the Revolving Lenders on the converted amount. The then outstanding principal hereunder shall become due and payable in forty-eight equal installments of principal, with the first such installment due on the last day of the month following Conversion, or, if such day is not a Business Day, on the next succeeding Business Day, subsequent installments due on the last day of each consecutive month thereafter. In any event, the total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than June 30, 2005.

After Conversion, interest shall accrue on the principal outstanding from time to time at a variable rate, which shall fluctuate on a monthly basis, which is equal to the Revolving Credit Rate plus .25%. For purposes of computing such variable rate, changes in the Base Rate shall be effective on the first day of each month based on the Base Rate in effect on such day. Notwithstanding anything in the foregoing to the contrary, after Conversion, Maker may elect to

have a fixed interest rate apply to the outstanding Principal Loan Amount converted and outstanding after the date of giving notice of such fixed rate election (the "Fixed Rate Notice"). Such fixed rate shall be equal to the greater of:

(a) the Revolving Credit Rate in effect on the date of the notice1, plus .375%, or

(b) the average of the yields on constant maturity Treasury Bonds with maturities of three years and five years, as quoted in the immediately preceding monthly Federal Reserve Statistical Release (the "Release") plus the following incremental percentage determined based upon the Leverage Ratio2 as of the last day of the preceding month: (x)

if the Leverage Ratio is greater than 36, the incremental percentage shall be 2.25%; (y) if the Leverage Ratio is greater than 24 but not in excess of 36, the incremental percentage shall be 2.00%; and (z) if the Leverage Ratio is 24 or less, the incremental percentage should be 1.75%;

Any election of a fixed rate by Maker shall be final and irrevocable. Interest shall be due each month concurrently with the Maker's principal payment. Notwithstanding anything to the contrary elsewhere herein, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest at a fluctuating rate equal to the Default Rate. Interest shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance hereunder notwithstanding any permitted or unpermitted failure of Maker to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If Maker's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was in excess of thirty-six (36) at the end of such quarter, the current quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Existing Term Note (as defined in the Agreement) or Converted Note is less than 7.50% per annum, a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, Maker shall be obligated to pay the following fees: (i) .375% of the outstanding principal balance as of the date preceding the Trigger Event of each Existing Term Note or Converted Note which accrues interest at less than seven and one-half percent (7.50%) per annum which amount

shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

Maker may at any time prepay in whole or in part the Principal Loan Amount outstanding under this Revolving Credit Note or a Converted Note if the Maker has given the Revolving Lenders at least two (2) business days prior written notice of its intention to make such prepayment. Any such prepayment may be made without penalty except for a Converted Note as to which interest is accrued at a fixed rate in accordance with clause (a) or (b) above, in which event a prepayment penalty shall be due to the Lender, at Lender's option, either: (1) the Make-Whole Premium due in respect of such prepayment; or (2) the applicable prepayment fee as set forth below. The applicable prepayment fee for any Converted Note shall be: (i) if the notice electing fixed interest was given within twelve (12) months of Conversion, the fee shall be 1.50% of the amount of such prepayment; (ii) if the notice electing fixed interest was given after twelve (12) months of Conversion, but within twenty-four (24) months of Conversion, the fee shall be .75% of the amount of such prepayment; and (iii) if

the notice electing fixed interest was given after twenty- four (24) months of Conversion, but within thirty-six (36) months of Conversion, the fee shall be .30% of the amount of such prepayment.

GENERAL TERMS

Payment of this Note and the performance of Maker's obligations under the Agreement ("Obligations") are secured by a security interest granted to First National Bank of Omaha, as agent for the Lenders and others ("Agent"), under the Security Agreement in:

All of Maker's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Maker in deposits and advance payments made to Maker by its customers and Subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in DTN transmission computer software used in the provision of the Basic DTN Subscription Service and Farm Dayta Service to Maker's Subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired and all proceeds and products thereof; and

such additional collateral as is more specifically described in the Security Agreement.

Maker's liability under its Obligations shall not be affected by any of the following:

Acceptance or retention by Lender or Agent of other property or interests as security for the Obligations, or for the liability of any person other than a Maker with respect to the Obligations;

The release of all or any of the Collateral or other security for any of the Obligations to any Maker;

Any release, extension, renewal, modification or compromise of any of the Obligations or the liability of any obligor thereon; or

Failure by Lender or Agent to resort to other security or any person liable for any of the Obligations before resorting to the Collateral.

Neither Lender nor Agent is required to take any action whatsoever in

respect of the Collateral. Impairment or destruction of the Collateral shall not release Maker of its liability hereunder.

Maker represents, warrants and covenants as follows:

Maker is authorized to grant to Agent a security interest in the Collateral;

This Note, the Agreement and the Security Agreement have been duly authorized, executed and delivered by the Maker and constitute legal, valid and binding obligations of Maker;

This Note evidences a loan for business or agricultural purposes; and

Maker agrees to pay all costs of collection in connection with this Note, the Agreement and the Security Agreement, including reasonable attorneys' fees and legal expenses.

Upon the failure of Maker to make any payment of principal or interest when due hereunder or the occurrence of any Event of Default, all of the Obligations shall, at the option of Agent and without notice or demand, mature and become immediately due and payable; and Agent shall have all rights and remedies for default provided by the Uniform Commercial Code, any other applicable law and/or the Obligations.

All costs and expenses incurred by Lender or Agent in enforcing its rights under this Note or any mortgage, endorsement, surety agreement, guaranty relating thereto are the obligation of Maker and are immediately due and payable. Interest shall accrue on such costs and expenses from the date of incurrence at the rate specified herein for delinquent Note payments. Each Maker, endorser, surety and guarantor hereby waives presentment, protest, demand, notice of dishonor, and the defense of any statute of limitations.

Without affecting the liability of any Maker, endorser, surety or guarantor, the holder or Agent may, without notice, renew or extend the time for payment, accept partial payments, release or impair any Collateral or other security for the payment of this Note or agree to sue any party liable on it.

Neither Lender nor Agent shall be deemed to have waived any of its rights upon or under this Note, or under any mortgage, endorsement, surety agreement or guaranty, unless such waivers be in writing and signed by Lender or Agent, as the case may be. No delay or omission on the part of Lender or Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender or Agent

on liabilities or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

Maker, if more than one, shall be jointly and severally liable hereunder and all provisions hereof regarding the liabilities or security of Maker shall apply to any liability or any security of any or all of them. This Note shall be binding upon the heirs, executors, administrators, assigns or successors of Maker; shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Note, and if all transactions between Lender and Maker shall be at any time closed, shall be equally applicable to any new transactions thereafter, provided that Lender's interest in the Collateral shall be limited to the extent provided in the Security Agreement; shall benefit Lender, its successors and assigns; and shall so continue in force notwithstanding any change in any partnership party hereto, whether such change occurs through death, retirement or otherwise.

All obligations of Maker hereunder shall be payable in immediately available funds in lawful money of the United States of America at the principal office of First National Bank of Omaha in Omaha, Nebraska or at such other address as may be designated by Bank in writing.

This Note shall be construed according to the laws of the State of Nebraska.

Unless the content otherwise requires, all terms used herein which are defined in the Uniform Commercial Code shall have the meanings therein stated.

Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Note is given in substitution of that certain Secured Business Promissory Note dated _____, ____ the original principal amount of $_____. This Note shall not affect, and there remains outstanding from the Maker to certain of the Lenders the Related Bank Debt and the Existing Term Notes (as such terms are defined in the Agreement), and, as to each, all extensions, renewals, and substitutions of or for the foregoing.

Executed as of this _____ day of _____, _____.

DATA TRANSMISSION NETWORK CORPORATION

By:
Title:

PROMISSORY NOTE SCHEDULE

Loan Advances and Payments of Principal

DATA TRANSMISSION NETWORK CORPORATION

REVOLVING NOTE ADVANCES AND PAYMENTS:

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

TERM NOTE:

Date of Conversion:

Amount Due at Date of Conversion:

Fixed Rate Notice Date: Fixed Rate: %

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

EXHIBIT C

TO FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL,
LASALLE NATIONAL BANK, NATIONAL BANK OF CANADA,
FIRST NATIONAL BANK OF OMAHA, as Agent
AND
DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as Documentation Agent

CLOSING ALLOCATIONS

EXHIBIT C
TO
FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT

<TABLE>

<CAPTION>

Lender	Current %	Current Outstanding	%	Revised	Revised Outstanding	Adjustment
<S>	<C>	<C>		<C>	<C>	<C>
FNB-O	19.80	$10,989,000		15.46%	$ 8,580,300	$(2,408,700)
FNB-W	.40	222,000		.40%	222,000	No Change
First of Chicago	2.49	1,381,950		5.70%	3,163,500	1,781,550
Norwest	8.04	4,462,200		7.98%	4,428,900	(33,300)
LaSalle	10.30	5,716,500		8.84%	4,906,200	(810,300)
Dresdner	10.54	5,849,700		18.85%	10,461,750	4,612,050
Mercantile	13.92	7,725,600		13.83%	7,675,650	(49,950)
Montreal	8.13	4,512,150		8.06%	4,473,300	(38,850)
U.S. Bank	10.54	5,849,700		10.46%	5,805,300	(44,400)
NBC	15.84	8,791,200		10.42%	5,783,100	(3,008,100)
TOTALS	100.00%	$55,500,000		100.00%	$55,500,000	$ -0-

</TABLE>

EXHIBIT B

TO 1998 REVOLVING CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,

BANK OF MONTREAL,
LASALLE NATIONAL BANK,
NATIONAL BANK OF CANADA,
FIRST NATIONAL BANK OF OMAHA, as Agent
AND
DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as Documentation Agent

CLOSING FEES

<TABLE>
<CAPTION>

EXHIBIT B
TO
FIRST AMENDMENT TO 1998 REVOLVING CREDIT AGREEMENT

BANKS RECEIVING .25% OF INCREASE:

Bank	Amount of Increase	Closing Fee
<S>	<C>	<C>
FNB-O	$ 3,000,000	$ 7,500.00
LaSalle	$ 2,540,000	$ 6,350.00

BANKS RECEIVING .375% OF INCREASE:

Bank	Amount of Increase	Closing Fee
FNB-W	$ 165,000	$ 618.75
First of Chicago	$ 4,995,000	$18,731.25
Norwest	$ 3,310,000	$12,412.50
Dresdner	$14,649,000	$54,933.75
Mercantile	$ 5,755,000	$21,581.25
U.S. Bank	$ 4,341,000	$16,278.75
Montreal	$ 3,345,000	$12,543.75

BANKS RECEIVING .00% OF INCREASE

Bank	Amount of Increase	Closing Fee
NBC	$ -0-	$ -0-

<FN>

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1 Determined based on the Leverage Ratio calculated on the Total Indebtedness and Operating Cash Flow as of the last day of the preceding month, adjusted to show any increases in the Leverage Ratio as a result of additional Total Indebtedness incurred (reduced by any principal payments on such Total Indebtedness) during the quarter in which the rate is being fixed as described above.

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1998 TERM CREDIT AGREEMENT

This 1998 Term Credit Agreement (the "Agreement"), entered into as of the 7th day of December, 1998, amends and restates the 1997 Term Credit Agreement entered into as of the 26th day of February, 1997, among DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation having its principal place of business at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114 (the "Borrower"), FIRST NATIONAL BANK OF OMAHA, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102 ("FNB-O"), FIRST NATIONAL BANK, WAHOO, NEBRASKA, a national banking association having its principal place of business at Wahoo, Nebraska 68066 ("FNB-W"), THE FIRST NATIONAL BANK OF CHICAGO, a national banking association having its principal place of business at One First National Plaza, Chicago, Illinois 60670-0173 ("First of Chicago"), NORWEST BANK NEBRASKA, N.A., a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102 ("Norwest"), DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, being represented by its office at 75 Wall Street, New York, New York 10005 ("Dresdner"), MERCANTILE BANK OF ST. LOUIS, N.A., a national banking association having its principal place of business at One Mercantile Center, 7th and Washington Streets, St. Louis, Missouri 63101 ("Mercantile"), U.S. BANK, NATIONAL ASSOCIATION, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508 ("U.S. Bank"), BANK OF MONTREAL, a Canadian Bank being represented by its office at 430 Park Avenue, New York, New York 10022 ("Montreal"), and LASALLE NATIONAL BANK, a national banking association being represented by its office at One Metropolitan Square, 211 North Broadway, St. Louis, Missouri 63102 ("LaSalle"); as amended by the First Amendment to 1997 Term Credit Agreement dated as of February 1, 1998, and the Second Amendment to 1997 Term Credit Agreement dated as of May 15, 1998.

WITNESSETH:

WHEREAS, the parties have entered into that certain 1997 Term Credit Agreement, dated as of February 26, 1997, as amended by the First Amendment to 1997 Term Credit Agreement dated as of February 1, 1998, and the Second Amendment to 1997 Term Credit Agreement dated as of May 15, 1998 (as so amended and restated, the "1997 Term Credit Agreement"), pursuant to which the Borrower obtained a term credit facility for the purpose of acquiring substantially all of the assets of Broadcast Partners; and

WHEREAS, the parties desire to further amend and restate the 1997 Term Credit Agreement; and

WHEREAS, the parties do not intend for this 1998 Term Credit Agreement to be deemed to extinguish any existing indebtedness of the Borrower or to release, terminate or affect the priority of any security therefor;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

I. DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

Agreement: The 1998 Term Credit Agreement dated as of December 7, 1998, between the Borrower and the Lenders, amends and restates the 1997 Term Credit Agreement dated as of February 26, 1997, as amended by the First Amendment to 1997 Term Credit Agreement, dated as of February 1, 1998, and the Second Amendment to 1997 Term Credit Agreement, dated as of May 15, 1998, between the Borrower and the Lenders, and as further amended or restated from time to time. Reference in the Notes to the Agreement shall mean the Agreement as defined herein.

Banks: FNB-O, FNB-W, U.S. Bank, Mercantile, First of Chicago, Norwest, Dresdner, LaSalle, and Montreal, and such additional banks as may be added hereto from time to time by mutual written agreement of the parties.

Boatmen's: The Boatmen's National Bank of St. Louis, a national banking association having its principal place of business at One Boatmen's Plaza, 800 Market Street, St. Louis, Missouri 63166-0236 (predecessor to NationsBank, N.A.), and its successors and assigns.

Borrower: Data Transmission Network Corporation, a Delaware corporation having its principal place of business at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114.

Broadcast Partners: Broadcast Partners, a general partnership having its current principal place of business at 11275 Aurora Avenue, Des Moines, Iowa 50322. For purposes of future notices or communications under this Agreement Broadcast Partners address shall be: Broadcast Partners, care of Thomas M. Hanigan, Pioneer Hi-Bred International, Inc., 7200 N.W. 62nd Ave., P.O. Box 184, Johnston, Iowa 50131-0184.

Business Day: Any day other than a Saturday, Sunday or a legal holiday on which banks in the State of Nebraska are not open for business.

Change of Control: (a) At any time when any of the equity securities of the Borrower shall be registered under Section 12 of the Securities Exchange Act of 1934 as amended from time to time (the "Exchange Act"), (i) any person, entity or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) (other than any person which is a management employee, or any such "group" which consists entirely of management employees, of the Borrower) being or becoming the beneficial owner, directly or indirectly, of more than 50% of the voting stock of the Borrower, or (ii) a majority of the members of the Borrower's board of directors (the "Board") consisting of persons other than Continuing Directors (as hereinafter defined); and (b) at any other time, less than 50% of the voting stock of the Borrower being owned beneficially, directly or indirectly, by

employees of the Borrower or its subsidiaries. As used herein, the term "Continuing Director" means any member of the Board on June 29, 1995 and any other member of the Board who shall be recommended or elected to succeed a Continuing Director by a majority of Continuing Directors who are the members of the Board.

Collateral: All personal property of the Borrower described in the Security Agreement, whether now owned or hereafter acquired, including, without limitation:

(a) all of the Borrower's accounts, accounts receivable, subscriber contract rights, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles; and

(b) all proceeds and products of the foregoing.

Dresdner Dresdner Bank AG, New York and Grand Cayman Branches, being represented by its office at 75 Wall Street, New York, New York 10005, and its successors and assigns.

Existing

Term Notes: That certain promissory note from the Borrower to FNB-O, FirsTier, FNB-W, NBD, Norwest and Boatmen's dated as of February 27, 1995; and those certain promissory notes from the Borrower to FNB-O, FNB-W, NBD, Norwest, Sumitomo, Mercantile, First Bank, Montreal, and LaSalle dated as of March 31, 1997, and March 16, 1998.

FNB-O: First National Bank of Omaha, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102, and its successors and assigns.

FNB-W: First National Bank, Wahoo, Nebraska, a national banking association having its principal place of business at Wahoo, Nebraska 68066, and its successors and assigns.

FirsTier: FirsTier Bank, National Association, Lincoln, Nebraska, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, the predecessor to U.S. Bank.

FirstBank: First Bank, National Association, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, and its successors and assigns (it being acknowledged that First Bank is the successor in interest to FirsTier.)

Firstof Chicago: The First National Bank of Chicago, a national banking association having its principal place of business at One First National Plaza, Chicago, Illinois 60670-0173, and its successors and assigns.

Interest Rate
Protection Contract

Amounts: "Interest Rate Protection Contract Amounts" shall mean amounts due from the Borrower under interest rate protection contracts between the Borrower and Lender as to (i) the

interest differential amounts due in respect of periodic netting payments under any such contract, and (ii) any amount due as a result of marking to market the Borrower's obligations under any such contract upon the occurrence of an event of default under, or other early termination of, such contract; in either case without inclusion of fees and other expenses related to such contract. Such Interest Rate Protection Contract Amounts shall be reported in writing to FNB-O and the Borrower by the applicable Lender at such times as shall be appropriate to carry out the intent of this Agreement.

LaSalle: LaSalle National Bank, a national banking association having its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603.

Lenders: The Banks.

Leverage Ratio: The number which is obtained at the time of determination by dividing Total Indebtedness at the applicable time by Operating Cash Flow at the applicable time.

Make-Whole Premium: An amount which shall be sufficient as determined by the relevant Bank in good faith and on a reasonable basis and certified to the Borrower in writing, to compensate the Bank for any loss (including any lost yield), cost or expense incurred by the Bank (i) in liquidating or redeploying deposits or other funds acquired by the Bank to fund or maintain the loan prepaid and (ii) in unwinding, amending, cancelling or otherwise modifying or terminating any match funding, swap or other arrangement entered into by the Bank in connection with acquiring or maintaining the funding for the loan prepaid.

Mercantile: Mercantile Bank of St. Louis, N.A., a national banking association having its principal place of business at One Mercantile Center, 7th and Washington Streets, St. Louis, Missouri 63101.

Montreal: Bank of Montreal, a Canadian bank being represented by its office at 430 Park Avenue, New York, New York, 10022.

NBC: National Bank of Canada, a Canadian bank being represented by its office at 1200 17th Street, Suite 2760, Denver, Colorado 80202.

NBD: NBD Bank, a bank organized under the laws of the State of Michigan and having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226.

NationsBank: NationsBank, N.A., a national banking association having an office at 800 Market Street, 12th Floor, St. Louis, Missouri 63101-2506 (successor to The Boatmen's National Bank of St. Louis), and its successors and assigns.

Net Operating Profit After Taxes: For any period, the net earnings (or loss) after taxes of Borrower and its Subsidiaries on a consolidated basis for such

period taken as a single accounting period and determined in conformity with generally accepted accounting principals; provided that there shall be excluded (i) the income (or loss) of any entity accrued prior to the date it becomes a Subsidiary of Borrower or is merged into or consolidated with Borrower and (ii) any extraordinary gains or losses for such period determined in accordance with generally accepted accounting principles.

Net Worth: The Borrower's consolidated net worth as determined in accordance with generally accepted accounting principles plus subordinated debt. For purposes of this definition, "subordinated debt" means indebtedness of the Borrower which is subordinate, in a manner satisfactory to the Lenders, to the indebtedness due to the Lenders, and the repayment of which is forbidden during the existence of any Event of Default hereunder; provided however, that any such indebtedness shall not be deemed subordinated debt to the extent of the amount of principal payments that are due thereon within one (1) year from the date of determination.

New York

Prime: The floating interest rate published as the "Prime Rate" (the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks) in the Wall Street Journal on the first day of each month, or if no rate is published on the first day of any month, on the first day thereafter when such rate is published. For purposes of this Agreement, New York Prime shall fluctuate on a monthly basis. Changes to New York Prime shall be effective on the first day of each month based on the "Prime Rate" in effect on such day.

Norwest: Norwest Bank Nebraska, N.A., a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102, and its successors and assigns.

Notes: Those certain promissory notes from the Borrower to the Lenders dated as of May 3, 1996, July 17, 1996, and July 31, 1996, including, without limitation, the Notes to the Banks as referenced in Section 2.1 hereof, and such additional term notes as the parties may hereafter agree to add hereto as Notes.

Operating

Cash Flow: The Borrower's consolidated average monthly earnings or loss before interest, depreciation, amortization and taxes, less current tax expense and plus or minus any non-ordinary non-cash charges or credits to earnings, which average shall be based on the Borrower's actual financial results in the two (2) full calendar months preceding the date of determination. For purposes of calculating Operating Cash Flow for this Agreement, the Borrower shall not permit deferred commission expenses to be capitalized for any period in excess of twelve (12) months.

Operative

Documents: This 1998 Loan Agreement, the Notes, the Security Agreement, the financing statements regarding the Collateral and the documents and certificates, other than the Purchase Agreement, delivered pursuant to Article VI.

Purchase

Agreement: The Asset Purchase and Sale Agreement dated as of May 3, 1996, between the Borrower and Broadcast Partners.

Quarterly Compliance

Certificate: The certificate delivered to the Lenders by the Borrower pursuant to Section 5.1(d).

Related

Bank Debt: The aggregate unpaid balance of all indebtedness, now or hereafter existing (including future advances) under the Existing Term Notes; the amounts outstanding under the revolving credit notes issued under the Revolving Credit Agreement, and under any term notes issued to convert such revolving credit notes or any portion thereof to a term obligation; the amounts outstanding under the Lender's Letter of Credit and under the Norwest Letter of Credit, as defined in the Revolving Credit Agreement; all extensions, renewals, and substitutions of or for the foregoing; and all obligations, if any, as to the accrued and unpaid Interest Rate Protection Contract Amounts.

Release: The Federal Reserve Statistical Release.

Restricted

Quarter: This term shall have the meaning set forth in Section 2.2 hereof.

Revolving Credit

Agreement: The 1998 Revolving Credit Agreement dated as of December 7, 1998, between the Borrower and the Lenders which amends and restates the 1997 Revolving Credit Agreement as previously amended.

Revolving

Credit Rate: The floating interest rate announced from time to time by FNB-O as its "National Base Rate." The National Base Rate is set by FNB-O, solely in its discretion, to reflect generally the rates charged by national money center banks as their reference rates. (Previously, the rate was announced by FNB-O as its "New York Base Rate.") Rates charged by FNB-O may be at, above or below the National Base Rate, as determined by FNB-O as to each respective customer.

Security

Agreement: The 1998 Security Agreement dated as of the date hereof, which amends and restates the 1997 Security Agreement, as previously amended.

Subsidiaries: Any corporation, business association, partnership,

joint venture, limited liability company or other business entity in which the Borrower, or one or more of its Subsidiaries, or the Borrower and one or more of its Subsidiaries has either (i) more than 50% of the equity ownership thereof, or (ii) the power to elect a majority of the directors or to control the identification of the managing or general partners or similar governing persons thereof.

Sumitomo: The Sumitomo Bank, Limited, a Japanese bank being represented by its office at 200 North Broadway, Suite 1625, St. Louis, Missouri 63102 and acting through its Chicago branch and its successors and assigns.

Total Indebtedness: All loans and other obligations of the Borrower and its Subsidiaries, without duplication, for borrowed money (including, without limitation, the indebtedness due to the Lenders and the holders of the Related Bank Debt) regardless of the maturity thereof but such term shall not include subordinated debt of the Borrower, as such term is defined in the definition of Net Worth, up to $15,000,000 if such subordinated debt was existing on May 3, 1996. For purposes of this definition of "Total Indebtedness," indebtedness under an interest rate protection Agreement shall mean the amount, if any, at the time of determination, of the unpaid Interest Rate Protection Contract Amounts; provided, however, that solely for purposes of voting under this Agreement by the Lenders, "Total Indebtedness" will not include such Interest Rate Protection Contract Amounts.

Trigger Event: This term shall have the meaning set forth in Section 2.2 hereof.

U.S. Bank: U.S. Bank, National Association, formerly known as First Bank, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, and its successors and assigns.

All accounting terms not otherwise defined herein shall have the meaning ordinarily applied under generally accepted accounting principles.

II. TERM FACILITY

2.1. Term Credit. The Banks agree to advance $48,490,000 to the Borrower for the purchase of substantially all of the assets of Broadcast Partners. Such advances shall be made, in one or more closings, on a pro rata basis by the Banks, based on the following maximum advance limits for each Bank: (1) as to FNB-O, $10,780,000; (ii) as to FNB-W, $245,000; (iii) as to First of Chicago, $6,223,000; (iv) as to Norwest, $4,047,000; (v) as to LaSalle, $10,388,000; (vi) as to Mercantile, $5,333,900; (vii) as to Dresdner, $5,170,000; (viii) as to U.S. Bank, $1,933,000; and (ix) as to Montreal, $4,370,100.

It is understood and agreed by the parties that the foregoing advances by FNB-O, FNB-W, and NBD were made at the initial closing under the 1996 Term Credit Agreement on May 3, 1996. The foregoing advance by Norwest represents an

advance of $1,822,000 which was made at the initial closing under the Agreement on May 3, 1996, and an additional advance of $2,225,000, which was made at the closing under the First Amendment on July 17, 1996. The foregoing advances by Mercantile, Sumitomo and U.S. Bank (then "FirsTier") were made at the closing under the First Amendment on July 17, 1996. The advance made by Montreal was made at the closing of the Second Amendment on July 31, 1996; the proceeds of such advance were used to prepay the existing Note held by Broadcast Partners in the remaining principal amount of $4,070,100, and to provide an additional $300,000 to the Borrower. The advance made by LaSalle was made on December 27, 1996, at the closing of the Third Amendment. The outstanding interest of Sumitomo was assigned to Dresdner as of September 4, 1998. The outstanding interest of NBD was assigned to First of Chicago as of October 1, 1998. This Agreement shall not be deemed to extinguish any existing indebtedness of the Borrower under the 1997 Term Credit Agreement or the Notes issued thereunder or to release, terminate or affect the priority of any security therefor.

2.2 Notes. The Notes shall bear interest on the principal loan amount thereof outstanding through June 30, 1999, at the rate of 8.25% per annum; thereafter the interest rate for the balance of the term shall be set on June 30, 1999, at two percent (2.00%) above the yield on constant maturity Treasury Bonds with maturities of three years, as quoted for the Business Day immediately preceding June 30, 1999 in the applicable Release. Notwithstanding the foregoing, the Notes issued to the following Lenders shall bear interest as follows: (i) as to U.S. Bank, at the rate of 8.36% per annum through June 30, 1999 (whereupon the interest rate reset described above shall be applicable); and (ii) as to Mercantile, First of Chicago, Dresdner, Norwest, FNB-W and Montreal, at a variable rate per annum equal to New York Prime minus one-half of one percent (0.5%). After an Event of Default has occurred, interest shall accrue: (i) with respect to the fixed rate Notes, on the entire outstanding balance of principal and interest at a fluctuating rate equal to the Revolving Credit Rate plus four percent (4.00%); and (ii) as to the floating rate Notes, on the principal loan amount thereof at a rate per annum equal to three and one-half percent (3.5%) above New York Prime. Interest shall be calculated on actual days elapsed and a year of 360 days. If the Borrower's most recent Quarterly Compliance Certificate shows that, as of the end of the prior quarter, the Leverage Ratio was at such date more than thirty-six (36), the current

quarter shall be deemed a "Restricted Quarter." If, any time during a Restricted Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on any Note is less than seven and one-half percent (7.50%), a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, the Borrower shall be obligated to pay the Lenders the following fees: (i) three-eighths of one percent (.375%) of the outstanding principal balance of such Note as of the date preceding the Trigger Event, which amount shall be payable promptly upon invoicing by FNB-O; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

2.3. Payments. Interest on the unpaid balance of the Notes shall be due on the last day of each month beginning May 31, 1996. The principal amount of each respective Note shall become due and payable in seventy-two equal monthly installments, with the first such installment due on January 31, 1997, and subsequent installments due on the last day of each consecutive month thereafter. The total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than December 31, 2002. In the event that a payment day is not a Business Day, the payment shall be due on the next succeeding Business Day. Interest shall continue to accrue on the full unpaid

balance hereunder notwithstanding any permitted or unpermitted failure of the Borrower to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day.

2.4. Fees. At the initial closing, the Borrower paid to FNB-O an initial fee equal to $14,729, which was allocated by FNB-O pro rata among the Banks based on their respective commitments at such time. Furthermore, the Borrower paid to FNB-O at closing an agenting fee equal to $25,500. At the closing of the First Amendment on July 17, 1996, the Borrower paid a fee of $7,330.95 to FNB-O for distribution to the following Banks: (i) $1,112.50 to Norwest; (ii) $2,666.95 to Mercantile; (iii) $2,585.00 to Sumitomo; and (iv) $966.50 to U.S. (then First Bank, National Association). At the closing of the Second Amendment on July 31, 1996, the Borrower paid a fee of $2,185.05 to FNB-O for distribution to Montreal.

2.5 Payment. The Borrower's obligation to make payments of principal and interest hereunder shall be further evidenced by the Notes, the form of which is attached hereto as Exhibit A. All obligations of the Borrower under the Notes and the other Operative Documents shall be payable in immediately available funds in lawful money of the United States of America at the principal office of FNB-O in Omaha, Nebraska or at such other address as may be designated by FNB-O in writing.

2.6 Prepayment. Prepayments of the Notes may be made in full or in part at any time upon 10 days prior written notice to the Lenders; provided, however, that unanimous consent of the Lenders shall be required for any prepayment which is not applied pro rata to the Lenders in accordance with Section 8.2. Prepayment penalties will be required as indicated below:

(a) The Borrower may prepay in full without penalty the principal loan amounts outstanding under all Notes which bear interest at a fixed rate in accordance with Section 2.2 hereof, if such prepayment occurs on June 30, 1999 and the Borrower has given the Banks at least 30 days prior written notice of its intention to make such prepayment.

(b) If a prepayment of a Note which bears interest at a fixed rate in accordance with Section 2.2 hereof occurs other than in accordance with (a) above, the Borrower shall pay to the respective Bank payee thereof, at such payee's option, either: (1) the Make-Whole Premium due in respect of such prepayment; or (2) a prepayment fee equal to one and one-half percent (1.50%) of the amount of such prepayment.

(c) The Borrower shall not be obligated to pay a Make-Whole Premium or prepayment fee to any Bank payee of a Note which bears interest at a floating rate indexed to New York Prime.

2.6A Permitted Prepayments to Broadcast Partners. Broadcast Partners' Notes were prepaid in full at the closing of the Second Amendment on July 31, 1996.

2.7 Security. All obligations of the Borrower hereunder and under the Operative Documents, including, without limitation, the Borrower's obligations to make payments of principal and interest shall be secured by a first security interest in the Collateral, as more specifically described in the Security

Agreement.

2.8 Revolving Credit Agreement. Nothing herein shall be deemed to alter or amend the Borrower's obligations under the Revolving Credit Agreement, the Related Bank Debt or any collateral security therefor, all of which shall continue in full force and effect in accordance with the terms thereof.

III. [INTENTIONALLY OMITTED]

IV. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that as of May 3, 1996, and the date hereof the following are and shall be true and correct:

4.1 Corporate Existence. It is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and each Subsidiary is a corporation duly organized, validly existing and in good standing in its state of incorporation as shown on Schedule I, and it and each of its Subsidiaries is duly qualified and in good standing in all states where it is doing business except where the failure to be so qualified would not have a material adverse effect on it and it has full power and authority to own and operate its properties and to carry on its business. As of the date of this Agreement, the Borrower has no Subsidiaries other than those shown on Schedule I.

4.2 Corporate Authority. It has full corporate power, authority and legal right to execute, deliver and perform the Operative Documents to which it is a party, and all other instruments and agreements contemplated hereby and thereby, and to perform its obligations hereunder and thereunder; and such actions have been duly authorized by all necessary corporate action, and are not in conflict with any applicable law or regulation, or any order, judgment or decree of any court or other governmental agency or instrumentality or its articles of incorporation or bylaws, or with any provisions of any indenture, contract or agreement to which it or any of its Subsidiaries is a party or by which it or any of its Subsidiaries or any of its or their property may be bound.

4.3 Validity of Agreements. The Borrower's Operative Documents have been duly authorized, executed and delivered and constitute its legal, valid and binding agreements, enforceable against the Borrower in accordance with their respective terms (except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, moratorium or similar laws now or hereafter in effect, or by principles of equity).

4.4 Litigation. Neither the Borrower nor any Subsidiary is a party to any pending lawsuit or proceeding before or by any court or governmental body or agency, which is likely to have a materially adverse effect on the Borrower's ability to perform its obligations under its Operative Documents; nor is the Borrower aware of any threatened lawsuit or proceeding, to which it or any Subsidiary may become a party or of any investigation of any Court or governmental body or agency into its affairs, which if instituted would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

4.5 Governmental Approvals. The execution, delivery and performance by the Borrower of the Operative Documents or the Purchase Agreement do not require the consent or approval of, the giving of notice to, the registration with, or

the taking of any other action in respect of, any federal, state or other governmental authority or agency other than as contemplated herein and therein.

4.6 Defaults Under Other Documents. Neither the Borrower nor any Subsidiary is in default or in violation (nor has any event occurred which, with notice or lapse of time or both, would constitute a default or violation) under any document or any Agreement or instrument to which it may be a party or under which it or any of its properties may be bound and the result of which would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

4.7 Judgments. There are no outstanding or unpaid judgments (which are not adequately bonded) of the Borrower or any Subsidiary which would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

4.8 Compliance with Laws. Neither the Borrower nor any Subsidiary is in violation of any laws, regulations or judicial or governmental decrees in any respect which could have any material adverse effect upon the validity or enforceability of any of the terms of the Borrower's Operative Documents or which could have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents.

4.9 Taxes. All tax returns of the Borrower and its Subsidiaries for material taxes required to be filed have been filed or extensions permitted by law have been obtained; all taxes of the Borrower and its Subsidiaries of a material nature and which are due and payable as reflected on such returns have been paid, other than taxes which are due but for which only a nominal late payment penalty is payable and for which the taxing authority is not yet entitled to enforce its remedies for payment thereof and other than taxes being contested in good faith and with respect to which adequate reserves have been established; and no material amounts of taxes of the Borrower and its Subsidiaries not reflected on such returns are payable.

4.10 Collateral. The Borrower has good and marketable title to the Collateral and the Collateral is free from all liens, encumbrances or security interests, except as disclosed on Schedule A attached hereto. The Borrower's principal place of business, chief executive office, and the principal place where it keeps its records concerning the Collateral is Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114. The Borrower also keeps certain of its records regarding the Collateral at 11275 Aurora Avenue, Des Moines, Iowa 50322.

4.11 Pension Benefits. Neither the Borrower nor any Subsidiary maintains a "Plan" as defined in Section 3 of the Employees Retirement Income Security Act of 1974 ("ERISA"), or each such entity is in compliance with the minimum funding requirements with respect to any such "Plan" maintained by it and it has not incurred any material liability to the Pension Benefit Guaranty Corporation ("PBGC") or otherwise under ERISA in connection with any such Plan.

4.12 Margin Regulations. No part of the proceeds of any advance hereunder shall be used to purchase or carry any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) or any "margin security" (within the meaning of Regulation G of said Board of Governors), or to extend credit to others for the purpose of purchasing or carrying any such margin stock or margin security. No part of the proceeds of any advance hereunder shall be used for any purpose that violates, or which is inconsistent with, the provisions of Regulation G, T, U or X of said Board of Governors.

4.13 Financial Condition. The financial condition of the Borrower and its Subsidiaries is truly and accurately set forth in the most recent financial statement which has been provided to the Lenders and no material adverse change has occurred which would make such financial statement inaccurate or misleading.

V. COVENANTS

The Borrower hereby covenants that:

5.1 Financial Reports.

(a) Within forty-five (45) days after the end of each month, the Borrower, at its sole expense, shall furnish the Lenders a consolidated balance sheet,

statement of earnings of the Borrower and its consolidated Subsidiaries, and a statement of cash flows of the Borrower and its consolidated subsidiaries and such financial statements on a consolidating basis as to the Borrower, all such financial statements to be prepared in accordance with generally accepted accounting principles consistently applied and certified as completed and correct, subject to normal changes resulting from year-end audit adjustments, by the chief financial officer of the Borrower.

(b) Within ninety (90) days after the close of the Borrower's fiscal year, the Borrower, at its sole expense, shall furnish the Lenders: (i) a consolidated balance sheet, a statement of earnings of the Borrower and its consolidated Subsidiaries and a statement of cash flows of the Borrower and its consolidated subsidiaries, certified by Deloitte & Touche, or other independent certified public accountants acceptable to the Lenders, that such financial reports fairly present the financial condition of the Borrower and its consolidated Subsidiaries and have been prepared in accordance with generally accepted accounting principles consistently applied; and (ii) a certificate from such accountants certifying that in making the requisite audit for certification of the Borrower's financial statements, the auditors either (1) have obtained no knowledge, and are not otherwise aware of, any condition or event which constitutes an Event of Default or which with the passage of time or the giving of notice would constitute an Event of Default under Sections 5.3, 5.4, 5.7, 5.9(b), 5.9(d), 5.11, 5.19 or 5.20; or (2) have discovered such condition or event, as specifically set forth in such certificate, which constitutes an Event of Default or which with the passage of time or the giving of notice would constitute an Event of Default under such sections. The auditors shall not be liable to the Lenders by reason of the auditors' failure to obtain knowledge of such event or condition in the ordinary course of their audit unless such failure is the result of negligence or willful misconduct in the performance of the audit.

(c) Within thirty (30) days after submission to the Securities and Exchange Commission, the Borrower shall provide to the Lenders copies of its Forms 10K and 10Q, as submitted to the Securities and Exchange Commission during the term of this Agreement.

(d) Within twenty (20) days after the end of each quarter, the Borrower, at its expense, shall furnish the Lenders a certificate of the chief financial officer of the Borrower in the form of Exhibit C, setting forth such information (including detailed calculations) sufficient to verify the conclusions of such officer after due inquiry and review, that:

(i) The Borrower and each Subsidiary, either (y) is in compliance with the requirements set forth in this Agreement or (z) is NOT in compliance with the foregoing for reasons specifically set forth therein; and

(ii) The chief financial officer of the Borrower has reviewed or caused to be reviewed all of the terms of the Operative Documents of the Borrower and that such review either (1) has NOT disclosed the existence of any condition or event which constitutes an event of default or any condition or event which with the passage of time or the giving of notice would constitute an event of default under the Operative Documents or (2) has disclosed the existence of a condition or event which constitutes an event of default, or a condition or event which with the passage of time or the giving of notice would constitute an event of default, under the aforesaid instrument or instruments and the specific condition or event is specifically set forth.

(e) The Borrower shall provide the Lenders with such other financial reports and statements as the Lenders may reasonably request.

5.2 Corporate Structure and Assets. The Borrower shall not merge or consolidate with any other corporation or entity unless the Borrower shall be the surviving entity, nor sell any assets except items that are obsolete or no longer necessary for operation of the business, other than in the ordinary course of business without the prior written consent of the Lenders. The Lenders shall be entitled to receive as a prepayment on the Notes the proceeds of any sale of assets of the Borrower which are prohibited by the preceding sentence. Notwithstanding the foregoing prepayment requirements, any such prohibited sale shall remain a violation of this Agreement. In addition, the Borrower shall not engage in any business materially different from that in which it is presently engaged without the prior written consent of the Lenders, which consent shall not be unreasonably withheld. The foregoing restrictions on mergers and consolidations shall not apply if: (i) in the case of a merger, the Borrower is the surviving entity and expressly reaffirms its obligations hereunder; (ii) in the case of a consolidation, the resulting corporation expressly assumes the obligations of the Borrower hereunder; (iii) the surviving or resulting corporation is organized under the laws of the United States or a jurisdiction thereof; (iv) after giving effect to such merger or consolidation, the surviving or resulting corporation will be engaged in substantially the same lines of business as are now engaged in by the Borrower; and (v) immediately after giving effect to such merger or consolidation, no Event of Default will exist

hereunder.

5.3 Net Worth. The Borrower shall maintain a minimum Net Worth during the term of this Agreement of at least $23,500,000 plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 5.3, "Net Worth" shall not include any subordinated debt.

5.4 Indebtedness.

(a) The Borrower shall not at any time permit the Leverage Ratio to exceed forty-eight (48).

(b) On the day the Borrower or a Subsidiary becomes liable with respect to any debt and immediately after giving effect thereto and to the concurrent retirement of any other debt, the sum of Total Indebtedness, plus the amount of any outstanding subordinated debt of the Borrower and its Subsidiaries, plus the contingent obligations of the Borrower and its Subsidiaries under any guaranty of the debt of any other person or entity (other than unsecured debt of a Subsidiary incurred in the ordinary course of business for other than borrowed money or to finance the purchase price of any property or business) shall not exceed an amount equal to sixty (60) times Operating Cash Flow at such date.

5.5 Use of Proceeds. The Borrower shall not use the proceeds of the advances hereunder to purchase or carry any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) or any "margin security" (within the meaning of Regulation G of said Board of Governors), or to extend credit to others for the purpose of purchasing or carrying any such margin stock or margin security. No part of such proceeds shall be used for any purpose that violates, or which is inconsistent with, the provisions of Regulation G, T, U or X of said Board of Governors. This section shall not preclude the Borrower from repurchasing any of its own issued and outstanding common stock; provided, however, that such repurchase does not result in the occurrence of any other Event of Default hereunder.

5.6 Notice of Default. The Borrower shall give to the Lenders prompt written notification of the existence or occurrence of:

(a) any fact or event which results, or which with notice or the passage of time, or both, would result in an Event of Default hereunder;

(b) any proceedings instituted by or against the Borrower in any federal, state or local court or before any governmental body or agency, or before any arbitration board, or any such proceedings threatened against the Borrower by any governmental agency, which is likely to have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents;

(c) any default or event of default involving the payment of money under any Agreement or instrument which is material to the

Borrower or any Subsidiary to which such entity is a party or by which it or any of its property may be bound, and which default or event of default would have a material adverse effect upon the Borrower's ability to perform its obligations under its Operative Documents; and (d) the Borrower shall give immediate notice of the commencement of any proceeding under the Federal Bankruptcy Code by or against the Borrower or any Subsidiary.

5.7 Distributions.

(a) Neither Borrower nor any Subsidiary shall declare any dividends or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided, however, that the Borrower may declare stock dividends; provided, further, that the Borrower need not obtain the Lenders' consent with respect to (i) dividends in any one (1) year which are, in aggregate, less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 5.1; or (ii) dividends or distributions from any consolidated Subsidiary.

(b) Neither the Borrower nor any Subsidiary other than a Subsidiary which is wholly-owned by the Borrower shall purchase, redeem, or otherwise retire any shares of its capital stock or warrants of its capital stock if, immediately after the making of such purchase or redemption, the Borrower or any Subsidiary will be in default of any other covenant or provision of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness).

5.8 Compliance with Law and Regulations. The Borrower and each Subsidiary shall comply in all material respects with all applicable federal and state laws and regulations.

5.9 Maintenance of Property; Accounting; Corporate Form; Taxes; Insurance.

(a) The Borrower and each Subsidiary shall maintain its property in good condition in all material respects, ordinary wear and tear excepted, and make all renewals, replacements, additions, betterments and improvements thereto necessary for the efficient operation of its business.

(b) The Borrower and each Subsidiary shall keep true books of record and accounts in which full and correct entries shall be made of all its business transactions, all in accordance with generally accepted accounting principles consistently applied.

(c) The Borrower and each Subsidiary shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate form of existence as is necessary for the continuation of its business in substantially the same form, except where such failure to do so with respect to any Subsidiary would not have a material adverse effect on the ability of the Borrower to perform its obligations under the Operative Documents.

(d) The Borrower and each Subsidiary shall pay all taxes, assessments and governmental charges or levies imposed upon it or

its property; provided, however, that the Borrower or any Subsidiary shall not be required to pay any of the foregoing taxes which are being diligently contested in good faith by appropriate legal proceedings and with respect to which adequate reserves have been established.

(e) The Borrower shall maintain or cause to be maintained liability insurance and casualty insurance, in a form and amount satisfactory to FNB-O as agent for the Lenders, upon the Collateral (excluding equipment or inventory provided to Subscribers in the ordinary course of business) and other tangible assets owned by it and its Subsidiaries. The Borrower shall name FNB-O as agent for the Lenders and the holders of the Related Bank Debt as the loss payee on all such casualty insurance, and as an additional insured on all such liability insurance and shall provide the Lenders with evidence of such insurance upon request.

5.10 Inspection of Properties and Books. The Borrower shall recognize and honor the right of the Lenders, upon request to an officer of the Borrower, to visit and inspect any of the properties of, to examine the books, accounts, and other records of, and to take extracts therefrom and to discuss the affairs, finances, loans and accounts of, and to be advised as to the same by the officers of, the Borrower at all such times, in such detail and through such agents and representatives as the Lenders may reasonably desire.

5.11 Guaranties. Neither the Borrower nor any Subsidiary shall guaranty or become responsible for the indebtedness of any other person or entity; provided, however, that a Subsidiary may guaranty the obligation of the Borrower; provided further, that the Borrower may guaranty the obligations of a Subsidiary so long as no Event of Default (or not event or occurrence which with

the passage of time or notice, or both, would become an Event of Default) has occurred or will occur hereunder, taking into account such guaranty and indebtedness.

5.12 Collateral. Neither the Borrower nor any Subsidiary shall incur or permit to exist any mortgage, pledge, lien, security interest or other encumbrance on the Collateral, except as permitted in the Security Agreement. Subject to Section 5.4(b), the foregoing shall not be construed to prohibit the Borrower or any Subsidiary from acquiring leased equipment in the ordinary course of business. Without limiting the generality of the foregoing, the Borrower covenants and agrees that it shall on request enforce for the benefit of the Lenders and the holders of the Related Bank Debt, but at the sole expense of the Borrower, any and all rights and remedies (including, without limitation, rights to indemnity), that it may have with respect to the existence of any liens, security interests or other encumbrances that may exist on the property of the Borrower acquired from Broadcast Partners under the Purchase Agreement. Notwithstanding anything else to the contrary herein or in the Operative Documents, Broadcast Partners shall have no right to share in the proceeds of any such recovery which constitutes the proceeds of any indemnity claim by the Borrower under the Purchase Agreement.

5.13 Name; Location. The Borrower shall give the Lenders ninety (90) days notice prior to changing its name, identity or corporate structure, moving its principal place of business, chief executive office or place where it keeps its records concerning the Collateral.

5.14 Notice of Change in Ownership or Management. During the term of this Agreement, the Borrower shall give the Lenders notice of the occurrence of

any of the following described events, which notice shall be given as soon as the Borrower obtains notice or knowledge thereof:

(a) any change, directly or indirectly, in the existing controlling interest in the Borrower; or

(b) any material adverse change in its management personnel. A material adverse change in the Borrower's management personnel shall be deemed to have occurred if any one (1) of the following has occurred with respect to two of the four (4) individuals who are both officers and members of the Board of Directors of the Borrower: (i) the resignation, retirement, or voluntary or involuntary termination of employment and/or status of such persons as officers and directors of the Borrower; (ii) any announcement, notice of intent, resolution or similar advance notice with respect to the matters referenced in the foregoing clause; or (iii) the death, disability or legal incompetence of such persons.

5.15. Interest Coverage. The ratio of Operating Cash Flow to interest expense (as determined in accordance with generally accepted accounting principles but excluding amortization of deferred offering costs and any fees related to the Trigger Event in Section 2.2 of this Agreement) at the end of

each quarter during the term of this Agreement, as shown on the Quarterly Compliance Report, shall not be less than 2.25 to 1.0.

5.16 Subordinated Debt. Neither the Borrower nor any Subsidiary shall incur any subordinated debt or issue any preferred stock or warrants for preferred stock except upon the prior written consent of the Lenders. Neither the Borrower nor any Subsidiary shall make any voluntary or optional prepayment on any subordinated debt without the prior written consent of the Lenders. Similarly, the Borrower shall not amend its articles of incorporation or any other documents or agreements relating to the issuance of subordinated debt, preferred stock or warrants for preferred stock without the prior written consent of the Lenders.

5.17 Subsidiaries. The Borrower shall give prompt written notice to the Lenders of the Borrower's intent to acquire, or the Borrower's acquisition of, any Subsidiary. Prior to the creation or acquisition of such Subsidiary, the Borrower (i) shall cause a first security interest in the assets of such Subsidiary to be perfected in favor of FNB-O, as agent for the Lenders and the holders of the Related Bank Debt, and (ii) shall cause the Subsidiary to enter into a security Agreement, to execute and file such financing statements and to provide opinions all in form satisfactory to the Lenders and the holders of the Related Bank Debt, as to compliance with this section.

5.18 Amendments to Purchase Agreement. The Borrower shall not amend the Purchase Agreement without the prior written consent of the Lenders.

5.19 Capital Expenditures. The Borrower shall not incur in any fiscal year, commencing with the fiscal year beginning January 1, 1997, capital expenditures, determined in accordance with generally accepted accounting principles, of more than $2,000,000; provided, however, that capital expenditures for (a) equipment to be used by subscribers of the Borrower, and (b) telecommunications equipment, computer equipment, software and software consulting shall not be counted for purposes of this annual limitation.

5.20 Acquisitions. The Borrower shall not acquire any stock or any

equity interest in, or warrants therefor or securities convertible into the same, or a substantial portion of the assets of, another entity without the prior written consent of the Lenders; provided, however, that the Borrower shall be permitted to make on a cumulative basis from and after July 1, 1998 such acquisitions (excluding the acquisition of A-T Financial Information, Inc. directly or through Asset Growth Corporation) in an amount not to exceed Twenty Million Dollars ($20,000,000) in the aggregate without the consent of the Lenders if:

(a) such acquisitions are in or from entities which:

(i) are in the business of electronically communicating time-sensitive information to their customers; and

(ii) have their principal place of business in the United States or Canada; and

(iii) except for Weather Services Corporation, have a positive operating cash flow, calculated in the same method as is used to calculate the Borrower's Operating Cash Flow for purposes of this Agreement; and

(b) the Borrower or any Subsidiary is not, and immediately after the making of such acquisition, will not be in default under any other covenant or provision of this Agreement (including, without limitation, the covenants and provisions pertaining to minimum net worth and limitations on indebtedness); and

(c) except for the acquisition of A-T Financial Information, Inc. directly or through Asset Growth Corporation, no one acquisition shall exceed Ten Million Dollars ($10,000,000).

VI. CONDITIONS PRECEDENT

6.1 Closing Conditions. Any and all obligations of the Lenders hereunder are subject to satisfaction of the following conditions precedent:

(a) FNB-O, as agent, shall have received an opinion of counsel to the Borrower covering such matters as the Lenders may request (including, without limitation, corporate existence and good standing, corporate authority, due authorization, execution and delivery of the Operative Documents, the legal, valid, binding and enforceable nature of the Operative Documents, and the perfection and priority of the security interest in the Collateral granted to the Lenders.

(b) FNB-O, as agent, shall have received such certificates and documents as the Lenders may reasonably request from the Borrower, including articles of incorporation and bylaws, certificates regarding good standing, incumbency, copies of other corporate documents, and appropriate authorizing resolutions; and

(c) the Operative Documents shall have been duly authorized and executed and shall be in full force and effect, and such UCC financing statements shall have been executed and filed in such

offices as may be appropriate to perfect the security interest of FNB-O, as agent for the Lenders, in the Collateral.

VII. DEFAULTS AND REMEDIES

7.1 Events of Default. Any of the following shall be deemed an event of default under this Agreement (an "Event of Default"):

(a) Any payment of principal required by any of the Operative Documents shall not be paid when due.

(b) Any payment of interest or other fees due hereunder or under any of the Operative Documents shall not be paid within fifteen (15) calendar days after the date on which such payment was invoiced or due.

(c) Any representation or warranty of the Borrower under any of the Operative Documents, or any financial reports or statements or certificates submitted pursuant to this Agreement, shall prove to have been false in any material respect when made.

(d) A failure of the Borrower or any Subsidiary to comply with any requirement or restriction applicable to such entity and contained in Sections 5.1, 5.2, 5.3, 5.4, 5.7, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.19 or 5.20 of this Agreement.

(e) A failure of the Borrower or any Subsidiary to comply with any requirement or restriction contained in any provision of the Operative Documents not otherwise specified in this Article VI, which failure remains unremedied for ten (10) days following receipt of notice from FNB-O on behalf of the Lenders.

(f) The occurrence of a default or a breach of any of the obligations of the Borrower or any Subsidiary (other than obligations of such Subsidiary to the Borrower) under any note, loan agreement, preferred stock, subordinated debt instrument or agreement, or any other agreement evidencing an obligation to repay borrowed money.

(g) The entry of a final judgment against the Borrower or any Subsidiary for the payment of money, which is not covered by insurance, and the expiration of thirty (30) days from the date of such entry during which the judgment is not discharged in full or stayed.

(h) The occurrence of any one or more of the following:

(1) The Borrower or any Subsidiary shall file a voluntary petition in bankruptcy or an order for relief shall be entered in a bankruptcy case as to such entity or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other

relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of such entity or of all or any part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts or shall generally not pay its debts as they become due; or

(2) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Borrower or any Subsidiary seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of the Borrower or any Subsidiary or of all or any part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of such entity and such appointments shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

(3) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Collateral, or any judgment involving monetary damages shall be entered against the Borrower or any Subsidiary which shall become a lien on the Collateral or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy.

(i) Any event of default shall occur under any Operative Document.

(j) A change shall occur after November 8, 1993, directly or indirectly, in the ownership or control of the Borrower; provided, however, that changes in the ownership or control of, or new issuances of, voting common stock which do not exceed, cumulatively, 50% of the total issued and outstanding shares of the Borrower as of September 30, 1993 shall not be deemed an Event of Default under this Section 7.1(j); provided further, that acquisitions of additional shares by members of the existing executive management group of the Borrower shall not be counted as changes in the ownership or control of the Borrower under this Section 7.1(j). For purposes of computing the total issued and outstanding shares as of September 30, 1993, warrants and options for such shares shall be included.

(k) An Event of Default shall occur under any Related Bank Debt or the Related Loan Agreement and the expiration of any applicable cure period thereunder.

(l) The Borrower shall be obligated to prepay all or any portion of its subordinated debt as a result of a Change of Control.

(m) The Borrower or any Subsidiary is not at any time after September 30, 1999, in compliance with Year 2000 requirements and such failure creates a material adverse effect on the ability of the Borrower to carry out its business.

7.2 Remedies. If an Event of Default occurs and is continuing, upon the election of the Lenders holding two-thirds of the then outstanding aggregate Total Indebtedness of the Borrower to the Lenders (including under the Notes, the Related Bank Debt and any similar indebtedness but excluding amounts due under the Purchase Agreement), the entire unpaid principal amount under the Notes and all Related Bank Debt, together with interest accrued thereon, shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Lenders may exercise their rights under the other Operative Documents and the Revolving Credit Agreement (and the operative documents with respect thereto), including, without limitation, under the Security Agreement. For purposes of this Article VII, the term Lenders includes NationsBank, formerly Boatmen's, and NBC. In addition, the Lenders shall have such other remedies as are available at law and in equity. Remedies under this Agreement, the Operative Documents, the Revolving Credit Agreement (and the operative documents with respect thereto) are cumulative. Any waiver must be in writing by the Lenders and no waiver shall constitute a waiver as to any other occurrence which constitutes an Event of Default or as to any party not specifically included in such written waiver.

ARTICLE VIII. INTER-CREDITOR AGREEMENTS

8.1 FNB-O as Servicer. FNB-O will act as sole servicer of the loans evidenced by the Notes issued hereunder and the Related Bank Debt (other than interest rate protection agreements). For purposes of this Article VIII, the term Lenders includes First Bank, Boatmen's and the term Event of Default means any Event of Default hereunder or under any Related Bank Debt. FNB-O will enforce, administer and otherwise deal with the loans made by the Lenders in accordance with safe and prudent banking standards employed by FNB-O in the case of the loan made by FNB-O. Without limiting the generality of the foregoing, FNB-O will, on its own behalf and on behalf of the Lenders: (i) maintain originals of the Operative Documents and the operative documents in connection with the Revolving Credit Agreement; (ii) receive requests for advances from the Borrower under the Revolving Credit Agreement and make such advances on behalf of the revolving lenders in such agreements (provided that FNB-O is assured of reimbursement therefor by the other revolving lenders for their pro rata shares); (iii) receive payments and prepayments from the Borrower and apply such payments as provided in Section 8.2; (iv) receive notices from the Borrower and send copies thereof to the Lenders if FNB-O has reasonable cause to believe that such Lenders have not received such notice from another source; and (v) advise the Lenders of the occurrence of any Event of Default which FNB-O obtains actual knowledge of. The Lenders agree not to attempt to take any action against the Borrower under the Operative Documents, Related Bank Debt or with respect to the indebtedness evidenced thereby without FNB-O's consent unless holders of two-thirds of the then outstanding aggregate Total Indebtedness of the Borrower to the Lenders (including under the Notes, the Related Bank Debt and any similar indebtedness but excluding amounts due under the Purchase Agreement) shall have requested FNB-O to take specific action against the Borrower and FNB-O shall have failed to do so within a reasonable period after receipt of such request. All actions, consents, waivers and approvals by the Lenders shall be deemed taken or given and amendments hereto deemed agreed to if the holders of more than two-thirds of the outstanding aggregate Total Indebtedness of the Borrower to the Lenders shall have indicated their consent thereto. Notwithstanding the foregoing, unanimous approval of the applicable Lenders under the Notes or the

Related Bank Debt shall be required for: (i) any reduction or compromise of the principal loan amount of the Notes or the Related Bank Debt, the amount or rate of interest accrued or accruing thereon or the fees due hereunder; and (ii) extension of the date of any scheduled payment; and unanimous consent of all the Lenders shall be required for (iii) permitting the sale of or releasing the security interest of the Lenders in Collateral which comprises more than ten percent (10%) net book value of fixed assets of the Borrower; and (iv) any amendment of Sections 8.1 or 8.2 hereof. A Lender's commitment hereunder may not be increased without the consent of such Lender, it being understood, however, that increases in the total facility hereunder may be made with the consent of the holders of more than two-thirds of the aggregate total outstanding obligations of the Borrower to the Lenders under the Agreement, so long as such increase does not result in the increase of any non-consenting Lender's commitment hereunder.

8.2 Application of Payments. Until the earlier of the occurrence of an Event of Default or any Lender's giving of notice to the others that it deems itself insecure, payments or prepayments made by the Borrower may be applied to the indebtedness designated by the Borrower or otherwise applied as follows:

(a) first, to pay interest to date on the revolving credit due under the Revolving Credit Agreement and fees due to the Lenders and holders of the Related Bank Debt;

(b) second, to make payments due but unpaid under any of the Notes and Related Bank Debt; and

(c) third, pro rata to the Lenders, such pro rata share to be determined as set forth below in subsection (bb) of this Section 8.2.

After the occurrence of an Event of Default or any Lender's giving of notice that it deems itself insecure, payments or prepayments on the Notes and Related Bank Debt received by FNB-O or any of the Lenders and funds realized upon the disposition of any of the Collateral shall be applied as follows:

(aa) first, to reimburse FNB-O for any costs, expenses, and disbursements (including attorneys' fees) which may be incurred or made by FNB-0: (i) in connection with its servicing obligations; (ii) in the process of collecting such payments or funds; or (iii) as advances made by FNB-O to protect the Collateral (provided, however, that FNB-O shall have no obligation to make such protective advances); and

(bb) second, pari passu among the Lenders, based on their respective pro rata shares of the funds to be applied. Each Lender's pro rata share shall be equal to a fraction, (x) the numerator of which shall be the total principal loan amount then outstanding which is owing to each such Lender under its Related Bank Debt, and (y) the denominator of which shall be the total principal loan amount then outstanding which is owning to the Lenders under all Related Bank Debt. As to any obligation of the Borrower to one or more Lenders under an interest rate protection contract, "principal loan amount then outstanding" shall mean, as of the date of determination by FNB-O of the Lenders' respective pro rata shares, the amount, if any, of the unpaid Interest Rate Protection Contract Amounts.

Except as specifically provided in this Section 8.2, FNB-O shall have no

obligation to repay or prepay any amount due from the Borrower to any of the other Lenders nor shall FNB-O have any obligation to purchase all or a part of any Note hereunder or any Note evidencing any Related Bank Debt or any advance made by any Lenders, nor shall the Lenders have any recourse whatsoever against FNB-O with respect to any failure of the Borrower to repay the indebtedness referenced herein.

8.3 Liability of FNB-O. FNB-O shall not be liable to the Lenders for any error of judgment or for any action taken or omitted to be taken by it hereunder, except for gross negligence or willful misconduct. Without limiting the generality of the foregoing, FNB-O, except as expressly set forth herein,

(a) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no representation or warranty with respect to, and shall not be responsible for, the accuracy, completeness, execution, legality, validity, legal effect or enforceability of this 1998 Term Credit Agreement, the Notes, the Revolving Credit Agreement or the Related Bank Debt or the other Operative Documents or the operative documents under any Related Bank Debt or the value or sufficiency of any Collateral given by the Borrower or the priority of the Lenders' security interest therein or the financial condition of the Borrower; and (c) shall not be responsible for the performance or observance of any of the terms, covenants or conditions of the Operative Documents or the operative documents under any Related Bank Debt on the part of the Borrower and shall not have any duty to inspect the property (including, without limitation, the books and records) of the Borrower.

8.4 Transfers. No Lender shall subdivide, transfer or grant a participation in its respective Notes or notes evidencing any Related Bank Debt, or in any advance hereunder or under any Related Bank Debt, without the prior written consent of FNB-O which consent shall not be unreasonably withheld. For purposes of this Section 8.4, "Related Bank Debt" shall not include interest rate protection agreements.

8.5 Reliance. The Lenders acknowledge that they have been advised that none of the Notes, the notes evidencing any Related Bank Debt nor any interest therein or related thereto has been (i) registered under the Securities Act of 1933, as amended, nor (ii) insured by the Federal Deposit Insurance Corporation. The Lenders acknowledge that they have received from the Borrower all financial information and other data relevant to their decision to extend credit to the Borrower and that they have independently approved the credit quality of the Borrower.

8.6 Relationship of Lenders. The Lenders intend for the relationships created by this Agreement to be construed as concurrent direct loans from each Lender respectively to the Borrower. Nothing herein shall be construed as a loan from any Lender to FNB-O or as creating a partnership or joint venture relationship among them.

8.7 New Lenders. In the event that new Lenders are added to this Agreement or to the Revolving Credit Agreement, such Lenders shall be required to agree to the inter-creditor provisions of this Article VIII.

8.8 Broadcast Partners. As of the closing of the Second Amendment on July 31, 1996, Broadcast Partners was removed from this Agreement as a party.

ARTICLE IX. MISCELLANEOUS

9.1 Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may not be effectively amended, changed, modified or altered, except in writing executed by all parties. Notwithstanding the foregoing, it is understood that the purchase and sale transaction between the Borrower and Broadcast Partners is governed by the Purchase Agreement.

9.2 Governing Law. The Operative Documents shall be governed by and construed pursuant to the laws of the State of Nebraska.

9.3 Notices. Until changed by written notice from one party hereto to the other, all communications under the Operative Documents shall be in writing and shall be hand delivered or mailed by registered mail to the parties as follows:

If to the Borrower:

DATA TRANSMISSION NETWORK CORPORATION
Suite 200
9110 West Dodge Road
Omaha, Nebraska 68114
Attention: Chief Financial Officer

If to the Lenders:

FIRST NATIONAL BANK OF OMAHA
One First National Center
Omaha, Nebraska 68102
Attention: Mr. James P. Bonham

Notices shall be deemed given when mailed, except that any notice by the Borrower under Section 2.6 shall not be deemed given until received by FNB-O.

9.4 Headings. The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

9.5 Counterparts. This Agreement may be executed in several counterparts and such counterparts together shall constitute one and the same instrument.

9.6 Survival; Successors and Assigns. The covenants, agreements, representations and warranties made herein, and in the certificates delivered pursuant hereto, shall survive the execution and delivery to the Lenders of this Agreement and shall continue in full force and effect so long as any Note or any obligation to the Lenders under any of the Operative Documents is outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall bind the successors and assigns of the Borrower and shall inure to the benefit of the successors and assigns of the Lenders.

9.7 Severability. If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9.8 Assignment. The Borrower may not assign its rights or obligations hereunder and any assignment in contravention of the terms hereof shall be void.

9.9 Amendments. Any amendment, modification or supplement to this Agreement must be in writing and must be signed by the parties hereto.

IN WITNESS WHEREOF, the Borrower and the Lenders have caused this 1998 Term Credit Agreement to be executed by their duly authorized corporate officers as of the day and year first above written.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson
Title: VP, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA

By /s/ James P. Bonham
Title: Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES

By /s/ Patrick A. Keleher

Title: Vice President

By /s/ Brian Haughney

Assistant Treasurer

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

FIRST NATIONAL BANK, WAHOO, NEBRASKA

By /s/ Elizabeth Rezac
Title: Second Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or

grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

THE FIRST NATIONAL BANK
OF CHICAGO

By /s/ Nathan L. Bloch
Title:First Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

NORWEST BANK NEBRASKA, N.A.

By /s/ Kevin D. Munro
Title: Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

MERCANTILE BANK OF ST. LOUIS, N.A.

By /s/ Joseph L. Sooter, Jr.
Title:Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

U. S. BANK, NATIONAL ASSOCIATION

By /s/ Beth Morgan
Title:Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

BANK OF MONTREAL

By /s/ Allegra Griffiths
Title:Director

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

Borrower

LASALLE NATIONAL BANK

By /s/ Tom Harmon
Title:Assistant Vice President

NOTICE: A credit Agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forebear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

INITIALED:

SCHEDULE I

TO 1998 TERM CREDIT AGREEMENT

among
DATA TRANSMISSION NETWORK,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
AND
LASALLE NATIONAL BANK

Subsidiary	State of Incorporation	Shares	% of Ownership
National Datamax, Inc.	California	873,300	100%
Kavouras, Inc.	Minnesota	155 5/12	100%
DTN Acquisition, Inc.	Nebraska	100	100%
DTN Market Communications Group, Inc.	Nebraska	100	100%
DTN Merger Co.	Massachusetts	100	100%
Paragon Software, Inc.*	Illinois	1,000	100%

*Owned by DTN Acquisition, Inc.

EXHIBIT A

TO 1998 TERM CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,

FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
and
LASALLE NATIONAL BANK

FORM OF NOTES

SECURED BUSINESS PROMISSORY NOTE

Omaha, Nebraska	$
	December 31, 2002
(Note Date)	(Maturity Date)

DATA TRANSMISSION NETWORK CORPORATION ("Maker") promises to pay to the order of _____ ("Lender") at the offices of First National Bank of Omaha in Omaha, Nebraska, the principal sum of _____. Interest on the unpaid principal balance shall be due on the last day of each month, beginning May 31, 1996. The principal sum shall become due and payable in seventy-two equal monthly installments, with the first such installment due on January 31, 1997, or if such day is not a Business Day, on the next succeeding Business Day, and subsequent installments due on the last day of each consecutive month thereafter, or, if such day is not a Business Day, on the next succeeding Business Day. In any event, the total amount of all unpaid principal and accrued interest hereunder shall be due and payable no later than December 31, 2002. All capitalized terms not defined herein shall have the meanings set forth in that certain 1998 Term Credit Agreement dated as of December 7, 1998 among Maker, Lender and others, as amended from time to time (the "Agreement".)

Interest shall accrue on the principal outstanding through June 30, 1999, from time to time at the rate of % per annum; thereafter the interest rate for the balance of the term shall be set on June 30, 1999, at two percent (2.00%) above the yield on constant maturity Treasury Bonds with maturities of three years, as quoted for the immediately preceding Business Day in the applicable Release. Notwithstanding the foregoing, after an Event of Default has occurred interest shall accrue on the entire outstanding balance of principal and interest at a fluctuating rate equal to the Revolving Credit Rate, plus 4.00%. Interest shall be calculated on the basis of the actual number of days outstanding and a 360-day year. Interest shall continue to accrue on the full unpaid balance hereunder notwithstanding any permitted or unpermitted failure of the Borrower to make a scheduled payment or the fact that a scheduled payment day falls on a day other than a Business Day. If, any time during a Restricted

Quarter (including, without limitation, during any period in such quarter prior to delivery of the Quarterly Compliance Certificate), the interest rate accruing on this Note is less than seven and one-half percent (7.50%), a "Trigger Event" shall be deemed to have occurred. Upon the occurrence of a Trigger Event, the Maker shall be obligated to pay the following fees: (i) three-eighths of one percent (.375%) of the outstanding principal balance of the Note as of the date preceding the Trigger Event, which amount shall be payable promptly upon invoicing; (ii) the same amount as computed in clause (i), payable on the six-month anniversary of the Trigger Event; and (iii) the same amount as computed in clause (i), payable on the twelve-month anniversary of the Trigger Event.

Maker may prepay in full without penalty the unpaid balance hereunder, provided that the Borrower contemporaneously prepays in full all other Notes (as

such term is defined in the Agreement), but only if such prepayment occurs on June 30, 1999 and the Borrower has given Lender at least 30 days prior written notice of its intention to make such prepayment. In the event of any other prepayment (regardless of whether such prepayment occurs before or after June 30, 1999), the Borrower shall pay to Lender, at Lender's option, either: (1) the Make-Whole Premium (as such term is defined in the Agreement) due in respect of such prepayment; or (2) a prepayment fee equal to one and one-half percent (1.50%) of the amount of such prepayment.

Payment of this Note and the performance of Maker's obligations under the Agreement ("Obligations") are secured by a security interest granted to First National Bank of Omaha, as agent for the Lenders and others ("Agent"), under the Security Agreement in:

> All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in DTN transmission computer software used in the provision of the Basic DTN Subscription Service and Farm Dayta Service to Debtor's subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired and all proceeds and products thereof; and

such additional collateral as is more specifically described in the Security Agreement.

Maker's liability under its Obligations shall not be affected by any of the following:

> Acceptance or retention by Lender or Agent of other property or interests as security for the Obligations, or for the liability of any person other than a Maker with respect to the Obligations;
>
> The release of all or any of the Collateral or other security for any of the Obligations to any Maker;
>
> Any release, extension, renewal, modification or compromise of any of the Obligations or the liability of any obligor thereon; or

Failure by Lender or Agent to resort to other security or any person liable for any of the Obligations before resorting to the Collateral.

Neither Lender nor Agent is required to take any action whatsoever in respect of the Collateral. Impairment or destruction of the Collateral shall not release Maker of its liability hereunder.

Maker represents, warrants and covenants as follows:

Maker is authorized to grant to Agent a security interest in the Collateral;

This Note, the Agreement and the Security Agreement have been duly authorized, executed and delivered by the Maker and constitute legal, valid and binding obligations of Maker;

This Note evidences a loan to acquire substantially all of the assets of Broadcast Partners, a general partnership, with its principal place of business at 11274 Aurora Avenue, Des Moines, Iowa 50322; and

Maker agrees to pay all costs of collection in connection with this Note, the Agreement and the Security Agreement, including reasonable attorneys' fees and legal expenses.

Upon the failure of Maker to make any payment of principal or interest when due hereunder or the occurrence of any Event of Default, all of the Obligations shall, at the option of Agent and without notice or demand, mature and become immediately due and payable; and Agent shall have all rights and remedies for default provided by the Uniform Commercial Code, any other applicable law and/or the Obligations.

All costs and expenses incurred by Lender or Agent in enforcing its rights under this Note or any mortgage, endorsement, surety Agreement, guaranty relating thereto are the obligation of Maker and are immediately due and payable. Interest shall accrue on such costs and expenses from the date of incurrence at the rate specified herein for delinquent Note payments. Each Maker, endorser, surety and guarantor hereby waives presentment, protest, demand, notice of dishonor, and the defense of any statute of limitations.

Without affecting the liability of any Maker, endorser, surety or guarantor, the holder or Agent may, without notice, renew or extend the time for payment, accept partial payments, release or impair any Collateral or other security for the payment of this Note or agree to sue any party liable on it.

Neither Lender nor Agent shall be deemed to have waived any of its rights upon or under this Note, or under any mortgage, endorsement, surety agreement or guaranty, unless such waivers be in writing and signed by Lender or Agent, as the case may be. No delay or omission on the part of Lender or Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender or Agent on liabilities or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

Maker, if more than one, shall be jointly and severally liable hereunder and all provisions hereof regarding the liabilities or security of Maker shall apply to any liability or any security of any or all of them. This

Note shall be binding upon the heirs, executors, administrators, assigns or successors of Maker; shall constitute a continuing Agreement, applying to all

future as well as existing transactions, whether or not of the character contemplated at the date of this Note, and if all transactions between Lender and Maker shall be at any time closed, shall be equally applicable to any new transactions thereafter, provided that Lender's interest in the Collateral shall be limited to the extent provided in the Security Agreement; shall benefit Lender, its successors and assigns; and shall so continue in force notwithstanding any change in any partnership party hereto, whether such change occurs through death, retirement or otherwise.

All obligations of Maker hereunder shall be payable in immediately available funds in lawful money of the United States of America at the principal office of First National Bank of Omaha in Omaha, Nebraska or at such other address as may be designated by Bank in writing.

This Note shall be construed according to the laws of the State of Nebraska.

Unless the content otherwise requires, all terms used herein which are defined in the Uniform Commercial Code shall have the meanings therein stated.

Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Executed as of this [Note Date].

DATA TRANSMISSION NETWORK
CORPORATION

By:
Title:

PROMISSORY NOTE SCHEDULE

Loan Advances and Payments of Principal

DATA TRANSMISSION NETWORK CORPORATION

REVOLVING NOTE ADVANCES AND PAYMENTS:

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

TERM NOTE:

Date of Conversion:

Amount Due at Date of Conversion:

Fixed Rate Notice Date: Fixed Rate: %

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Amount of Interest Paid	Unpaid Principal Balance	Notation Made By

EXHIBIT B

TO 1998 TERM CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
and
LASALLE NATIONAL BANK

COMPLIANCE CERTIFICATE
DATA TRANSMISSION NETWORK CORPORATION

First National Bank of Omaha
Attn: James Bonham
16th & Dodge Streets
Omaha, Nebraska 68102

Date

I certify that Data Transmission Network Corporation is in compliance with the requirements set forth in the 1998 Term Credit Agreement (the "Agreement") dated as of December 7, 1998, between First National Bank of Omaha, First National Bank, Wahoo, Nebraska, The First National Bank of Chicago, Norwest Bank Nebraska, N.A., LaSalle National Bank, Dresdner Bank AG, New York and Grand Cayman Branches, Mercantile Bank of St. Louis, N.A., U.S. Bank, National Association, and Data Transmission Network Corporation.

The following calculations are as of _____ (statement date) as required by Section 5.1(d) of said Agreement:

Evaluations:

Total Indebtedness (TI):

Operating Cash Flow:	most recent month ending	previous month ending
Net Income (loss)		
Interest Expense		
Depreciation		
Amortization		
Deferred Income Taxes		
Non-Ordinary Non-Cash Charges (Credits)		
Total	a)	b)

Operating Cash Flow = OCF = (a+b)/2 =

Leverage Ratio (TI/OCF):

Section 2.2

Trigger Fee: If the Leverage Ratio is more than 36, then a one

time fee is due, paid in three installments of 3/8% of the then outstanding principal balances, on any of the Notes which have an interest rate less than 7.5% per annum.

Position: A Trigger Event has/has not occurred.

Section 5.3

Net Worth: A minimum Net Worth (exclusive of subordinated debt) of $23,500,000 plus fifty percent (50%) of the net income (but not losses) of the Borrower for each fiscal year, commencing with the fiscal year beginning January 1, 1997; provided, however, solely for purposes of determining compliance with the provisions of this Section 5.3, "Net Worth" shall not include any subordinated debt.

Minimum Net Worth (exclusive of subordinated debt)= $ 23,500,000.

	Net Income	Year ending	Addition (50%)
	$_____	12/31/97	$_____
Total Minimum Net Worth			$

Position:

Total Net Worth (exclusive of subordinated debt) = $_____

The Borrower [is/is not] in compliance with Section 5.3.

Section 5.4

Indebtedness: At no time will the Leverage Ratio exceed 48

Position: Leverage Ratio =

Total Indebtedness plus subordinated debt plus guaranty

contingencies (Adjusted Total Indebtedness or ATI)1: At no time will Adjusted Total Indebtedness exceed 60 x OCF

Position: Adjusted Total Indebtedness = $
(60 x OCF) - (ATI) = $

The Borrower [is/is not] in compliance with Section 5.4.

Section 5.7

Distributions: Neither the Borrower nor any Subsidiary shall declare any dividends (other than dividends payable in stock of the Borrower or dividends or distributions from any consolidated Subsidiary) or make any cash distribution in respect of any shares of its capital stock or warrants of its capital stock, without the prior written consent of the Lenders; provided that the Borrower need not obtain the Lenders' consent with respect to dividends in any one (1) year which are in the aggregate less than 25% of the Borrower's Net Operating Profit After Taxes in the previous four (4) quarters, as reported to the Lenders pursuant to Section 5.1.

Position: Net Operating Profit After Taxes for last four (4) quarters = _____

x .25

Available for dividends or distributions in the most recent quarter plus the prior three (3) quarters = _____

Dividends and distributions (excluding dividends payable solely in stock of the Borrower and distributions from consolidated Subsidiaries)

declared or paid in the most recent quarter plus the prior three (3) quarters =

The Borrower [is/is not] in compliance with Section 5.7.

Section 5.15

Interest Coverage: The ratio of OCF to Interest Expense ("IE") at the end of each quarter will not be less than 2.25 to 1.0 (225%).

Position: OCF = $
IE = $
OCF/IE = %

The Borrower [is/is not] in compliance with section 5.1.5.

Section 5.19

Capital Expenditures: The Borrower shall not make capital expenditures (other than permitted earning assets specified in Section 5.19) in any fiscal year, commencing with the fiscal year beginning January 1, 1998, in excess of $2,000,000.

Position: Capital Expenditures (other than permitted earning assets specified in Section 5.19) this fiscal year = $_____

The Borrower [is/is not] in compliance with Section 5.19.

Section 5.20

Acquisitions: The Borrower shall not make acquisitions which in the aggregate exceed $20,000,000 and in any one instance exceed $10,000,000 except certain permitted unlimited acquisitions.

Position: Acquisitions (other than permitted unlimited acquisitions) in the aggregate since the date of the Agreement = _____.

Date	Amount	Acquired Company

Permitted Unlimited Acquisition:

Date	Amount	Acquired Company	Principal Place of Business	Line Of Business

The Borrower [is/is not] in compliance with Section 5.20.

Additional Representations:

There have/have not been any sale(s) of assets which would require prepayment of the Notes under Section 5.2.

There has/has not been:

(i) a Change of Control or a material adverse change in management personnel as defined in Section 5.14 of the Agreement; or

(ii) a default under Section 7.1(j) or 7.1(l) regarding a change in ownership or control of the Company.

Name of Borrower: Data Transmission Network Corporation

Signature:

Title:

SCHEDULE A

TO 1998 TERM CREDIT AGREEMENT
among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
and
LASALLE NATIONAL BANK

PERMITTED ENCUMBRANCES

Secured Party — Financing Statements

Nebraska Secretary of State

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
First National Bank of Omaha	12/28/87	#401690	
	10/13/92	#564918	Amendment
	11/13/92	#568176	Continued
First National Bank of Omaha, as agent	5/8/96	#691938	Amendment
FirsTier, Lincoln	6/24/87	#384782	
First National Bank of Omaha	2/03/88	#405477	Amendment
First National Bank, Wahoo	5/28/92	#553205	Continued
NBD, Detroit	10/13/92	#564919	Amendment
	2/05/93	#576038	Amendment
	11/10/93	#603168	Amendment
First National Bank of Omaha, as agent	5/8/96	#691936	Amendment
FirsTier, Lincoln	2/10/88	#406144	
First National Bank of Omaha	10/13/92	#564917	Amendment
First National Bank, Wahoo	1/07/93	#572981	Continued

NBD, Detroit	2/05/93	#576039	Amendment
	11/10/93	#603169	Amendment
First National Bank of Omaha, as agent	5/8/96	#691937	Amendment
First Bank of Minneapolis	11/25/91	#534665	
(Norstan)	8/24/92	#561090	Assignment

Douglas County Clerk, Nebraska

FirsTier, Lincoln	2/11/88	#000534	
First National Bank of Omaha	10/15/92	#000534	Amendment
First National Bank, Wahoo	1/08/93	#0000054	Continued
NBD, Detroit	2/05/93	#000253	Amendment
	11/17/93	#54	Amendment
First National Bank of Omaha, as agent	5/ /96		Amendment

Iowa Secretary of State

FirsTier, Lincoln	2/10/88	H842023	
First National Bank of Omaha	10/15/92	K395184	Amendment
First National Bank, Wahoo	1/08/93	K424887	Continued
NBD, Detroit	2/08/93	K434908	Amendment
	11/15/93	K503145	Amendment
First National Bank of Omaha, as agent	5/6/96	K734148	Amendment

Kansas Secretary of State

FirsTier, Lincoln	2/10/88	#1286572	
First National Bank of Omaha	10/15/92	#1842986	Amendment
First National Bank, Wahoo	1/08/93	#1868482	Continued
NBD, Detroit	2/11/93	#1879069	Amendment
	11/12/93	#1964342	Amendment
First National Bank of Omaha, as agent	7/18/96	#2265201	Amendment

Illinois Secretary of State

FirsTier, Lincoln	3/18/88	#2402370	
First National Bank of Omaha	10/21/92	#3043202	Amendment
First National Bank, Wahoo	2/11/93	#3084199	Amendment
NBD, Detroit	2/25/93	#3089132	Continued
	12/09/93	#3197498	Amendment
First National Bank of Omaha, as agent	7/9/96	#3562627	Amendment

Michigan Secretary of State

FirsTier, Lincoln	2/12/88	#C034473	
First National Bank of Omaha	10/16/92	#C646856	Amendment
First National Bank, Wahoo	1/08/93	#C672590	Continued
NBD, Detroit	3/01/93	#C689434	Amendment
	11/15/93	#C778208	Amendment
First National Bank of Omaha, as agent	7/8/96	#D128002	Amendment

Wisconsin Secretary of State

FirsTier, Lincoln	2/18/88	#968701	
First National Bank of Omaha	10/21/92	#1309942	Amendment
First National Bank, Wahoo	01/15/93	#1326550	Continued

NBD, Detroit	2/08/93	#1331412	Amendment
	11/23/93	#1393268	Amendment
First National Bank of Omaha, as agent	7/23/96	#1602740	Amendment

Indiana Secretary of State

FirsTier, Lincoln	2/11/88	#1454192	
First National Bank of Omaha	10/21/92	#1808780	Amendment
First National Bank, Wahoo	1/11/93	#1822115	Continued
NBD, Detroit	2/08/93	#1827451	Amendment
	11/12/93	#1878806	Amendment
First National Bank of Omaha, as agent	7/9/96	#2065412	Amendment

Minnesota Secretary of State

FirsTier, Lincoln	2/17/88	1#121648#00	
First National Bank of Omaha	10/16/92	#1537269	Amendment
First National Bank, Wahoo	01/19/93	#1557397	Continued
NBD, Detroit	2/08/93	#1562125	Amendment
	11/23/93	#1632156	Amendment
First National Bank of Omaha, as agent	9/5/96	#1875684	Amendment

South Dakota Secretary of State

FirsTier, Lincoln	2/10/88	880410802864	
First National Bank of Omaha	10/16/92	#22901003596	Amend.
First National Bank, Wahoo	1/08/93	#30081001734	Cont.

NBD, Detroit	2/09/93	#30391203308	Amend.
	11/22/93	#33261003899	Amend.
First National Bank of Omaha, as agent	7/8/96	#961900902562	Amend.

Missouri Secretary of State

FirsTier, Lincoln	2/11/88	#1555991	
First National Bank of Omaha	10/16/92	#2184193	Amendment
First National Bank, Wahoo	1/08/93	#2212473	Continued
NBD, Detroit	2/08/93	#2224113	Amendment
	11/15/93	#2331876	Amendment
First National Bank of Omaha, as agent	7/8/96	#2684601	Amendment

Ohio Secretary of State

FirsTier, Lincoln	2/12/88	#Y00095612	
First National Bank of Omaha	10/19/92	#01097336	Amendment
First National Bank, Wahoo	1/11/93	#01119343901	Cont.
NBD, Detroit	2/09/93	#02099338901	Amend.
	11/12/93	#1129331801	Amendment
First National Bank of Omaha, as agent	7/9/96	#07099607117	Amendment

Kentucky Secretary of State

First National Bank of Omaha	11/12/93	134318	
First National Bank of Omaha, as agent	7/23/96		Amendment

Pennsylvania Department of State

First National Bank of Omaha	11/12/93	22571277	
First National Bank of Omaha, as agent	7/8/96	25631529	Amendment

Oklahoma Secretary of State

First National Bank of Omaha	11/12/93	059782	
First National Bank of Omaha, as agent	7/8/96	035257	Amendment

Mississippi Secretary of State

First National Bank of Omaha	11/12/93	0756092--	
First National Bank of Omaha, as agent	7/8/96	01015782	Amendment

Colorado Secretary of State

First National Bank of Omaha	11/12/93	932082461	
First National Bank of Omaha, as agent	7/8/96	962051575	Amendment

California Secretary of State

First National Bank of Omaha	11/12/93	93229491	
First National Bank of Omaha, as agent	7/5/96	96191C0067	Amendment

Washington Secretary of State

First National Bank of Omaha	11/15/93	933190075	
First National Bank of Omaha, as agent	7/5/96	96-187-9060	Amendment

Montana Secretary of State

First National Bank of Omaha	11/15/93	419540	
First National Bank of Omaha, as agent	7/8/96	419540	Amendment

Arizona Secretary of State

First National Bank of Omaha	11/15/93	765359	
First National Bank of Omaha, as agent	7/8/96	765359	Amendment

North Carolina Secretary of State

First National Bank of Omaha	11/15/93	050742	
First National Bank of Omaha, as agent	7/8/96	1357308	Amendment

North Dakota Secretary of State

First National Bank of Omaha	11/16/93	93-380331	
First National Bank of Omaha, as agent	7/8/96	96-608985	Amendment
Florida Secretary of State			
First National Bank of Omaha	11/17/93	930000236992	
First National Bank of Omaha, as agent	7/10/96	960000142090	Amendment

Texas Secretary of State			
First National Bank of Omaha	11/29/93	227591--	
First National Bank of Omaha, as agent	7/8/96	96683548	Amendment
Alabama Secretary of State			
First National Bank of Omaha, as agent	6/27/95	B-95-26462FS	
	7/19/96	95-26462	Amendment
Arkansas Secretary of State			
First National Bank of Omaha, as agent	6/29/95	968722	
	7/10/96	968722	Amendment
New York Secretary of State			
First National Bank of Omaha, as agent	6/26/95	130246	
	7/8/96	532973	Amendment

</TABLE>

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1998 TERM CREDIT AGREEMENT

among
DATA TRANSMISSION NETWORK CORPORATION,
FIRST NATIONAL BANK OF OMAHA,
FIRST NATIONAL BANK, WAHOO, NEBRASKA,
THE FIRST NATIONAL BANK OF CHICAGO,
NORWEST BANK NEBRASKA, N.A.,
DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES,
MERCANTILE BANK OF ST. LOUIS, N.A.,
U.S. BANK, NATIONAL ASSOCIATION,
BANK OF MONTREAL
and
LASALLE NATIONAL BANK

1This section need not be completed unless Borrower has subordinated debt or guaranty contingencies.

1998 SECURITY AGREEMENT

THIS 1998 SECURITY AGREEMENT (this "Security Agreement") is entered into as of December 7, 1998, between DATA TRANSMISSION NETWORK CORPORATION, a Delaware corporation having its principal place of business at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114 (the "Debtor"), FIRST NATIONAL BANK OF OMAHA, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102 as agent ("Secured Party") for itself and FIRST NATIONAL BANK, WAHOO, NEBRASKA, a national banking association having its principal place of business at Wahoo, Nebraska 68066 ("FNB-W"), THE FIRST NATIONAL BANK OF CHICAGO, a national banking association having its principal place of business at One First National Plaza, Chicago, Illinois 60670-0173 (First of Chicago), NORWEST BANK NEBRASKA, N.A., a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102 ("Norwest"), U.S. BANK, NATIONAL ASSOCIATION, a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508 ("U.S. Bank"), DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, being represented by its office at 75 Wall Street, New York, New York 10005 Dresdner, MERCANTILE BANK OF ST. LOUIS, N.A., a national banking association having its principal place of business at One Mercantile, 7th and Washington Streets, St. Louis, Missouri 63101 Mercantile, BANK OF MONTREAL, a Canadian bank being represented by its office at 430 Park Avenue, New York, New York 10022 Montreal, LASALLE NATIONAL BANK, a national banking association being represented by its office at One Metropolitan Square, 211 North Broadway, St. Louis, Missouri 63102 LaSalle, and NATIONAL BANK OF CANADA, a Canadian bank being represented by its office at 1200 17th Street, Suite 2760, Denver, Colorado 80202.

WITNESSETH:

WHEREAS, Debtor and Secured Party are parties to a 1997 Security Agreement dated as of February 26, 1997 as amended by a First Amendment to 1997 Security Agreement dated as of May 15, 1998, as so amended and restated, the 1997 Security Agreement;

WHEREAS, Debtor and Secured Party wish to further amend and restate the 1997 Security Agreement;

WHEREAS, Debtor and Secured Party wish to have this 1998 Security Agreement be the controlling agreement with respect to the matters set forth herein, which shall supersede the 1997 Security Agreement; and

WHEREAS, the Debtor and Secured Party do not intend for this 1998 Security Agreement to be deemed to extinguish any existing indebtedness of the Debtor or to release, terminate or affect the priority of any security therefor;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party and reaffirms its prior grant of a security interest in the Collateral. All capitalized terms not defined in this Security Agreement shall have their

respective meanings as set forth in the 1998 Revolving Credit Agreement, as described in Section 3(i) below.

2. Collateral. The Collateral to which this Security Agreement refers is described on Exhibit A.

3. Obligations Secured. The security interest granted herein is given to secure all present and future obligations of Debtor: (i) under the 1998 Revolving Credit Agreement dated as of December 7, 1998, as amended from time to time between the Debtor and First National Bank of Omaha, FNB-W, Norwest, First of Chicago, U.S. Bank, Dresdner, Mercantile, Montreal, LaSalle, and NBC; (ii) under the 1997 Revolving Credit Agreement dated as of February 26, 1997, as amended from time to time between the Debtor and First National Bank of Omaha, and the other Lenders named therein; (iii) under the 1997 Term Credit Agreement, dated as of February 26, 1997, between the Debtor and First National Bank of Omaha, and the other Lenders named therein, which agreement further amends and restates the 1996 Term Credit Agreement dated as of May 3, 1996 among such parties; (iv) under the 1996 Revolving Credit Agreement dated as of June 28, 1996 as amended from time to time between the Borrower, First National Bank of Omaha, and the other Lenders named therein; (v) under the 1995 Restated Loan Agreement dated as of June 29, 1995, as amended from time to time between the Borrower and First National Bank of Omaha, and the other Lenders named therein; (vi) under the 1993 Restated Loan Agreement dated as of November 8, 1993, as amended from time to time, between Debtor and First National Bank of Omaha, and other Lenders named therein; (vii) under any interest rate protection agreement entered into by Debtor with one or more Lenders; (viii) under any and all Notes previously, now or hereafter made by Debtor to the Lenders pursuant to any of the foregoing Loan Agreements and interest rate protection agreements (all of which are referred to herein as the "Loan Agreements") or any predecessor loan agreements, including, without limitation, the Existing Term Notes and any notes given in extension, renewal or substitution of the Notes; (ix) to reimburse the Secured Party for all sums, if any, advanced to protect the Collateral; and (x) to reimburse Secured Party for all costs and expenses incurred in collection of the foregoing, including, without limitation, costs of repossession and sale and reasonable attorneys' fees. This Security Agreement shall not be deemed to extinguish existing indebtedness of the Debtor under any of the agreements referenced in this Section 3 or any of the notes issued thereunder or to release, terminate or affect the priority of any security therefor.

4. Representations and Warranties. Debtor represents and warrants:

(a) Debt. Debtor is justly indebted to the Lenders for the obligations secured and has no set off or counterclaim with respect thereto;

(b) Possession and Ownership. The Collateral is or will be in Debtor's possession (except for equipment or inventory provided to Debtor's customers in the ordinary course of business) and Debtor has or will acquire absolute title thereto and will defend the Collateral against the claims and demands of all persons other than Secured Party. Debtor has full right and power to grant the security interest herein to Secured Party.

(c) Liens and Encumbrances. No financing statement covering the Collateral or other filing evidencing any lien or encumbrance on the Collateral is on file in any public office and there is no lien, security interest or encumbrance on the Collateral except for the

security interest held by Secured Party pursuant to this Security Agreement and for those security interests described on Schedule A and other filings in favor of Secured Party.

(d) Truth of Representations. All information, statements, representations, and warranties made by Debtor herein and in any financial or credit statement, application for credit, or any other writing executed prior to or substantially contemporaneously herewith are true, accurate and complete in all material respects.

(e) Location. Debtor has its chief executive office, principal place of business and place where it keeps it records concerning the Collateral at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114. The Borrower also keeps certain of its records regarding the Collateral at 11275 Aurora Avenue, Des Moines, Iowa 50322.

(f) Authority. Debtor has full authority to enter into this Security Agreement and in so doing is not violating any law, regulation, or agreement with third parties. This Security Agreement has been duly and validly authorized by all necessary corporate action.

5. Covenants. Debtor covenants and agrees:

(a) Liens and Encumbrances. Except as otherwise expressly allowed by the Loan Agreements, Debtor shall keep the Collateral free and clear of liens, encumbrances, security interests, and other claims of third parties and will, at Debtor's expense, defend the Collateral against the claims and demands of all third parties. Debtor shall promptly pay and discharge any indebtedness owing to any third party who, by reason of said indebtedness, could obtain or become entitled to a lien or encumbrance on the Collateral, other than such indebtedness being contested in good faith and with respect to which adequate reserves have been established.

(b) Proceeds; Sale. Debtor shall not sell or otherwise dispose of any Collateral without first obtaining the written consent of Secured Party; provided, however, that Debtor may provide equipment or inventory to customers and others in the ordinary course of business so long as: (i) such equipment or inventory is not sold to customers; and (ii) the value of equipment or inventory disposed of to others (e.g., for salvage purposes) does not exceed, in aggregate, $500,000. Debtor shall at all times keep the Collateral and the proceeds from any authorized or unauthorized disposition thereof identifiable and separate from the other property of Debtor or any third party; provided, however, that Debtor may commingle and use for general corporate purposes up to $500,000 in aggregate net book value of the proceeds of sale or other disposition of obsolete or out-of-date equipment or inventory disposed of in accordance with clause (ii) above in this Section 5(b).

(c) Protection of Value. Debtor shall use the utmost care and diligence to protect and preserve the Collateral, and shall not commit nor suffer any waste to occur with respect to the Collateral. In pursuance of the foregoing, Debtor shall maintain the Collateral in good condition and repair and shall take such steps as are necessary or as are requested by Secured Party to prevent any impairment of the value of the Collateral.

(d) Taxes. Debtor shall promptly pay and discharge any and all taxes, levies and other impositions made upon the Collateral which may give rise to liens upon the Collateral if unpaid or which are imposed upon the creation, perfection, or continuance of the security interest provided for herein, other than taxes being contested in good faith and with respect to which adequate reserves have been established.

(e) Insurance. All risk of loss of, damage to, or destruction of the Collateral shall at all times be on Debtor. Debtor shall procure and maintain, at its own expense, insurance covering the Collateral against all risks under policies and with companies acceptable to Secured Party, for the duration of this Security Agreement (except for equipment provided to Debtor's customers in the ordinary course of business). Such policies shall be written for and shall name Debtor and Secured Party as their interests may appear, shall contain a standard loss payable clause in favor of Secured Party. Proof of insurance shall be provided to Secured Party upon request. For purposes of security, Debtor hereby assigns to Secured Party any and all monies (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under any such policy. Debtor hereby directs the issuer of any such policy to pay any such monies directly to Secured Party. Secured Party may act as attorney for Debtor in obtaining, settling and adjusting such insurance and in endorsing any checks or drafts paid thereunder.

(f) Secured Party as Payee. Debtor shall take such steps as are necessary or as are requested by Secured Party to have Secured Party named as a payee on any check, draft or other document or instrument which Debtor may obtain or anticipate obtaining with respect to the Collateral. Without limiting the generality of the foregoing, Secured Party shall be named as a payee on all instruments from insurers of the Collateral. Notwithstanding anything in the foregoing or in Subsection (e) above to the contrary, Secured Party agrees that: (i) insurance proceeds may be paid to Debtor so long as no event of default exists hereunder and such proceeds are, in aggregate, less than $500,000; and (ii) Secured Party's rights hereunder are subject to the interests of the parties identified on Schedule A.

(g) Records. Debtor shall keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition, and shall allow Secured Party to inspect the same from time to time upon reasonable request and shall submit such periodic reports relating to the same to Secured Party from time to time as Secured Party may reasonably request. Debtor shall provide that the Secured Party's interest is noted on all chattel paper and that there is only one single original of any chattel paper held by Debtor and created after the date hereof.

(h) Notice to Secured Party. Debtor shall promptly notify Secured Party of any loss or damage to the Collateral, any impairment of the value thereof, any claim made thereto by any third party, or any adverse change in Debtor's financial condition which may affect its prospect to pay or perform its obligations to Secured Party.

(i) Location. Except for equipment or inventory provided to Debtor's customers in the ordinary course of business, Debtor will not

move the Collateral, its chief executive office, principal place of business or places where it keeps its records concerning the Collateral from the locations specified above without first obtaining the written consent of Secured Party and shall not permit any Collateral to be located in any state in which a financing statement covering the Collateral is required to be, but has not in fact been, filed in order to perfect the security interest granted herein. Debtor shall not change its name without giving Secured Party at least ninety (90) days' prior notice thereof.

(j) Other Documents. Debtor shall execute such further documents as may be requested by Secured Party to obtain and perfect a security interest in the Collateral, including without limitation, Uniform Commercial Code Financing Statements and amendments thereto. A carbon, photographic or other reproduction of this Security Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement.

6. Default. Debtor shall be in default hereunder if any of the following occurs:

(a) Event of Default. An Event of Default occurs under any of the Notes or the Loan Agreements.

(b) Failure to Pay. Debtor fails to pay when due or within the applicable cure period any of the obligations secured hereby.

(c) Misrepresentation. Any of the representations or warranties made by Debtor herein or in any of the documents referred to herein or executed prior hereto or substantially contemporaneously herewith are or become false or misleading in any material respect.

(d) Breach of Covenants. Debtor fails to perform any of its covenants, agreements or obligations hereunder or under any document referred to herein or executed prior hereto or substantially contemporaneously herewith.

(e) Other Indebtedness. Any event occurs which results in acceleration of the maturity of the indebtedness of Debtor under any material agreement with any third party.

(f) Loss of Security. Collateral with an aggregate value in excess of $100,000 is lost, damaged or destroyed.

(g) Business Failure. The death, dissolution, termination of existence, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or commencement of any proceeding in bankruptcy or insolvency by or against Debtor or any principals of Debtor or any guarantor or surety for Debtor.

7. Rights and Remedies of Secured Party. Secured Party shall have all of the rights and remedies provided at law and in equity and in the Uniform Commercial Code and in addition thereto and without limitation thereon shall have the following rights which may be exercised singularly or concurrently:

(a) Inspection. Secured Party may at any time, with or without

notice, enter upon Debtor's premises or any other place where the Collateral is located to inspect and examine the same and, if Debtor is in default, to take possession thereof.

(b) Performance by Secured Party. If Debtor fails to perform any of its obligations hereunder, Secured Party may, at its sole discretion, pay or perform such obligations for Debtor's account and may add any cost or expense thereof to the obligations secured hereby.

(c) Acceleration. Upon default, Secured Party may, without demand or notice to Debtor, accelerate all of the obligations secured hereby and proceed to enforce payment of the same with or without first resorting against the Collateral.

(d) Proceed Against Collateral. Subject to applicable cure periods, if any, upon default, Secured Party may: require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party; take possession of the Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof which Debtor hereby expressly waives) and sell, retain or otherwise dispose of the Collateral in full or partial satisfaction of the obligations secured hereby.

(e) Power of Attorney. Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party as Debtor's true and lawful attorney, with full power of substitution, without notice to Debtor and at such time or times as Secured Party in its sole discretion may determine to: (i) create, prepare, complete, execute, deliver and file such documents, instruments, financing statements, and other agreements and writings as may be deemed appropriate by Secured Party to facilitate the intent of this Security Agreement; (ii) notify account debtors and others with obligations to Debtor to make payment of their obligations to Secured Party; (iii) demand, enforce and receive payment of any accounts or obligations owing to Debtor, by legal proceedings or otherwise; (iv) settle, adjust, compromise, release, renew or extend any account or obligation owing to Debtor; (v) notify postal authorities to change the address for delivery of mail to Debtor to such address as Secured Party may designate; (vi) receive, open and dispose of all mail addressed to Debtor; (vii) endorse Debtor's name on any check, note, draft, instrument or other form of payment that may come into Secured Party's possession; and (viii) send requests to Debtor's customers and account debtors for verification of amounts due to Debtor. Secured Party covenants not to exercise the foregoing rights prior to the occurrence of an event of default hereunder.

(f) Deficiency. Upon default, and after any disposition of the Collateral, Secured Party may sue Debtor for any deficiency remaining.

8. Obligations of Secured Party. Secured Party has no obligations to Debtor hereunder except those expressly required herein. Except as expressly provided in the Loan Agreements, Secured Party has not agreed to make any further advance or loan of any kind to Debtor. Secured Party's duty of care with respect to the Collateral in its possession shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping the Collateral or, in the case of Collateral in the possession of a bailee or third party, exercises reasonable care in the selection of the bailee or third party. Secured Party

need not otherwise preserve, protect, insure or care for the Collateral. Secured Party need not preserve rights the Debtor may have against prior parties, realize on the Collateral in any particular manner or order, or apply proceeds of the Collateral in any particular order of application.

9. Miscellaneous.

(a) No Waiver. No delay or failure on the part of Secured Party in the exercise of any right or remedy hereunder shall operate as a waiver thereof and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

(b) Amendment and Termination. This Security Agreement may be amended or terminated and the security interest granted herein can be released only by an explicit written agreement signed by Debtor and Secured Party.

(c) Choice of Law. This Security Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Nebraska.

(d) Binding Agreement. This Security Agreement shall be binding upon the parties hereto and their heirs, successors, personal representatives and permitted assigns.

(e) Assignment. This Security Agreement may be assigned by Secured Party only.

(f) Captions. Captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of the Security Agreement.

(g) Severability. If any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

(h) Notices. All notices to be given shall be deemed sufficiently given if delivered or mailed by registered or certified mail postage prepaid if to Debtor at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114; if to Secured Party at One First National Center, Omaha, Nebraska 68102; or such other address as the parties may designate in writing from time to time. Debtor shall promptly notify Secured Party of any changes in Debtor's address.

(i) Priorities. The security interest of a Lender in any property of the Debtor (i) arising under and in connection with the Agreement, this Security Agreement or any of the Related Loan Agreements and (ii) granted to secure any obligation of the Debtor to such Lender, including, without limitation, all Collateral, shall rank equally in priority with the security interests of each of the other Lenders, if any, in such property of the Borrower, irrespective of the time or order of attachment or perfection of such security interest, or the time or order of filing, or the failure to file, and regardless of the date any obligation of the Debtor to a Lender was incurred. Any amounts

or payments obtained upon disposition of any property securing an obligation of the Debtor to a Lender shall be applied as provided in Article VII of the 1998 Revolving Credit Agreement as in effect on the date hereof. Unanimous approval of the Lenders shall be required for amendments to this Section 9(i).

IN WITNESS WHEREOF, the undersigned have executed this 1998 Security Agreement as of the 7th day of December, 1998.

DATA TRANSMISSION NETWORK CORPORATION

By /s/ Brian L. Larson
Title VP, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA,
as agent for itself, U.S. Bank,
National Association, First
National Bank, Wahoo,
Nebraska, The First National Bank of Chicago,
Norwest Bank Nebraska, N.A.,
Dresdner Bank AG, New York Branch, Mercantile
Bank of St. Louis, N.A., Bank of Montreal,
LaSalle National Bank, and
National Bank of Canada

By /s/ James P. Bonham
Title Vice President

EXHIBIT A
TO 1998 SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")
AND
DATA TRANSMISSION NETWORK CORPORATION ("Debtor")

COLLATERAL

All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in DTN transmission computer software used in the provision of the Basic DTN Subscription Service and/or Farm Dayta Service to

Debtor's subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired by Debtor and all proceeds and products thereof (including, without limitation, all such assets acquired by Debtor from Broadcast Partners); and

Further including, without limiting the generality of the foregoing, the following all now owned or hereafter acquired by the Debtor:

(a) all accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles and contract rights that constitute, are due under or by reason of, or are described in, subscription agreements or arrangements between Debtor and its subscribers, and similar agreements or arrangements purchased by Debtor from Broadcast Partners and including, without limitation, all:

(i) equipment and inventory of Debtor, whether in its possession or in the possession of its customers and subscribers (but subject to such customers' and subscribers' rights therein), which equipment and inventory may include, but not be limited to, computer monitor screens, D-127, D-128, D-120, D-110 and 6001 or comparable receivers, outdoor antennas, and satellite interfaces (collectively, the "Equipment");

(ii) parts, accessories, attachments, additions, substitutions, rents, profits, proceeds, products, and customer deposits and advance payments related to or arising from the Equipment;

(iii) chattel paper, instruments, general intangibles, accounts, accounts receivable and contract rights in, arising from or corresponding to the Equipment, which may include but not be limited to, all rights of Debtor under Subscription Agreements between Debtor and its customers and subscribers (collectively, the "Subscriptions"); and

(iv) accounts, accounts receivable, rents, profits, modifications, renewals, extensions, substitutions, proceeds, and products related to or arising from the Subscriptions; and

(b) all rights, remedies, privileges, claims and other contract rights and general intangibles of Debtor arising under or related to the Asset Purchase and Sale Agreement (including, without limitation, rights to indemnity) between Debtor and Broadcast Partners or the transactions contemplated thereby.

(c) all proceeds and products of the foregoing.

SCHEDULE A
TO 1998 SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")

PERMITTED ENCUMBRANCES

<TABLE>
<CAPTION>

Secured Party	Financing Statements		
Nebraska Secretary of State			
<S>	<C>	<C>	<C>
First National Bank of Omaha	12/28/87	#401690	
	10/13/92	#564918	Amendment
	11/13/92	#568176	Continued
First National Bank of Omaha, as agent	5/8/96	#691938	Amendment
FirsTier, Lincoln	6/24/87	#384782	
First National Bank of Omaha	2/03/88	#405477	Amendment
First National Bank, Wahoo	5/28/92	#553205	Continued
NBD, Detroit	10/13/92	#564919	Amendment
	2/05/93	#576038	Amendment
	11/10/93	#603168	Amendment
First National Bank of Omaha, as agent	5/8/96	#691936	Amendment
FirsTier, Lincoln	2/10/88	#406144	
First National Bank of Omaha	10/13/92	#564917	Amendment
First National Bank, Wahoo	1/07/93	#572981	Continued
NBD, Detroit	2/05/93	#576039	Amendment
	11/10/93	#603169	Amendment
First National Bank of Omaha, as agent	5/8/96	#691937	Amendment
First Bank of Minneapolis	11/25/91	#534665	
(Norstan)	8/24/92	#561090	Assignment
Douglas County Clerk, Nebraska			
FirsTier, Lincoln	2/11/88	#000534	
First National Bank of Omaha	10/15/92	#000534	Amendment
First National Bank, Wahoo	1/08/93	#0000054	Continued
NBD, Detroit	2/05/93	#000253	Amendment
	11/17/93	#54	Amendment

First National Bank of Omaha, as agent	5/ /96		Amendment
Iowa Secretary of State			
FirsTier, Lincoln	2/10/88	H842023	
First National Bank of Omaha	10/15/92	K395184	Amendment
First National Bank, Wahoo	1/08/93	K424887	Continued
NBD, Detroit	2/08/93	K434908	Amendment
	11/15/93	K503145	Amendment
First National Bank of Omaha, as agent	5/6/96	K734148	Amendment

Kansas Secretary of State

FirsTier, Lincoln	2/10/88	#1286572	
First National Bank of Omaha	10/15/92	#1842986	Amendment
First National Bank, Wahoo	1/08/93	#1868482	Continued
NBD, Detroit	2/11/93	#1879069	Amendment
	11/12/93	#1964342	Amendment
First National Bank of Omaha, as agent	7/18/96	#2265201	Amendment

Illinois Secretary of State

FirsTier, Lincoln	3/18/88	#2402370	
First National Bank of Omaha	10/21/92	#3043202	Amendment
First National Bank, Wahoo	2/11/93	#3084199	Amendment
NBD, Detroit	2/25/93	#3089132	Continued
	12/09/93	#3197498	Amendment
First National Bank of Omaha, as agent	7/9/96	#3562627	Amendment

Michigan Secretary of State

FirsTier, Lincoln	2/12/88	#C034473	
First National Bank of Omaha	10/16/92	#C646856	Amendment
First National Bank, Wahoo	1/08/93	#C672590	Continued
NBD, Detroit	3/01/93	#C689434	Amendment
	11/15/93	#C778208	Amendment
First National Bank of Omaha, as agent	7/8/96	#D128002	Amendment

Wisconsin Secretary of State

FirsTier, Lincoln	2/18/88	#968701	
First National Bank of Omaha	10/21/92	#1309942	Amendment
First National Bank, Wahoo	01/15/93	#1326550	Continued
NBD, Detroit	2/08/93	#1331412	Amendment
	11/23/93	#1393268	Amendment
First National Bank of Omaha, as agent	7/23/96	#1602740	Amendment

Indiana Secretary of State

FirsTier, Lincoln	2/11/88	#1454192	
First National Bank of Omaha	10/21/92	#1808780	Amendment
First National Bank, Wahoo	1/11/93	#1822115	Continued
NBD, Detroit	2/08/93	#1827451	Amendment
	11/12/93	#1878806	Amendment
First National Bank of Omaha, as agent	7/9/96	#2065412	Amendment

Minnesota Secretary of State

FirsTier, Lincoln	2/17/88	1#121648#00	
First National Bank of Omaha	10/16/92	#1537269	Amendment
First National Bank, Wahoo	01/19/93	#1557397	Continued
NBD, Detroit	2/08/93	#1562125	Amendment
	11/23/93	#1632156	Amendment
First National Bank of Omaha, as agent	9/5/96	#1875684	Amendment

South Dakota Secretary of State

FirsTier, Lincoln	2/10/88	880410802864	
First National Bank of Omaha	10/16/92	#22901003596	Amend.
First National Bank, Wahoo	1/08/93	#30081001734	Cont.
NBD, Detroit	2/09/93	#30391203308	Amend.
	11/22/93	#33261003899	Amend.
First National Bank of Omaha, as agent	7/8/96	#961900902562	Amend.

Missouri Secretary of State

FirsTier, Lincoln	2/11/88	#1555991	
First National Bank of Omaha	10/16/92	#2184193	Amendment
First National Bank, Wahoo	1/08/93	#2212473	Continued
NBD, Detroit	2/08/93	#2224113	Amendment
	11/15/93	#2331876	Amendment
First National Bank of Omaha, as agent	7/8/96	#2684601	Amendment

Ohio Secretary of State

FirsTier, Lincoln	2/12/88	#Y00095612	
First National Bank of Omaha	10/19/92	#01097336	Amendment
First National Bank, Wahoo	1/11/93	#01119343901	Cont.
NBD, Detroit	2/09/93	#02099338901	Amend.
	11/12/93	#1129331801	Amendment
First National Bank of Omaha, as agent	7/9/96	#07099607117	Amendment

Kentucky Secretary of State

First National Bank of Omaha	11/12/93	134318	
First National Bank of Omaha, as agent	7/23/96		Amendment

Pennsylvania Department of State

First National Bank of Omaha	11/12/93	22571277	
First National Bank of Omaha, as agent	7/8/96	25631529	Amendment

Oklahoma Secretary of State

First National Bank of Omaha	11/12/93	059782	
First National Bank of Omaha, as agent	7/8/96	035257	Amendment

Mississippi Secretary of State

First National Bank of Omaha	11/12/93	0756092--	
First National Bank of Omaha, as agent	7/8/96	01015782	Amendment

Colorado Secretary of State

First National Bank of Omaha	11/12/93	932082461	

First National Bank of Omaha, as agent	7/8/96	962051575	Amendment

California Secretary of State

First National Bank of Omaha	11/12/93	93229491	
First National Bank of Omaha, as agent	7/5/96	96191C0067	Amendment

Washington Secretary of State

First National Bank of Omaha	11/15/93	933190075	
First National Bank of Omaha, as agent	7/5/96	96-187-9060	Amendment

Montana Secretary of State

First National Bank of Omaha	11/15/93	419540	
First National Bank of Omaha, as agent	7/8/96	419540	Amendment

Arizona Secretary of State

First National Bank of Omaha	11/15/93	765359	
First National Bank of Omaha, as agent	7/8/96	765359	Amendment

North Carolina Secretary of State

First National Bank of Omaha	11/15/93	050742	
First National Bank of Omaha, as agent	7/8/96	1357308	Amendment

North Dakota Secretary of State

First National Bank of Omaha	11/16/93	93-380331	
First National Bank of Omaha, as agent	7/8/96	96-608985	Amendment

Florida Secretary of State

First National Bank of Omaha	1/17/93	930000236992	
First National Bank of Omaha, as agent	7/10/96	960000142090	Amendment

Texas Secretary of State

First National Bank of Omaha	11/29/93	227591--	
First National Bank of Omaha, as agent	7/8/96	96683548	Amendment

Alabama Secretary of State

First National Bank of Omaha, as agent	6/27/95	B-95-26462FS	

	7/19/96	95-26462	Amendment
Arkansas Secretary of State			
First National Bank of Omaha, as agent	6/29/95	968722	
	7/10/96	968722	Amendment
New York Secretary of State			
First National Bank of Omaha, as agent	6/26/95	130246	
	7/8/96	532973	Amendment

</TABLE>

SUBSIDIARY SECURITY AGREEMENT

THIS SUBSIDIARY SECURITY AGREEMENT (this "Security Agreement") is entered into as of June 1, 1998, between National Datamax, Inc. a California corporation having its principal place of business at 16955 Via Del Campo, Suite 215, San Diego, CA 92127 (the "Debtor"), and FIRST NATIONAL BANK OF OMAHA, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102 as agent ("Secured Party") for itself ("FNB-O") and FIRST NATIONAL BANK, WAHOO, NEBRASKA ("FNB-W"), a national banking association having its principal place of business at Wahoo, Nebraska 68066, NBD BANK ("NBD"), a bank organized under the laws of the State of Michigan having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226, NORWEST BANK NEBRASKA, N.A. ("Norwest"), a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102, US BANK, NATIONAL ASSOCIATION ("US Bank"), a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, the SUMITOMO BANK, LIMITED ("Sumitomo"), a Japanese bank being represented by its office at 200 North Broadway, Suite 1625, St. Louis, Missouri 63102 and acting through its Chicago branch, MERCANTILE BANK OF ST. LOUIS, N.A.("Mercantile"), a national banking association having its principal place of business at One Mercantile, 7th and Washington Streets, St. Louis, Missouri 63101, BANK OF MONTREAL ("Montreal"), a Canadian bank being represented by its office at 430 Park Avenue, New York, New York 10022, LASALLE NATIONAL BANK ("LaSalle"), a national banking association being represented by its office at One Metropolitan Square, 211 North Broadway, St. Louis, Missouri 63102, and NATIONSBANK, N.A. ("Nationsbank"), a national banking association having an office at 800 Market Street, 12th Floor, St. Louis, Missouri 63101-2506.

WITNESSETH:

WHEREAS, Debtor is a wholly-owned subsidiary of Data Transmission Network Corporation ("DTN"); and

WHEREAS, DTN and Secured Party are parties to a 1997 Revolving Credit Agreement (the "Revolving Credit Agreement") and a 1997 Term Credit Agreement (the "Term Credit Agreement"), each dated as of February 26, 1997, as amended from time to time (together, the "Credit Agreements"); and

WHEREAS, pursuant to the Revolving Credit Agreement, Secured Party and the Revolving Lenders defined in such Revolving Credit Agreement from time to time may make advances to DTN which may be used for the benefit of DTN and Debtor; and

WHEREAS, pursuant to the Credit Agreements, DTN is required to have any subsidiary execute a security agreement and file Uniform Commercial Code financing statements as shall be necessary to grant and perfect a security

interest in favor of the lenders under such Credit Agreements;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a security interest in the personal property of Debtor as described on Exhibit A to this Security Agreement (the "Collateral").

2. Obligations Secured. The security interest granted herein is given to secure all present and future obligations of DTN: (i) under the Revolving Credit Agreement; (iii) under the 1996 Revolving Credit Agreement dated as of June 28, 1996 as amended from time to time between DTN, FNB-O, FNB-W, Norwest, NBD, First Bank, Sumitomo, Mercantile, Montreal, LaSalle and The Boatmen's National Bank of St. Louis ("Boatmen's"); (iv) under the 1995 Restated Loan Agreement dated as of June 29, 1995, as amended from time to time between DTN and FNB-O, FNB-W, US Bank, NBD , Norwest, and Boatmen's; (v) under the 1993 Restated Loan Agreement dated as of November 8, 1993, as amended from time to time, between DTN and FNB-O, US Bank, FNB-W, NBD, Norwest and Boatmen's; (vi) under the Loan Agreement dated as of October 9, 1992, as amended from time to time, between DTN and FNB-O, US Bank, and FNB-W, or under any interest rate protection agreement entered into by DTN with one or more Lenders; (vii) under any and all Notes previously, now or hereafter made by DTN to the Lenders pursuant to any of the foregoing Loan Agreements and interest rate protection agreements (all of which are referred to herein as the "Loan Agreements") or any predecessor loan agreements, including, without limitation, the Existing Term Notes and any notes given in extension, renewal or substitution of the Notes; (viii) to reimburse the Secured Party for all sums, if any, advanced to protect the Collateral; and (ix) to reimburse Secured Party for all costs and expenses incurred in collection of the foregoing, including, without limitation, costs of repossession and sale and reasonable attorneys' fees. This Security Agreement shall not be deemed to extinguish existing indebtedness of DTN under any of the agreements referenced in this Section 3 or any of the notes issued thereunder or to release, terminate or affect the priority of any security therefor.

4. Representations and Warranties. Debtor represents and warrants:

(a) Possession and Ownership. Except as shown on Exhibit 4(a) attached to this Security Agreement, the Collateral is or will be in Debtor's possession (except for equipment or inventory provided to Debtor's customers in the ordinary course of business) and Debtor has or will acquire absolute title thereto and will defend the Collateral against the claims and demands of all persons other than Secured Party, the rights of customers to use the Collateral in the ordinary course of Debtor's business, and existing security interests and leaseholds shown on such Exhibit 4(a).

(b) Liens and Encumbrances. No financing statement covering the Collateral or other filing evidencing any lien or encumbrance on the Collateral is on file in any public office and there is no lien, security interest or encumbrance on the Collateral except for the security interest held by Secured Party pursuant to this Security Agreement and for those security interests and leaseholds described in (a) above and Exhibit 4(a).

(c) Truth of Representations. All information, statements, representations, and warranties made by Debtor herein and in any financial or credit statement, application for credit, or any other writing executed prior to or substantially contemporaneously herewith are true, accurate and complete in all material respects.

(d) Location. Debtor has its chief executive office and principal place of business at 16955 Via Del Campo, Suite 215, San Diego, CA 92127 and Debtor keeps its records concerning the Collateral at such address and at the offices of DTN located at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114.

(e) Authority. Debtor has full authority to enter into this Security Agreement and in so doing is not violating any law, regulation, or agreement with third parties. This Security Agreement has been duly and validly authorized by all necessary corporate action.

5. Covenants. Debtor covenants and agrees:

(a) Liens and Encumbrances. Except as otherwise expressly allowed herein or as permitted to DTN under the Loan Agreements, Debtor shall keep the Collateral free and clear of liens, encumbrances, security interests, and other claims of third parties and will, at Debtor's expense, defend the Collateral against the claims and demands of all third parties. Debtor shall promptly pay and discharge any indebtedness owing to any third party who, by reason of said indebtedness, could obtain or become entitled to a lien or encumbrance on the Collateral, other than such indebtedness being contested in good faith and with respect to which adequate reserves have been established.

(b) Proceeds; Sale. Debtor shall not sell or otherwise dispose of any Collateral without first obtaining the written consent of Secured Party; provided, however, that Debtor may (i) sell or provide equipment or inventory to customers in the ordinary course of Debtor's business, and (ii) dispose of obsolete or out-of-date equipment to others so long as the value of equipment or inventory disposed of to others (e.g., for salvage purposes) does not exceed, in aggregate,$500,000. Debtor shall at all times keep the Collateral and the proceeds from any authorized or unauthorized disposition thereof identifiable and separate from the other property of Debtor or any third party; provided, however, that Debtor may commingle and use for general corporate

purposes (y) the proceeds of sales of inventory to customers sold in accordance with clause (i) above in this Section 5(b) and (z) up to $500,000 in aggregate net book value of the proceeds of sale or other disposition of obsolete or out-of-date equipment disposed of in accordance with clause (ii) above in this Section 5(b).

(c) Protection of Value. Debtor shall use the utmost care and diligence to protect and preserve the Collateral, and shall not commit nor suffer any waste to occur with respect to the Collateral. In pursuance of the foregoing, Debtor shall maintain the Collateral in good condition and repair and

shall take such steps as are necessary or as are requested by Secured Party to prevent any impairment of the value of the Collateral.

(d) Taxes. Debtor shall pay and discharge prior to the delinquency thereof any and all taxes, levies and other impositions made upon the Collateral which may give rise to liens upon the Collateral if unpaid or which are imposed upon the creation, perfection, or continuance of the security interest provided for herein, other than taxes being contested in good faith and with respect to which adequate reserves have been established.

(e) Insurance. All risk of loss of, damage to, or destruction of the Collateral shall at all times be on Debtor. Debtor shall procure and maintain, at its own expense, insurance covering the Collateral against all risks under policies and with companies acceptable to Secured Party, for the duration of this Security Agreement (except for equipment provided to Debtor's Customers in the ordinary course of business). Such policies shall be written for and shall name Debtor and Secured Party as their interests may appear, shall contain a standard loss payable clause in favor of Secured Party. Proof of insurance shall be provided to Secured Party upon request. For purposes of security, Debtor hereby assigns to Secured Party any and all monies (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under any such policy. Debtor hereby directs the issuer of any such policy to pay any such monies directly to Secured Party. Secured Party may act as attorney for Debtor in obtaining, settling and adjusting such insurance and in endorsing any checks or drafts paid thereunder.

(f) Secured Party as Payee. Debtor shall take such steps as are necessary or as are requested by Secured Party to have Secured Party named as a payee on any check, draft or other document or instrument which Debtor may obtain or anticipate obtaining with respect to the Collateral other than the sale of inventory to customers in the ordinary course of Debtor's business and the sale of obsolete or out-of-date equipment in accordance with Section 5(b) hereof. Without limiting the generality of the foregoing, Secured Party shall be named as a payee on all instruments from insurers of the Collateral. Notwithstanding anything in the foregoing or in Subsection (e) above to the

contrary, Secured Party agrees that: (i) insurance proceeds may be paid to Debtor so long as no event of default exists hereunder and such proceeds are, in aggregate, less than $500,000; and (ii) Secured Party's rights hereunder are subject to the interests of the parties identified on Exhibit 4 (a) and the rights of Debtor's customers set forth in Section 4(a) above.

(g) Records. Debtor shall keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition, and shall allow Secured Party to inspect the same from time to time upon reasonable request and shall submit such periodic reports relating to the same to Secured Party from time to time as Secured Party may reasonably request. Debtor shall provide that the Secured Party's interest is noted on all chattel paper and that there is only one single original of any chattel paper held by Debtor and created after the date hereof.

(h) Notice to Secured Party. Debtor shall promptly notify Secured Party of any loss or damage to the Collateral, any impairment of the value thereof, or any claim made thereto by any third party.

(i) Location. Except for equipment or inventory provided to Debtor's customers in the ordinary course of business, Debtor will not move the Collateral, its chief executive office, principal place of business or places where it keeps its records concerning the Collateral from the locations specified above without first obtaining the written consent of Secured Party and shall not permit any Collateral to be located in any state in which a financing statement covering the Collateral is required to be, but has not in fact been, filed in order to perfect the security interest granted herein. Debtor shall not change its name without giving Secured Party at least ninety (90) days' prior notice thereof.

(j) Other Documents. Debtor shall execute such further documents as may be requested by Secured Party to obtain and perfect a security interest in the Collateral, including without limitation, Uniform Commercial Code Financing Statements and amendments thereto. A carbon, photographic or other reproduction of this Security Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement.

6. Default. Debtor shall be in default hereunder if any of the following occurs:

(a) Event of Default. An Event of Default occurs under any of the Notes or the Loan Agreements.

(b) Misrepresentation. Any of the representations or warranties made by Debtor herein or in any of the documents referred to herein or executed prior hereto or substantially contemporaneously herewith are or

become false or misleading in any material respect.

(c) Breach of Covenants. Debtor fails to perform any of its covenants, agreements or obligations hereunder or under any document referred to herein or executed prior hereto or substantially contemporaneously herewith and such failure is not cured within ten (10) business days after knowledge of such default; provided, however, that there shall be no cure period for the failure of Debtor to comply with the provisions of Section 5 (b) hereof.

(d) Other Indebtedness. Any event occurs which results in acceleration of the maturity of the indebtedness of Debtor under any material agreement with any third party.

(f) Loss of Security. Collateral with an aggregate value in excess of $500,000 is lost, damaged or destroyed and such Collateral is not covered by insurance.

(g) Business Failure. The death, dissolution, termination of existence (other than a merger of Debtor into DTN), appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or commencement of any proceeding in bankruptcy or insolvency by or against Debtor or any principals of Debtor or any guarantor or surety for Debtor.

7. Rights and Remedies of Secured Party. Secured Party shall have all of the rights and remedies provided at law and in equity and in the Uniform Commercial Code and in addition thereto and without limitation thereon shall have the following rights which may be exercised singularly or concurrently:

(a) Inspection. Secured Party may at any time, with or without notice, enter upon Debtor's premises or any other place where the Collateral is located to inspect and examine the same and, if Debtor is in default, to take possession thereof.

(b) Performance by Secured Party. If Debtor fails to perform any of its obligations hereunder, Secured Party may, at its sole discretion, pay or perform such obligations for Debtor's account and may add any cost or expense thereof to the obligations secured hereby.

(c) Acceleration. Upon default, Secured Party may, without demand or notice to Debtor, accelerate all of the obligations secured hereby and proceed to enforce payment of the same with or without first resorting against the Collateral.

(d) Proceed Against Collateral. Subject to applicable cure periods, if any, upon default Secured Party may: require Debtor to make the

Collateral available to Secured Party at a place to be designated by Secured Party; take possession of the Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof which Debtor hereby expressly waives) and sell, retain or otherwise dispose of the Collateral in full or partial satisfaction of the obligations secured hereby.

(e) Power of Attorney. Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party as Debtor's true and lawful attorney, with full power of substitution, without notice to Debtor and at such time or times as Secured Party in its sole discretion may determine to: (i) create, prepare, complete, execute, deliver and file such documents, instruments, financing statements, and other agreements and writings as may be deemed appropriate by Secured Party to facilitate the intent of this Security Agreement; (ii) notify account debtors and others with obligations to Debtor to make payment of their obligations to Secured Party; (iii) demand, enforce and receive payment of any accounts or obligations owing to Debtor, by legal proceedings or otherwise; (iv) settle, adjust, compromise, release, renew or extend any account or obligation owing to Debtor; (v) notify postal authorities to change the address for delivery of mail to Debtor to such address as Secured Party may designate; (vi) receive, open and dispose of all mail addressed to Debtor; (vii) endorse Debtor's name on any check, note, draft, instrument or

other form of payment that may come into Secured Party's possession; and (viii) send requests to Debtor's customers and account debtors for verification of amounts due to Debtor. Secured Party covenants not to exercise the foregoing rights prior to the occurrence of an event of default hereunder.

8. Obligations of Secured Party. Secured Party has no obligations to Debtor hereunder except those expressly required herein. Except as expressly provided in the Loan Agreements, Secured Party has not agreed to make any further advance or loan of any kind to Debtor or DTN. Secured Party's duty of care with respect to the Collateral in its possession shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping the Collateral or, in the case of Collateral in the possession of a bailee or third party, exercises reasonable care in the selection of the bailee or third party. Secured Party need not otherwise preserve, protect, insure or care for the Collateral. Secured Party need not preserve rights the Debtor may have against prior parties, realize on the Collateral in any particular manner or order, or apply proceeds of the Collateral in any particular order of application.

9. Miscellaneous.

(a) No Waiver. No delay or failure on the part of Secured Party in the exercise of any right or remedy hereunder shall operate as a waiver thereof and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any

other right or remedy.

(b) Amendment and Termination. This Security Agreement may be amended or terminated and the security interest granted herein can be released only by an explicit written agreement signed by Debtor and Secured Party.

(c) Choice of Law. This Security Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Nebraska.

(d) Binding Agreement. This Security Agreement shall be binding upon the parties hereto and their heirs, successors, personal representatives and permitted assigns.

(e) Assignment. This Security Agreement may be assigned by Secured Party only.

(f) Captions. Captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of the Security Agreement.

(g) Severability. If any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

(h) Notices. All notices to be given shall be deemed sufficiently given if delivered or mailed by registered or certified mail postage prepaid if to Debtor in care of Data Transmission Network, Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114; if to Secured Party at One First National Center, Omaha, Nebraska 68102; or such other address as the parties may designate in writing from time to time. Debtor shall promptly notify Secured Party of any changes in Debtor's address.

(i) Priorities. The security interest of a Lender in any property of the Debtor (i) arising under and in connection with the Credit Agreements, this Security Agreement or any of the Related Loan Agreements and (ii) granted to secure any obligation of DTN to such Lender, including, without limitation, all Collateral, shall rank equally in priority with the security interests of each of the other Lenders, if any, in such property of the Borrower, irrespective of the time or order of attachment or perfection of such security interest, or the time or order of filing, or the failure to file, and regardless of the date any obligation of DTN to a Lender was incurred. Any amounts or payments obtained upon disposition of any property securing an obligation of DTN to a Lender shall be applied as provided in Article VII of the

1997 Revolving Credit Agreement as in effect on February 26, 1997. Unanimous approval of the Lenders shall be required for amendments to this Section 9(i).

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement as of this 1st day of June, 1998.

NATIONAL DATAMAX, INC.

By /s/ Brian L. Larson
Title Vice President, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA,
as agent for itself, US Bank,
National Association, First
National Bank, Wahoo,
Nebraska, NBD Bank,
Norwest Bank Nebraska, N.A.,
Nationsbank, N.A., The Sumitomo Bank, Limited, Mercantile

Bank of St. Louis, N.A., Bank of Montreal, and
LaSalle National Bank

By /s/ James P. Bonham
Title Vice President

EXHIBIT A
TO SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")
AND
NATIONAL DATAMAX, INC. ("Debtor")

COLLATERAL

All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and/or subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in Debtor's computer software used in the provision of the services to Debtor's customers and/or subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired by Debtor and all proceeds and products thereof; and all proceeds and products of the foregoing.

ATTACHMENT A TO UCC-1

COLLATERAL

All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and/or subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in Debtor's computer software used in the provision of the services to Debtor's customers and/or subscribers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired by Debtor and all proceeds and products thereof; and all proceeds and products of the foregoing.

EXHIBIT 4 (a)
TO SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")
AND
NATIONAL DATAMAX, INC. ("Debtor")

PERMITTED ENCUMBRANCES

Secured Party	Comments
NONE	

EQUIPMENT NOT LOCATED AT DEBTOR'S OR DTN'S ADDRESS

Equipment	Location
NONE	

SUBSIDIARY SECURITY AGREEMENT

THIS SUBSIDIARY SECURITY AGREEMENT (this "Security Agreement") is entered into as of July 1, 1998, between Kavouras, Inc. , a Minnesota corporation having its principal place of business at 11400 Rupp Drive, Burnsville, Minnesota 55337-1279 (the "Debtor"), and FIRST NATIONAL BANK OF OMAHA, a national banking association having its principal place of business at One First National Center, Omaha, Nebraska 68102 as agent ("Secured Party") for itself ("FNB-O") and FIRST NATIONAL BANK, WAHOO, NEBRASKA ("FNB-W"), a national banking association having its principal place of business at Wahoo, Nebraska 68066, NBD BANK ("NBD"), a bank organized under the laws of the State of Michigan having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226, NORWEST BANK NEBRASKA, N.A. ("Norwest"), a national banking association having its principal place of business at 20th and Farnam Streets, Omaha, Nebraska 68102, US BANK, NATIONAL ASSOCIATION ("US Bank"), a national banking association having its principal place of business at 13th and M Streets, Lincoln, Nebraska 68508, the SUMITOMO BANK, LIMITED ("Sumitomo"), a Japanese bank being represented by its office at 200 North Broadway, Suite 1625, St. Louis, Missouri 63102 and acting through its Chicago branch, MERCANTILE BANK OF ST. LOUIS, N.A.("Mercantile"), a national banking association having its principal place of business at One Mercantile, 7th and Washington Streets, St. Louis, Missouri 63101, BANK OF MONTREAL ("Montreal"), a Canadian bank being represented by its office at 430 Park Avenue, New York, New York 10022, LASALLE NATIONAL BANK ("LaSalle"), a national banking association being represented by its office at One Metropolitan Square, 211 North Broadway, St. Louis, Missouri 63102, and NATIONSBANK, N.A. ("Nationsbank"), a national banking association having an office at 800 Market Street, 12th Floor, St. Louis, Missouri 63101-2506.

WITNESSETH:

WHEREAS, Debtor is a wholly-owned subsidiary of Data Transmission Network Corporation ("DTN"); and

WHEREAS, DTN and Secured Party are parties to a 1997 Revolving Credit Agreement (the "Revolving Credit Agreement") and a 1997 Term Credit Agreement (the "Term Credit Agreement"), each dated as of February 26, 1997, as amended from time to time (together, the "Credit Agreements"); and

WHEREAS, pursuant to the Revolving Credit Agreement, Secured Party and the Revolving Lenders defined in such Revolving Credit Agreement from time to time may make advances to DTN which may be used for the benefit of DTN and Debtor; and

WHEREAS, pursuant to the Credit Agreements, DTN is required to have any subsidiary execute a security agreement and file Uniform Commercial Code

financing statements as shall be necessary to grant and perfect a security interest in favor of the lenders under such Credit Agreements;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a security interest in the personal property of Debtor as described on Exhibit A to this Security Agreement (the "Collateral").

2. Obligations Secured. The security interest granted herein is given to secure all present and future obligations of DTN: (i) under the Revolving Credit Agreement; (iii) under the 1996 Revolving Credit Agreement dated as of June 28, 1996 as amended from time to time between DTN, FNB-O, FNB-W, Norwest, NBD, First Bank, Sumitomo, Mercantile, Montreal, LaSalle and The Boatmen's National Bank of St. Louis ("Boatmen's"); (iv) under the 1995 Restated Loan Agreement dated as of June 29, 1995, as amended from time to time between DTN and FNB-O, FNB-W, US Bank, NBD , Norwest, and Boatmen's; (v) under the 1993 Restated Loan Agreement dated as of November 8, 1993, as amended from time to time, between DTN and FNB-O, US Bank, FNB-W, NBD, Norwest and Boatmen's; (vi) under the Loan Agreement dated as of October 9, 1992, as amended from time to time, between DTN and FNB-O, US Bank, and FNB-W, or under any interest rate protection agreement entered into by DTN with one or more Lenders; (vii) under any and all Notes previously, now or hereafter made by DTN to the Lenders pursuant to any of the foregoing Loan Agreements and interest rate protection agreements (all of which are referred to herein as the "Loan Agreements") or any predecessor loan agreements, including, without limitation, the Existing Term Notes and any notes given in extension, renewal or substitution of the Notes; (viii) to reimburse the Secured Party for all sums, if any, advanced to protect the Collateral; and (ix) to reimburse Secured Party for all costs and expenses incurred in collection of the foregoing, including, without limitation, costs of repossession and sale and reasonable attorneys' fees. This Security Agreement shall not be deemed to extinguish existing indebtedness of DTN under any of the agreements referenced in this Section 3 or any of the notes issued thereunder or to release, terminate or affect the priority of any security therefor.

4. Representations and Warranties. Debtor represents and warrants:

(a) Possession and Ownership. Except as shown on Exhibit 4 (a) attached to this Security Agreement, the Collateral is or will be in Debtor's possession (except for equipment or inventory provided to Debtor's customers in the ordinary course of business) and Debtor has or will acquire absolute title thereto and will defend the Collateral against the claims and demands of all persons other than Secured Party, the rights of customers to use

the Collateral in the ordinary course of Debtor's business, and existing security interests and leaseholds shown on such Exhibit 4 (a).

(b) Liens and Encumbrances. No financing statement covering the Collateral or other filing evidencing any lien or encumbrance on the Collateral is on file in any public office and there is no lien, security interest or encumbrance on the Collateral except for the security interest held by Secured Party pursuant to this Security Agreement and for those security interests and leaseholds described in (a) above and Exhibit 4(a).

(c) Truth of Representations. All information, statements, representations, and warranties made by Debtor herein and in any financial or credit statement, application for credit, or any other writing executed prior to or substantially contemporaneously herewith are true, accurate and complete in all material respects.

(d) Location. Debtor has its chief executive office and principal place of business at 11400 Rupp Drive, Burnsville, Minnesota and Debtor keeps its records concerning the Collateral at such address and at the offices of DTN located at Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114.

(e) Authority. Debtor has full authority to enter into this Security Agreement and in so doing is not violating any law, regulation, or agreement with third parties. This Security Agreement has been duly and validly authorized by all necessary corporate action.

5. Covenants. Debtor covenants and agrees:

(a) Liens and Encumbrances. Except as otherwise expressly allowed herein or as permitted to DTN under the Loan Agreements, Debtor shall keep the Collateral free and clear of liens, encumbrances, security interests, and other claims of third parties and will, at Debtor's expense, defend the Collateral against the claims and demands of all third parties. Debtor shall promptly pay and discharge any indebtedness owing to any third party who, by reason of said indebtedness, could obtain or become entitled to a lien or encumbrance on the Collateral, other than such indebtedness being contested in good faith and with respect to which adequate reserves have been established.

(b) Proceeds; Sale. Debtor shall not sell or otherwise dispose of any Collateral without first obtaining the written consent of Secured Party; provided, however, that Debtor may (i) sell or provide equipment or inventory to customers in the ordinary course of Debtor's business, and (ii) dispose of obsolete or out-of-date equipment to others so long as the value of equipment or inventory disposed of to others (e.g., for salvage purposes) does not exceed, in aggregate,$500,000. Debtor shall at all times keep the Collateral

and the proceeds from any authorized or unauthorized disposition thereof identifiable and separate from the other property of Debtor or any third party; provided, however, that Debtor may commingle and use for general corporate purposes (y) the proceeds of sales of inventory to customers sold in accordance with clause (i) above in this Section 5(b) and (z) up to $500,000 in aggregate net book value of the proceeds of sale or other disposition of obsolete or out-of-date equipment disposed of in accordance with clause (ii) above in this Section 5(b).

(c) Protection of Value. Debtor shall use the utmost care and diligence to protect and preserve the Collateral, and shall not commit nor suffer any waste to occur with respect to the Collateral. In pursuance of the foregoing, Debtor shall maintain the Collateral in good condition and repair and shall take such steps as are necessary or as are requested by Secured Party to prevent any impairment of the value of the Collateral.

(d) Taxes. Debtor shall pay and discharge prior to any delinquency thereof any and all taxes, levies and other impositions made upon the Collateral which may give rise to liens upon the Collateral if unpaid or which are imposed upon the creation, perfection, or continuance of the security interest provided for herein, other than taxes being contested in good faith and with respect to which adequate reserves have been established.

(e) Insurance. All risk of loss of, damage to, or destruction of the Collateral shall at all times be on Debtor. Debtor shall procure and maintain, at its own expense, insurance covering the Collateral against all risks under policies and with companies acceptable to Secured Party, for the duration of this Security Agreement (except for equipment provided to Debtor's Customers in the ordinary course of business). Such policies shall be written for and shall name Debtor and Secured Party as their interests may appear, shall contain a standard loss payable clause in favor of Secured Party. Proof of insurance shall be provided to Secured Party upon request. For purposes of security, Debtor hereby assigns to Secured Party any and all monies (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under any such policy. Debtor hereby directs the issuer of any such policy to pay any such monies directly to Secured Party. Secured Party may act as attorney for Debtor in obtaining, settling and adjusting such insurance and in endorsing any checks or drafts paid thereunder.

(f) Secured Party as Payee. Debtor shall take such steps as are necessary or as are requested by Secured Party to have Secured Party named as a payee on any check, draft or other document or instrument which Debtor may obtain or anticipate obtaining with respect to the Collateral other than the sale of inventory to customers in the ordinary course of Debtor's business and the sale of obsolete or out-of-date equipment in accordance with Section 5(b) hereof. Without limiting the generality of the foregoing, Secured Party shall be named as a payee on all instruments from insurers of the Collateral.

Notwithstanding anything in the foregoing or in Subsection (e) above to the contrary, Secured Party agrees that: (i) insurance proceeds may be paid to Debtor so long as no event of default exists hereunder and such proceeds are, in aggregate, less than $500,000; and (ii) Secured Party's rights hereunder are subject to the interests of the parties identified on Exhibit 4 (a) and the rights of Debtor's customers as set forth in Section 4(a) above.

(g) Records. Debtor shall keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition, and shall allow Secured Party to inspect the same from time to time upon reasonable request and shall submit such periodic reports relating to the same to Secured Party from time to time as Secured Party may reasonably request. Debtor shall provide that the Secured Party's interest is noted on all chattel

paper and that there is only one single original of any chattel paper held by Debtor and created after the date hereof.

(h) Notice to Secured Party. Debtor shall promptly notify Secured Party of any loss or damage to the Collateral, any impairment of the value thereof, or any claim made thereto by any third party.

(i) Location. Except for equipment or inventory provided to Debtor's customers in the ordinary course of business, Debtor will not move the Collateral, its chief executive office, principal place of business or places where it keeps its records concerning the Collateral from the locations specified above without first obtaining the written consent of Secured Party and shall not permit any Collateral to be located in any state in which a financing statement covering the Collateral is required to be, but has not in fact been, filed in order to perfect the security interest granted herein. Debtor shall not change its name without giving Secured Party at least ninety (90) days' prior notice thereof.

(j) Other Documents. Debtor shall execute such further documents as may be requested by Secured Party to obtain and perfect a security interest in the Collateral, including without limitation, Uniform Commercial Code Financing Statements and amendments thereto. A carbon, photographic or other reproduction of this Security Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement.

6. Default. Debtor shall be in default hereunder if any of the following occurs:

(a) Event of Default. An Event of Default occurs under any of the Notes or the Loan Agreements.

(b) Misrepresentation. Any of the representations or

warranties made by Debtor herein or in any of the documents referred to herein or executed prior hereto or substantially contemporaneously herewith are or become false or misleading in any material respect.

(c) Breach of Covenants. Debtor fails to perform any of its covenants, agreements or obligations hereunder or under any document referred to herein or executed prior hereto or substantially contemporaneously herewith and such failure is not cured within ten (10) business days after knowledge of such default; provided, however, that there shall be no cure period for the failure of Debtor to comply with the provisions of Section 5 (b) hereof.

(d) Other Indebtedness. Any event occurs which results in acceleration of the maturity of the indebtedness of Debtor under any material agreement with any third party.

(f) Loss of Security. Collateral with an aggregate value in excess of $500,000 is lost, damaged or destroyed and such Collateral is not covered by insurance.

(g) Business Failure. The death, dissolution, termination of existence (other than a merger of Debtor into DTN), appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or commencement of any proceeding in bankruptcy or insolvency by or against Debtor or any principals of Debtor or any guarantor or surety for Debtor.

7. Rights and Remedies of Secured Party. Secured Party shall have all of the rights and remedies provided at law and in equity and in the Uniform Commercial Code and in addition thereto and without limitation thereon shall have the following rights which may be exercised singularly or concurrently:

(a) Inspection. Secured Party may at any time, with or without notice, enter upon Debtor's premises or any other place where the Collateral is located to inspect and examine the same and, if Debtor is in default, to take possession thereof.

(b) Performance by Secured Party. If Debtor fails to perform any of its obligations hereunder, Secured Party may, at its sole discretion, pay or perform such obligations for Debtor's account and may add any cost or expense thereof to the obligations secured hereby.

(c) Acceleration. Upon default, Secured Party may, without demand or notice to Debtor, accelerate all of the obligations secured hereby and proceed to enforce payment of the same with or without first resorting against the Collateral.

(d) Proceed Against Collateral. Subject to applicable cure periods, if any, upon default Secured Party may: require Debtor to make the

Collateral available to Secured Party at a place to be designated by Secured Party; take possession of the Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof which Debtor hereby expressly waives) and sell, retain or otherwise dispose of the Collateral in full or partial satisfaction of the obligations secured hereby.

(e) Power of Attorney. Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party as Debtor's true and lawful attorney, with full power of substitution, without notice to Debtor and at such time or times as Secured Party in its sole discretion may determine to: (i) create, prepare, complete, execute, deliver and file such documents, instruments, financing statements, and other agreements and writings as may be deemed appropriate by Secured Party to facilitate the intent of this Security Agreement; (ii) notify account debtors and others with obligations to Debtor to make payment of their obligations to Secured Party; (iii) demand, enforce and receive payment of any accounts or obligations owing to Debtor, by legal proceedings or otherwise; (iv) settle, adjust, compromise, release, renew or

extend any account or obligation owing to Debtor; (v) notify postal authorities to change the address for delivery of mail to Debtor to such address as Secured Party may designate; (vi) receive, open and dispose of all mail addressed to Debtor; (vii) endorse Debtor's name on any check, note, draft, instrument or other form of payment that may come into Secured Party's possession; and (viii) send requests to Debtor's customers and account debtors for verification of amounts due to Debtor. Secured Party covenants not to exercise the foregoing rights prior to the occurrence of an event of default hereunder.

8. Obligations of Secured Party. Secured Party has no obligations to Debtor hereunder except those expressly required herein. Except as expressly provided in the Loan Agreements, Secured Party has not agreed to make any further advance or loan of any kind to Debtor or DTN. Secured Party's duty of care with respect to the Collateral in its possession shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping the Collateral or, in the case of Collateral in the possession of a bailee or third party, exercises reasonable care in the selection of the bailee or third party. Secured Party need not otherwise preserve, protect, insure or care for the Collateral. Secured Party need not preserve rights the Debtor may have against prior parties, realize on the Collateral in any particular manner or order, or apply proceeds of the Collateral in any particular order of application.

9. Miscellaneous.

(a) No Waiver. No delay or failure on the part of Secured Party in the exercise of any right or remedy hereunder shall operate as a waiver thereof and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any

other right or remedy.

(b) Amendment and Termination. This Security Agreement may be amended or terminated and the security interest granted herein can be released only by an explicit written agreement signed by Debtor and Secured Party.

(c) Choice of Law. This Security Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Nebraska.

(d) Binding Agreement. This Security Agreement shall be binding upon the parties hereto and their heirs, successors, personal representatives and permitted assigns.

(e) Assignment. This Security Agreement may be assigned by Secured Party only.

(f) Captions. Captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of the Security Agreement.

(g) Severability. If any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

(h) Notices. All notices to be given shall be deemed sufficiently given if delivered or mailed by registered or certified mail postage prepaid if to Debtor in care of Data Transmission Network, Suite 200, 9110 West Dodge Road, Omaha, Nebraska 68114; if to Secured Party at One First National Center, Omaha, Nebraska 68102; or such other address as the parties may designate in writing from time to time. Debtor shall promptly notify Secured Party of any changes in Debtor's address.

(i) Priorities. The security interest of a Lender in any property of the Debtor (i) arising under and in connection with the Credit Agreements, this Security Agreement or any of the Related Loan Agreements and (ii) granted to secure any obligation of DTN to such Lender, including, without limitation, all Collateral, shall rank equally in priority with the security interests of each of the other Lenders, if any, in such property of the Borrower, irrespective of the time or order of attachment or perfection of such security interest, or the time or order of filing, or the failure to file, and regardless of the date any obligation of DTN to a Lender was incurred. Any amounts or payments obtained upon disposition of any property securing an obligation of DTN to a Lender shall be applied as provided in Article VII of the

1997 Revolving Credit Agreement as in effect on February 26, 1997. Unanimous approval of the Lenders shall be required for amendments to this Section 9(i).

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement as of this 1st day of July, 1998.

KAVOURAS, INC.

By /s/ Brian L. Larson

Title Vice President, CFO and Secretary

FIRST NATIONAL BANK OF OMAHA,
as agent for itself, US Bank,
National Association, First
National Bank, Wahoo,

Nebraska, NBD Bank,
Norwest Bank Nebraska, N.A.,
Nationsbank, N.A., The Sumitomo Bank, Limited,
Mercantile Bank of St. Louis, N.A., Bank of Montreal,
and LaSalle National Bank

By /s/ James P. Bonham
Title Vice President

EXHIBIT A
TO SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")
AND
KAVOURAS, INC. ("Debtor")

COLLATERAL

All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and/or subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in Debtor's computer software used in the provision of the services to Debtor's customers and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired by Debtor and all proceeds and products thereof; and all proceeds and products of the foregoing.

ATTACHMENT A TO UCC-1

COLLATERAL

All of Debtor's accounts, accounts receivable, chattel paper, documents, instruments, goods, inventory, equipment, general intangibles, contract rights, all rights of Debtor in deposits and advance payments made to Debtor by its customers and/or subscribers, accounts due from advertisers and all ownership, proprietary, copyright, trade secret and other intellectual property rights in and to computer software (and specifically including, without limitation, all such rights in Debtor's computer software used in the provision of the services to Debtor's customers) and all documentation, source code, information and works of authorship pertaining thereto, all now owned or hereafter acquired by Debtor and all proceeds and products thereof; and all

proceeds and products of the foregoing.

EXHIBIT 4 (a)
TO SECURITY AGREEMENT
BY AND BETWEEN
FIRST NATIONAL BANK OF OMAHA, as Agent ("Secured Party")
AND
KAVOURAS, INC. ("Debtor")

PERMITTED ENCUMBRANCES

Secured Party	Comments
Small Business Administration	To be released not later than July 30, 1998
Norwest Bank	To be released not later than September 30, 1998
Federal Aviation Administration	Rights as lessees under leasehold of certain Vista work stations

EQUIPMENT NOT LOCATED AT DEBTOR'S or DTN'S ADDRESS

Equipment	Location
Tooling	Microwave Specialties 520 Carmel Street San Marcos, CA 92069
Vista Work Stations	Federal Aviation Administration Cheekdowaga, NY

The Corporate Profile

Data Transmission Network Corporation (DTN(R)), an electronic information and communications services company headquartered in Omaha, Nebraska, is a leader in the delivery of time-sensitive information (NEWS...NOT HISTORY(R)). DTN is committed to providing comprehensive, timely and affordably priced information to our customers. DTN's services are tailored to meet subscribers' needs and are valuable tools in managing business and personal affairs.

The Company began operations in 1984, went public in January 1987, and continues to evolve into a full-service information provider and communications network. DTN distributes information via small dish Ku-band satellite, the Internet, FM radio side-band channels, TV cable (VBI-vertical blanking interval via satellite delivery to cable stations), FAX and e-mail. Subscribers receiving information via satellite utilize a DTN receiver capturing information around the clock and converting it to text, graphics and audio.

Prior to 1992, DTN supported only a monochrome receiver system capable of receiving and displaying information. In 1992, the Company introduced the Advanced Communications EngineSM (ACE) receiver that expanded the information and communication services provided by the Company. DTN receivers contain multiple processors for capturing, manipulating and displaying high-resolution color video pictures, graphics and text. In addition, these processors provide the ability to play audio clips and to utilize a phone modem. The ACE receiver is equipped with an internal hard drive allowing processed information to be stored, archived and then displayed by using the built-in control panel, a keyboard or a mouse. In 1995, DTN began to offer services on the Internet. This distribution technology has become a significant part of the Company's strategy for the future.

DTN's services reach subscribers in the U.S. and Canada. The Company receives the majority of its revenues from the agricultural, weather, financial and energy industries. These industries and the services offered are profiled on pages 16-19 of this report.

DTN's strategy is to focus on growing the business organically, through acquisitions and by pursuing opportunities to provide services to niche markets within other industries.

Led by customer suggestions and demands, Data Transmission Network Corporation has engineered growth and evolution from what we were--the first low-cost, electronically delivered agricultural commodities information service, to what we are today--a multi-faceted information provider, utilizing a full range of technological communication systems to deliver the most valuable of commodities, timely information.

Our Mission is to provide
the best information and analysis available,
as
quickly as possible, at an affordable cost to our customers.
Among many things
critical to successfully meeting
these commitments, the three most important are
customer service, customer service, and customer service.
As fellow shareholders of the Company,
DTN employees' number one goal is
the long-term enhancement of the value of the Company.

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Selected Consolidated Financial Highlights

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	1998	1997	Percent Change
For the Year			
<S>	<C>	<C>	<C>
Revenues	$148,986,346	$126,374,352	18 %
Operating cash flow(1)	53,013,798	54,698,708	(3)%
Cash provided by operating activities(2)	42,415,869	47,543,395	(11)%
Income (loss) before income taxes and extraordinary item(3)	(4,068,563)	3,407,081	-
Net income (loss)(4)	(3,742,759)	2,236,081	-
Diluted income (loss) per share(4)	$ (.33)	$ .19	-
At Year End			
Total assets	$197,185,082	$162,430,898	21 %
Long-term debt and subordinated notes	100,619,998	72,891,370	38 %
Shareholders' equity	32,149,886	32,196,173	-
Book value per share	$ 2.79	$ 2.89	(3)%
Key Indicators			
Total subscribers at year-end	159,300	158,800	-
Subscriber retention rate	80.6 %	88.1 %	(9)%
Net development costs(5)	$ 6,533,965	$ 5,199,605	26 %
Operating cash flow from core services(6)	$ 59,434,670	$ 59,701,141	-
As a Percent of Revenue			
Operating cash flow(1)	35.6 %	43.3 %	
Cash provided by operating activities(2)	28.5 %	37.6 %	
Operating cash flow from core services(6)	40.8 %	48.5 %	
Depreciation and amortization	32.8 %	33.5 %	
Interest expense	5.7 %	7.2 %	
Net income (loss) before income taxes and extraordinary item	(2.7)%	2.7 %	

<FN>

1 Operating income before depreciation and amortization expense (EBITDA). Excluding the $5.8 million non-recurring satellite costs, operating cash flow would have been $58.8 million in 1998 compared to $54.7 million in 1997, an increase of 8%. As a percent of revenue, operating cash flow would have been 39.5% and 43.3% for 1998 and 1997, respectively.

2 Excluding the $5.8 million non-recurring satellite costs, cash provided by operating activities would have been $48.2 million in 1998 compared to $47.5 million in 1997. As a percent of revenue, cash provided by operating activities would have been 32.4% and 37.6% for 1998 and 1997, respectively.

3 Income (loss) before income taxes, extraordinary item and $5.8 million non-recurring satellite costs would have been income of $1.7 million in 1998 compared to $3.4 million in 1997.

4 Net income before the $5.8 million non-recurring satellite costs ($3.7 million net of tax) and $1.7 million debt extinguishment charges ($1.1 million net of tax) would have been $1.0 million of $.09 per share in 1998 compared to $2.2 million or $.19 per share in 1997.

5 Net Development Costs are defined as the sum of 1) market research activities, 2) hardware and software engineering, research and development and 3) the negative operating cash flow (prior to corporate allocations plus interest) of new services.

6 Core services are services no longer in the initial development process. Operating cash flow from core services as a percent of revenue is calculated on core services revenue. Excluding the $5.8 million non-recurring satellite costs, operating cash flow from core services would have been $65.2 million in 1998 compared $59.7 million in 1997. As a percent of revenue, operating cash flow from core services would have been 44.7% and 48.5% for 1998 and 1997, respectively.

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FIVE YEARS IN REVIEW

GRAPHS IN TABULAR FORM:

<S>	<C> 1994	<C> 1995	<C> 1996	<C> 1997	<C> 1998
Revenues ($ millions)	46.1	62.3	98.4	126.4	149.0

	1994	1995	1996	1997	1998
Operating Cash Flow ($ millions)	15.8	23.2	40.4	54.7	53.0 58.8*

	1994	1995	1996	1997	1998
Operating Cash Flow (percent of revenue)	34%	37%	41%	43.3%	36% 40%*

	1994	1995	1996	1997	1998
Net Development Costs ($ millions)	4.3	3.7	5.3	5.2	6.5

	1994	1995	1996	1997	1998
Subscribers At Year End (thousands)	82.0	95.9	145.9	158.8	159.3

	1994	1995	1996	1997	1998
Subscriber Retention Rate (percent)	89.8	91.0	89.3	88.1	80.6

	1994	1995	1996	1997	1998
Annual Revenue Per Subscriber ($ based on average subscribers)	591	700	775	830	937

	1994	1995	1996	1997	1998
Annual Operating Cash Flow Per Subscriber ($ based on average subscribers)	202	260	318	359	333 370*

*Pro-forma results before $5.8 million non-recurring satellite costs.
</TABLE>

Letter to Shareholders

Those of you that have been reading my letter to shareholders for the last several years have become accustomed to me leading off with various financial

highlights, i.e. subscriber numbers, revenue, cash flow, cash flow as a percent of revenue, etc. Some of these financial highlights are not too stellar for 1998. So, in keeping with my propensity to brag, I am rearranging this writing vs. previous years and will first discuss some powerful strategic accomplishments concluded in 1998.

The combination of organic growth and strategic acquisitions has enabled us to grow the Company's revenues, operating cash flow (EBITDA) (excluding non-recurring satellite costs) and per share value at compounded rates of 33%, 35% and 26%, respectively, for the past five years. I am proud of, and will take some credit for, our revenue and cash flow growth. However, I prefer to minimize reference to influence on price per share changes, as these are subjected to vagaries of the market place and a myriad of influences beyond my control.

Keeping with our strategy to acquire businesses that fit into our business model, the following is a summary of our accomplishments for 1998:

Market Information of Colorado, Inc. (MIC) - In February, DTN acquired 100 subscribers receiving real-time commodities and futures information from MIC for $135,000 cash.

CDS Group, Inc. - In March, DTN acquired CDS Group, Inc. for $250,000 cash. CDS is engaged in the business of marketing software for tracking bales of cotton for businesses in the cotton industry. This acquisition compliments our July, 1997 acquisition of The Network, Inc., an electronic cotton trading network.

SmartServ Online, Inc. In April, DTN acquired the exclusive rights to market the Internet-based financial services information products of SmartServ Online and their Internet information distribution technology for a total of $1,905,000 cash commitment for the first twelve months. These services include: DTN.IQ, a real-time, tick-by-tick stock quote and news service, and TradeNet and BrokerNet, real-time trading and account information products for the brokerage industry. This agreement transferred the 850 subscribers using SmartServ Online to DTN. All new subscribers to these services will be DTN customers, and DTN will pay SmartServ Online, Inc. an ongoing royalty based on revenues.

Through this alliance, DTN received the following:

1) a proven Internet real-time quote and news service providing convenience and advanced features for the user;

2) the ability to facilitate electronic trading via the Internet, good for many applications, but more specifically applicable to broker-dealers that do not possess this technology;

3) access to a talented development team to support and enhance the new products; and

4) an additional 850 subscribers.

National Datamax, Inc. - In June, DTN completed the acquisition of 100% of the capital stock outstanding of National Datamax, a software development and information services firm specializing in integrated systems for the financial services industry. DTN paid $3.0 million in cash, plus an earn-out based on revenue growth from the quarter ending December 31, 1997, through the quarter ending September 30, 1999, which is estimated to be approximately $2.0 million, based on growth projections. Through this acquisition, DTN acquired the following:

1) advanced software programs for investment professionals with useful "back office" and client applications;

2) a developed and stable private network (WAN) and Internet site for delivering information to professional and institutional customers;

3) established vendor relationships providing historical and fundamental data for mutual funds, variable annuities and equities; and

4) 2,000 customers (investment professionals in the higher level institutional market).

Kavouras, Inc. - In July, DTN closed the acquisition of 100% of the capital stock outstanding of Kavouras for a total purchase price of approximately $22.7 million. Kavouras is engaged in the development, design, manufacture, marketing and service of meteorological equipment and provides weather-related services to government, aviation, commercial broadcast and other industries. Among the products provided by Kavouras are the Triton Doppler Radar, the most advanced and powerful Doppler radar

in the world, and the Triton RT, a multiprocessor-based high performance on-air graphics and animation weather workstation. The Triton RT features real-time processing of exclusive 4-D Flythrough/Lookdown animation sequences using a complete array of weather graphic images.

Through this acquisition, DTN accomplished the following:

1) control of a major source of content that will enable DTN to strengthen its role as a leading provider of timely weather information;

2) the ability to expand its weather services into the middle market;

3) entry into high-end weather markets (commercial broadcasting);

4) vertical integration from the weather source (radar) to the final data display;

5) exposure to international markets; and

6) an experienced management and R&D team.

Weather Services Corporation - In December, DTN closed the acquisition of 100% of the capital stock outstanding of Weather Services Corporation (WSC) for $3.8 million cash and a warrant to purchase 20,000 shares of DTN common stock at $34.00. WSC is one of the largest sources for meteorological consulting and worldwide commercial weather information.

The strategic acquisition of WSC provides name awareness for DTN Kavouras Weather Services, a division of DTN, through valuable contracts with high profile customers including America Online, Inc. (NYSE:AOL), the world's largest online service, USA Today and numerous utilities, broadcasters, agribusinesses and municipalities.

Current annualized revenue from the above acquisitions is approximately $25 million. These acquisitions are strategically significant to DTN and should make a significant contribution to our growth.

Our strategy also includes the growth of our core businesses; and, therefore, we made a decision related to our sales force, which we think will have a positive impact on sales going forward. We de-centralized our sales force in the third quarter of 1998. Our district sales representatives and sales management were assigned to a specific division and specialize in the sale of those services targeted at that industry. We believe this is an evolutionary process and that the day-to-day management of the sales personnel by product management will have a positive impact on the sales of our core services.

In addition to our plans for organic growth and strategic acquisitions, we are focusing on our Internet technology and services (www.dtn.com). The company had 4,700 Internet subscribers at the end of fiscal 1998.

The agricultural division, DTN's largest industry niche, has grown its Internet subscribers (www.agdayta.com) from approximately 1,100 at the end of 1997 to 2,700 at the end of 1998.

DTN's Internet real-time financial service, DTN.IQ (www.dtniq.com), released in June 1998, had 1,800 subscribers at the end of fiscal 1998. In January 1999, DTN announced plans to merge SmartServ Online, Inc. (SSOL) into DTN. SSOL is the company that licensed its Internet technology to DTN to provide the DTN.IQ service. This transaction will expand DTN's presence in the Internet and wireless communications arena with services for equity and bond trading transactions on the Internet.

DTN Financial Services will continue to focus on developing strategic online brokerage alliances to provide quotes, news, charts and other services to the brokers' customers such as the agreement announced in October of 1998 with Atlantic Financial (www.atlanticfinancial.com) and Wang Investment Associates (www.Wangvest.com), in January of 1999. The company will aggressively target

broker-dealers and their representatives with the National Datamax services acquired in 1998.

In December of 1998, DTN and GlobalView Software, Inc. (GVSI) announced the release of a new Internet service for the energy industry (www.energyview.com). The service provides Internet users with real-time and historical energy market information including quotes, news and weather.

DTN continues to develop new technologies for the distribution of its information and communication services. The company has developed satellite technology to provide our information products using DIRECTV's eighteen-inch dish. DIRECTV, including its recent acquisition of PrimeStar, has approximately

7 million subscribers. We have just begun to market our first information service via this delivery. Most of our information services will be offered on this platform by May of 1999. To help facilitate implementation of our strategies, DTN secured a $122.9 million revolving credit line from our bank group which was closed in January of 1999. The company is also working with cable TV providers to offer other information services.

That's about it for the bragging, now comes the grueling reality of the numbers. Bear in mind as you read our 1998 operating results that we had three major adverse and unusual circumstances to deal with in 1998. During 1998 the agricultural community saw some very tough times. The satellite delivering our services went out of control creating the need for us to assist our customers with the realignment of tens of thousands of satellite dishes; and, by shareholder direction, the company was pursuing the sale or merger of the Company.

The following is a brief summary of our operating results for fiscal 1998 compared to fiscal 1997 followed by a discussion of the impact of the above mentioned adverse and unusual circumstances effecting 1998.

- Total subscribers were 159,300 at the end of 1998 compared to 158,800 for 1997.

- Total revenues for 1998 grew 18% to $148,986,346 compared to $126,374,352 for 1997.

- Operating cash flow (EBITDA) for 1998 decreased 3% to $53,013,798 compared to $54,698,708 for 1997.

- The net loss for 1998 was $3,742,759 or $.33 per diluted share compared to net income of $2,236,081 or $.19 per diluted share for 1997.

- Operating cash flow (EBITDA) for 1998 as a percentage of revenue was 35.6% compared to 43.3% for 1997.

- Subscription revenue for all subscribers on a per subscriber per month basis for 1998 was $62.63 compared to $55.10 for 1997.

- Subscription revenue for all new subscription sales on a per subscriber per month basis for 1998 was $77 compared to $68 for 1997.

- Operating revenue, consisting of subscriptions, additional services, communications and advertising for 1998 increased 11% to $73.80 per subscriber per month compared to $66.29 for 1997.

A couple of material non-recurring events occurred in 1998 that affected our results. First, we retired our $15,000,000 11.25% Senior Subordinated Notes Due 2004. This retirement included a one-time charge, net of tax, of $1,076,880 in the first quarter of 1998. The one-time charge consisted of a pre-payment fee of $1,125,000 plus unamortized debt issuance and discount costs, less a tax benefit of $606,000. The present value of this decision based on our analysis was a benefit of $940,000.

Second, DTN released information to investors and our customers that PanAmSat lost control of the Galaxy IV satellite on May 19, 1998. The Company switched DTN FarmDayta subscribers to the Galaxy 3R satellite and all other DTN subscribers to the Telestar 5 satellite. The Company's costs related to the failure of Galaxy IV include telecommunications, labor, satellite costs and customer communications. These unusual non-recurring costs, on a pre-tax basis, were estimated to be $5.8 million ($3.7 million after tax) and were recorded in May, impacting the second quarter 1998 results. In addition to the above identified non-recurring costs, our entire sales force spent the better part of eight weeks (mid May to early July) assisting customers with the realignment of their satellite dish. Needless to say, this event had a significant one-time affect on our 1998 operating results.

For comparative purposes, if we exclude these two non-recurring items from operating cash flow (EBITDA) and net income we get the following results:

- Operating cash flow for 1998 would have increased 8% to $58,813,798 compared to $54,698,708 for 1997.

- Net Income for 1998 would have been $1,046,121 or $.09 per diluted share compared to $2,236,081 or $.19 per diluted share for 1997.

Due to our acquisition and development activities, a further analysis of our results is necessary. DTN's July 1st acquisition of Kavouras, Inc., in Minneapolis, added a new market niche for the Company, the manufacture and sale of various meteorological equipment and radar systems. The Kavouras acquisition added $4.8 million of meteorological equipment and radar sales for the second half of 1998. Total Kavouras revenues for fiscal 1998 were $9.2 million on a

consolidated basis.

Kavouras equipment sales have lower EBITDA margins than subscription sales, and will tend to lower the Company's total operating cash flow margin. A further analysis shows that excluding Kavouras operating results and the non-recurring satellite costs, operating cash flow margin for 1998 was 41.5% compared with 43.3% for 1997.

During the second half of 1998, the Company expanded activities related to the development of new services. Net Development Costs are defined as:

1) market research activities;

2) the expenses of hardware and software engineering, research and development; and

3) the negative operating cash flow (prior to corporate allocations plus interest) of new services, for the fiscal year of 1998 increased to $6.5 million compared to $5.2 million for the fiscal year of 1997. The Kavouras operations contributed $1.3 million to net development costs for fiscal 1998.

Operating cash flow margin from core services (core services are services no longer in the initial development process) for the fiscal year of 1998 was 40.8%. This margin, excluding Kavouras operating results and the non-recurring satellite costs, for the fiscal year 1998 was 47.2% compared to 48.5% for the same period of 1997.

The decrease in operating income is primarily related to the $5.8 non-recurring satellite costs and lower operating income from acquired operations due to lower operating cash flow margins and increased amortization expense related to these acquisitions. Amortization expense related to acquisitions for the second half of 1998 was $5.3 million compared to $3.1 million for the second half of 1997. Amortization expense related to acquisitions was $8.4 million in 1998 compared to $5.9 million for 1997.

The above concludes my summary (with a lot of help from Brian Larson, our able CFO) of our 1998 operating results. In signing off, I would like for you to reflect on my boastful part of this communique while reading the following quote from Samuel Rayburn, "Readiness for opportunity makes for success. Opportunity often comes by accident; readiness never does."

As always, many thanks to our customers, shareholders, financiers and suppliers for their support. And a special thanks to all of our employees and their families for an extraordinary effort in 1998.

Very sincerely yours,

Roger Brodersen
Chairman and CEO

Information Technology Update
Our Philosophy

Since the inception of DTN, our philosophy has always been to utilize any technology that allows delivery of services in an affordable, reliable, easy to use method. Coupled with this philosophy is our strategy (and I now quote Robert Herman, my predecessor) to adopt "leading edge technology but avoid the bleeding edge." Millions of dollars are spent trying to develop "bleeding edge" technology while "leading edge" normally offers an advantage that is within sight. This being said, you may have guessed that the Internet will be one of my next topics for discussion. Prior to this, I would like to share a quick overview of the technologies that we currently employ.

Where we are

While a more detailed description of our distribution technology is contained in the next section, the following is a quick summary of our current technology and a hint of where we are headed in the future.

Pre-1998

Prior to 1998, DTN developed and implemented the following distribution technologies for its services. As you can see from the list, DTN has progressed from 100% DTN proprietary hardware to new solutions including 100% client owned hardware. This is a result of the increasing capabilities of PC's.

o FM Side Band into a Monochrome System

- o C-Band Satellite
- o Ku-Band Satellite into a Monochrome System
- o Ku-Band Satellite into a Color Ace Receiver System
- o VBI (Cable TV) into a Monochrome or Color System o Ku-Band Satellite into a D8000 Receiver System connected to the customer's PC
- o Fax
- o E-mail/"Mailbox"
- o Internet (browser based and "thin client" based)

1998

In 1998 we continued to use all the distribution technologies discussed above while expanding and improving many of them. We also began delivering some of our information content on leased lines into major metropolitan areas. Leased lines provide delivery of information where a satellite dish is not practical or where the customer prefers a redundant path to a stand-alone service or one that serves the customer's PC network. In addition, our Energy division began transmitting data over the Atlantic Ocean to London, England, our first non-North American City to receive a direct data feed.

The acquisition of Kavouras, Inc. in July 1998 was an exciting addition to our ever-increasing array of content. Most Kavouras weather customers are served by C-Band technology. C-Band is recognized as a large dish apparatus (approximately 8 feet in diameter). At the end of 1998, DTN Kavouras began delivering some of their data via Ku-Band technology, which provides a much smaller dish and a more user-friendly installation. This allows for a

substantially lower price entry point into the market for high-end weather services provided by Kavouras.

Where we're going

In addition to improving and expanding our current technologies, 1999 will mark the year for two large additional steps in distribution technology. First, we will officially roll out several of our products on DIRECTV's direct broadcast satellite 18" dish technology. The 18" dish will be connected to a special card installed inside the subscribers' PC. DTN will provide a new software package, DTN for Windows, allowing customers to access data. Along with DTN for Windows, the same 18" dish can feed set top boxes for viewing DIRECTV's television products. As many of you know, DIRECTV is the largest provider of direct broadcast services and with their recent acquisition of PrimeStar, they will clearly dominate the direct broadcast satellite field with approximately seven million current subscribers. The combination of DIRECTV's television products and DTN's data services will render a reliable, high speed, user-friendly, PC-driven product.

The second major technological step for DTN in 1999 is the Internet. The company is placing significant emphasis on the improvement and development of current and future Internet services. Read on for more discussion regarding DTN and the Internet.

The Internet or Bust?

1998 was a banner year for the Internet. Not only did Internet stocks gain huge momentum, it is clear that the Internet is being adopted for many applications. As it relates to DTN, two of our divisions provide information that is highly sought after by folks gravitating to the Internet, financial data and weather. The introduction of DTN.IQ (which is our Internet-based financial services product) has been well received by the market and is the fastest selling product ever released by our Financial Services division. DTN.IQ represents the beginning of an ongoing process for developing content and functionality on the Internet for delivering all sorts of financial-related data to the varying segments of an ever-growing industry.

Even more sought after than financial services information, recent independent surveys have shown that weather is one of the top draws to the Internet. Historically, our weather services have been subscription-based. In 1999, we will concentrate on finding the appropriate business model for weather-based information on the Internet. Our acquisition of Weather Services Corporation (WSC) in December of 1998 was just the beginning of this process. With the acquisition of WSC, we "acquired" a business relationship with some significant Internet and non-DTN traditional businesses, specifically, AOL, Lycos, USA Today, Metro Networks, Inc., and others.

Our plan is to continue the development and allocation of resources for creating exciting weather products for the Internet.

While we are not ready to sell bumper stickers which read "INTERNET OR BUST", we will focus our energy on finding appropriate business models to offer our vast array of comprehensive, time-sensitive data on the Internet.

Sincerely,

Scott Fleck
Vice President
Director of Engineering

Business Review

Data Transmission Network Corporation (DTN) began operations in April 1984 and continues to provide comprehensive, time-sensitive information and communication services for a variety of industries via all relevant distribution technologies. DTN had over 159,000 subscribers throughout the U.S. and Canada at the end of 1998 with the majority receiving agricultural, weather, financial and energy related services. A review of these industries and services with the year's highlights are discussed in this report.

The Company's subscription services are targeted at niche business markets and designed to be timely, simple to use, and convenient. The Company's distribution technology provides an efficient means of sending data and information from point to multi-point. The development and enhancement of cost-effective distribution methods such as electronic satellite delivery and the Internet, plus a total commitment to customer service and information quality has enabled the Company to become a major player in the communications industry.

The Company continues to take advantage of many engineering and software advancements available for developing and improving distribution in an exciting and growing industry.

Information Distribution Technology

The Company is committed to researching and developing distribution technologies to cost-effectively deliver the timely information that the Company's subscribers demand. DTN supports several information distribution technologies allowing the distribution, reception and display of information. These technologies include small dish Ku-band satellite (Ku), the Internet, FM radio side-band channels (FM), Fax, the vertical blanking interval within a television signal sent via Cable TV (VBI), e-mail, leased lines and DIRECTV.

The first technology used by the Company was FM radio side-band. The Ku technology was added in 1989, providing the ability to reach customers outside the geographic territory of the signal of the FM stations. Fax, VBI, e-mail, Internet, leased lines and DIRECTV have since been added to further expand the distribution network.

The Company provides the equipment necessary for subscribers to receive certain services using FM, Ku or VBI technologies. This equipment includes a DTN receiver, a video monitor, FM antenna or a small 30" Ku-band satellite dish. A keyboard, mouse and printer may be provided depending on the service. DTN is responsible for the normal maintenance and repair of subscriber equipment.

Prior to 1992, the Company utilized a "page-based" receiver and monochrome display system. The monochrome system translates the Company's data stream into text and is capable of receiving and displaying up to 246 different pages of information. The monochrome receiver can also download information to a printer or computer.

In 1992, the Company introduced the Advanced Communications Engine (ACE) receiver, a color graphics receiver system, expanding the Company's ability to provide information and communication services. The ACE receiver contains multiple processors. One is dedicated to data communications and storage. The second processor is for manipulating data, interacting with the user and displaying high-resolution color pictures, graphics and text. A third processor enables the unit to play audio clips for weather forecasts, voice advertisements or audio alarms set for when a futures contract or stock price reaches a pre-set price. In addition, this processor can send and retrieve information by using an internal modem connected to a phone line. Additional processors may be present, as necessary, based on the method of information distribution technology used, such as satellite, VBI, etc.

The ACE receiver can also download information to a printer or computer. This receiver is equipped with an internal hard drive allowing processed information to be stored, archived and displayed. The receiver's built-in control panel, keyboard or mouse allows subscribers to conveniently view this information.

One of the unique aspects of the Company's information distribution technology is the computer software developed by the Company for use with the broadcast system that feeds data to the ACE receivers. This software manages information from a wide array of input sources, runs routines, sets priorities and then initiates transmission to the satellite. The software provides the capability to individually address each receiver unit placed with a subscriber. This permits the Company to transmit specific information to a specific subscriber or group of subscribers.

The Company leases FM radio side-band channels, satellite channels and VBI space to deliver the information to receivers used by the Company's subscribers. All information is up-linked from Omaha to satellite (except Internet, Fax and other telephone delivery technology) and downlinked from the satellite to subscribers based on their distribution technology.

FM monochrome subscribers receive their information using FM antennas that receive the information via side-band signals transmitted from radio stations. The Ku subscribers utilize a 30" satellite dish, a direct downlink, to receive their information.

Early in 1994, the Company began using a new cable TV distribution technology involving vertical blanking intervals (VBI). The Company has contracted with a major cable TV superstation to transmit information along with the station's TV signal. This technology eliminates the need for FM antennas or satellite dishes and is available to businesses or residences that are wired for cable TV and receive the superstation's service.

The Company has introduced several Internet products since 1995. DTN currently offers services via the Internet for the agricultural, weather, financial and energy industries and plans to expand the services offered using this information distribution technology. A major milestone for DTN's Internet services was the leasing of Internet technology from SmartServ Online, Inc. for the real-time streaming quote service offered by the Company's Financial Services Division (www.dtniq.com)(see page 33).

In 1998, the Company began delivering services to customers via direct leased line circuits. This gives customers in major metropolitan areas the ability to receive the Company's information where options, such as satellite dishes, are impractical. In many instances, this technology provides a redundant delivery method to insure maximum availability of the Company's information.

At the end of 1998, DTN Marine Center, a specialty weather service, began delivering its information via DIRECTV's satellite system. Information is received directly into the subscriber's computer from an 18-inch DIRECTV dish. This initial product rollout is expected to be the first of many using the newest information distribution technology. The new product launch also marks the introduction of DTN for Windows, a software product for the PC using a satellite dish which is capable of operating without an ACE receiver or other external hardware devices.

The following is a summary of subscribers by information distribution technology at December 31, 1998.

<TABLE>
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Information Distribution Technologies	Subscribers
<S>	<C>
Ku-Band Satellite	144,800
Internet	4,700
FM Radio Side-band	8,400
VBI	1,300
Lease Lines/DIRECTV	100
TOTAL	159,300

</TABLE>

The Company has approximately 15,000 customers receiving information using Fax technology. The e-mail business is primarily a subscriber (an e-mail source) communicating specific messages to a group of subscribers. There are over 1,200 e-mail sources delivering over 3,500 pages of information to subscribers daily.

Services and Equipment Offered

The Company's revenue is derived primarily from six categories: (1) monthly, quarterly or annual subscriptions, (2) equipment sales (3) additional (optional) services, (4) communication services, (5) advertising and (6) service initiation fees. The percentage of total revenue for each category over the last three fiscal years was:

<TABLE>
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	1998	1997	1996
<S>	<C>	<C>	<C>
Subscriptions	80 %	80 %	76 %
Equipment Sales	3 %	-	-
Optional Services	5 %	5 %	6 %
Communication Services	7 %	8 %	9 %
Advertising	3 %	3 %	3 %
Service initiation fees	2 %	4 %	6 %

</TABLE>

Subscription revenue is generated from monthly, quarterly or annual subscription fees for one of the Company's services. The Company offers a discount to subscribers who pre-pay their subscriptions annually. A more detailed review of each service is found later in this report.

A new business unit of the Company, DTN Kavouras Weather Services, generates equipment sales of weather systems, workstations and weather radar systems. DTN Kavouras Weather Services' weather systems and workstations allow customers to receive weather information provided by the Company for monthly subscriptions. This business unit also builds small and large doppler radar systems.

Optional services are offered to subscribers on an "a la carte" basis, similar to premium channels on cable TV. A third party primarily provides information for these services with DTN receiving a share of the subscription revenue paid by the subscriber. Optional services revenue continues to grow in total dollars at a rate commensurate with the overall growth of the Company due, in part, to new technological innovations using the Internet.

The Company sells communication services allowing companies to cost-effectively communicate a large amount of timely information to their customers or field offices. This category includes revenue generated from FAX and e-mail services. Communications revenue continued to grow in total dollars and management believes this area offers opportunities for future growth.

The Company sells advertising interspersed among the pages of news and information, similar to a newspaper or magazine. The advantage of an electronic advertisement over typical print media is the ability to change or replace the advertising message quickly and as frequently as market conditions dictate. Advertising revenue maintained the same percentage of total revenue due to subscriber and subscription revenue growth as well as the addition of new services with available advertising space.

Service initiation fees are one-time charges for new subscriptions depending on the service and the information distribution technology. DTN also charges an initiation fee for those subscribers who convert to another service (i.e. from a monochrome FM to a Ku color service).

<TABLE>
<CAPTION>
INDUSTRY SERVED AT A GLANCE

INDUSTRY/SERVICE	TRANSMISSION/RECEIVER	PRICE
<S>	<C>	<C>
Industry/Service		
The Agricultural Industry	www.dtn.com/ag/	
DTN AgDaily(R)/ DTN FarmDayta(R) provides agricultural market information, delayed commodity futures and options quotes, local cash grain and livestock prices, regional and world weather updates and a variety of daily analysis, commentary and news affecting grain and livestock prices.	FM-Side Band/Page Based Monochrome Ku-Band Satellite/Page Based Monochrome Ku-Band Satellite/ACE Color System	$31 $37 $46-$54
DTN AgDayta (www.agdayta.com) provides an Internet solution combining the best of DTN AgDaily and DTN FarmDayta for up-to-date agricultural weather, markets, news and commentary, quotes, local cash grain and livestock prices.	Internet/Subscribers' PC	$25
DTN Pro SeriesSM/ DTN FarmDayta Elite Plus(R) provides services with advanced	Ku-Band Satellite/Ace Color System	$60-$84

information sources for ag producers, agribusinesses and commodity traders requiring extensive information to be customized for their specific needs.		
DTNstant(R) provides real-time futures and options quotes, comprehensive analytics and headline commodity news from Bridge and Future World News. This service also includes all the information found on DTN AgDaily.	Ku-Band Satellite/Ace Color System	$180 (2)
DTNironSM provides an equipment locator and inventory management service for the farm implement dealer. It is designed to allow dealers to work together in locating, buying and selling used farm equipment with other dealers/subscribers.	Ku-Band Satellite/Ace Color System	$102
DTN PROduce(R) provides comprehensive weather, DTN's price discovery network (DTNdexSM), transportation information and news for the growers, shippers, packers, brokers, retailers and institutions linked to the produce industry.	Ku-Band Satellite/Ace Color System Internet/Subscribers' PC	$65-$94 $63
DTN Cotton Network provides an electronic marketing system for the cotton industry. The service allows gins, brokers, buyers, and warehouses to share data allowing fast and accurate marketing and accounting of cotton offered and sold.	Ku-Band Satellite/ Ace Color System	$.50/bale listing
The Weather Industry DTN Weather Services DTN Weather Center(R)/DTN Online (www.dtn.com/dtnonline/security/loginscreen.cfm) provides a comprehensive weather information system to meet the weather information needs of many industries. Subscribers to DTN Weather Center rely on accurate and easily accessible weather information as a critical ingredient in operating, operations planning, and staffing decisions.		www.dtnweather.com
	Ku-Band Satellite/ACE Color System Internet/Subscribers' PC	$76 $25
DTN Aviation CenterSM provides comprehensive aviation weather specifically for pilots, airports and Fixed Base Operators (FBO's). This service supplies airports, pilots and FBO's with comprehensive flight planning and operations.	Ku-Band Satellite/ACE Color System Internet/Subscribers' PC	$118-$152 $45
DTN Broadcast Weather provides comprehensive local, regional and national weather forecasts plus national and international news for the broadcast industry. The Weather Industry-continued	Ku-Band Satellite/ACE Color System	$101

</TABLE>

<TABLE>
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INDUSTRY/SERVICE	TRANSMISSION/RECEIVER	PRICE
<S>	<C>	<C>
The Weather Industry-continued		
DTN Contractor DaytaSM provides construction businesses with industry and association news, construction and bid specifications along with all the weather information affecting the construction company.	Ku-Band Satellite to ACE Color System Internet/Subscribers' PC	$86-$99 $35
DTN Forestry CenterSM provides specialty weather services targeted at the District Forest Management offices in the continental United States and Canada.	Ku-Band Satellite to ACE Color System	$91
DTN Marine CenterSM provides specialty weather information for the marine industries, including coastal sea condition forecasts, marine buoy data for wind and weather, temperature conditions and sea surface temperature maps.	Ku-Band Satellite to ACE Color System DIRECTV	$91-$106 $91-$106
DTN Transportation Weather provides time-sensitive and often critical, local, regional and national weather forecasts for transportation professionals. Subscribers have a choice of receiving immediate notification through a pager or via DTNonline, DTN Weather Center's Internet service.	Ku-Band Satellite to ACE Color System	$86-$98
DTN Travel CenterSM provides weather, news, markets and sports information to motel and hotel customers. This service is targeted at motels and hotels with 50+ rooms and includes road condition forecasts and special notices for travelers.	Ku-Band Satellite to ACE Color System	$88
DTN Turf ManagerSM provides weather information to individuals and businesses involved in turf-related operations such as outdoor sports facilities, golf courses, lawn maintenance, landscaping and sod farms. The service provides news, weather and specialty information designed for turf management.	Ku-Band Satellite to ACE Color System	$82
DTN Weather Safety Center provides valuable weather information, warnings and alerts to emergency management professionals and anyone who is responsible for protecting lives and property from the hazards of severe weather. This service couples with the DTN Weather Alert Paging System to provide immediate notification of severe weather to alpha pagers.	Ku-Band Satellite to ACE Color System	$86-$98
DTN Kavouras Weather Services--Meteorological Equipment TritonTM Doppler Radar Series is a complete line of advanced, fully coherent Klystron or TWT-based Doppler weather radars, representing the most powerful, the most accurate, the	Customizable	- (3)

most versatile and the most cost-effective Doppler radar performance in the world. Users include broadcast television, aviation, universities, government and military.		
TritonTM RT is a real-time 3-D and 2-D weather and news graphics animation system focused on, but not limited to, the broadcast television market. This product uses weather data to create an informative and exciting weather show.	Customizable	- (3)
MetWorkTM FileServer is a robust and dynamic network solution for real-time dissemination of meteorological information based on the versatile and efficient NT format, supporting standard Internet communications protocol and various network configurations.	Customizable	- (3)

</TABLE>

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INDUSTRY/SERVICE	TRANSMISSION/RECEIVER	PRICE
The Weather Industry-continued		www.dtnweather.com
DTN Kavouras Weather Services--Meteorological Services		
Storm ProTM is a workstation that integrates real-time Doppler weather radar with a geographic information data system to create an accurate display with broadcast-quality appearance. The display can be individualized for a unique and defining look important in the television market.	Customizable	- (3)
StormSentryTM is around-the-clock storm tracking software that identifies dangerous weather cells, analyzes their characteristics, their locations, their speeds, their directions, their estimated times of arrival...all automatically.	Customizable	- (3)
StormWatch(R) is customizable software that monitors either a weather wire or a DTN Kavouras MetWork Fileserver to generate color-coded maps and/or a crawl message for important watch, warning or advisory weather situations. StormWatch also allows a television station to edit and prioritize information for their viewing areas.	Customizable	- (3)
SchoolWatchTM is customizable software for the Triton RT that helps television stations easily update, prioritize and display late-start and school closing information. This software can also be configured to update information on a station's Web site.	Customizable	- (3)
Data and Customizable Forecasting Services provides a broad range of standard data for a wide variety of markets. In addition, DTN Kavouras staff provides 24-hour, 365 days a year coverage for tailor-made forecasts to meet customers' special needs.	Customizable	- (3)
The Financial Services Industry		www.dtn.com/finserv/
DTN.IQ (www.dtniq.com) provides cutting-edge Internet technology for tick-by-tick quotes, full-text news, intraday and historical charts, price watches and alerts and more with a cost-effective and efficient delivery method for individual and professional investors.	Internet to Subscribers' PC	$89(2)
DTN Real-Time(R) provides real-time quotes on over 225,000 stocks, stock options, commodities, and indexes, plus news, economic data, and financial markets information. This service delivers the information via a new generation of DTN proprietary hardware into a subscriber's PC where it is captured and displayed through the use of DTN customer software or third-party software.	Ku-Band Satellite or cable to Subscribers' PC	$98-$118(2)
DTN SPECTRUM(R) provides delayed quotes, business news, economic data and financial market information. This service is an enhanced version of DTN Wall Street that includes custom programming.	Ku-Band Satellite to ACE Color System	$68
DTN SPECTRUM(R)RT provides the same information as DTN SPECTRUM with futures provided in real-time.	Ku-Band Satellite to ACE Color System Cable TV-VBI to ACE Color System	$118(2) $118(2)
DTN Wall Street(R) provides delayed financial quotes plus in-depth economic and business news, financial information. The Financial Services Industry-continued	Ku-Band Satellite to Page Based Monochrome Cable TV-VBI to Page Based Monochrome	$44 $44

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INDUSTRY/SERVICE	TRANSMISSION/RECEIVER	PRICE

DTN FirstRate(R) provides wholesale mortgage rates and U.S. Agency/Mortgaged-Backed Securities prices in an easy-to-use standard format.	Ku-Band Satellite to Page Based Monochrome	$98
	Cable TV-VBI to Page Based Monochrome	$98
	Ku-Band Satellite to ACE Color System	$129
	Cable TV-VBI to ACE Color System	$129
DTN FirstRate+(R) provides the same information as DTN FirstRate with U.S. Treasury futures, all other futures and futures options provided in real-time.	Cable TV-VBI to ACE Color System	$179(4)
National Datamax provides software and data services to financial planners and independent brokers for a comprehensive financial picture pinpointing the best investment options for their customers.		
The Energy Industry		www.dtnergy.com
DTNergy(R) - Refined Fuels provides terminal prices, alerts, electronic fund transfer notifications and other communication services from Petroleum Refiners to their customers (also DTN Subscribers).	Ku-Band Satellite to Page Based Monochrome	$40
	Ku-Band Satellite to ACE Color System	$80
DTNergy(R) - Natural Gas and Electricity provides instant or delayed NYMEX energy options and futures quotes, weather, news and industry information.	Ku-Band Satellite to ACE Color System	$40-$180
Prophet X (www.fimi.com) provides access to DTNenergy's real-time market data using Financial Information Management Inc.'s (FIMI) client-service software on the Internet.	Internet to Subscribers' PC	$218
EnergyView (www.energyview.com) provides real-time data for the international energy markets on the Internet. This service was the result of a joint venture with DTN and GlobalView Software.	Internet to Subscribers	
Other Services & Joint Ventures		www.dtn.com/auto/
DTNautoSM provides a communication and information service for the automobile industry including wholesale and retail values on new and used vehicles, a used car inventory locating service and direct communication services for manufacturers and automobile auctions.	Ku-Band Satellite/ACE Color System	$84-$169
DAT Services provides an information communication system for the trucking industry that provides load and truck matching on a database of 80,000 listings updated daily.	Ku-Band Satellite/ACE Color Sytem	$90(4)
TracElectric provides an equipment locator service for the electric equipment industry with over 100 pages of new, remanufactured, surplus and used electrical equipment listings.	Ku-Band Satellite/Page Based Monochrome	$100(5)
DTN Missing Children Information CenterSM provides instant transmission of data regarding children in danger to local, regional, national and Canadian outlets.	Ku-Band Satellite/ACE Color System	-(6)(7)

1 Prices are based on a monthly subscription price. DTN offers discounts for annual prepayments. Prices are subject to change.

2 Plus Exchange Fees.

3 Customized configurations to meet a wide variety of customer needs are offered at competitive prices.

4 DTN receives this fee from DAT Services.

5 DTN shares revenues with TracElectric.

6 Currently provided on all ACE Color Systems.

7 Sponsorships of kiosk programs are offered at $7,500 for two years per kiosk.

THE AGRICULTURAL INDUSTRY

GRAPH IN TABULAR FORM:

	1994	1995	1996	1997	1998
DTN Agricultural Services Revenue ($ millions)	33.7	44	69.7	87.6	88.3

</TABLE>

DTN Agricultural Services

The DTN Agricultural Division consists of five major services: DTN AgServices, DTNstant, DTN PROduce, DTNiron, and DTN Cotton Network.

New subscriptions are primarily sold by the Agricultural Division's own dedicated sales force. These individual sales professionals began working under the direct control of the Ag Division in August 1998. The ag sales force is made up of district sales representatives, in-house sales staff, and independent, commission-only sales representatives. By dissolving the former national sales group into a smaller, more focused staff, the division is able to provide more knowledgeable and service oriented sales professionals for current and prospective customers. DTN AgServices, DTNstant and DTNiron each have their own individual group of sales professionals, selling their basic products. For these three services, the prospective customer base is essentially the same, and these sales professionals are encouraged to sell any of the products associated with Ag when the opportunity presents itself. DTN PROduce deals with a different prospect than the normal livestock and grain farmer, and therefore DTN PROduce sales professionals sell primarily to produce oriented prospects. The Ag Division provides its sales force with leads that are obtained through telemarketing, direct mail, print media advertising, customer referrals, and Internet advertising.

The main competition to these services is the combination of printed advisory services, radio, television, telephone, other satellite information services, Internet services, and the changing of old information-gathering habits.

There are over 200 premium (optional) services available to agricultural subscribers to enhance the primary product subscriptions. These premium services consist of advisory, informational and educational products as well as newswire, association and additional free services. DTN subscribers can customize their DTN unit to meet specific needs by choosing from a broad mix of these "a la carte" services. DTN is continually developing new premium services to meet customer demands by listening closely to the marketplace and to the customer. Premium services are marketed through a combination of individual free trials, system-wide trials, on-screen advertising, direct mail, invoice stuffers, equipment stuffers, and telemarketing. Premium Services' prices range from $6 to $1,200 per quarter. The average subscription price is $60 per quarter. Effective marketing campaigns helped to increase premium service sales in 1998.

Communication services (DTN InfoMail) plays an important role in providing a cost effective means to reach a large number of targeted customers daily. At the touch of a button, subscribers have instant access to messages 24 hours a day. DTN InfoMail customers receive information tailored to their specific needs. The service provides information for elevators, seed sales reps, agronomists, chemical sales reps and technical advisors, commodity brokers, processing plants, feedlots and anyone with a need to communicate to DTN subscribers. Over 75 new InfoMail providers began messaging in 1998.

Advertising on DTN Ag Services plays a major role in the division's revenue. The Advanced Communication Engine (ACE) satellite receiver, with its animation and inter-active ability, provides an excellent avenue for advertising sales. With the development of the ag Internet service, (www.agdayta.com), advertising will have a new avenue in which to grow. In 1998, the Ag Division sold over $3.2 million in advertising space to numerous ag industries, ag chemical and seed companies, and equipment and finance businesses.

DTN Ag Services Review

Approximately 80% of DTN Ag Services' subscribers are farmers or livestock producers with the balance consisting primarily of grain elevators, agribusinesses and financial institutions. Subscribers to DTN Ag Services farm nearly one third of the nations total cropland and market more that 50% of the nation's cattle and hogs.

FarmDayta was the primary competition for DTN AgDaily until May 1996 when DTN acquired Broadcast Partners. The addition of FarmDayta gives DTN AgServices a fully integrated agricultural product line with price entry points across a wide spectrum, expanding the marketing horizons for all DTN agricultural services. DTN maintains the DTN FarmDayta facilities in Des Moines, Iowa.

DTN AgDaily

DTN AgDaily is an agricultural market information, quote and weather service. Subscribers receive delayed commodity futures and options quotes, local cash grain and livestock prices, selected regional and world weather updates, and a variety of daily analysis, commentary and news that affect grain and livestock prices. DTN AgDaily color graphics allows for an advanced weather segment with national and regional radar maps (updated every 15 minutes),

infrared satellite cloud cover maps, precipitation, temperature, jet stream,

surface wind and snow cover maps, and much more. The subscriber can custom design high resolution charts and/or select from a library that holds over 1,000 charts. The system is capable of custom programming the futures quotes pages to display only the quotes desired. The service also includes information segments for specific crop and livestock enterprises as well as general, business, sport and entertainment news. AgDaily offers crop liability insurance and livestock profitability calculators through use of the inter-activity feature, which allows subscribers to search a comprehensive database.

DTN Pro Series

The DTN Pro/Premier services feature a more advanced AgDaily product. The Pro Series enhanced functionality includes a high interest window to view future or options quotes on any page as well as keyword search that automatically searches the news story database for articles affecting the user's operation. It also allows subscribers to customize a segment with up to five of the user's favorite pages, and a personal library serving as a customized archive segment. There are seven DTN Pro products, all of which include the complete AgDaily service plus additional specific information: Weather Pro, News Pro, Chart Pro, Intraday Pro, Stock Pro, Premier and Premier Plus.

- DTN Weather Pro provides 32 programmable pages for creating unique weather information. It allows subscribers to choose from over 70 weather maps including detailed regional, state and zone forecasts, and lets them zoom in on a particular spot on the map. These maps can also be put into motion.

- DTN News Pro provides the AP Online service (a service of the Associated Press), an audio summary of the day's agricultural news as well as the general news of the day.

- DTN Chart Pro includes 40 pages for programmable charts which allow subscribers to create an extensive "chart book" for analyzing trends, patterns, and cycles.

- DTN Intraday Pro offers the ability to chart market sessions minute-by-minute during the trading day. This allows subscribers to choose time intervals for charting to keep them abreast of the markets.

- DTN Stock Pro provides access to prices for over 50,000 issues of stocks, bonds and funds. The service includes stock quotes using either the quick quote feature or the programmable quotes pages. Additional features include a personal library for storing news and information and high interest windows allowing subscribers to constantly monitor up to six futures, options, stock or bond quotes.

- DTN Premier combines Weather Pro, News Pro, Chart Pro and Intraday Pro into a comprehensive ag marketing and information package.

- DTN Premier Plus includes all Pro products (Weather Pro, News Pro, Chart Pro, Intraday Pro, and Stock Pro) into one complete package for farmers, ranchers or agribusinesses needing all the market information available in one convenient location.

DTN FarmDayta

DTN FarmDayta II is an agricultural market information, quote and weather service delivering delayed commodity futures and options quotes, local cash grain and livestock prices, selected regional and world weather updates, and a variety of daily analysis, commentary and news that affects grain and livestock prices.

- DTNFarmDayta Elite HD includes all the DTN FarmDayta II features, plus options quotes, charting, weather maps and a receiver with a hard drive, which is critical to maintaining storage of information during a power outage.

- DTN FarmDayta Elite Plus includes all of the information provided on the DTN FarmDayta Elite HD, plus more advanced news (Reuters Headline News), quotes, weather (including motion and zoom capabilities) and programmable charts. The Elite Plus product is similar in content to the DTN Pro services. DTN FarmDayta Elite Plus is considered the "top of the line" product in the FarmDayta line.

DTN AgDayta

DTN AgDayta (www.agdayta.com) is the company's agricultural Internet service. AgDayta combines DTN FarmDayta Elite Plus and DTN Premier Plus to produce the most content rich product offered by DTN Ag Services. DTN AgDayta is designed for the producer preferring to use his/her own personal computer to receive information, or for the individual that is not able to utilize the traditional satellite-based system supplied by DTN. The information on AgDayta includes animated weather maps, satellite and summary maps, short and long range forecast maps, news commentary and analysis, plus unlimited access to futures and option quotes from all the major exchanges. Also available on AgDayta are

commodities for energy, finance, currency, metals and other exchanges as well as instant access to daily, weekly and monthly commodity charts. The customization capabilities allow for the organization of information that is most often used for business decisions.

DTN AgBasic

DTN AgBasic was introduced in 1998 and is the most economical agricultural color satellite system offered by DTN. The service came about through requests from prospective customers for a more condensed version of the AgDaily/FarmDayta products. AgBasic was developed as a "start up" color service for the first time DTN customer. The service includes select quotes for 20 futures and two options, the national radar map, local weather, state news, USDA Flash, USDA Pre-Report, state grains and livestock bids, FarmDayta grains, livestock and other commentaries.

1998 DTN Ag Services Highlights

The past year brought many changes and growth opportunities to DTN Ag Services. A major change was the realignment of the national sales force into smaller, more focused groups. Ag Services introduced two new products, DTN AgDayta, the improved ag Internet service and AgBasic, a product designed for the price conscious producer.

DTN AgDayta replaces FarmDayta OnLine as the company's Internet option to the satellite delivery system. AgDayta's improvements include a new look and feel and combines the best of DTN Premier Plus and FarmDayta Elite Plus. AgDayta offers more choices in allowing the user to customize his site with weather packages and ag commentary. To date, AgDayta has 2,500 subscribers, a 150% increase over last year's total.

The AgBasic product has brought in new sales as well as an effective means of retaining current customers with financial difficulties. Offering a condensed version of AgDaily and FarmDayta II packages, AgBasic allows us to reach a new, more price conscious producer who can then be easily upgraded to a more comprehensive system.

In 1998, Ag Services also announced the addition of Futures World News (FWN) to its premium services package. FWN is an extensive commodity news wire allowing a subscriber to follow up-to-the-minute news stories affecting the commodity market. This product was formerly available only on DTNstant.

In addition, DTN teamed up with Stewart Peterson to provide Stewart Peterson's Marketing Tudor, free of charge, to all new customers. This program guides the farmer through the intricacies of trading and following the markets. While helping customers become more actively involved in marketing, we are also able to increase the value of DTN.

In early summer 1998, in response to rapidly falling commodity prices, DTN began posting the Loan Deficiency Payment (LDP). LDP is a "safety net" put in place by the federal government to protect farmers should commodity prices fall below pre-set levels. The LDP is the amount a farmer could get for his product, from the government, on any given day, which covers the difference between the price given on his crop, used as collateral for obtaining a 9 month operating loan, and the price at which he could currently sell. Each commodity has a different LDP, which changes every day and varies, from county to county. Access to this critical information has been the difference, for some farmers, between success and selling the farm.

In an economy of falling prices and farm consolidations, DTN Ag Services recognizes that to remain competitive, we need to continue to look for ways to expand into new markets, and we must be increasingly aggressive in generating

more revenue from current customers. In this vein, we have moved headlong into a program of upgrading current customers from our basic entry-level service to the more sophisticated higher-end services. This endeavor has proven tremendously successful.

The future of DTN Ag Services looks even more exciting and rewarding. With more new niche market products, more premium service options, and our upgrade program, the potential for continued growth is strong for DTN Ag Services. Coming in 1999 is another service option for customers, DTN Ag for Windows. The same information-packed product our customers already enjoy will be available through DIRECTV. With DIRECTV technology, our customers will receive the information they want, the way they want to receive it. We are excited about the potential of this new addition and look forward to a successful 1999.

DTNstant

DTNstant is a leader in providing satellite delivery of real-time futures and options quotes from the major commodity exchanges and headline commodity news from multiple sources such as the Associated Press, Reuters, Futures World News and Bridge. The service also provides market-leading cash grain and livestock information, in-depth charting capabilities plus all the information

available on the DTN AgDaily color service.

In addition, the service provides information for the energy, metals, softs (ie: orange juice, coffee, cocoa), transportation and lumber industries. DTNstant uses compatible software to allow the "pass thru" of data and graphics into a computer's local area network (LAN). With this capability, a DTN ACE receiver can feed information to multiple users/traders on the LAN. This "pass thru" software opens new markets by utilizing information distribution within a customer's LAN, enhancing analytical capabilities.

Other valuable features are user-programmable formulas for data analysis, high interest windows to include news stories, and increased keyboard functionality.

DTNstant operates in a very competitive market with many providers of instant commodity quotes. The primary subscribers are commercial grain companies and elevators, feedlots, commodity brokers and commodity speculators. No other service in the industry offers a more comprehensive news and information service. Due to the nature of this industry, the Company provides on-site service and installation by professional service technicians.

In February 1997, DTN acquired 500 subscribers (mainly grain elevators and brokers) from Market Quoters and Northern Data Services. These subscribers are located in Minnesota, the Dakotas and Iowa. In March of 1997 DTNstant acquired 2,400 subscribers from Market Communications Group LLC (MCG).

The MCG acquisition made it possible to redistribute Reuters news, a renowned leader, to the DTNstant subscribers. The service now provides unparalleled information and strategic news for commodity traders including access to additional international information, news packages for softs (coffee, sugar, cocoa and orange juice), metals and energy.

1998 DTNstant Highlights

DTNstant experienced a dynamic 1998 with most of the subscriber growth occurring via LAN (Local Area Network) subscribers. The individual subscribers (nodes) access DTN data through a 3rd party software provider. They receive all of DTNstant's data combined with the technical capabilities that the software and the computer's desktop allow.

Due to the location of many new DTNstant subscribers, the product has also been made available via leased landline or the Internet. Both of these information delivery methods are popular with the growing metropolitan customer base.

DTNiron

DTNiron is a cost-effective communication resource for the farm implement, construction, truck and trailer dealers which provides an equipment locator and advertising service for dealers at the wholesale and retail levels.

A detailed implement listing remains on the DTNiron system for a minimum of 30 days, renewable at the dealer's request. Subscribers receive industry news, financial information, economic indicators and information from the DTN AgDaily service.

In 1997, DTNiron added retail equipment listings to its newly developed web site on the Internet (www.dtniron.com). This allows subscribers to gain additional exposure for their listings at no additional charge. Internet users can easily locate equipment for sale by using a drill-down database search engine directing them to DTNiron's complete web listing. Dealers can also receive e-mail from potential buyers or, if they are not e-mail enabled, DTN will call or fax the message to the dealer.

1998 DTNiron Highlights

Agrisurfer (www.agrisurf.com), an Internet Search Engine for agricultural websites repeatedly reported DTNiron's Website (www.dtniron.com) as one of the top ten agricultural websites in 1998. Daily traffic at DTNiron's website has more than tripled in the past year.

DTN Cotton Network

DTN Cotton Network is an electronic communications system for the cotton industry designed to operate on a user's personal computer using software developed specifically for cotton accounting and marketing. Based in Lubbock, Texas, with an office in Memphis, Tennessee, the Network serves its customer base in the mid-South and Southeast.

Users dial into a DTN data center via modem to upload bale ownership information and to list cotton for broadcast to prospective buyers. The information is broadcast via DTN Ku-band satellite and passed through a serial port into the personal computers located at both buyer and seller locations.

1998 DTN Cotton Network Highlights

In March of 1998, DTN purchased the assets of Cotton Data Systems (CDS) in Memphis, Tennessee, adding cotton gin and warehouse accounting software to its current marketing network product. This acquisition added 250 gins and warehouses to its customer list. In addition to gin and warehouse cotton bale accounting systems, the DTN Cotton Network sells marketing software developed for the needs of cotton merchants. The software is sold and supported from the Memphis operations.

DTN also purchased the cotton gin customers of Challenger Systems in Tennessee, adding more than 20 cotton gins to the gin bale accounting customer base in west Tennessee.

DTN PROduce

DTN PROduce is an authority in providing the produce industry with the timeliest information available through use of satellite technology and the Internet (www.dtn.com/ag/produce). Weather, market conditions, transportation information, and news are the four main components with the greatest impact on a subscriber's daily operation. DTN PROduce has become the industry's accepted source for receiving this information.

Price Link was introduced in 1997 allowing subscribers to send and receive real-time pricing information for a fraction of the time and money of conventional faxing methods. The service allows suppliers to advertise their products or announce available inventories to buyers. Prices can be quickly changed, added or downloaded from the DTN service to a personal computer.

DTN

PROduce continues to network itself with the major players in the produce industry by providing the necessary tools to save time, make money and communicate pricing and other information at a fraction of the time and cost of other existing systems.

1998 DTN PROduce Highlights

DTN PROduce introduced several improvements to the Price Link service, which included updating the methods for sending and receiving pricing information. The service also continues to expand and upgrade its information on the Internet (www.dtn.com/ag/produce) with 50% of its customer base now accessing produce information using this form of information distribution technology.

THE WEATHER INDUSTRY

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DTN Weather Services Revenue ($ millions)	0.0	1.0	5.6	10.7	25.8

</TABLE>

DTN Weather Services

DTN Weather Services consists of three major components, DTN Weather Center Services, Kavouras, Inc. and Weather Services Corporation (WSC). Kavouras, Inc. was acquired by DTN on July 1, 1998 and is now doing business as DTN Kavouras Weather Services. DTN acquired WSC on December 11, 1998. The addition of these two companies truly makes DTN a leader in the weather industry providing critical weather information and meteorological equipment to small businesses, military, federal government, broadcast television, major utilities, Internet portals and everyone in between.

DTN Weather Services' future plans are to concentrate on the untapped middle markets where customers number in the tens of thousands. The Internet also provides many additional opportunities for growth such as advertising supported sites, monthly subscription sites, "pay-per-view" sites, etc.

DTN Weather Services employs a dedicated weather sales force made up of nearly 100 sales professionals for its sales and marketing efforts. This sales force is unique to DTN in the weather industry and is a major reason for the success of the division.

Weather information is always in high demand for many small and large businesses as well as individuals planning their vacation and outdoor activities. DTN Weather Services has a handful of competition from several large private weather companies. Television and the Internet also provide some competition on a smaller scale, but lack the timeliness and local information

the DTN service provides. DTN Weather Services constantly looks for more and better ways to provide this critical information to its customers in the quickest, most dependable and cost effective way.

DTN Weather Center

DTN Weather Center is a comprehensive weather information system designed to meet the weather information needs of many industries. Markets specifically targeted by DTN Weather Center are golf courses, turf management, emergency management, state transportation departments, public works departments, construction, broadcast and aviation. DTN Weather Center introduced new products in 1998 designed especially for the broadcast, transportation and safety industries.

DTN Weather Center provides more than 100 full-color maps and other in-depth weather information, from local forecasts and regional radar maps to national infrared satellite images. The service provides short-range (immediate to 48-hour) forecasts, long-range (30-90 day) outlooks and 10-day city forecasts for more than 550 major cities across the United States. A personal programmable segment allows users to customize maps and the archive feature easily stores maps for future reference.

DTN Weather Center provides the important weather information and planning tools to make businesses safer, more profitable and easier to manage.

DTN Aviation Center

DTN Aviation Center is a comprehensive aviation weather package specially designed for pilots, airports and Fixed Based Operators (FBO's), supplying them with the extensive flight-plan information found on many premier "online" systems.

This package includes U.S. and regional depiction maps, 24-hour low-level significant weather prognosis, U.S. region winds and temperatures aloft and also METAR (the aviation acronym for airport observations) and TAF (Terminal Aerodome Forecast) information. Subscribers use DTN Aviation Center during flight services to visualize current weather conditions while creating their flight plans. This service also aids in determining alternate route destinations.

Subscribers choose from the Level I service, designed for the local/regional flyers up to 18,000 feet, or the Level II service, designed for pilots and airports flying nationally up to 45,000 feet. The Level II service also provides European flight information.

DTN Broadcast Weather

DTN Broadcast Weather is a weather and news information service designed for the broadcast industry. Along with the comprehensive local, regional and national weather forecasts and information, subscribers receive National Oceanic and Atmospheric Administration Warnings & Alerts (NOAA).

Learfield World & National News Summary provides hourly summaries of international and national news. The segment contains 20 pages, formatted for about two to three minutes of "rip and read". Announcers can organize the material, print it out or read it right off the DTN screen.

DTN Contractor Weather

DTN Contractor Weather is designed for the construction industry and includes construction-related news and information, which gives subscribers a competitive advantage. This service provides valuable weather information necessary for important day-to-day business decisions.

Job site weather management options include the DTN Weather Alert Paging System, which provides immediate notification of severe weather directly to the user's alpha pager, and DTNonline (Weather Center's Internet service). NOAA Weather Wire and Severe Weather Maps are included in DTN Contractor Weather Level II, along with the subscriber's choice of the Weather Alert Paging System or DTNonline.

The service is a practical tool in improving employee safety, saving labor and material costs, and providing effective scheduling and staffing management for the construction industry.

DTN Forestry Center

DTN Forestry Center provides critical forest fire information to subscribers. Previously, district forest service offices relied on a modem network assembled in the late 1960's for crucial information on forest fire locations and fire weather forecasts. With DTN Forestry Center, forecast service district managers quickly access fire weather text bulletins along with a comprehensive set of weather maps.

Bulletins provided for the forest service markets are Forest Weather Forecasts, Red Flag Warnings, Fire Danger Indexes, Fire Weather Observations and Fire Weather Notices. A special chapter of fire weather maps provides additional

information such as Haines Fire Index, Current and Forecast Relative Humidity, Current and Forecast Wind Speed and Direction, upper air analysis from 5,000 to 10,000 feet, and moisture index information from both the Crop Moisture Index and Palmer Drought Index.

DTN Marine Center

DTN Marine Center provides satellite-delivered weather information for all areas of the marine industry. The service provides information necessary for cost-effective, efficient decision making regarding towing, shipping, salvage and recreation. It includes Lake and Marine Text Bulletins, Buoy Reports, Lake and Marine Maps and Tide Tables, as well as general weather information and sea conditions.

New to the product in 1998 was the addition of DTN OnBoard, a service allowing the user to receive DTN Marine Center through a DIRECTV dish on their PC while at anchor or underway. Sea Surface Temperatures are also available as an optional service.

DTN Transportation Weather

DTN Transportation Weather is designed for anyone responsible for road maintenance or whose business depends on road conditions. Comprehensive local, regional and national weather forecasts and information are available to transportation professionals, allowing them to make informed decisions regarding the weather.

Subscribers have the choice of the DTN Weather Alert Paging System or DTNonline (DTN Weather Center's Internet service). The Weather Alert Paging system provides immediate notification of severe weather directly to the user's alpha pager. DTNonline enables the subscriber to make management decisions based on weather at home or away from the office with a PC.

NOAA Weather Wire and Severe Weather Maps, Travel Cast Maps and Road Conditions, and EarthSAT Winter Weather Information are important features of this product.

DTN Travel Center

DTN Travel Center is an interactive hotel guest service designed for the hospitality and travel industries. The service targets hotels and motels with 50+ rooms and includes NEXRAD Real-Time Radar Maps, travel forecasts and road conditions, detailed city and national forecasts, national and world news, sports and sports scores. In addition, the service provides business and financial news and market quotes and indexes.

DTN Travel Center provides a comprehensive weather and news information package for both the business and vacation traveler.

DTN Turf Manager

DTN Turf Manager is available to businesses and individuals involved in turf-related operations such as golf courses, lawn maintenance, landscaping and sod farms. The service provides the weather and chemical information needed for effective turf management, making the safest, most cost-effective use of chemicals, labor and other resources.

Material Safety Data Sheets (MSDS) are available with Turf Manager, along with the C&P Press Turf Product Index, an information database of more than 275 turf pesticides. Plant Protection Chemical Product Labels were added to the service in 1998. This important segment provides full information on chemicals used in turf care and management.

ThorGuard, the only lightning prediction system available, warns of lightning strikes before they happen and is available as an optional service. Evapotranspiration Tables provide regional evapotranspiration rates to plan for watering and chemical application.

Golf information, such as ESPN Sports Ticker, the National Golf Course Directory, GCSAA News and USGA News, is provided with DTN Turf Manager.

DTN Weather Safety Center

DTN Weather Safety Center provides weather information for anyone who is responsible for protecting lives and property from the hazards of severe weather. NOAA Weather Wire, the most comprehensive warning and alert system available today, is available with the service, along with radar and satellite images, local, regional and national outlooks.

DTN Weather Safety Center is invaluable for emergency management professionals. Coupled with the DTN Weather Alert Paging System, subscribers receive immediate notification of severe weather directly to their alpha pagers. Weather watches, warnings and storm movement, along with local weather updates twice daily for an 8-county area of the user's choice, are included in the service.

1998 DTN Weather Services Highlights

DTN Weather Center increased its subscriber base in 1998 by more than 5,000 subscribers, bringing the total subscriber count to over 18,000. Government agencies (emergency management and state transportation departments), aviation, golf and turf management, and construction-related businesses continue to be the leading industries for DTN Weather Center.

DTN Weather Safety Center and DTN Transportation Weather were introduced in 1998 and immediately became top selling services for Weather Center. DTN Broadcast Weather was also introduced and is rapidly gaining a presence in the broadcast industry.

DTN Weather Center is continuing to make its presence known as the industry leader in providing timely, accurate weather information to a variety of industries and is gaining a strong foothold in the emergency management and Department of Transportation (DOT) segments. In 1998, the Minnesota DOT awarded DTN Aviation Center contracts for more than 100 units for use in Fixed Based Operations (FBO's) across the state. The State of Georgia, working in conjunction with a grant from the Federal Emergency Management Association (FEMA) purchased DTN Weather Center units for nearly 80 counties in Georgia.

1998 also saw the development of alternative delivery methods for DTN Weather Center services. DIRECTV offers subscribers the opportunity to receive DTN Weather Center information through their PC's. For larger companies requiring multiple employee access, an Intranet system is also available.

DTN Kavouras Weather Services is the result of the acquisition of Kavouras, Inc. in July 1998. DTN Kavouras Weather Services is a total weather solutions resource, providing a full spectrum of advanced meteorological information products and services for weather-dependent applications in industries and governments worldwide. The Minneapolis-based subsidiary of DTN produces the world's most powerful Doppler radars, real-time PC weather workstations, comprehensive meteorological training, and a massive international weather database. DTN Kavouras and its 140 employees offer an expertise level unmatched in the industry.

WSC was acquired by DTN in December of 1998 and is one of the largest sources for meteorological consulting and worldwide commercial weather information. The strategic acquisition of WSC provides name awareness for DTN Weather Services through valuable contracts with high profile customers including America Online Inc. (NYSE:AOL), the world's largest online service, USA Today and numerous utilities, broadcasters, agribusinesses and municipalities. Weather Services Corporation is based in Lexington, Massachusetts.

DTN believes the acquisition of WSC is an excellent complement to the Kavouras acquisition as the two businesses serve different segments of the weather industry yet share many of the same customers making weather a one-stop-shop experience.

DTN Kavouras Weather Service

Meteorological Equipment

Triton Doppler Radar Series

Triton Doppler Radar Series is a complete line of advanced, fully coherent Klystron or TWT-based Doppler weather radars, representing the most powerful, the most accurate, the most versatile and the most cost-effective Doppler radar performance in the world. Users include broadcast television, aviation, universities, government and military.

Triton RT

Triton RT is a real-time 3-D and 2-D weather and news graphics animation system focused on, but not limited to, the broadcast television market. This product uses weather data to create an informative and exciting weather show.

MetWork FileServer

MetWork FileServer is a robust and dynamic network solution for real-time dissemination of meteorological information based on the versatile and efficient NT format, supporting standard Internet communications protocol and various network configurations.

Meteorological Services

Storm Pro

Storm Pro is a workstation that integrates real-time Doppler weather radar with a geographic information data system to create an accurate display with broadcast-quality appearance. The display can be individualized for a unique and defining look important in the television market.

StormSentry

StormSentry is around-the-clock storm tracking software that identifies dangerous weather cells, analyzes their characteristics, their locations, their speeds, their directions, their estimated times of arrival...all automatically.

StormWatch

StormWatch is customizable software that monitors either a weather wire or a DTN Kavouras MetWork Fileserver to generate color-coded maps and/or a crawl message for important watch, warning or advisory weather situations.

StormWatch also allows a television station to edit and prioritize information for their viewing areas.

SchoolWatch

SchoolWatch is customizable software for the Triton RT that helps television stations easily update, prioritize and display late-start and school closing information. This software can also be configured to update information on a station's web site.

Data and Customizable Forecasting Services provides a broad range of standard data for a wide variety of markets. In addition, DTN Kavouras staff provides 24-hour, 365 days a year coverage for tailor-made forecasts to meet customers' special needs.

DTN Kavouras Weather Services Highlights

In July, DTN acquired Kavouras, Inc., and in late 1998, reached a definitive agreement with Weather Services Corporation. A new force in the meteorological services industry was created - DTN Kavouras Weather Services. Each team offered a unique specialty, and together formed a full-service weather company with the experience, products and solutions to serve a diverse client base - from small-town farmers to big-city broadcasters - even governments at home and across the globe.

The year brought the introduction of a new 3-D, free-form, fully functional weather graphics system, the Triton RT. Its real-time performance and stunning, multi-plane, animated weather and news graphics have caught the eye of broadcasters around the world. The system is currently employed at television stations in the United States, Canada, South America and Asia. With the focus and energy of DTN Kavouras employees, 1999 will bring much advancement to this young, innovative system.

It was also an exciting year for the company's Triton Doppler Radar (TDR). The radar, which offers a revolutionary design and precise performance, is sailing the seas as part of Boeing SeaLaunch, a multinational satellite-launching group. While the TDR is "made to order" to meet a clients needs for range and sensitivity, a "sea-worthy" model was a first. Modifications were made to account for the rolling waves, as well as the ship's speed and direction. The SeaLaunch TDR joins standard and special transportable models in the United States, Europe, the Middle East and Asia (including a system currently being installed at the Haikou Airport on Hainan Island).

There were also advancements to existing products. Advancements include new software and hardware features for established systems, new data products and custom forecasting services as well as an outstanding level of customer service during a year of satellite communications difficulties.

THE FINANCIAL SERVICES INDUSTRY

GRAPH IN TABULAR FORM:

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	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
DTN Financial Services Revenue ($ millions)	5.1	6.1	8.6	10.3	13.4

</TABLE>

DTN Financial Services

DTN Financial Services offers five primary information services, DTN.IQ (www.dtniq.com), DTN RealuTime, DTN SPECTRUM, DTN Wall Street and DTN FirstRate as well as a suite of business applications for the financial professional through National Datamax, Inc., a wholly owned subsidiary.

These services offer a complete line of fully integrated information for financial professionals and individual investors. As a full-service provider, DTN Financial Services brings together a broad selection of financial information to accurately cover the markets, real-time or delayed quotes,

real-time business newswires, and an array of back-office applications including client management systems and trading capabilities. DTN Financial Services' main objective is to provide comprehensive, in-depth financial information at an affordable cost to its subscribers. This objective is critical due to the highly competitive nature of the industry.

DTN Financial Services integrates information from a variety of sources such as Bridge, Liberty Brokerage and Market News Service, ZionsBank, UPI, New York Times, PR Newswire, Business Wire, Futures World News, Dow Jones, AP Online and others. In addition, a la carte, optional services offer subscribers an even greater variety of financial data including stock selection and timing advice, earnings estimates, fundamental stock market data, U.S. Treasury quotes and other financial market-related services. This combination allows each service to maintain its competitive advantage in the market.

Subscribers include individual investors, independent brokers, financial advisors and financial institutions. With competition coming from sources such as commodity news services, diversified media companies and smaller niche providers, DTN Financial Services continues to differentiate itself in the market by offering services that are broader in scope, yet remain strategically priced.

DTN Financial Services revenue grew 29% in 1998, continuing its bullish 27% compounded revenue growth for the past five years.

DTN.IQ

In May 1998, DTN Financial Services acquired a technology license from SmartServ Online (SSOL) along with their existing Internet customers. This license granted DTN exclusive rights to market a real-time Internet-delivered quote and news service previously developed by SmartServ Online. Renamed DTN.IQ (www.dtniq.com), it was released in June 1998, with new pricing and functionality.

DTN.IQ has begun to fulfill its initial promise of satisfying the needs of investors and traders who prefer to use the Internet as a market data delivery channel. By year-end, DTN.IQ had begun to generate positive cash flow and had become the fastest-growing service released by DTN Financial Services.

In addition to providing streaming real-time quotes and news, DTN.IQ offers functionality not found in other DTN services. Primary among these is the ability to retrieve a chart on any security at any time with up to two years of daily history or five days of tick history. In addition, DTN.IQ takes full advantage of 32-bit architecture, complete windowing capability, and the flexibility of Internet delivery.

DTN Real*Time

DTN REAL*TIME delivers real-time stock and stock option quotes as well as real-time futures quotes, fixed income government securities quotes, market statistics and indicators, news, commentary and other time-sensitive financial market information. The service is delivered at a rate of 18,800 characters per second, roughly three times faster than a computer modem operating at 56 kbs.

DTN REAL*TIME is two to four times faster than other dedicated, competitive, real-time quote services.

As an adjunct service with DTN REAL*TIME, NASDAQ Level II quotes were made available in the fourth quarter of 1998, an important step in DTN's effort to gain market share among institutional customers. Level II quotes offer institutional money managers and active day-traders more detailed information on the bid and asked prices offered by NASDAQ market makers.

DTN REAL*TIME was the first DTN service delivered directly to a PC without displaying information on a proprietary system or stand-alone unit. This allows users maximum flexibility in displaying and manipulating the data.

As part of the service, subscribers are offered free use of DTN's Chameleon software to display market data, news and other financial information. Chameleon also provides market condition alarms, news alerts and archiving, charting, and portfolio monitoring. There are several other popular third-party software programs available for formatting, manipulating, analyzing and displaying market data and news on a single PC or networked PC's.

DTN SPECTRUM

DTN SPECTRUM is an enhanced version of DTN Wall Street utilizing the ACE receiver technology. The service provides advanced quote selection and custom programming along with alarms, news search and charting capabilities appealing to a broad market of individual investors and investment professions.

An extension of DTN SPECTRUM is the DTN SPECTRUM RT service. DTN SPECTRUM RT provides real-time futures and commodity quotes along with exchange-delayed

stock quotes, news and other information.

DTN Wall Street

DTN Wall Street provides exchange-delayed quotes on stocks, bonds, mutual and money market funds, futures, interest rates, currencies and real-time index quotes. This service also provides in-depth economic, financial and business news and other time-sensitive financial market information such as company-specific news and earnings. The service allows subscribers to custom program the system to track their selection of financial quotes.

The majority of subscribers to DTN Wall Street are individual investors, independent brokers, financial advisors and financial institutions.

DTN FirstRate

DTN FirstRate is a service for the mortgage industry providing wholesale mortgage rates in an easy-to-use standard format and intraday interest rate information indicating the direction of mortgage loan rates. This service also provides subscribers with snapshots of real-time rates from Fannie Mae and Freddie Mac plus other news, commentary and analysis for mortgage lenders.

DTN FirstRate+ is an enhanced color version of DTN FirstRate. This service provides additional features which are well received by subscribers. Features include keyword search, quick quote, alarms and zoom capabilities for weather.

National Datamax

In June 1998, DTN Financial Services acquired National Datamax, Inc. (NDM), a provider of software and data services to financial planners and independent broker-dealers. Within the financial services industry, NDM enjoys strong name recognition and was one of the first firms to offer its unique business solutions.

NDM solves two distinct problems faced by brokers. By consolidating client account information from a variety of sources, NDM assists the broker in presenting a comprehensive financial picture to his/her clients, no matter how many securities or fund families are involved.

Brokers also need analysis tools to help them pinpoint the best investment options for their clients. NDM offers fundamental data combined with sophisticated scanning routines that help select appropriate mutual funds, variable annuities and stocks based on client-defined risk/reward parameters.

NDM represents a key element in DTN's strategy to become an important player in the institutional marketplace as well as add value to basic information delivery.

1998 DTN Financial Services Highlights

DTN Financial Services enjoyed continued success in its efforts to market and sell real-time market data to both individual investors and institutions. The increased presence of advertising-supported web sites providing free, delayed market data has sharply reduced the opportunity to sell new DTN Wall Street and DTN SPECTRUM subscriptions. That same development, however, has allowed DTN Financial Services to focus on promoting its more sophisticated real-time services, where margins are higher.

As the availability of reliable Internet access has increased, so have the opportunities for Internet-delivered market data services. DTN Financial Services added Internet delivery to its suite of service options with the release of DTN.IQ in June 1998. As the service was enhanced throughout the year, DTN.IQ began to play an ever-more-important role as a superior service priced significantly lower than its competition.

Aside from its general popularity among investors, Internet delivery offers several advantages. Internet delivery:

1) eliminates the need for customers to set up a small satellite dish, sometimes difficult in urban areas.

2) eliminates DTN's hardware cost associated with the dish and receiver.

3) offers marketing opportunities with other online financial service providers, like discount brokerage firms.

In keeping with the strategy of increasing market share among institutional customers, the acquisition of National Datamax, Inc. (NDM) brought new products, a large existing customer base and a strong team of professionals into the Financial Services division. Among small to medium-sized independent brokers, few companies enjoy a stronger reputation than NDM.

DTN Financial Services continued its significant investment in sales to institutional clients by creating its own outside sales force and assuming managerial responsibility for that group. With the increase in the breadth and

complexity of DTN's financial products, there is hardly a financial professional who is not a strong prospect for at least one of these services. However, this same breadth and depth requires a dedicated sales professional who is knowledgeable in all facets of the industry. This group of professionals was in place by the end of the fourth quarter of 1998.

THE ENERGY INDUSTRY

GRAPH IN TABULAR FORM:

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	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
DTN Energy Services Revenue ($ millions)	7.2	10.0	12.2	14.3	16.1

</TABLE>

DTN Energy Services

Energy related services include DTNergy for the refined fuels, natural gas industries and electric industries.

DTNergy Service Review

DTNergy provides pricing information and communication services for the refined fuels industry. This service consists of several pages of delayed energy futures and options quotes plus selected news and financial information.

DTNergy is designed to connect refiners (producers of refined fuels) to wholesalers (distributors of refined fuels). The refiner sends refined fuel prices to wholesalers authorized to receive this information. The refiner is also capable of sending terminal alerts, electronic funds transfer notifications, invoices, and other communications to the wholesaler. The DTNergy system carries more than two million messages a month for this industry. Subscribers can also select from a variety of optional services providing additional prices or news related to the petroleum industry.

The strength of the DTNergy Refined Fuel service is the ability to deliver, within seconds, accurate refiner terminal prices and other vital communications to the wholesalers. This service is more reliable, timely and less expensive than the competition, which utilize telephone delivered printer-only systems and FAX services.

DTNergy generates revenue from two primary sources, the wholesaler and the refiner. Wholesalers currently pay a monthly subscription fee of $40 for the monochrome Ku-band satellite service. Refiners pay fees based on the number and length of communications sent to wholesalers.

Refiners use DTNergy communications to link to their wholesalers with the implementation in 1997 of EDI (Electronic Data Interchange) fuel invoices. EDI/VAN (Value Added Network) services help automate customers' business processes by converting refiner text invoices into an industry standard format. Once these invoices are in a standard format, the invoice data is transferred into a customer's accounting system from the ACE unit.

DTNergy also provides an information service for the natural gas and electric industries. Subscribers receive instant or delayed NYMEX energy futures and options quotes, a comprehensive weather package and industry specific news and market information. This service targets energy producers and generators, transporters, marketers, utilities and larger energy consumers.

1998 DTNergy Highlights

Two Internet-based services were introduced in 1998. Prophet X (www.fimi.com) was introduced in June 1998. This service allows the ability to access DTNergy's real-time market data using Financial Information Management Inc.'s (FIMI) client-service software, Prophet X.

In November 1998 a joint venture between DTN and GlobalView Software Inc. prompted the formation of GlobalData, which is aimed at serving the international energy markets. This partnership allows DTNergy to provide real-time data for the international markets with GlobalView Software Inc. providing the graphical user interface for the service. EnergyView (www.energyview.com) is the Internet product creation of GlobalData, which was introduced in December 1998.

THE AUTO INDUSTRY

GRAPH IN TABULAR FORM:

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	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
DTN Auto Services Revenue ($ millions)	0.0	.7	1.4	1.9	2.0

</TABLE>

Other Industries and Services

DTNauto Service Review

DTNauto is a communication and information service for the automobile industry. This service offers automobile dealers precision information for valuing trade-ins and locating used car inventory. DTNauto provides a host of convenient features for the industry such as the ability for automobile auction companies and manufacturers to communicate directly with the dealers.

DTNauto provides information on more than 125 pre-auction automobile listings, results of past auctions, new and used car industry news, weather and other news. The service allows subscribers to perform searches of upcoming and past auction listings for specific automobile information.

DTNauto offers a variety of optional services providing information on credit reporting (CREDCO), vehicle histories (CARFAX), warranty information (The Warranty Guide) and residual value of leased vehicles (Lease Guide). The CARFAX and CREDCO optional services extensively utilize the internal modem to send and receive information. These services create a comprehensive information service placing the "subscriber in the driver's seat".

1998 DTNauto Highlights

In 1998, DTNauto incorporated Chrome Data Corporation's PC Carbook(R) new car data and SMART ValuesTM used car pricing as part of its standard service. PC Carbook provides the automotive industry with specifications, prices, options, trim packages, discounts and rebates for all new domestic and import vehicles. SMART Values consists of used car pricing data which is revised and updated monthly. DTN has developed an application which draws directly from the information published by Chrome Data that enables DTNauto subscribers to produce a used car window sticker at a cost several times below the current industry standard.

Improvements to our vehicle wholesale pricing information gave dealers and fleet industry analysts increased flexibility and manipulation of the NADA/NAAA AuctionNet(R) wholesale vehicle-pricing data.

DTN JOINT VENTURE SERVICES

GRAPH IN TABULAR FORM:

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	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
DTN Joint Venture Services Revenue ($ millions)	0.1	0.3	0.9	1.7	2.6

</TABLE>

DTN Joint Venture Services

DTN joined forces with several companies to market their services using DTN technology. These services are DAT Transportation Terminal, TracElectric and DTN Missing Children Information Center (MCIC).

DAT

The DAT (Dial-A-Truck) Transportation Terminal service, located in Beaverton, OR, is an information communication system for the trucking industry. The service provides load and truck matching performed on a database of 80,000 listings updated daily.

DAT allows subscribers to input their listings into the DTN receiver and send this information to a database using the internal modem. The service provides subscribers with the ability to perform extensive searches to locate loads and trucks and to set alarms alerting users of a match.

The service also provides regional radar weather maps of major highways and interstate systems, transportation news, diesel fuel prices and other financial

information related to the trucking industry.

DAT targets all freight brokers and carriers throughout the United States, Canada and Mexico.

Trac Electric

TracElectric is an equipment locator service for the electrical equipment industry. This service provides over 100 pages of new, remanufactured, surplus and used electrical equipment listings. The service connects buyers and sellers throughout the United States and Canada.

Missing Children Information Center

DTN Missing Children Information Center (MCIC) provides instant transmission of data regarding children in danger to local, regional, national and Canadian outlets. In an effort to assist parents, police and the National Center for Missing and Exploited Children (NCMEC) in locating missing children and the criminals involved, photos and information regarding these children are posted as a public service on all DTN color systems.

As a result of the close working relationship with NCMEC a national kiosk program has been developed. Plans are underway to identify sponsors for the kiosk units to be placed in high-pedestrian traffic areas such as shopping malls, airports, grocery stores, theaters, government buildings, etc.

Selected Historical Consolidated Financial Data

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PIE GRAPHS IN TABULAR FORM:

	1998	1997	1996
Revenues			
<S>	<C>	<C>	<C>
DTN Ag Services	59%	69%	71%
DTN Weather	17%	8%	6%
DTN Financial Services	9%	8%	9%
DTN Energy Services	11%	11%	12%
Other Services	4%	4%	2%
Subscribers At Year End			
DTN Ag Services	71%	76%	80%
DTN Weather Services	11%	8%	5%
DTN Financial Services	10%	8%	8%
DTN Energy Services	5%	5%	5%
Other Services	3%	3%	2%

</TABLE>

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In thousands, except per share data	1998	1997	1996	1995	1994
Operating Data (For the Year):					
<S>	<C>	<C>	<C>	<C>	<C>
Total revenues	$148,986	$126,374	$ 98,384	$ 62,288	$ 46,110
Operating income	$ 4,163(1)	$ 12,383	$ 6,921	$ 4,343	$ 695
Net income (loss)	$ (3,743)(2)	$ 2,236	$ (958)	$ (283)	$(1,603)
Basic income (loss) per share	$ (.33)	$ .20	$ (.09)	$ (.03)	$ (.16)
Diluted income (loss) per share	$ (.33)	$ .19	$ (.09)	$ (.03)	$ (.16)
Basic shares outstanding	11,359	11,101	10,658	9,909	9,760
Diluted shares outstanding	11,359	12,083	10,658	9,909	9,760
Dividends paid(3)	-	-	-	-	-
Dividends paid per share(3)	-	-	-	-	-
Balance Sheet Data (At Period End):					
Working capital (deficit)	$(17,447)	$(21,520)	$(14,748)	$(10,472)	$(10,237)
Total assets	$197,185	$162,431	$177,730	$ 92,672	$ 71,459
Long-term debt and subordinated notes	$100,620	$ 72,891	$ 97,748	$ 47,021	$ 33,983
Shareholders' equity	$ 32,150	$ 32,196	$ 28,290	$ 12,877	$ 12,707

<FN>

1 Includes $5.8 million non-recurring satellite costs related to the loss of control of Galaxy IV satellite by PanAmSat, the Company's primary satellite provider.

2 Includes $5.8 million ($3.7 million after tax) non-recurring satellite costs related to the loss of control of the Galaxy IV Satellite by PanAmSat, the Company's primary satellite provider. Also includes a $1.7 million ($1.1 million after tax) debt extinguishment charge for the early retirement of the Company's $15,000,000 11.25% Senior Subordinated Notes Due 2004.

3 DTN has not paid any dividends in the last five years and currently intends to retain earnings for use in its business.
</FN>
</TABLE>

Management's Discussion and Analysis

FINANCIAL CONDITION

General Overview

The equipment used by subscribers is a large capital investment for the Company. The cost of subscriber equipment, net of depreciation, accounts for 46% of the Company's total assets. The Company financed the majority of the investment in subscriber equipment with long-term debt. In 1997 and 1998, the cash provided by operating activities exceeded the cost of new subscriber equipment and was used for acquisitions or to service long-term debt.

The Company made significant investments during 1996, 1997 and 1998 to acquire subscribers and businesses that fit the Company's business model. The net intangible assets (primarily goodwill) from acquisitions are 33% of the Company's total assets. The acquisitions of subscribers and businesses are expected to enhance the long-term operating performance and financial condition of the Company. The investment in acquisitions has required the Company to increase long-term debt.

The Company's overall financing strategy has been simple, use long-term debt financing versus equity, whenever possible, to prevent the dilution of shareholder value. The Company's management plans to continually review this strategy to support the growth of the Company.

Cash Flows From Operating Activities

Net cash provided by operating activities for 1998 was $42.4 million compared to $47.5 million for 1997. The decrease of $5.1 million was primarily due to the $1.7 million decrease in operating cash flow (operating income before depreciation and amortization expense), generally referred to as EBITDA, and $3.2 million from the change in assets and liabilities. The decrease was offset by the $.6 million reduction in interest expense primarily due to lower rates on debt outstanding.

Excluding the $5.8 million non-recurring satellite costs (see discussion in Results of Operations below) that decreased operating cash flow for 1998, net cash provided by operating activities would have been $48.2 million compared to $47.5 million for 1997.

Cash Flows From Investing Activities

Net cash used in investing activities for 1998 was $66.8 million compared to $30.2 million for 1997. The increase of $36.6 million is due to the $31.9 million increase in acquisitions, the $5.4 increase for purchases of information distribution software and equipment and a decrease of $.8 million for purchases of subscriber equipment.

The Company's growth strategy includes acquisitions that fit the business model and/or competitive strategies. The Company closed on several acquisitions during 1998 (See Footnote 2 to the Consolidated Financial Statements-Acquisitions). The Company paid $37.6 million cash for these acquisitions compared to $5.7 million cash during 1997. The acquisitions in 1998 were primarily financed using the revolving credit line of the Company.

The majority of the investment in equipment used by subscribers is generally a direct result of the growth in the Company's subscriber base. The Company's marketing efforts to obtain new subscribers includes investing in subscriber equipment for trial and complimentary subscriptions. In addition, approximately 3,500 monochrome system (FM and Ku) and DTN FarmDayta subscribers upgraded service requiring the color Ku-band system with 84% of these conversions involving DTN AgDaily subscribers. The remaining 16% involved DTN Financial Services and DTNergy subscribers. The conversion of approximately 1,000 subscribers from DTN AgDaily on the color Ku-band system to other more advanced Ku-band services such as DTN Pro Series, DTNstant, DTNiron, DTN PROduce and DTN Weather Center resulted in upgraded equipment.

DTN increased the inventory of color receivers and components to build color receivers during 1998. At December 31, 1998 the Company had approximately

$19 million of this inventory compared to $7 million in 1997. The build up of inventory in 1998 occurred due to advance commitments on equipment purchases and the unexpected increase in cancellations due to the Galaxy IV satellite outage discussed below. The Company adjusted purchasing and production schedules in the second half of 1998 to reduce the inventory related to sales and cancellation activity. The reduced production of color systems should significantly reduce capital expenditures on subscriber equipment for 1999.

The Company had approximately 21,900 monochrome subscribers at December 31, 1998. The Company has made limited purchases of monochrome equipment since 1991 and monochrome depreciation related to monochrome equipment will be approximately $.7 million in 1999 and $.1 million in 2000. The Company utilizes monochrome receiver equipment coming in from conversions for new DTN AgDaily, DTN Wall Street and DTNergy subscribers. The demand is limited for monochrome services, however, the Company continues to research new markets for monochrome system services. At this time, the Company's management believes the prospects are more favorable for color services.

As it relates to the Company's investing activities, the Company had $17.4 million and $21.5 million of negative working capital at December 31, 1998 and 1997, respectively. The increase in working capital is primarily due to the $2.8 million increase in accounts receivable, the $1.4 million increase in prepaid expenses and the $3.6 million of inventory primarily related to the Kavouras acquisition. The increase in accounts receivable was primarily due to acquisitions, to an increase in revenue per subscriber per month, and a larger mix of customers invoicing on an annual basis compared to quarterly, as was previously the standard. The increase in prepaid expenses was also primarily due to acquisitions.

The increase in accounts receivable, prepaid expenses and inventory offset the $3.6 million increase in accrued expenses and the $1.2 million decrease in accounts payable. The increase in accrued expenses was primarily due to

acquisitions and the decrease in accounts payable was primarily due to reduced capital spending on subscriber equipment.

Cash Flow From Financing Activities

In 1998, net cash provided by financing activities of $23.5 million was primarily the result of an increase in total debt outstanding of $27.5 million. The increase in debt outstanding was primarily due to an increase of $51.0 in the revolving credit line to fund acquisitions and capital expenditures. The Company made $24.8 million of principal payments on term notes and $5.2 million of payments on debt acquired through acquisitions. The Company also financed the prepayment of $15.0 million 11.25% Senior Subordinated Notes due 2004 and the $1.1 million prepayment cost with $16.0 million of term notes and revolver.

In 1997, net cash used by financing activities of $17.2 million was primarily the result of a decrease in total debt outstanding of $18.2 million. The decrease in debt outstanding was primarily due to $22.2 million of principal payments during 1997. The Company was able to pay down debt due to the increase in cash provided by operating activities and using subscriber equipment inventory for new subscribers during the first half of 1997.

Factors That May Affect Future Results

Acquisitions - The Company's strategy includes continued growth through acquisitions of complimentary services, technologies or businesses, which may result in the diversion of management's attention from the day-to-day operations of the Company's business. Other risks include, but are not limited to, possible difficulties in the integration of operations, products and personnel, difficulty in applying internal controls to acquired businesses and particular problems, liabilities or contingencies related to the businesses being acquired. If efforts to integrate past or future acquisitions fail, there could be a material adverse effect on the Company's business, financial condition and results of operations. The Company plans to pursue opportunities that it believes fit its business strategy.

Competition - The Company operates in a highly competitive environment, competing with information and communication services utilizing various types of electronic media including satellite delivery, TV Cable delivery, the Internet, electronic bulletin boards, television, radio, cellular, and telephone communications. In addition to the various electronic publishers, the Company competes with print media and "old information gathering habits." Many of the Company's actual and potential competitors have substantially greater resources than the Company.

Indebtedness - The Company anticipates that internally generated cash flow and its bank credit lines will be sufficient to fund operating activities, capital expenditures and service interest and principal payments on long-term debt.

Inflation - The Company believes that inflationary trends have a limited

effect on the business. However, since a large percentage of the Company's subscribers and revenues are related to the agricultural industries, the general state of the agricultural economy may impact the Company's business operations and financial condition.

Technology - The business of the Company is subject to the continuous changes in information distribution technology affecting how information is distributed to the Company's customers. Currently, the primary information distribution technology the Company utilizes for the delivery of information is satellite. Other technologies used are the Internet, FM side band channels, VBI (vertical blanking interval through a cable TV signal), leased land lines, DIRECTV, E-mail and Fax. The Company is not aware of any other technology that may replace the current electronic delivery systems and equipment at a competitive price. New developments in electronic hardware capabilities and in data distribution technologies could cause the Company's delivery systems and equipment to become obsolete, economically inefficient or less attractive compared to available alternatives. The improvement and enhancement (and subsequent lower cost) of delivery technologies such as the Internet, DIRECTV and cable are providing the Company with alternatives to its current primary delivery method, which is satellite.

Year 2000 (Y2K) - The Company is actively engaged in a comprehensive review of its computer systems to identify and remediate the systems that could be affected by the Year 2000 Issue. The Company is addressing the following critical areas related to the Company's state of readiness, cost of addressing Year 2000 issues, risks of Year 2000 issues, and contingency plans:

State of Readiness - The Company has identified the following major areas of the Company dependent on computer software and hardware that may be affected by the Y2K issues.

* Service delivery - The Company transmits information and communications services to subscribers via satellite, Internet, FM side band channels, VBI, leased land lines, DIRECTV, E-mail and Fax. The Company has been engaged in identifying, remediating and testing any system that could result in an interruption of the delivery of the Company's services to subscribers.

* Customer Service - The Company provides customer service to subscribers using telephone systems, using administrative systems to ship equipment and/or modify the services that subscribers receive. The Company has been engaged in identifying, remediating and testing any system that could result in an interruption of customer service provided to subscribers.

* Cash flow - The Company maintains administrative systems that track services provided to subscribers, invoice subscribers and apply cash payments remitted for services received by subscribers. The Company has been engaged in identifying, remediating and testing any system that could result in an interruption of cash flow from subscribers.

* Physical environment - The Company maintains facilities for employees, operating computer data centers and distributing subscriber equipment. The Company has been engaged in identifying, remediating and testing the possibility of any environmental control, such as heating and cooling systems, inhibiting the use of the Company's facilities.

The Company has made progress in its efforts to address the Year 2000 issue and ensure systems and data will be functional beyond 1999. The following phases, which to some extent are being conducted concurrently, are on schedule to be completed by the listed completion dates.

* Inventory - The Company has conducted an inventory of all custom developed software and third party vendor supplied software used internally by the Company. The Company has also conducted an inventory of all third party data feeds that are transmitted to the Company for rebroadcast. The Company has also conducted an inventory of all hardware related to the transmission of data and internal administrative operations. The Company had completed this phase as of December 31, 1998.

* Assess Business Impact - The Company has reviewed the business impact of specific systems if they were to fail due to incorrect date processing past 2000. The Company has identified these systems related to internal administrative systems, third party data feeds and hardware as critical or non-critical to normal business operations. The Company had completed this phase as of December 31, 1998.

* Remediation and Testing - The Company is remediating software and hardware systems and conducting detailed Y2K testing to produce standardized 'evidence' of Y2K compliance. The Company's estimated

completion date is September 30, 1999.

* Manage Subsequent Changes - All system modifications made subsequent to Y2K testing that are date related will be regression tested and documented. The Company's estimated completion date is December 31, 1999.

Cost of Addressing Year 2000 Issues - The Company has used existing internal resources to perform all work on the phases discussed above through December 31, 1998. The estimated cost of using internal resources through December 31, 1998 is $.5 million. The Company plans to complete all system modifications and testing required to resolve Y2K issues using existing internal resources and does not expect the cost of making the necessary changes to be significant. The remaining estimated cost of using internal resources to effect Y2K compliance is less than $.5 million.

Risks of Year 2000 Issues and Contingency Plan - The Company expects its Year 2000 conversion project to be completed on a timely basis, however, failure to do so or failure on the part of third parties with whom the Company does business could materially impact operations and financial results. The Company believes the worst case scenario would be the failure of the communication systems providing information and communications to the Company's customers. If any of the satellites used by the Company were to fail, it is possible that the Company could shift all of its satellite subscribers to other satellites or its Internet based products. The Company is working with various third party vendors to verify Year 2000 compliance, and if necessary, securing alternate sources of service or products if compliance is not obtained. In the event that one or more data providers fail, it is possible the Company could integrate information from another data provider into its data feed.

The Company is currently developing contingency plans for those systems identified as critical to normal business operations. The contingency plan will include focusing on early detection, planned reactions and subsequent remediation of unforeseen issues. The Company's estimated completion of a formal contingency plan is September 30, 1999. The Company believes there are no foolproof contingency plans that cover every possible failure.

Based upon currently available information, management believes the Company will meet its compliance goals and does not anticipate that the cost of Y2K compliance will have a material impact on the Company's financial condition, results of operations or liquidity. The achievement of these goals is dependent upon many factors, some outside of the Company's control. In the event that the Company's internal systems or internal systems of critical vendors fail to achieve Y2K compliance, the Company's business and its results of operations could be adversely impacted.

Market Risk Sensitive Instruments and Positions

The risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in interest rates as discussed below.

Interest Rates - The Company's earnings are affected by changes in interest rates due to the impact those changes have on its variable-rate debt instruments. The Company has three components that make up its total bank loan debt: 1) Fixed Term Notes of $49,822,540 or 41% of the total, 2) Variable Term Notes of $16,926,000 or 14% of the total and 3) Revolving Credit Line of $55,500,000 or 45% of the total. Assuming a hypothetical 10% change in 1998 interest rates, below is an analysis of what the impact would have been on 1998 interest expense:

<TABLE>
<CAPTION>

	1998
<S>	<C>
Fixed Term Notes	$ -
Variable Term Notes	153,400
Revolving Credit Line (a)	178,500
Total	$331,900

</TABLE>

(a) The Company's Revolving Credit Agreement includes the ability to fix the revolving credit line based on the Revolving Credit Rate in effect at the beginning of the month (see Note 5). The ability to look back to the interest rates at the beginning of the month, reduces the market risk of an increase in First National Bank of Omaha's "National Base Rate".

Market risk for fixed-rate term debt is estimated as the potential change in fair value from a hypothetical change in interest rates. The Company has $49,822,540 of fixed term debt as of December 31, 1998 with an estimated fair value of $50,395,940 or an increase $573,400. The fair value was calculated using existing terms of the debt and interest rates present valued at the Company's current available term debt rate (See note 5).

Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" which will be effective for fiscal years beginning after June 15, 1999. The Company will adopt this Statement effective January 1, 2000. At this time, the Company believes the impact of adopting this Statement should not be significant to the results of operations or financial position.

RESULTS OF OPERATIONS

GRAPH IN TABULAR FORM:

<TABLE>
<CAPTION>

	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	46.1	62.3	98.4	126.4	149.0
Operating Cash Flow (in millions of dollars)	15.8	23.2	40.4	54.7	53.0 58.8*

*Pro-Forma results before $58.8 million non-recurring satellite costs.
</TABLE>

General Overview

The financial dynamics of DTN's business operations are similar to businesses that sell monthly subscriptions such as electronic publications and communications and cable TV companies. The financial dynamics are similar because DTN makes an initial investment of variable marketing costs to obtain new subscribers (generally a one year subscription agreement) and the Company makes a capital expenditure to provide the subscriber with the necessary equipment to receive the Company's satellite based services. Internet subscribers utilize their own personal computer.

In addition, DTN has a level of fixed costs, such as FM and Ku satellite leases, certain news and weather, quotes, information providers and administrative expenses, not directly affected by the number of subscribers receiving the Company's services.

Non-recurring Satellite Costs (Galaxy IV)

On May 20, 1998, nearly all of the Company's 159,000 subscribers were unable to receive their data due to loss of control of the Galaxy IV satellite by PanAmSat. This satellite was used by the Company to transmit service to nearly all its subscribers. By May 21, 1998, solutions were available for all subscribers, however, the impacts on DTN operations were significant.

The loss of control of Galaxy IV by PanAmSat had a significant impact on the Company's operations. The Company switched all satellite customers to Telestar 5, which is a more powerful satellite and has a larger footprint or a larger coverage of geographical area. This satellite includes coverage of Mexico, Hawaii and Alaska. Although this allows future opportunities for DTN, the cost to DTN was significant. The costs related to the failure of Galaxy IV include telecommunications, overtime labor, satellite costs and customer communications and these unusual, non-recurring satellite costs were estimated to be $5.8 million and recorded in May of 1998. These costs are the Company's estimate to convert subscribers to the new satellite and handle the large customer service call volume, duplicate satellite charges and other service costs related to this change.

Although the Company believes the estimate was reasonable based on all available information, the impact of customer retention is more difficult to quantify and actual costs may vary from the estimate. The Company's management believes the impact from this problem will not significantly impact the longer-term growth prospects of the Company. The Galaxy IV failure had an impact on subscription sales related to the months of May, June and July due to the Company utilizing the sales force to adjust subscriber satellite dishes.

Operating Cash Flow

The Company's operating cash flow (operating income before depreciation and amortization expense), known in the industry as EBITDA, is a key indicator monitored by DTN management. Growth in operating cash flow results from a growing base of subscribers, as well as, increased revenues per subscriber covering the Company's fixed expenses.

Operating cash flow for 1998 decreased 3.1% to $53.0 million compared to $54.7 million for 1997. Excluding the non-recurring satellite costs of $5.8 million related to the Galaxy IV satellite outage, operating cash flow for 1998 would have increased 7.5% to $58.8 million compared to $54.7 million for 1997.

Operating cash flow as a percent of revenue (operating cash flow margin) for 1998 was 35.6% compared to 43.3% for 1997. Excluding the non-recurring satellite costs of $5.8 million related to the Galaxy IV satellite outage, operating cash flow margin for 1998 would have been 39.5% compared to 43.3% for 1997.

Kavouras equipment sales have lower operating cash flow margins and will decrease the Company's total operating cash flow margin. A further analysis shows that, excluding the Kavouras acquisition operating results and non-recurring satellite costs, operating cash flow margin for 1998 would have been 41.5% compared to 43.3% for 1997.

The following graph details the trend in operating cash flow as a percentage of revenue to illustrate operating leverage.

GRAPH IN TABULAR FORM:

Operating Cash Flow
Percent of Revenue

<TABLE>
<CAPTION>

	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Operating Cash Flow	34	37	41	43	36
(percent of revenue)					40*

*Pro-Forma results before $5.8 million non-recurring satellite cots.
</TABLE>

Net Development Costs

Operating cash flow is affected by the Company's research and development activities. DTN accumulates research and development activities as "Net Development Costs". The Company defines "Net Development Costs" as 1) market research activities, 2) hardware and software engineering, research and development, and 3) the negative operating cash flow (prior to corporate allocations plus interest) of new services. The Company includes new services in the "Net Development Costs" classification until the service shows positive operating cash flow prior to corporate allocations plus interest for a full quarter. The service becomes a core service after reaching this level in the developmental process.

During 1996, DTN expanded it developmental activities with net development costs growing from $3.7 million in 1995 to $5.3 million in 1996. The Company's increased efficiencies on a per subscriber per month basis and the acquisition of subscribers from Broadcast Partners contributed to an increase in operating cash flow margin from 37.2% in 1995 to 41.0% in 1996. Operating cash flow margin, excluding the acquisition of Broadcast Partners, was 37% in 1996. The expansion of developmental activities was offset by increased efficiencies on a per subscriber per month basis. Core services operating cash flow margin improved to 47.4% in 1996 compared to 44.4% in 1995. Core services operating cash flow margin, excluding Broadcast Partners operating results, was 43.4% in 1996 compared to 44.4% in 1995.

During 1997, the Company's developmental activities were relatively flat at $5.2 million compared to $5.3 million in 1996. The efficiencies gained in 1996 carried over into 1997 and contributed to operating cash flow margin growing from 41.0% in 1996 to 43.3% in 1997. Core services operating cash flow margin improved to 48.5% in 1997 compared to 47.4% in 1996. Core services operating cash flow margin, excluding Broadcast Partners operating results, was 45.0% in 1997 compared to 43.4% in 1996.

During 1998, the Company's developmental activities increased to $6.5 million compared to $5.2 million for 1997, with the Kavouras operations contributing $1.3 million. Operating cash flow margin in 1998 declined to 35.6% compared to 43.3% in 1997. This decline was primarily due to the $5.8 million non-recurring satellite costs and the Kavouras operations as discussed in the Operating Cash Flow segment above. Core services operating cash flow margin for 1998 decreased to 40.8% compared to 48.5% for 1997. Excluding Kavouras operating results and non-recurring satellite costs, core services operating cash flow margin for 1998 would have been 47.2% compared to 48.5% for 1997.

1998 COMPARED TO 1997

The 1998 operating results were affected by the weak agriculture economy, the satellite outage and the strategic acquisitions completed by the Company. The operating results for 1998 include six months of the operations of Kavouras, Inc. (Kavouras), acquired in July 1998. The Kavouras operations are included in the Weather Services division of the Company. Operating income declined primarily due to the $5.8 million non-recurring satellite costs and higher amortization expense related to acquisitions.

<TABLE>
<CAPTION>

In Thousands	1998	1997	Percent Change
<S>	<C>	<C>	<C>
Subscribers	159.3	158.8	-
Revenues	$148,986	$126,374	18 %
Operating cash flow	53,014	54,699	(3)%
Operating income	4,163	12,383	(66)%
Net income (loss)	(3,743)	2,236	-

</TABLE>

Revenues

Total revenue increased 18% for 1998 compared to 1997. Recurring operating revenues, consisting of subscriptions, additional services, communications and advertising, increased to $73.80 per subscriber per month for 1998 compared to $66.29 for 1997.

Subscriptions - Subscription revenue for 1998 grew 18% to $119.5 million compared to $101.2 million for 1997. The increase was primarily due to acquisitions completed in 1998, increases in total subscribers, and the ability to move subscribers to higher priced services. The increase in total subscribers in 1998 was primarily due to acquisition activities. The Company added 3,300 subscribers from acquisitions and incurred a loss of 2,800 subscribers, excluding the acquired subscribers, due to lower retention. The Company believes the lower retention is due to lower commodity prices in the Agriculture industry and the Galaxy IV satellite outage. The Kavouras acquisition contributed $4.5 million of subscription revenue on a consolidated basis to the Weather Services division of the Company. This revenue accounted for 24% of the $18.3 million increase in the Company's subscription revenues.

The Company continues to add new subscribers at higher subscription rates. Subscription revenue per subscriber, per month for all new subscription sales in 1998 was $77 compared to $68 for 1997. The increase in subscribers from new subscription sales and acquisitions resulted in total subscription revenues on a per subscriber per month basis to increase for 1998 to $62.63 compared to $55.10 for 1997.

At December 31, 1998, 91% of total subscribers were receiving service via Ku-band satellite transmission compared to 90% in 1997. The price of Ku-band satellite delivered services ranged from $37 for monochrome DTN AgDaily to $180 for the color DTNstant service during 1998. The price of Ku-band satellite delivered services ranged from $37 for monochrome DTN AgDaily to $170 for color DTNstant service during 1997. The price of the monochrome FM delivered DTN AgDaily (the only FM service) was $31 in 1998 and $29 in 1997.

The subscribers converting to higher priced services includes those that switched from the monochrome FM or Ku-band satellite DTN AgDaily priced at $54

in 1998 and $52 in 1997. Subscribers continued to convert from color Ku-band satellite DTN AgDaily service to color Ku-band satellite DTN Pro Series ranging in price from $67 in 1998 and $63 in 1997 for one Pro Series service, to $81 in 1998 and $79 in 1997 for all four Pro Series services (DTN Premier). The DTN Premier and Stock Pro, DTN Premier Plus, was priced at $84 a month in 1998 and $82 a month in 1997.

Equipment Sales - The Company's July 1, 1998 acquisition of Kavouras, Inc., in Minneapolis, added a new market niche for the Company, the manufacture and sale of various meteorological equipment and radar systems. The Kavouras acquisition added $4.8 million of meteorological equipment and radar sales for 1998. This accounted for the majority of the Company's equipment sales for 1998.

Additional Services - The Company increased the number of information services through "a la carte" optional services (230 in 1998 versus 200 in 1997). The growth in services, subscribers and marketing efforts resulted in a 5% increase in additional service revenues. The revenue increased on a per subscriber per month basis to $3.70 in 1998 compared to $3.65 in 1997.

Communication Services - The growth in communications revenue was primarily in the Energy Services division. The DTNergy service transmits refiner prices and communications to wholesaler/subscribers. The number of refiner communications increased and produced a revenue growth of 7% in 1998 over 1997. The revenue increased on a company wide per subscriber per month basis to $5.65, up from $5.47 in 1997.

Advertising - Advertising revenue fell 9% to $3.5 million for 1998, compared to $3.8 million for 1997. Advertising had a record year in 1997 fueled

by strong advertising related to new product introductions by companies in the agriculture industry. The Agricultural Services division accounts for the majority of advertising revenues, therefore, the recent downturn in the agriculture economy has negatively impacted the 1998 advertising revenues of the Company. Advertising revenue on a per subscriber per month basis for 1998 was $1.81 compared to $2.07 for 1997.

Service Initiation Fees - Service initiation fees, the Company's up-front one-time charges to new subscribers ranged from $95 to $530 in 1998 and $150 to $495 in 1997 depending on the service and information distribution technology. Initiation fees for subscribers that convert to another service or change delivery technology (such as FM to Ku) ranged from $50 to $100 depending on the service in 1998 and 1997. Service initiation fees revenue for 1998 fell 29% to $3.3 million compared to $4.6 million for 1997. This decline is due to slower sales in the Agricultural Services division, the direct result of the weak agricultural economy, and the inability of the Company's sales force to focus on new sales while assisting subscribers for three months related to the satellite outage.

Expenses

Total operating expenses for 1998 increased 27% to $144.8 million compared to $114.0 million for 1997. Excluding the $5.8 million of non-recurring satellite costs related to Galaxy IV, total expenses for 1998 increased 22% compared to 1997. The increase in total operating expenses, excluding non-recurring satellite costs, was primarily due to the Company's growth in subscribers, initiatives to expand distribution programs, the $11.2 million of operating expenses from the Kavouras operations (including $4.1 million of costs of equipment sales) and the amortization expense from other acquisitions. Total operating expenses (excluding sales commissions, cost of equipment sales and non-recurring satellite costs) increased on a per subscriber per month basis to $64.85 for 1998 compared to $56.69 for 1997.

Selling, General & Administrative - Selling, general and administrative expenses on a per subscriber per month basis for 1998 increased to $39.25 compared to $33.65 for 1997. These costs increased in 1998 as a result of expenses associated with acquisitions and the initiatives to expand distribution programs. Selling, general and administrative expenses in 1998 grew 21% compared to 1997 and as a percentage of revenue increased to 50% compared to 49% in 1997. Selling, general and administrative expenses, excluding selling, general and administrative related to the Kavouras operations, grew 13% in 1998 compared to 1997.

Cost of Equipment Sales - Cost of equipment sales for 1998, was $4.2 million. These expenses were primarily the direct result of the Kavouras acquisition which brought a new market niche for the Company, the manufacture and sale of various meteorological equipment and radar systems.

Sales Commissions - Sales commissions are generated from new subscriptions sales force and cash flows related to the DTNergy service. Sales commissions increased 12% during 1998 compared to 1997. This increase is due to incentive programs to the national sales force and sales management related to initiatives to expand distribution programs. Sales commissions, excluding sales commissions related to the Kavouras operations, grew 7% in 1998 compared to 1997.

Depreciation and Amortization - Depreciation and amortization expense for 1998 increased 15% to $48.9 million compared to $42.3 million for 1997. These increases are primarily due to the increase in subscriber equipment for the added subscribers, increase in subscriber equipment inventory and amortization related to the intangible assets (primarily goodwill) from acquisitions. As a percentage of total revenues, depreciation and amortization expense for 1998 and 1997 remained level at 33%. Depreciation and amortization expense for 1998, excluding depreciation and amortization related to the Kavouras operations, grew 11% in 1998 compared to 1997.

Operating Income

Operating income (EBIT) for 1998 decreased 66% to $4.2 million compared to $12.4 million for 1997. Excluding the $5.8 million non-recurring satellite costs related to Galaxy IV, operating income for 1998 was $10.0 million compared to $12.4 million for 1997. These decreases in operating income for 1998 are primarily related to lower operating income from acquired operations due to

lower operating cash flow margins and increased amortization expense. Amortization expense related to acquisitions was $8.4 million for 1998 compared to $5.9 million for 1997.

Interest Expense

Interest expense for 1998 decreased 7% to $8.4 million compared to $9.1 million for 1997. In the first quarter of 1998 the Company refinanced its 11.25% Senior Subordinated Notes down to 7.5% Senior Term notes which had a direct impact on interest expense in 1998 compared to 1997. As a percentage of total revenue, interest expense for 1998 decreased to 6% compared to 7% for 1997.

Other Income, Net

During 1998, the Company received a federal income tax refund from amended returns for prior years and as a result, recorded one time interest income of $181,000 from those refunds.

Income Tax Provision (Benefit)

The Company's federal and state effective tax rate was 34% for both 1998 and 1997.

Income (Loss) Before Extraordinary Item

The loss before extraordinary item for 1998 was $2.7 million or $.24 per share on a diluted basis compared to income of $2.2 million or $.19 per share for 1997. Excluding the nonrecurring satellite costs, the income before extraordinary item for 1998 would have been $1.0 million or $.09 per share on a diluted basis.

Extraordinary Item, Net of Tax

During the first quarter of 1998, the Company refinanced the $15,000,000 11.25% Senior Subordinated Notes due 2004 with 7.5% Senior Term Notes. The Company incurred a one-time charge to earnings of $1.1 million, net of tax, or $.09 per share on a diluted basis. This one-time charge was for the pre-payment penalties and write-offs for debt issuance and discount costs not fully amortized related to the subordinated notes.

Net Income (Loss)

The net loss for 1998 was $3.7 million or $.33 per share on a diluted basis compared to net income of $2.2 million or $.19 per share for 1997. Excluding the non-recurring satellite costs and the extraordinary item discussed above, the net income for 1998 would have been $1.0 million or $.09 per share on a diluted basis.

1997 COMPARED TO 1996

The growth in subscribers, revenues and operating cash flow during 1997 highlighted another very good year for the Company. The operating results for 1997 include twelve months of the Broadcast Partners operations compared to approximately eight months in 1996. The Broadcast Partners operations are included in the Agricultural Services division of the Company. Operating income improvement combined with lower interest expense as a percentage of revenue resulted in positive earnings for the year.

<TABLE>
<CAPTION>

In Thousands	1997	1996	Percent Change
<S>	<C>	<C>	<C>
Subscribers	158.8	145.9	9%
Revenues	$126,374	$98,384	28%
Operating cash flow	54,699	40,377	35%
Operating income	12,383	6,921	79%
Net income (loss)	2,236	(958)	-

</TABLE>

Revenues

Total revenue increased 28% in 1997 compared to 1996 and all operating revenue categories made good contributions to this increase. Recurring operating revenues consisting of subscriptions, additional services, communications and advertising increased to $66.29 per subscriber per month in 1997 compared to $60.92 in 1996.

Subscriptions:

A 9% growth in total subscribers, the mix of higher priced services, inflationary price increases and acquisitions led to 35% growth in subscription revenue. Subscription revenue related to the Broadcast Partners operations accounted for 35% of the $27,990,639 total revenue growth in 1997 compared to 1996. At December 31, 1997, 90% of total subscribers were receiving service via Ku-band satellite transmission compared to 88% in 1996. All acquired subscribers were receiving service via Ku-band satellite transmission. Subscription revenue on a per subscriber per month basis increased to $55.10, compared to $49.24 in 1996.

The price of Ku-band satellite delivered services ranged from $37 for monochrome DTN AgDaily to $170 for the color DTNstant service during 1997. The price of Ku-band satellite delivered services ranged from $35 for monochrome DTN AgDaily to $160 for color DTNstant service during 1996. The price of the monochrome FM delivered DTN AgDaily (the only FM service)was $29 in 1997 and $27 in 1996.

The subscribers converting to higher priced services includes those that

switched from the monochrome FM or Ku-band satellite DTN AgDaily priced at $52 in 1997 and $50 in 1996 ($46 prior to June 1, 1996). Subscribers continued to convert from the color Ku-band satellite DTN AgDaily service to the color Ku-band satellite DTN Pro Series which ranged in price from $63 ($59 prior to June 1, 1996), for one Pro Series service, to $79 ($74 prior to June 1, 1996), for all four Pro Series services (DTN Premier), in both 1997 and 1996. The DTN Premier and Stock Pro, DTN Premier Plus, was priced at $82 a month in 1997 and $82 a month in 1996 ($78 prior to June 1, 1996).

Additional Services:

The Company increased the number of information services through "a la carte" optional services (200 in 1997 versus 180 in 1996). The growth in services combined with growth of total subscribers and the acquisition of Broadcast Partners resulted in a 16% increase in additional service revenues. Additional services revenue related to the Broadcast Partners operations accounted for 38% of the $901,955 growth in 1997 compared to 1996. The revenue decreased on a per subscriber per month basis to $3.65 in 1997 compared to $3.80 in 1996.

Communications Services:

The growth in communications revenue was primarily in the DTNergy service. The DTNergy service transmits refiner prices and communications to wholesaler/subscribers. The number of refiner communications increased and produced a revenue growth of 14% over 1996. The revenue decreased on a company wide per subscriber per month basis to $5.47, down from $5.78 in 1996. This decrease is due to spreading communications revenue over a larger base of subscribers, with the largest increase coming from the acquisition of Broadcast Partners in 1996.

Advertising:

Advertising revenue grew 19% to $3,809,748 in 1997 compared to $3,198,321 in 1996. This growth was due to an increase in the acceptance of the color system as an electronic medium, the acquisition of Broadcast Partners and less discounting due to the increased subscriber base associated with the acquisition. Advertising revenue related to the Broadcast Partners operations accounted for 81% of the $611,427 growth in 1997 compared to 1996. Advertising revenue remained flat on a company wide per subscriber per month basis at $2.07 in 1997, compared to $2.10 in 1996.

Service Initiation Fees:

Service initiation fees, the Company's up-front one-time charges to new subscribers ranged from $150 to $495 in 1997 and 1996 depending on the service and information distribution technology. Initiation fees for subscribers that convert to another service or change delivery technology (such as FM to Ku) ranged from $50 to $100 depending on the service in 1996 and 1997. The total fees collected decreased 17% in 1997 to $4,625,487 compared to $5,560,049 in 1996. The increased sales volume in 1997 compared to 1996 was offset by the recognition of deferred revenues during 1996 for initiation fees received in the prior year. Service initiation fees are recognized in income since these fees are less than the marketing and setup costs related to a new subscriber.

Expenses

Total operating expenses increased 25% in 1997 over 1996. This increase was due to a 26% increase in selling, general and administrative costs, a 9% increase in sales commissions and a 26% increase in depreciation and amortization. These expenses (excluding the sales commission costs) increased on a per subscriber per month basis to $56.69 in 1997 compared to $54.07 in 1996.

Selling, General and Administrative:

Selling, general and administrative expenses on a per subscriber per month basis increased to $33.65, up from $32.12 in 1996. These costs were up modestly due to efficiency gains from spreading costs over a larger base of subscribers obtained from increased sales from expanding the sales force and acquisitions. Selling, general and administrative expenses as a percentage of revenue decreased from 50% in 1996 to 49% in 1997. Selling, general and administrative expenses growth, excluding the selling, general and administrative expenses related to Broadcast Partners, was 20% in 1997 compared to 1996.

Sales Commissions:

Sales commissions are generated from new subscriptions sales and cash flows related to the DTNergy service. Sales commissions increased 9% during 1997 compared to 1996. This increase is due to higher subscriptions sales, incentive programs to the national sales force and sales management related to an expanding sales force and higher cash flows in DTNergy. Sales commissions growth, excluding sales commissions related to Broadcast Partners, was 10% in 1997 compared to 1996.

Depreciation and Amortization Expense:

Depreciation and amortization expense increased primarily due to the purchase of $21,137,267 of new equipment used by subscribers and the acquisition of Broadcast Partners. On May 3, 1996, the Company acquired and capitalized

approximately $38.2 million of equipment and $34.8 million of intangible assets(goodwill) related to the acquisition. The Company began using a six year life for depreciating subscriber equipment in July of 1992 compared to an eight year life prior to the change. The Company is depreciating the equipment acquired in the acquisition of Broadcast Partners using the straight-line method over five years and is amortizing the intangible assets (goodwill) using the straight-line method over three to eight years beginning in May of 1996.

Operating Income

Operating income increased 79% to $12,383,403, up from $6,920,791 in 1996 as a result of the growth in revenues and expenses discussed above. Operating cash flow grew 35% to $54,698,708, up from $40,377,428 in 1996.

Interest Expense

Interest expense increased 8% in 1997 compared to 1996. This increase is related to the increase in total long-term debt outstanding to finance equipment used by subscribers and acquisitions. The Company borrowed $48,490,000 in 1996 to acquire Broadcast Partners. The Company decreased the revolving credit line borrowing from $38,500,000 at December 31, 1996 to $4,500,000 at December 31, 1997. This decrease was primarily the result of the Company converting $38,000,000 of revolving debt to term debt at the end of the first quarter of 1997.

Income Tax Provision (Benefit)

The Company's federal and state effective tax rate was 34% and 32% for 1997 and 1996, respectively.

Net Income (Loss)

The net income for 1997 was $2.2 million or $.19 per share on a diluted basis compared to a net loss of $1.0 million or $.09 per share for 1996.

Management's Responsibility for Financial Statements

To Our Stockholders:

The management of Data Transmission Network Corporation is responsible for the preparation, integrity and objectivity of the accompanying financial statements and related notes. To meet these responsibilities, we maintain a system of internal controls to provide reasonable assurance that assets are safeguarded and transactions are properly authorized and recorded.

The financial statements have been prepared in conformity with generally accepted accounting principles and include amounts based upon our estimates and judgments, as required. The financial statements have been audited by Deloitte & Touche LLP who have expressed their opinion, presented below, with respect to the fairness of the statements. Their audit included a review of the system of internal control and tests of transactions to the extent they considered necessary to render their opinion.

The Audit Committee of the Board of Directors is composed solely of outside directors. The Audit Committee meets periodically with our independent auditors and management to review accounting, auditing, internal control and financial reporting matters.

/s/ Roger R. Brodersen	/s/Brian L. Larson
Chairman of the Board	Vice President
Chief Executive Officer	Chief Financial Officer and Secretary

Independent Auditor's Report

Board of Directors and Stockholders
Data Transmission Network Corporation

We have audited the accompanying consolidated balance sheets of Data Transmission Network Corporation and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Data Transmission Network Corporation and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/Deloitte & Touche LLP
Deloitte & Touche LLP
Omaha, Nebraska
February 12, 1999

<TABLE>
<CAPTION>

Consolidated Balance Sheets
As of December 31, 1998 and 1997

	1998	1997
Assets		
Current Assets		
<S>	<C>	<C>
Cash	$ -	$ 837,170
Accounts receivable, net of allowance for doubtful accounts of $1,300,000 and $810,000	10,475,426	7,629,296
Inventory	3,575,580	-
Prepaid expenses	2,219,778	825,577
Deferred commission expense	2,695,475	3,302,972
Total Current Assets	18,966,259	12,595,015
Property and Equipment		
Equipment Used By Subscribers	244,613,085	224,620,148
Equipment, Building and Leasehold Improvements	38,788,491	23,155,237
Total Property and Equipment	283,401,576	247,775,385
Less: Accumulated Depreciation	174,164,486	135,265,090
Net Property and Equipment	109,237,090	112,510,295
Intangible Assets From Acquisitions,	82,266,913	44,493,486
Less: Accumulated Amortization	18,121,533	9,728,684
Net Intangible Assets	64,145,380	34,764,802
Other Assets	4,836,353	2,560,786
	$197,185,082	$162,430,898
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 5,820,579	$ 6,985,053
Accrued expenses	8,963,856	5,319,506
Current portion of long-term debt	21,628,542	21,810,833
Total Current Liabilities	36,412,977	34,115,392
Long-Term Debt	100,619,998	58,248,540
Subordinated Long-Term Notes, net of unamortized discount of $357,170	-	14,642,830
Equipment Deposits	653,753	484,017
Unearned Revenue	27,348,468	22,743,946
Shareholders' Equity		
Common stock, par value $.001, authorized 20,000,000 shares, issued 11,516,392 and 11,148,052	11,516	11,148
Paid-in capital	35,022,787	31,326,683
Retained earnings (deficit)	(2,884,417)	858,342
Total Shareholders' Equity	32,149,886	32,196,173
	$197,185,082	$162,430,898

The accompanying notes are an integral part of these financial statements.

</TABLE>

<TABLE>
<CAPTION>

Consolidated Statements of Operations
Years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Revenues			
<S>	<C>	<C>	<C>
Subscriptions	$119,543,225	$101,194,290	$75,019,826
Equipment sales	4,871,481	-	-
Additional services	7,059,007	6,694,754	5,792,799
Communication services	10,787,952	10,050,073	8,812,718
Advertising	3,455,194	3,809,748	3,198,321
Service initiation fees	3,269,487	4,625,487	5,560,049
	148,986,346	126,374,352	98,383,713
Expenses			
Selling, general and administrative	74,919,319	61,790,861	48,944,027
Cost of equipment sales	4,192,737	-	-
Sales commissions	11,060,492	9,884,783	9,062,258
Depreciation and amortization	48,850,622	42,315,305	33,456,637
Non-recurring satellite costs	5,800,000	-	-
	144,823,170	113,990,949	91,462,922
Operating Income	4,163,176	12,383,403	6,920,791
Interest expense	8,449,668	9,098,231	8,432,270
Other income, net	217,929	121,909	107,173
Income (Loss) Before Income Taxes and Extraordinary Item	(4,068,563)	3,407,081	(1,404,306)
Income tax provision (benefit)	(1,402,684)	1,171,000	(446,000)
Income (Loss) Before Extraordinary Item	(2,665,879)	2,236,081	(958,306)
Extraordinary Item, Net of tax	1,076,880	-	-
Net Income (Loss)	$(3,742,759)	$ 2,236,081	$ (958,306)
Basic Income (Loss) Per Share			
Income (loss) before Extraordinary Item	$ (0.24)	$ 0.20	$ (0.09)
Extraordinary Item, net of tax	(0.09)	-	-
Net Income (loss)	$ (0.33)	$ 0.20	$ (0.09)
Diluted Income (Loss) Per Share			
Income (loss) before Extraordinary Item	$ (0.24)	$ 0.19	$ (0.09)
Extraordinary Item, net of tax	(0.09)	-	-
Net Income (loss)	$ (0.33)	$ 0.19	$ (0.09)
Basic Shares Outstanding	11,358,934	11,100,684	10,657,893
Diluted Shares Outstanding	11,358,934	12,082,556	10,657,893

</TABLE>

Consolidated Statement of ShareHolders' Equity
Years ended December 31, 1996, 1997 and 1998

<TABLE>
<CAPTION>

	Common Shares	Common Stock	Paid-in Capital	Retained Earnings (Deficit)	Treasury Stock	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1996	3,375,409	$ 3,375	$ 14,422,689	$ (497,687)	$ (1,051,412)	$12,876,965
Treasury stock issued on exercise of employee stock options		-	-	51,391	709,239	760,630
Tax benefit related to exercise of employee stock options		-	634,000	-	-	634,000
Issuance of common stock on acquisitions	316,000	316	14,976,684	-	-	14,977,000
Three-for-one stock split	7,382,816	7,383	(7,383)	-	-	-
Net loss		-	-	(958,306)	-	(958,306)
Balance, December 31, 1996	11,074,224	$ 11,074	$ 30,025,990	$ (1,404,602)	(342,173)	$28,290,289
Treasury stock issued on exercise of employee stock options		-	-	26,863	342,173	369,036
Issuance of common stock on						

exercise of employee stock options	73,828	74	625,693	-	-	625,767
Tax benefit related to exercise of employee stock options		-	675,000	-	-	675,000
Net income		-	-	2,236,081	-	2,236,081
Balance, December 31, 1997	11,148,052	$ 11,148	$ 31,326,683	$ 858,342	$ -	$32,196,173
Issuance of common stock on exercise of employee stock options	368,340	368	2,677,308	-	-	2,677,676
Tax benefit related to exercise of employee stock options		-	688,796	-	-	688,796
Issuance of warrants on an acquisition		-	330,000	-	-	330,000
Net loss		-	-	(3,742,759)	-	(3,742,759)
Balance, December 31, 1998	11,516,392	$ 11,516	$ 35,022,787	$ (2,884,417)	-	$32,149,886

</TABLE>
The accompanying notes are an integral part of these financial statements.

<TABLE>
<CAPTION>

Consolidated Statements of Cash Flows

Years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Cash Flows From Operating Activities			
<S>	<C>	<C>	<C>
Net income (loss)	$ (3,742,759)	$ 2,236,081	$ (958,306)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	48,850,622	42,315,305	33,456,637
Amortization of debt issue costs and discount	38,437	147,880	139,694
Extraordinary loss on early extinguishment of debt	1,682,880	-	
Deferred income taxes	(1,254,753)	1,056,000	(480,000)
Change in assets and liabilities:			
Accounts receivable	(1,721,398)	(1,278,437)	(63,634)
Inventory	1,144,102	-	-
Prepaid expenses	(851,447)	(180,068)	(21,839)
Deferred commission expense	614,502	(400,469)	(310,792)
Deferred debt issuance costs	-	-	(112,078)
Accounts payable	(3,151,545)	518,361	(1,947,116)
Accrued expenses	(2,091,048)	(1,113,749)	(149,687)
Equipment deposits	(542,752)	(51,175)	(26,578)
Unearned revenue	3,441,028	4,293,666	4,251,166
Net Cash Provided By Operating Activities	42,415,869	47,543,395	33,777,467
Cash Flows From Investing Activities			
Capital expenditures:			
Equipment used by subscribers	(20,341,583)	(21,137,267)	(37,424,684)
Equipment, building and leasehold improvements	(8,803,636)	(3,367,535)	(3,120,125)
Acquisitions	(37,621,363)	(5,687,196)	(65,745,794)
Net Cash Used By Investing Activities	(66,766,582)	(30,191,998)	(106,290,603)
Cash Flows From Financing Activities			
Proceeds:			
Revolving credit line	51,000,000	4,000,000	17,250,000
Term notes	16,000,000	-	48,490,000
Exercise of stock options	2,677,676	994,803	760,630
Issuance of common stock	-	-	14,977,000
Payments:			
Term notes	(24,810,833)	(22,217,083)	(9,036,459)
Debt acquired through acquisitions	(5,228,300)	-	-
Subordinated notes and prepayments costs	(16,125,000)	-	-
Net Cash Provided (Used) By Financing Activities	23,513,543	(17,222,280)	72,441,171
Net Increase (Decrease) in Cash	(837,170)	129,117	(71,965)
Cash at Beginning of Period	837,170	708,053	780,018
Cash at End of Period	$ -	$ 837,170	$ 708,053

The accompanying notes are an integral part of these financial statements.

</TABLE>

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Data Transmission Network Corporation and its wholly owned subsidiaries (the Company or DTN). All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

The Company provides its subscribers with equipment to receive information and communications service. DTN charges a recurring subscription fee and in most instances a one-time service initiation fee. The subscriptions are contracted for an initial period of one year and are generally billed quarterly in advance. Payments received in advance for subscriptions, additional services and advertising are deferred and recognized as the services are provided to the subscribers. Equipment Sales are recognized when the equipment is shipped. Service initiation fees are recognized in income since these fees are less than the marketing and setup costs related to a new subscriber. Communication services are generally billed monthly in arrears based on the number and length of the messages delivered to subscribers.

Inventory

Inventories are stated at the lower of cost or market with cost determined on a first in, first out basis.

Deferred Commission Expense

Commissions and bonuses which are paid at the time of the initial subscription to sales representatives, to company representatives, or to subscribers for successful customer referrals, are deferred and expensed over the initial twelve-month subscription period.

Equipment Used By Subscribers

Equipment used by subscribers to receive the Company's electronically transmitted information and communication services is stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over a useful life of three to eight years for assets placed in service prior to July 1, 1992, and three to six years for assets placed in service subsequent to July 1, 1992.

Equipment, Building and Leasehold Improvements

Equipment, building and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective classes of assets as follows:

Equipment	2-7 years
Building	40 years
Leasehold improvements	5-10 years

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. These costs are amortized using the straight-line method over three to ten years. The carrying value of fixed and intangible assets is periodically assessed by the Company by reviewing the recoverability of the assets over the amortization period based on the projected undiscounted future cash flows of the related business unit. Cash flow projections are based on trends of historical performance and management's estimate of future performance, giving consideration to existing and anticipated competition and economic conditions.

Income Taxes

Income taxes are computed in accordance with the provisions of Statement of Financial Accounting Standard 109, "Accounting for Income Taxes" (SFAS 109). The objective of the statement is to recognize the amount of taxes payable or refundable in the current year and to recognize deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the financial statements or tax returns.

Earnings (Loss) Per Share

Basic earnings per share data are based on the weighted average outstanding common shares during the period. Diluted earnings per share data are based on the weighted average outstanding common shares and the effect of all dilutive potential common shares, including stock options and warrants.

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. During the years ended December 31, 1998, 1997 and 1996, the Company made interest payments of $8,367,000, $8,983,000, and $8,555,000, respectively. Capital expenditures for subscriber equipment included in accounts payable at year end totalled $342,000, $1,105,000 and $1,394,000 at December 31, 1998, 1997 and 1996, respectively. The Company paid $136,000 of federal income taxes in 1998 and no federal income taxes during 1997 or 1996. At December 31, 1996, $931,700 of the purchase price for acquired subscribers was due in future periods and was included in accounts payable.

Research and Development

Expenditures for research and development are charged to expense as they are incurred and approximated $4,423,000, $3,059,000 and $2,263,000 for the years ended December 31, 1998, 1997, and 1996.

Stock-Based Compensation

The Company accounts for its stock-based compensation under the provisions of Accounting Principles Board Opinion 25, Accounting for Stock Issued to Employees (APB 25).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value of Financial Instruments

Because of their maturities and/or interest rates, the Company's financial instruments generally have a fair value approximating their carrying value. These instruments include accounts receivable, revolving credit and term borrowings, subordinated debt, commercial paper, and trade payables. The Company has $49,822,540 of fixed term debt as of December 31, 1998 with an estimated fair value of $50,395,940.

Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" which will be effective for fiscal years beginning after June 15, 1999. The Company will adopt this Statement effective January 1, 2000. At this time, the Company believes the impact of adopting this Statement should not be significant to the results of operations or financial position.

Non-recurring Satellite Costs (Galaxy IV)

On May 20, 1998, nearly all of the Company's 159,000 subscribers were unable to receive their data due to loss of control of the Galaxy IV satellite by PanAmSat. This satellite was used by the Company to transmit service to nearly all its subscribers.

The costs related to the failure of Galaxy IV include telecommunications, overtime labor, satellite costs and customer communications and these unusual, non-recurring satellite costs were estimated to be $5.8 million and recorded in May of 1998.

2. Acquisitions

Broadcast Partners

In May of 1996, the Company acquired substantially all the assets of Broadcast Partners, an electronic information and communication services company providing similar services as DTN AgDaily in the agricultural industry. The Company paid $63.5 million cash and assumed certain "non-interest" bearing liabilities of approximately $9.8 million. The Company received 39,000 agricultural subscribers in this acquisition.

The $63.5 million cash paid for the Broadcast Partners acquisition was financed with a combination of $15 million of privately placed common stock equity (948,000 shares) and $48.5 million of six year term notes (see note 5). The Company acquired and capitalized approximately $38.2 million of equipment. The Company is depreciating this equipment using the straight-line method over five years. The Company capitalized approximately $34.8 million as an intangible asset (primarily goodwill) and is amortizing this cost using the straight-line method over three to eight years.

Market Quoters, Northern Data and Market Communications Group LLC

During the first quarter of 1997, the Company acquired 2,900 real-time commodity subscribers through two separate acquisitions. Approximately 500 of the subscribers were acquired from Market Quoters and Northern Data Services for $750,000 cash. The remaining 2,400 subscribers were acquired from Market Communications Group, LLC (MCG), a joint venture between Reuters America, Inc.,

and Farmland Industries, Inc. The Company paid $3.6 million cash for the 2,400 subscribers, certain assets and assumed certain liabilities. In total, the Company capitalized approximately $4.5 million as an intangible asset (primarily goodwill) and is amortizing this cost using the straight-line method over three to eight years. The MCG acquisition included the preferred rights to distribute relevant Reuters real-time news and information to the commodities, energy and metals markets.

The Network, Inc.

In July of 1997, the Company acquired the assets of The Network, Inc., an electronic cotton trading network service. The Company agreed to pay $1,000,000 cash over five years. The Company has the option to terminate the agreement at any time and cease all payments and return the assets to the owner. The Company paid $200,000 cash in 1997 and 1998 and will pay $200,000 cash on each of the next three anniversary dates. The Company is capitalizing the $200,000 payments when made as an intangible asset (primarily goodwill) and amortizing this cost using the straight-line method over 12 months. To date the Company has capitalized a total of $500,000. In effect, if all payments are made, the Company is amortizing the $1,000,000 purchase price over five years.

Arkansas Farm Bureau ACRES Service

In October of 1997, the Company agreed to acquire the approximately 700 subscribers on the ACRES platform from the Arkansas Farm Bureau (AFB). The Company agreed to pay approximately $600 for each subscriber that converted to a DTN service. The Company has converted 628 subscribers to a DTN service. In addition, the Company will pay the AFB a $6 monthly residual for the lesser of the life of the subscriber or ten years for those subscribers converting to a DTN service. The Company capitalized $376,800 as an intangible asset and is amortizing this cost using the straight-line method over eight years.

Market Information of Colorado, Inc.

In February of 1998, DTN acquired 100 subscribers receiving real-time commodities and futures information from Market Information of Colorado, Inc. (MIC) for $135,000 cash. The Company capitalized $133,205 as an intangible asset and is amortizing this cost using the straight-line method over eight years.

CDS Group, Inc.

In March of 1998, DTN acquired CDS Group, Inc. (CDS) for $250,000 cash and the assumption of certain liabilities. CDS is engaged in the business of marketing software for tracking bales of cotton for businesses in the cotton industry. This acquisition complements the acquisition of The Network, Inc., an electronic cotton trading network (discussed above). The Company has capitalized

$325,300 as an intangible asset (goodwill) and is amortizing this cost using the straight-line method over five years.

SmartServ Online, Inc.

In April of 1998, DTN signed an agreement to acquire exclusive rights to market the Internet based financial services information products of SmartServ Online, Inc. their internet information distribution technology, and their subscribers for $850,000 cash plus $1,055,000 for minimum payments for the first twelve months of the contract. These services include: SmartServ Pro, now DTN.IQ, a real-time, tick-by-tick stock quote and news service, and TradeNet and BrokerNet, real-time trading and account information services for the brokerage industry. This agreement transfers the 850 subscribers currently using SmartServ Online to DTN. All new subscribers to these services will be DTN customers and DTN will pay SmartServ Online, Inc. an ongoing royalty based on revenues. The first year minimum payments in excess of the calculated payments has been capitalized as part of the purchase price. The Company has capitalized $1,905,000 as an intangible asset and is amortizing this cost using the straight-line method over five years.

National Datamax, Inc.

In June of 1998, DTN signed an agreement to acquire 100% of the capital stock outstanding of National Datamax, a software development and information services firm specializing in integrated systems for the financial information services industry. DTN has agreed to pay $3,000,000 cash, assume the assets and liabilities of National Datamax, Inc., plus pay any earn-out based upon revenue growth from quarter ending December 31, 1997, through quarter ending September 30, 1999. National Datamax is a wholly owned subsidiary of DTN and operates out of California. The Company has capitalized $3,242,930 as an intangible asset (primarily goodwill) and is amortizing this cost using the straight-line method over three to five years.

Kavouras, Inc.

In July of 1998, DTN signed an agreement to acquire 100% of the capital stock outstanding in Kavouras, Inc. Kavouras is engaged in the development, design, manufacture, marketing and service of meteorological equipment and provides meteorological data services to government, aviation, commercial broadcast and other industries, including DTN. The Company agreed to assume the assets and liabilities of Kavouras, Inc. and pay $22,650,000 cash of which

$20,650,000 was paid at closing. The remaining $2,000,000 cash will be paid out in equal $400,000 payments over the next five anniversary dates of closing. Kavouras is a wholly owned subsidiary of DTN and operates out of Minnesota under the name DTN Kavouras Weather Services. The Company has capitalized $18,208,749 as an intangible asset (primarily goodwill) and is amortizing this cost using the straight-line method over five to ten years.

In a related transaction, in April of 1998, Kavouras signed a License Agreement with Earthwatch Communication, Inc. for the exclusive rights to use, market license and sell the Licensed Products of a U.S. Patent which provides a "Method for Creating a 3D Image of Terrain and Associated Weather." In conjunction with the acquisition agreement, an Assignment Agreement was signed on March 30, 1998, between Kavouras and the Company to assign this License to DTN Market Communications Group, Inc., a wholly owned subsidiary of the Company. As a result of this assignment, the Company paid $3,000,000 cash for the License Agreement with Earthwatch Communication, Inc., which is being capitalized as an intangible asset and amortized using the straight-line method over ten years.

Paragon Software, Inc.

In October of 1998, the Company acquired 100% of the capital stock outstanding in Paragon Software, Inc. (PSI), subject to a re-purchase by a third party. PSI provides financial information services to subscribers via the Internet. The Company agreed to pay $5.7 million to acquire the stock and assume the assets and liabilities of the company. The Company has capitalized $6,474,910 as an intangible asset (primarily goodwill) and is amortizing this cost using the straight-line method over three to five years.

The acquisition of PSI was part of an overall plan to acquire a controlling interest in two other companies. Without those acquisitions occurring prior to December 31, 1998, a third party has the right to purchase PSI from the Company at the Company's initial cost. The acquisitions were not completed by December 31, 1998 (due to circumstances beyond the Company's control) and the third party has indicated their intentions to purchase Paragon. If the third party does not obtain the financing and purchase Paragon by June 30, 1999, Paragon will remain an asset of DTN.

Weather Services Corporation

In December of 1998, the Company acquired 100% of the capital stock outstanding in Weather Services Corporation (WSC). WSC provides meteorological consulting and worldwide commercial weather information to internet, newspaper, utilities, broadcasters, agribusinesses and municipalities. The Company agreed to pay $3,807,700 cash to acquire the stock and assume certain liabilities plus a warrant to purchase 20,000 shares of DTN's common stock at $34.00. The Company has capitalized $3,806,533 as an intangible asset (goodwill) and is amortizing this cost using the straight-line method over ten years. The fair value of the warrant is included in shareholder's equity.

Pro Forma Financial Information

All of the acquisitions have been accounted for using the purchase method of accounting. With the exception of National Datamax, Kavouras, PSI and WSC,

the acquisitions in 1997 and 1998 were primarily acquisitions of subscribers and not entire businesses. The following unaudited pro forma financial information reflects the consolidated results of operations of the Company for the fiscal years ended December 31, 1998 and 1997 as though the Kavouras, National Datamax and WSC acquisitions, had occurred at the beginning of the period presented. The remaining 1998 acquisitions were deemed not material in nature to the overall operating statements of the Company, thus are excluded from the pro forma information disclosure. The acquisition of PSI is excluded from the proforma information as a result of the repurchase agreement discussed above. This proforma information has been prepared for comparative purposes only and does not necessarily represent actual operating results that may be achieved in the future or that would have occurred had the acquisition been consummated on January 1, 1997.

<TABLE>
<CAPTION>

Pro Forma December 31,	1998	1997
<S>	<C>	<C>
Revenues	$161,544,338	$150,665,102
Income (loss) before extraordinary item	$ (5,684,895)	$ (1,293,803)
Income (loss) per share before extraordinary item		
Basic	$ (0.50)	$ (0.12)
Diluted	$ (0.50)	$ (0.12)

</TABLE>

3. Inventories

Inventories are primarily related to the equipment sales as a result of the acquisition of Kavouras. The major classes of inventory are as follows:

<TABLE>
<CAPTION>

December 31	1998
<S>	<C>
Raw Materials	$ 2,684,857
Work-in-Process	728,415
Finished Goods	162,308
	$ 3,575,580

</TABLE>

4. Equipment, Building and Leasehold Improvements

Equipment, building and leasehold improvements are stated at cost. The respective costs of the classes of assets are as follows:

<TABLE>
<CAPTION>

December 31,	1998	1997
<S>	<C>	<C>
Equipment	$ 33,198,540	$ 21,338,869
Building	2,460,486	-
Land	220,269	-
Leasehold improvements	2,909,196	1,816,368
Total	$ 38,788,491	$ 23,155,237

</TABLE>

5. Long Term Debt And Loan Agreements

The Company has a revolving credit agreement, as amended, with a group of banks (the "Revolving Credit Agreement"). The Revolving Credit Agreement, which expires June 30, 2000 unless extended, provides for a total commitment of up to $80,800,000 in new borrowings. As of December 31, 1998, $55,500,000 of the total commitment had been borrowed, with the remaining $25,300,000 available to the Company subject to certain restrictions as discussed below.

<TABLE>
<CAPTION>

December 31,	1998	1997
Revolving Credit Agreement		
<S>	<C>	<C>
Revolving credit line	$ 55,500,000	$ 4,500,000
Term notes	34,421,875	35,151,040
Term Credit Agreement		
Term notes	$ 32,326,665	$ 40,408,333
Total Loan Agreements	122,248,540	80,059,373
Less current portion	21,628,542	21,810,833
Total Long-Term Debt	$ 100,619,998	$ 58,248,540

</TABLE>

Additional borrowings under the Revolving Credit Agreement are available to the Company, as long as at the time of the advance, no default exists with any of the Company loan agreements and the ratio of the Company's total borrowings to operating cash flow ("the Leverage Ratio") does not exceed thirty-six. As of December 31, 1998 based on current operating cash flow, the Company would be able to borrow all of the remaining $25,300,000 commitment available.

In addition to the restrictions mentioned above with respect to advances, total debt outstanding is limited to forty-eight times monthly operating cash

flow. The Company is required to maintain total stockholders' equity of at least $23,500,000 plus fifty percent (50%) of net income (but not losses) at fiscal year end through June 30, 2000. The minimum stockholders' equity required to be maintained is $24,618,040 as of December 31, 1998. The Company is required to maintain a ratio of quarterly operating cash flow to interest expense (as defined) of at least 2.25 to 1. The Company is permitted to pay cash dividends in any one year, which are, in the aggregate, less than 25% of the Company's net operating profit after taxes in the previous four quarters.

Interest on the outstanding borrowings (prior to when the borrowings might be converted to term loans, as discussed below) is at a variable rate, depending on the ratio of the Company's total borrowings to operating cash flow (the "Leverage Ratio"). The following table outlines the "Leverage Ratio", the applicable Margin, Unused Commitment Fees and Fixed Note Margin discussed below.

<TABLE>
<CAPTION>

Leverage Ratio	Margin	Unused Commitment Fee	Fixed Note Margin
<S>	<C>	<C>	<C>
more than 42	.250%	.375%	2.25%
more than 36 and less than 42	.500%	.250%	2.25%
more than 30 and less than 36	.750%	.250%	2.00%
more than 24 and less than 30	1.000%	.250%	2.00%
more than 18 and less than 24	1.250%	.125%	1.75%
less than 18	1.375%	.125%	1.75%

</TABLE>

The Revolving Credit Rate is the First National Bank of Omaha's "National Base Rate", minus the applicable Margin. The base rate is adjusted monthly, with

the interest rate margin (as defined on page 57) changed quarterly. As of December 31, 1998, the Revolving Credit Rate is 6.75%.

The Company has the option to convert the outstanding revolving credit borrowings to term loans at any time, payable in forty-eight fixed principal installments, plus interest. Interest on the converted term loans is at the Company's option, a variable interest rate of 1/4% over the Revolving Credit Rate or at a fixed rate of 3/8% over the Revolving Credit Rate in effect on the date of the notice (as defined) or the applicable Fixed Note Margin (based on the "Leverage Ratio") over the average of the 3 and 5 year U. S. treasury securities, as quoted in the prior month "Federal Reserve Statistical Release", whichever is greater. Through a refinancing of Senior Subordinated Notes, as of March 17, 1998, the Company converted $16,000,000 of revolving credit to term notes accruing interest at the rate of 7.50% (see footnote 6). As of December 31, 1998, $55,500,000 of the total borrowings outstanding had not been converted to term loans. As of December 31, 1998, $34,421,875 of term loans were outstanding with monthly installments due up through 2002 having interest rates ranging from 7.50% to 9.25%.

The Company pays a commitment fee of 1/8 - 3/8% on the unused portion of the total revolving credit commitment based on the "Leverage Ratio". As of December 31, 1998 the commitment fee was 1/4% on all unused revolving credit commitment. In the event the total borrowings exceed 36 times Operating Cash Flow, any term note accruing interest at less than 7.5% is included in a "Trigger Event". The Company is obligated to pay the holders of such term notes a fee of 0.375% of the outstanding balance of the notes upon the occurrence of the Trigger Event and like amounts on the six month anniversary and the twelve month anniversary of the Trigger Event. The Company has a Term Credit Agreement with a group of banks providing for an aggregate principal amount of $48,490,000 to be repaid in 72 fixed principal installments which began January 31, 1997.

As of December 31,1998, the principal balance was $32,326,665 with $16,926,000 accruing at a variable interest rate of the NY prime rate less one-half of one percent, or 7.25% and the remaining $15,400,665 accruing at fixed interest rates ranging from 8.25% to 8.36%.

<TABLE>
<CAPTION>

Minimum Principal Maturities of Long-Term Debt*

Year Ending December 31,

1999	$ 21,628,542
2000	21,581,667
2001	14,456,667
2002	9,081,664
Total	$ 66,748,540

*Excluding revolving credit line.

The revolving credit lines are classified as long-term debt since the Company has the ability and the intent to maintain these obligations for longer than one year.

Substantially all of the Company's assets are pledged as collateral under the Company's long-term debt and loan agreements.

6. Subordinated Long-Term Notes

On March 17, 1998, the Company refinanced its Senior Subordinated Notes with 7.50% term notes with fixed principal payments plus interest. The Company recorded an extraordinary loss for the pre-payment penalty of $1,125,000 or 7.5% of the principal balance of $15,000,000 to retire the Subordinated Notes early. In addition, $557,880 of debt issuance and discount costs related to the senior subordinated notes were also recorded as an extraordinary loss in the first quarter of 1998.

7. Income Taxes

Components of the income tax (benefit) provision are as follows:

	1998	1997	1996
Current	$ 156,000	$ 115,000	$ 34,000
Deferred	(1,558,684)	1,056,000	(480,000)
	$(1,402,684)	$1,171,000	$ (446,000)

The income tax (benefit) provision differs from the (benefit) provision at federal statutory rates for the following reasons:

	1998	1997	1996
Federal	$(1,383,313)	$1,158,000	$(477,000)
State Taxes	(81,371)	68,000	(28,000)
Other	62,000	(55,000)	59,000
	$(1,402,684)	$1,171,000	$(446,000)

Included in the extraordinary item, net of tax, is a federal deferred tax benefit of $606,000. The components of deferred tax liability (asset) are as follows:

	1998	1997
Depreciation	$ (4,910,000)	$ (6,573,000)
Net operating loss carryforwards	8,630,000	8,101,000
Intangible assets	(828,000)	-
AMT Credits	860,000	235,000
Accruals and other	1,019,000	(417,000)

Net Deferred Asset	$ 4,771,000	$ 1,346,000

</TABLE>

The Company had approximately $23,971,000 of unused net operating loss (NOL) carryforwards at December 31, 1998. The NOL carryforwards will expire in the years 2002 to 2018. In addition, the Company reflected in Other Assets at December 31, 1997 approximately $911,000 relating to pending IRS refund claims. This refund was collected in 1998.

8. Capital Stock

The Company's articles of incorporation provide for the authorization of 1,000,000 shares of $.50 par value per share preferred stock. The preferred stock, none of which has been issued, presently has no voting rights or other features, although the articles of incorporation contain provisions to adopt various features or privileges at the discretion of the Board of Directors.

In September 1992, the Company's Board of Directors authorized the repurchase of up to 350,000 shares of the Company's outstanding common stock. The purchases are to be made from time to time in the open market or in arranged transactions at such price or prices as company officers may deem advisable. The Company has purchased 150,000 shares of outstanding common stock since September 1992. The common stock repurchased may be used to provide shares for the Company's existing stock options and warrants outstanding.

In June 1994, pursuant to the sale of subordinated debt, the Company issued a warrant to purchase 75,000 shares of the Company's common stock at $7.39 per share on or before June 30, 2004. At December 31, 1998 the warrant to purchase 75,000 shares had not been exercised.

As part of the May 1996 acquisition of Broadcast Partners, the Company sold 948,000 (split adjusted) shares through a private placement transaction. During the second quarter of 1996, the Company effectuated a three-for-one common stock split, payable June 28, 1996 to stockholders of record June 14, 1996. The stated par value of each share was not changed from $0.001. A total of $7,383 was reclassified from the Company's additional paid in capital account to the Company's common stock account.

In August of 1997, the Company adopted a shareholder rights plan with respect to its Common Stock, under which the Board declared a dividend distribution of one preferred shares purchase right to holders of each share of Common Stock. The rights are not exercisable until ten days after a person or group announces the acquisition of 11% or more of the Company's voting stock or announces a tender offer for 11% or more of the Company's outstanding common stock. Each right entitles the holder to purchase common stock at one half the stock's market value. The rights are redeemable at the Company's option for $.01 per Right at any time on or prior to public announcement that a person has acquired 11% or more of the Company's voting stock. The rights are automatically attached to and trade with each share of Common Stock.

In December of 1998, pursuant to the purchase of Weather Services Corporation, the Company issued a warrant to purchase 20,000 shares of the Company's common stock at $34.00 per share on or before December 11, 2005. At December 31, 1998 the warrant to purchase 20,000 shares had not been exercised.

9. Benefit Plan

The Company has a defined contribution plan under provisions of Internal Revenue Code Section 401(k). All employees with at least one year of service may participate in the plan. The Company matches the employee's contribution up to 4% of the employee's compensation, and may make additional discretionary contributions. During 1998, 1997 and 1996, the Company contributed $1,029,000, $848,000 and $671,000, respectively, to the plan as matching contributions.

10. Leases

The Company leases the right to subsidiary channel authorizations from FM radio stations and satellite network transmission capacity to broadcast the Company's information service to its subscribers. These leases are accounted for as operating leases and are for varying periods of one to ten years and contain annual renewal options for periods of up to five years.

The Company also has various operating leases for office space, warehouse facilities and equipment. These leases expire on various dates through 2005 and generally provide for renewal options at the end of the lease. The Company is generally obligated to pay the cost of property taxes, insurance, utilities and maintenance on the leases.

Future minimum lease payments under all non-cancelable operating leases at December 31, 1998 are as follows:

<TABLE>
<CAPTION>

Year Ending December 31	
<C>	<C>
1999	$ 5,546,000
2000	4,597,000
2001	3,677,000
2002	2,517,000
2003	2,177,000
2004 and after	2,575,000
Total future minimum lease payments	$21,089,000

</TABLE>

Total rent expense on all operating leases was $5,920,000, $4,842,000 and $3,459,000 for the years ended December 31, 1998, 1997 and 1996, respectively.

11. Stock-Based Compensation

The Company has employee and director stock option plans with aggregate limits of 2,800,000 shares for the employee plan and 210,000 shares for the non-employee director plan. The exercise price of the stock options is equal to the market value of the Company's common stock on the date of grant. The options are exercisable for a period of up to ten years from the date of grant and generally vest equally over a period of three years.

At December 31, 1998, shares of the Company's authorized but unissued common stock were reserved for issuance as follows:

<TABLE>
<CAPTION>

	Shares
<S>	<C>
Employee stock option plan	691,226
Non-employee director plan	83,003
Total	774,229

</TABLE>

The Company accounts for its stock-based compensation plans under the provisions of APB 25. Accordingly, no compensation cost has been recognized for its fixed stock option plans.

The effects on 1998, 1997 and 1996 net income (loss) and income (loss) per share of accounting for stock-based compensation based on the fair value method at the grant dates consistent with the method of FASB Statement 123, Accounting for Stock-Based Compensation, are shown in the pro forma information to the right:

<TABLE>
<CAPTION>

Pro Forma	1998	1997	1996
Net Income (Loss)			
<S>	<C>	<C>	<C>
As Reported	$ (3,742,759)	$ 2,236,081	$ (958,306)
Proforma	$ (5,427,339)	$ 920,827	$(2,452,206)
Diluted Income (Loss) per share			
As Reported	$ (0.33)	$ 0.19	$ (0.09)
Proforma	$ (0.48)	$ 0.08	$ (0.23)

Fair Value Per Share	$ 15.70	$ 11.56	$ 8.22

</TABLE>

The fair value for options granted under the above mentioned plans was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Risk-free interest rate	5.5 %	5.5 %	5.4 %
Dividend yield	0.0 %	0.0 %	0.0 %
Expected volatility	53.0 %	51.0 %	56.0 %
Expected life (years)	4.95	5.60	4.75

</TABLE>

The following table summarizes the stock options as of December 31, 1998, 1997, 1996:

<TABLE>
<CAPTION>

	1998		1997		1996	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	1,546,432	$ 10.55	1,520,810	$ 9.04	1,276,959	$ 5.79
Granted	253,458	$ 29.87	207,350	$ 21.60	538,800	$ 15.64
Exercised	(368,992)	$ 7.25	(119,644)	$ 8.33	(134,878)	$ 5.64
Cancelled	(46,521)	$ 22.59	(62,084)	$ 14.23	(160,071)	$ 7.93
Outstanding at end of year	1,384,377	$ 14.57	1,546,432	$ 10.55	1,520,810	$ 9.04
Exercisable at end of year	895,230	$ 9.48	968,834	$ 7.25	741,409	$ 5.67

</TABLE>

The following table summarizes the stock options outstanding as of December 31, 1998:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
	Shares Outstanding	Weighted-Average Remaining Life	Weighted-Average Exercise Price	Shares Exercisable	Weighted-Average Exercise Price
<C>	<C>	<C>	<C>	<C>	<C>
$ 0.00 - $ 5.50	451,853	3.7 years	$ 4.67	451,853	$ 4.67
$ 5.75 - $14.42	125,092	5.1 years	$ 8.71	125,042	$ 8.71
$15.50 - $15.50	388,645	7.0 years	$15.50	246,995	$ 15.50
$15.67 - $41.75	418,787	8.6 years	$26.14	71,340	$ 20.52
$ 0.00 - $41.75	1,384,377	6.3 years	$14.57	895,230	$ 9.48

</TABLE>

12. Earnings Per Share

The following table shows the amounts used in computing earnings per share and the effect on the weighted average number of shares of dilutive potential common stock. The dilutive potential common shares outstanding were 878,837 and 855,640 for 1998 and 1996, respectively, and were not included in computing diluted earnings per share because their effects were antidilutive.

<TABLE>
<CAPTION>

	1998			1997			1996		
	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount
Basic EPS									
Net Income (Loss)	$ (3,742,759)	11,358,934	$ (0.33)	$2,236,081	11,100,684	$0.20	$ (958,306)	10,657,893	$(0.09)
Effect of Dilutive Securities									
Stock Options and Warrants	-	-	-	-	981,872	-	-	-	-
Diluted EPS	$ (3,742,759)	11,358,934	$ (0.33)	$2,236,081	12,082,556	$0.19	$ (958,306)	10,657,893	$(0.09)

</TABLE>

13. Industry Segment Data

The Company operates in four principal industry segments - Agricultural, Weather, Financial and Energy. All segments provide comprehensive, time-sensitive information and communication services for their respective industries.

The Agricultural segment (DTN Ag Services) provides information and services, including:agricultural market information, delayed and real time futures and options quotes and comprehensive news and weather for a variety of agribusiness industries; equipment locator and inventory management service for the farm implement dealer; weather, pricing, news and transportation information for the produce industry; and an electronic marketing system for the cotton industry.

The Weather segment (DTN Weather Services) provides a comprehensive weather information system to meet the weather information needs of many industries including: aviation, broadcast, construction, forestry, marine, transportation, turf-related operations, emergency management and any other business relying on weather information to help carry out its operations.

The Financial segment (DTN Financial Services) provides comprehensive information and services including; real-time quotes, news, charts and alerts for professional investors delivered via proprietary hardware, PC or over the internet; delayed quotes, business news and economic data for the individual investor; wholesale mortgage rates and prices for the mortgage industry; and software and data services to financial planners and independent brokers.

The Energy segment (DTN Energy Services) provides pricing information and communications services including, delayed futures and options quotes plus selected financial information for the refined fuels industry, thus linking the refiners with their customers and real-time or delayed options and futures quotes, weather, news and information for the gas and electricity industries.

The Other segment (Other Services) is general corporate activities not attributable to a specific industry segment and other industry services not material in nature and eliminations of inter-segment activity.

Management primarily evaluates performance of each segment based on operating cash flow (operating income before depreciation and amortization), EBITDA. The Company does not allocate income taxes and infrequent or extraordinary items to the individual industry segments. Inter-segment revenues have been recorded at amounts approximating market. The following table summarizes additional information regarding the Company's individual industry segments:

<TABLE>
<CAPTION>

	1998	1997	1996
External revenues			
DTN Ag Services	$ 88,313,568	$ 87,574,829	$ 69,718,299
DTN Weather Services	25,760,861	10,665,701	5,597,926
DTN Financial Services	13,350,361	10,316,370	8,586,836
DTN Energy Services	16,108,597	14,344,714	12,169,273
Other Services	5,452,959	3,472,738	2,311,379

Total	$148,986,346	$126,374,352	$ 98,383,713
Inter-segment revenues			
DTN Ag Services	$ -	$ -	$ -
DTN Weather Services	1,038,231	-	-
DTN Financial Services	24,611	-	-
DTN Energy Services	-	-	-
Other Services	-	-	-
	1,062,842	-	-
Inter-segment Elimination	(1,062,842)	-	-
Total	$ -	$ -	$ -
Operating Income			
DTN Ag Services	$ 16,797,670	$ 18,773,860	$ 11,169,290
DTN Weather Services	(2,649,423)	(2,174,723)	(1,685,060)
DTN Financial Services	(3,559,403)	(2,701,058)	(2,471,838)
DTN Energy Services	6,282,467	5,720,451	4,201,884
Other Services	(12,708,135)	(7,235,127)	(4,293,485)
Total (a)	$ 4,163,176	$ 12,383,403	$ 6,920,791
Depreciation and Amortization			
DTN Ag Services	$ 33,176,299	$ 31,989,604	$ 26,013,461
DTN Weather Services	6,839,166	3,575,805	1,588,449
DTN Financial Services	4,226,327	3,196,835	2,730,428
DTN Energy Services	2,003,109	2,124,352	1,918,895
Other Services	2,605,721	1,428,709	1,205,404
Total	$ 48,850,622	$ 42,315,305	$ 33,456,637
Interest Expense			
DTN Ag Services	$ 5,813,030	$ 7,554,514	$ 7,073,451
DTN Weather Services	1,812,353	694,197	404,252
DTN Financial Services	454,981	442,381	462,724
DTN Energy Services	158,535	184,024	258,870
Other Services	210,769	223,115	232,973
Total	$ 8,449,668	$ 9,098,231	$ 8,432,270
Operating Cash Flow (EBITDA)			
DTN Ag Services	$ 49,973,969	$ 50,763,464	$ 37,182,751
DTN Weather Services	4,189,743	1,401,082	(96,611)
DTN Financial Services	666,924	495,777	258,590
DTN Energy Services	8,285,576	7,844,803	6,120,779
Other Services (a)	(10,102,414)	(5,806,418)	(3,088,081)
Total	$ 53,013,798	$ 54,698,708	$ 40,377,428

</TABLE>

14. Subsequent Events

SmartServ Online, Inc. Letter of Intent:

On January 26, 1999, the Company and SmartServ Online, Inc., (SSOL) based in Stamford, CT, (OTC-BB:SSOL) signed a Letter of Intent whereby the Company will merge with SmartServ Online, Inc. Shareholders of SmartServ Online, Inc. will receive stock of the Company. The Letter of Intent has been signed by the holders of a majority of the stock of SSOL on a fully diluted basis.

Under the terms of the proposed transaction, the holders of outstanding stock of SSOL would receive shares of the Company Common Stock having an aggregate market value equal to the lesser of $14,850,000 or the amount determined by multiplying $3.20 by the number of shares of SSOL Common Stock held by SSOL Stockholders on an as if converted and fully diluted basis. The market value of a share of the Company's Common Stock for purposes of the proposed transaction would be based upon the average of its closing prices on the Nasdaq Stock Market on each of the 10 trading days ending on the third trading day prior to the date of the closing of the proposed transaction, but would not be lower than $28.35 or higher than $34.65.

The Company will file a federal registration statement prior to the Closing covering all of the Company's Common Shares issued to the SSOL Stockholders in the proposed transaction. The registration, if effective, will

permit the SSOL Stockholders to sell the Company's Common Shares into the public market. The transaction is subject to the execution of a definitive agreement, a fairness opinion and approval of a majority of the outstanding stock of SSOL. The parties anticipate the proposed transaction to close in June 1999.

1998 Revolving Credit Agreements:

On January 29, 1999, the Company closed on the First Amendment to 1998 Revolving Credit Agreement. This agreement increased the revolving credit facility to $122,900,000 from the previous limit of $80,800,000. This amendment extended the term of the revolving credit facility to June 30, 2001 from the previous term of June 30, 2000. At January 29, 1999, $57,000,000 of the total commitment had been borrowed, with the remaining $65,900,000 available to the Company subject to certain restrictions.

<TABLE>
<CAPTION>

Quarterly Data (Unuadited)

Years ended December 31, 1998 and 1997

Quarter	First	Second	Third	Fourth	Total
Fiscal 1998					
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 34,425,147	$ 34,797,482	$ 39,733,540	$ 40,030,177	$ 148,986,346
Operating Income	$ 3,701,311	$ (3,030,844)	$ 2,124,238	$ 1,368,471	$ 4,163,176
Income (Loss) Before Extraordinary Item	$ 1,087,406	$ (3,076,542)(4)	$ 9,987	$ (686,730)	$ (2,665,879)
Net Income (Loss)	$ 10,526(3)	$ (3,076,542)(4)	$ 9,987	$ (686,730)	$ (3,742,759)
Basic Income (Loss) Per Share2					
Income (loss) before extraordinary item	$ 0.10	$ (0.27)	$ -(5)	$ (0.06)	$ (0.24)
Net Income (loss)	$ -(5)	$ (0.27)	$ -(5)	$ (0.06)	$ (0.33)
Diluted Income (Loss) Per Share(2)					
Income (loss) before extraordinary item	$ 0.10	$ (0.27)	$ -(5)	$ (0.06)	$ (0.24)
Net Income (loss)	$ -(5)	$ (0.27)	$ -(5)	$ (0.06)	$ (0.33)
Operating Cash Flow1	$ 14,784,727	$ 8,581,338	$ 15,028,263	$ 14,619,470	$ 53,013,798
Total Subscribers	160,400	160,100	158,400	159,300	159,300
Fiscal 1997					
Revenues	$ 29,466,873	$ 31,391,287	$ 32,216,238	$ 33,299,954	$ 126,374,352
Operating Income	$ 2,929,234	$ 3,049,577	$ 3,114,077	$ 3,290,515	$ 12,383,403
Net Income	$ 361,619	$ 485,561	$ 571,800	$ 817,101	$ 2,236,081
Basic Income Per Share(2)	$ 0.03	$ 0.04	$ 0.05	$ 0.07	$ 0.20
Diluted Income Per Share(2)	$ 0.03	$ 0.04	$ 0.05	$ 0.07	$ 0.19
Operating Cash Flow1	$ 13,141,205	$ 13,508,667	$ 13,770,835	$ 14,278,001	$ 54,698,708
Total Subscribers	151,800	153,700	155,700	158,800	158,800

<FN>

1 Operating income before depreciation and amortization expense.
2 Net income per share for each of the four quarters may not agree to net income per share for the year due to rounding.
3 Includes an Extraordinary Item, net of tax of $1,076,880 for the early extinguishment of $15,000,000 11.25% Senior Subordinated Notes due December, 2004.
4 Includes $5,800,000 on a pre-tax basis and $3,716,000 on an after tax basis for non-recurring satellite costs related to Galaxy IV outage.
5 Less than one cent per share.

</FN>
</TABLE>

<TABLE>
<CAPTION>

Trading Information

	Market Price 1998	Market Price 1997

Quarter Ended	High	Low	Last	High	Low	Last
<S>	<C>	<C>	<C>	<C>	<C>	<C>
March 31	38 1/2	26 1/4	34 1/2	28 3/4	21 1/4	26 1/4
June 30	46	34 3/4	40	33 1/4	22 3/4	31 3/4
September 30	40 1/2	24	30	32 1/2	27 1/4	29 1/2
December 31	35	22 1/4	28 7/8	32 5/8	25 3/4	28

</TABLE>

The Company's common stock trades on The Nasdaq National Market tier of the Nasdaq Stock Market under the symbol: DTLN. On December 31, 1998, there were approximately 500 stockholders of record, not including beneficial holders whose shares are held in names other than their own.

Board Of Directors

Data Transmission Network Corporation

Roger R. Brodersen
Chairman of the Board
Chief Executive Officer
Data Transmission Network Corp.

Scott A. Fleck
Vice President
Director of Engineering
Data Transmission Network Corp.

Richard R. Jaros
Director
Level 3 Communications, Inc.
CalEnergy Company, Inc.
RCN Corporation and
Commonwealth Telephone

Peter H. Kamin
President
Peak Management, Inc.

David K. Karnes
President
Chief Executive Officer
The Fairmont Group Inc.
Of Counsel, Kutak Rock law firm

J. Michael Parks
President
Chief Executive Officer
Alliance Data Systems

Jay E. Ricks
Chairman of the Board
Douglas Communications Corp.

Greg T. Sloma
President
Chief Operating Officer
Data Transmission Network Corp.

Roger W. Wallace
Senior Vice President
Data Transmission Network Corp.

Corporate Officers

Data Transmission Network Corporation

Roger R. Brodersen
Chairman of the Board
Chief Executive Officer

Greg T. Sloma
President
Chief Operating Officer

Brian L. Larson
Vice President
Chief Financial Officer and

Secretary

James J. Marquiss
Senior Vice President
Director of Business Research and Product Development

Roger W. Wallace
Senior Vice President
President, Ag Services Division

Charles R. Wood
Senior Vice President
President, Financial Services Division

William R. Davison
Vice President
President, Ag Services

Scott A. Fleck
Vice President
Director of Engineering

H. Wade German
Vice President
Business Research

Daniel A. Petersen
Corporate Controller and
Treasurer

Joseph A. Urzendowski
Vice President, Operations

INVESTOR INFORMATION

Corporate Headquarters
Data Transmission Network Corporation
9110 West Dodge Road, Suite 200
Omaha, NE 68114
(402) 390-2328
www.dtn.com

Independent Auditors
Deloitte & Touche LLP

Stock Transfer Agent
First National Bank of Omaha
Attn: Corporate Trust Services
One First National Center
Omaha, Nebraska 68102

Annual Shareholders Meeting
The annual shareholders meeting will be held on:
Wednesday, April 28, 1999 at 10:00 A.M.,
at the Holiday Inn-Northwest, 655 North 108th Avenue, Omaha, Nebraska.

Form 10-K
A copy of the company's form 10-K filed with the securities and exchange commission is available without charge upon written request to:

Secretary
Data Transmission Network Corporation
9110 West Dodge Road, Suite 200
Omaha, Nebraska 68114

Dividends
The Company has never paid any dividends and has no present intention of so doing. Payment of cash dividends in the future, if any, will be determined by the Board of Directors in light of the Company's earnings, financial condition and other relevant considerations.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT:

(1) Kavouras, Inc. which is organized and operates out of Minnesota under the same name.

(2) National Datamax which is organized and operates out of California under the same name.

(3) Weather Services Corporation which is organized and operates out of Massachusetts under the same name.

(4) DTN Market Communications Group, Inc. which is organized in Nebraska and includes the EarthWatch License Agreement.

(5) DTN Acquisition Inc. which is organized in Nebraska and includes Paragon Software, Inc.

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-50406 and No. 33-50412 of Data Transmission Network Corporation on Forms S-8 of our reports dated February 12, 1999, appearing in and incorporated by reference in this Annual Report on Form 10-K of Data Transmission Network Corporation for the year ended December 31, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
March 17, 1999

<TABLE> <S> <C>

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<EPS-PRIMARY>	(0.33)
<EPS-DILUTED>	(0.33)

</TABLE>

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [x]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[x] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to ss.240.14a-11(c) or ss.240.14a-12
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))

DATA TRANSMISSION NETWORK CORPORATION
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[ ] $125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.

[ ] $500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

---

2) Aggregate number of securities to which transaction applies:

---

3) Per unit price or other underlying value of transaction computer pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

---

4) Proposed maximum aggregate value of transaction:

---

5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid: ----------

2) Form, Schedule or Registration Statement No.: ----------

3) Filing Party: ----------

4) Date Filed: ----------

DATA TRANSMISSION NETWORK CORPORATION
9110 West Dodge Road, Suite 200
Omaha, Nebraska 68114
(402) 390-2328

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 28, 1999

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Data Transmission Network Corporation, a Delaware corporation (the "Company"), will be held at the Holiday Inn-Old Mill, 655 North 108th Avenue, Omaha, Nebraska on Wednesday, April 28, 1999 at 10:00 A.M. Omaha time for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To elect nine directors to the Board of Directors.

2. To consider and vote upon a proposal to approve the Company's 1999 Stock Incentive Plan.

3. To consider and vote upon a proposal to ratify the appointment of Deloitte & Touche LLP as independent auditors of the Company for the 1999 fiscal year.

4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Any action may be taken on any one of the foregoing proposals at the meeting on the date specified above, or on any date or dates to which the meeting may be adjourned. The Board of Directors of the Company has fixed the close of business on March 1, 1999, as the record date for determination of the stockholders of the Company entitled to notice of and to vote at the meeting.

All stockholders are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the self-addressed envelope provided. The giving of such proxy does not affect your right to vote in person in the event you attend the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Omaha, Nebraska
March 15, 1999

Brian L. Larson
Secretary

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE YOUR COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO INSURE A QUORUM. AN ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

DATA TRANSMISSION NETWORK CORPORATION
Proxy Statement

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD APRIL 28, 1999

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Data Transmission Network Corporation, a Delaware corporation (the "Company"), to be used at the Annual Meeting of Stockholders (the "Meeting") to be held at the Holiday Inn-Old Mill, 655 North 108th Avenue, Omaha, Nebraska on Wednesday, April 28, 1999, at 10:00 A.M. Omaha time. Stockholders of record at the close of business on March 1, 1999 are entitled to notice of and to vote at the Meeting. The Company's principal executive offices are located at 9110 West Dodge Road, Suite 200, Omaha, Nebraska 68114.

PROXIES

Proxies are being solicited by the Board of Directors of the Company with all costs of the solicitation to be paid by the Company. If the accompanying proxy is executed and returned, the shares represented by the proxy will be voted as specified therein. A stockholder may revoke any proxy given pursuant to this solicitation by delivering to the Company prior to the Meeting a written notice of revocation or by attending the Meeting and voting in person. This notice of Annual Meeting of Stockholders, proxy statement and accompanying proxy card are first being mailed to stockholders on or about March 15, 1999.

VOTING SECURITIES

At March 1, 1999, the Company had issued and outstanding 11,625,320 shares of the Company's $.001 par value common stock. The Company has no other class of voting securities outstanding. Each stockholder voting in the election of directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are entitled, or may distribute such votes on the same principle among as many candidates as the stockholder chooses, provided that votes cannot be cast for more than the total number of directors to be elected at the Meeting. The nine nominees receiving the most votes at the Meeting will be elected as directors. Each share has one vote on all other matters. An affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the Meeting is required for approval of all other matters being submitted to the stockholders for their consideration.

In accordance with Delaware law, a shareholder entitled to vote for the election of directors can withhold authority to vote for all nominees or for certain nominees for directors. Abstentions from voting on the proposal to approve the 1999 Stock Incentive Plan or to ratify the appointment of auditors are treated as votes against such proposal. Broker non-votes on the proposal to approve the 1999 Stock Incentive Plan or to ratify the appointment of auditors are treated as shares as to which voting power has been withheld by the beneficial holders of those shares and, therefore, as shares not entitled to vote on the proposal.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the Meeting, the stockholders will elect a board of nine directors for a term extending until the 2000 annual meeting of stockholders of the Company and until their respective successors have been elected and qualify. The Board of Directors as nominated for election or re-election as directors: Roger R. Brodersen, Scott A. Fleck, Richard R. Jaros, Peter H. Kamin, David K. Karnes, J. Michael Parks, Jay E. Ricks, Greg T. Sloma and Roger W. Wallace. All of the nominees presently are serving as directors of the Company. Proxies may be voted for nine directors.

If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend or the Board of Directors may amend the By-Laws and reduce the size of the Board. At this time, the Board knows of no reason why any nominee might be unavailable to serve.

Set forth below is certain information as of March 1, 1999, with respect to the nominees for election as directors of the Company. The information relating to their respective business experience was furnished to the Company by such persons.
<TABLE>

<CAPTION>

Nominee	Age	Positions and Offices with the Company	Director Since
<S>	<C>	<C>	<C>
Roger R. Brodersen	53	Chairman of the Board, Chief Executive Officer and Director	1984
Scott A. Fleck	31	Vice President and Director	1997
Richard R. Jaros	46	Director	1998
Peter H. Kamin	37	Director	1998
David K. Karnes	50	Director	1989
J. Michael Parks	48	Director	1990
Jay E. Ricks	66	Director	1995
Greg T. Sloma	47	President, Chief Operating Office and Director	1993
Roger W. Wallace	42	Senior Vice President and Director	1984

</TABLE>

Mr. Brodersen has served as Chairman of the Board and Chief Executive Officer of the Company since 1984. Mr. Brodersen served as President of the Company from 1984 to 1995.

Mr. Fleck has served as Vice President of the Company since 1997. He has served as Director of Engineering of the Company since 1996. Prior to becoming Director of Engineering, Mr. Fleck held the position of Director of Software and Hardware Development since joining the Company in 1991.

Mr. Jaros, age 46, served as President of Kiewit Diversified Group, Inc., now Level 3 Communications, Inc., from 1996 to 1997. From 1993 to 1997, Mr. Jaros served as an executive officer and member of the Executive Committee of Peter Kiewit Sons', Inc., first as Executive Vice President from 1993 to 1995 and then as Executive Vice President, Chief Financial Officer from 1995 to 1997. He served as Chairman of the Board of CalEnergy Company, Inc. from 1993 to 1994 and served as its President and Chief Operating Officer from 1992 to 1993. Mr. Jaros presently serves on the Board of Directors of Level 3 Communications, Inc., CalEnergy Company, Inc., RCN Corporation and Commonwealth Telephone.

Mr. Kamin, age 37, has served as President of Peak Management, Inc., a General Partner of Peak Investment Limited Partnership, since 1992. Mr. Kamin served as co-manager of the U.S. private and public equity market activities for The Morningside Group (an offshore family trust) from 1987 to 1992. He served as Assistant Portfolio Manager for the Fidelity Magellan Fund and the Fidelity Over-The-Counter Fund from 1986 to 1987. He was an Equity Analyst at Fidelity Management and Research from 1983 to 1986. As more fully disclosed in the Proxy Statement, as of the record date Mr. Kamin and Peak Investment Limited Partnership are the beneficial owners of 546,200 shares of DTN common stock. Such shares represent approximately 4.7% of the Company's outstanding shares of common stock.

Mr. Karnes has served as President and Chief Executive Officer of The Fairmont Group, Inc., a financial services and consulting firm, since 1989. He is currently a Director of the Federal Home Loan Bank of Topeka and served as its Chairman from 1989 to 1996. Mr. Karnes also served as a United States Senator from 1987 to 1989.

Mr. Parks has served as President and Chief Executive Officer of Alliance Data Systems, a provider of data processing services, since 1997. He served as President and Chief Operating Officer of First Data Resources Inc. from 1993 to 1994 and President of the Merchant Services Group of First Data Resources Inc. from 1991 to 1993. He also served as President and Chief Executive Officer of Call Interactive, an affiliate of First Data Resources Inc., from 1989 to 1991. From 1976 to 1989, Mr. Parks served as President or Senior Vice President of various American Express Information Services Companies or their subsidiaries.

Mr. Ricks has served as Chairman of Douglas Communications Corporation, an operator of cable television systems, since 1990. He was a partner in the law firm of Hogan & Hartson in Washington, D.C., from 1970 to 1990. Mr. Ricks is a director of Amtera Technologies, Inc., a communications software company.

Mr. Sloma has served as President of the Company since January 1996. He has

served as Chief Operating Officer of the Company since January 1994. Mr. Sloma served as Executive Vice President of the Company from January 1994 to December 1995 and as Chief Financial Officer from April 1993 to December 1993. From 1983 to 1993, Mr. Sloma was a Tax Partner at Deloitte & Touche. Mr. Sloma has served as a Director of West TeleServices Corporation since 1997.

Mr. Wallace has served as Senior Vice President of the Company since 1989. He served as Vice President of the Company from 1984 to 1989.

Board Meetings and Committees

The Board of Directors met twelve times (four regular and eight special meetings) during the fiscal year ended December 31, 1998. During fiscal 1998, with the exception of Mr. Parks and Mr. Robert Herman (former Director of the Company) who were not present at one meeting of the Board of Directors, all directors attended all of the meetings of the Board of Directors, and related committees on which they served. The Company does not have a Standing Nominating Committee.

The Audit Committee recommends the selection of the independent auditors, reviews the scope of the audits performed by them and reviews their audit report and any recommendations made by them relating to internal financial controls and procedures. Members of the Audit Committee met twice during fiscal 1998. David K. Karnes, Peter H. Kamin and Jay E. Ricks are presently the members of the Audit Committee. Jay E. Ricks is the Chairman of the current Audit Committee.

The Compensation Committee reviews and makes recommendations to the Board of Directors regarding officers' compensation and the Company's employee benefit plans; provided, however, the Compensation Committee administers the Company's Stock Option Plan of 1989 through its Stock Option Plan Subcommittee, consisting of all members of the Compensation Committee other than Greg T. Sloma. Members of the Compensation Committee, which met once during fiscal 1998, are Richard R. Jaros, David K. Karnes, J. Michael Parks, Jay E. Ricks and Greg T. Sloma. David K. Karnes is the Chairman of the Compensation Committee and Richard R. Jaros is Chairman of the Stock Option Plan Subcommittee.

At the Annual Meeting of the Board of Directors of the Company, held May 21, 1998, the Board established a committee of its members (the "Special Committee") to explore alternatives to produce greater value for the Company's shareholders. Members of the Special Committee, which met three times during the fiscal year ended December 31, 1998, are Roger R. Brodersen, Jay E. Ricks, Peter H. Kamin and Richard R. Jaros, with Mr. Kamin acting as Chairman for the meetings.

Directors Compensation

During fiscal 1998, each member of the Board of Directors who was not an employee of the Company received $2,500 for each regular Board of Directors meeting attended, $5,000 for the eight special Board of Directors meetings attended, $600 for each Audit Committee meeting attended, $1,500 for the Compensation Committee meeting attended and $1,500 for the three Special Committee meetings attended. Non-employee members of the Board of Directors also receive awards under the Company's Non-Employee Directors Stock Option Plan (the "Non-Employee Directors Plan"). Stock option grants under the Non-Employee Directors Plan are automatic and occur each time a non-employee director is elected, re-elected or appointed a director of the Company. In 1998, Richard R. Jaros, Peter H. Kamin, David K. Karnes, J. Michael Parks and Jay E. Ricks each received an option to purchase 3,500 shares of the Company's common stock at an exercise price of $41.75 per share. The Non-Employee Directors Plan had been amended for fiscal year 1998 to reduce from 4,500 to 3,500 the number of shares for which options are to be awarded to each non-employee director. The exercise price of options granted under the Non-Employee Directors Plan is the fair market value of the common stock on the date of the option grant.

OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as to the beneficial ownership of the Company's common stock by each person or group who, as of March 1, 1999, to the knowledge of the Company, beneficially owned more than 5% of the

Company's common stock:

Name and Address of Beneficial Owner	Amount and Nature of Ownership		Percent of Class
Roger R. Brodersen 16705 Ontario Plaza Omaha, NE 68130	1,719,641	(1)	14.8%
Wanger Asset Management, L.P., Wanger Asset Management Ltd., and Ralph Wanger 227 West Monroe, Suite 3000 Chicago, IL 60606	1,539,800	(2)	13.2%
Wallace R. Weitz & Company 1125 South 103rd Street Suite 600 Omaha, NE 68124	1,164,100	(3)	10.0%
Acorn Investment Trust, Series Designated Acorn Fund 227 West Monroe Street, Suite 3000 Chicago, IL 60606	1,028,100	(4)	8.8%

---

(1) This includes 249,167 shares subject to options exercisable within 60 days of March 1, 1999, 39,150 shares held in a trust for the benefit of Mr. Brodersen's children, 36,999 shares beneficially owned by Mr. Brodersen's spouse, and 18,455 shares allocated to Mr. Brodersen through his participation in the Company's 401(k) Savings Plan.

(2) According to a Schedule 13G dated February 23, 1999, Wanger Asset Management, L.P., Wanger Asset Management Ltd., and Ralph Wanger have shared voting and shared dispositive power over such shares. Such shares include 1,028,100 shares also shown in this table as beneficially owned by Acorn Investment Trust, Series Designated Acorn Fund. Wanger Asset Management, L.P. serves as investment adviser to such trust. Wanger Asset Management Ltd. is the general partner of Wanger Asset Management, L.P. Ralph Wanger is the principal stockholder of Wanger Asset Management Ltd.

(3) According to a Schedule 13G dated February 10, 1999, Wallace R. Weitz & Company has sole voting and shared dispostive power over such shares.

(4) According to a Schedule 13G dated February 23, 1999, Acorn Investment Trust has shared voting and shared dispositive power over such shares. Such shares also are shown in this table as beneficially owned by Wanger Asset Management, L.P. which is the investment advisor of Acorn Fund.

The following table sets forth information as to the shares of common stock of the Company beneficially owned as of March 1, 1999, by each director of the Company, by each nominee for election as a director of the Company, by each of the executive officers named in the Summary Compensation Table beginning on page 8, and by all directors and executive officers of the Company as a group:

Beneficial Owner	Amount and Nature of Ownership (1)		Percent of Class (2)
Roger R. Brodersen	1,719,641	(3)	14.8%
Scott A. Fleck	6,305	(4)	*
Richard R. Jaros	--		--
Peter H. Kamin	546,200		4.7%

David K. Karnes	64,935	(5)	*
James J. Marquiss	147,382	(6)	1.3%
J. Michael Parks	47,999	(7)	*
Jay E. Ricks	19,500	(8)	*
Greg T. Sloma	175,857	(9)	1.5%
Roger W. Wallace	282,985	(10)	2.4%
Charles R. Wood	48,353	(11)	
All directors and executive officers as a group (19 persons)	3,214,294	(12)	27.6%

*Less than 1.0%

</TABLE>

(1) The number of shares in the table include interests of the named persons, or of members of the directors and executive officers as a group, in shares held by the trustee of the Company's 401(k) Savings Plan. The beneficial owners have sole investment power over these shares but do not have sole voting power.

(2) Shares subject to options exercisable within 60 days of March 1, 1999 ("Presently Exercisable Options") are deemed to be outstanding for the purpose of computing the percentage ownership of persons beneficially owning such options but have not been deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(3) Includes 249,167 shares subject to Presently Exercisable Options, 39,150 shares which are held in trust for Mr. Brodersen's children, 36,999 shares beneficially owned by Mr. Brodersen's spouse, and 18,455 shares allocated to Mr. Brodersen through his participation in the Company's 401(k) Savings Plan.

(4) Includes 4,434 shares subject to Presently Exercisable Options and 1,871 shares allocated to Mr. Fleck through his participation in the Company's 401(k) Savings Plan.

(5) Includes 35,499 shares subject to Presently Exercisable Options.

(6) Includes 72,999 shares subject to Presently Exercisable Options and 14,383 shares allocated to Mr. Marquiss through his participation in the Company's 401(k) Savings Plan.

(7) Includes 33,999 shares subject to Presently Exercisable Options.

(8) Includes 16,500 shares subject to Presently Exercisable Options.

(9) Includes 131,677 shares subject Presently Exercisable Options, 4,212 shares beneficially owned by Mr. Sloma's children and 21,728 shares allocated to Mr. Sloma through his participation in the Company's 401(k) Savings Plan.

(10) Includes 101,182 shares subject to Presently Exercisable Options, 4,500 shares beneficially owned by Mr. Wallace's spouse, and 15,453 shares allocated to Mr. Wallace through his participation in the Company's 401(k) Savings Plan.

(11) Includes 3,758 shares subject to Presently Exercisable Options and 7,932 shares allocated to Mr. Wood through his participation in the Company's 401(k) Savings Plan.

(12) Includes 731,037 shares subject to Presently Exercisable Options, 39,150 shares held in trust for the children of executive officers and directors, 45,711 shares owned beneficially by spouses or children of executive officers and directors, and 92,727 shares allocated to executive officers through their participation in the Company's 401(k) Savings Plan.

EXECUTIVE COMPENSATION

The following table sets forth information with respect to the Chief Executive Officer and the four remaining most highly compensated executive officers of the Company for the fiscal year ended December 31, 1998.

Summary Compensation Table

<TABLE>
<CAPTION>

	Long Term Annual Compensation				Compensation	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation(1)	Securities Underlying Options shares)	All Other Compensation(2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Roger R. Brodersen	1998	$200,000	$122,518	$0	$ 7,500	$6,400
Chairman &	1997	195,744	137,304	0	10,000	6,400
Chief Executive Officer	1996	179,172	112,178	0	240,000(3)	9,500
Greg T. Sloma	1998	180,000	110,115	0	7,500	6,400
President &	1997	172,593	121,312	0	10,000	6,400
Chief Operating Officer	1996	145,996	147,707	0	16,500	9,500
Roger W. Wallace	1998	150,000	103,730	0	4,200	6,400
Senior Vice President	1997	143,628	123,498	0	5,600	6,400
	1996	120,858	108,390	0	7,500	9,170
James J. Marquiss	1998	140,000	97,711	0	3,375	6,400
Senior Vice President	1997	135,936	125,401	0	4,500	6,400
	1996	120,858	108,390	0	6,000	9,170
Charles R. Wood	1998	136,538	55,210	0	3,375	6,400
Senior Vice President	1997	120,385	59,327	0	3,400	6,400
	1996	101,346	41,374	0	4,500	5,709

</TABLE>

(1) Excludes perquisites and other benefits because the aggregate of such compensation was less than either $50,000 or 10% of the total of annual salary and bonus reported for the named executive officer.

(2) The amounts included in the All Other Compensation column represent 401(k) matching contributions made by the Company.

(3) This amount includes 225,000 shares underlying a replacement option issued to Mr. Brodersen during 1996 in exchange for the surrender of outstanding, unexpired and unexercised options to acquire an aggregate of 117,999 shares previously awarded to Mr. Brodersen under the Company's Employee Stock Option Plan. The surrendered options exercisable for 117,999 shares were considered for tax purposes as incentive stock options, whereas, the replacement option for 225,000 shares is considered for tax purposes as a non-qualified stock option. The weighted average exercise price per share of the surrendered options was $6.28, while the exercise price of the replacement option was the fair market value of the common stock on January 5, 1996 or $15.50 per share.

The following table shows, as to the Chief Executive Officer and the four remaining most highly compensated executive officers of the Company, information about stock option grants in fiscal 1998. The Company does not grant any stock appreciation rights.

Option Grants In Last Fiscal Year
Individual Grants

<TABLE>
<CAPTION>

(a)	(b)	(c)	(d)	(e)	(f)
Name	Number of Securities Underlying Options Granted (shares) (1)	Percent of Total Options Granted to Employees In Fiscal 1998	Exercise Price (Per share)	Expiration Date	Grant Date Present Value (2)
<S>	<C>	<C>	<C>	<C>	<C>
Roger R. Brodersen	7,500	3.2%	$27.50	1-01-08	$106,800
Greg T. Sloma	7,500	3.2%	27.50	1-01-08	106,800
Roger W. Wallace	4,200	1.8%	27.50	1-01-08	59,800
James J. Marquiss	3,375	1.4%	27.50	1-01-08	48,100
Charles R. Wood	3,375	1.4%	27.50	1-01-08	48,100

</TABLE>

(1) Except as indicated in the footnotes to this table, the options referred to in this table were granted by the Stock Option Plan Subcommittee on January 1, 1998 under the Company's Employee Stock Option Plan.

(2) As suggested by the Securities & Exchange Commission's rules on executive compensation, the Company used the Black-Scholes model of option valuation to determine grant date present value. The Company does not necessarily agree that the Black-Scholes model can properly determine the value of an option. The actual value, if any, an executive may realize will depend on the excess of the stock price over the exercise price on the date the option is exercised, so that there is no assurance that the value realized will be at or near the value estimated by the Black-Scholes model.

The following table provides information on option exercises in fiscal 1998 and the value of unexercised options at December 31, 1998 for the Chief Executive Officer and the four remaining most highly compensated executive officers.

Aggregated Option Exercises In Last Fiscal Year
And Fiscal Year End Option Values

<TABLE>
<CAPTION>

			Number of Securities Underlying Unexercised Options at Fiscal Year End (shares)		Value of Unexercised In-the-Money Options At Fiscal Year End (1)	
Name	Shares Acquired On Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>	<C>	
Roger R. Brodersen	-	0	163,334	94,166	$2,165,800	$1,130,700
Greg T. Sloma	15,000	382,500	122,834	19,666	2,694,800	120,600
Roger W. Wallace	-	0	101,415	10,433	2,316,500	67,200
James J. Marquiss	-	0	71,374	8,375	1,625,800	53,900
Charles R. Wood	36,288	1,327,000	0	7,141	0	41,700

</TABLE>

(1) The closing "bid" price of the Company's common stock as quoted by NASDAQ on December 31, 1998 was $28.88. The values shown are computed based upon the difference between this price and the exercise price of the underlying options.

Performance Graph

The following performance graph compares the performance of the Company's common stock to the Center for Research in Securities Prices (CRSP) Total Return

Index for the NASDAQ Stock Market (U.S. Companies) and to the CRSP Total Return Industry Index for NASDAQ Telecommunications Stocks. The graph assumes that the value of the investment in the Company's Common Stock and each index was $100 at December 31, 1993.

<TABLE>
<CAPTION>

Year	DTN	Nasdaq Total Return Index	Nasdaq Telecommunications Industry Index
<S> <C>	<C>	<C>	<C>
1993	100	100	100
1994	65	98	83
1995	188	138	109
1996	254	170	112
1997	320	209	165
1998	326	293	270

</TABLE>

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Compensation Philosophy

The Company strives to apply a consistent philosophy on compensation for all employees, including senior management. The goals of the compensation program are to directly link compensation with corporate profitability and the enhancement of the underlying value of the Company's business. The following objectives are used by the Company and the Compensation Committee as guidelines for compensation decisions:

Provide a competitive total compensation package that allows the Company to attract and retain the best people possible.

The Company pays for performance. Employees are rewarded based upon corporate performance, business unit performance and individual performance.

Provide variable compensation programs that are linked with the performance of the Company and that align executive compensation with the interests of shareholders.

Compensation Program Components

The Compensation Committee annually reviews the Company's compensation program to ensure that pay levels and incentive opportunities are competitive and reflect the performance of the Company. The components of the compensation program for executive officers, which are comparable to those used for all employees, are outlined below.

Base Salary - Base pay levels are determined by reviewing competitive positions in the market, including comparisons with companies of similar size, complexity and growth rates. Increases in base salary were recommended by senior management for fiscal 1998 for the Chief Executive Officer and the other executive officers named in the Summary Compensation Table, and the Compensation Committee acted in accordance with this recommendation.

Variable Incentive Compensation - The large majority of the Company's employees, including the executive officers, participate in an annual incentive award plan. The amount of incentive compensation is based upon the Company's achievement of goals established at the beginning of the fiscal year by the Compensation Committee. For fiscal 1998, the incentive plans were tied to sales and income before income taxes, depreciation and amortization expenses. The incentive was awarded approximately 50% based on sales and 50% based on income before income taxes and depreciation and amortization expense.

Stock Option Program - The purpose of this program, which is available to the large majority of employees, is to provide additional incentives to employees to work to maximize long-term shareholder value. It also uses vesting periods to encourage key employees to continue in the employ of the Company. The number of stock options granted to executive officers is based on competitive practices.

CEO Compensation

The factors and criteria upon which Mr. Brodersen's compensation was based for fiscal year 1998 are the same as those considered by the Compensation Committee in establishing the compensation program for all of the executive officers of the Company as outlined above. The annual base salary of Mr. Brodersen was established by the Compensation Committee on December 18, 1997 for the period of April 1, 1998 to March 31, 1999. The Compensation Committee's decision was based on Mr. Brodersen's personal performance of his duties and on salary levels to chief executive officers of companies of similar size, complexity and growth rates.

Mr. Brodersen's 1998 fiscal year incentive cash compensation was based on the actual financial performance of the Company. His annual cash incentive award was based on the incentive plan described above.

An option grant for 7,500 shares was awarded to Mr. Brodersen under the Company's Employee Stock Option Plan based upon his performance and leadership with the Company.

Compensation Committee of the Board of Directors
David K. Karnes - Chairman
J. Michael Parks
Jay E. Ricks
Greg T. Sloma
Richard R. Jaros

PROPOSAL NO. 2

1999 STOCK INCENTIVE PLAN

Proposed Plan and Purposes

At the Meeting, the stockholders will be asked to approve the Company's 1999 Stock Incentive Plan (the "1999 Plan"), as adopted by the Board on February 25, 1999. If approved by stockholders, the 1999 Plan will replace the Company's existing employee Stock Option Plan of 1989 (the "1989 Plan") and the Company will not grant any new awards under the 1989 Plan. Stock options outstanding under the 1989 Plan will continue to be governed by that plan.

As of March 1, 1999, options for approximately 1,577,000 shares of Common Stock were outstanding under the 1989 Plan, and approximately 353,000 shares of Common Stock remained available for future option grants under that plan. The Board of Directors is not requesting any additional shares not otherwise available under the 1989 Plan. The 1999 Plan authorizes for option grants or other awards to eligible full-time employees of the Company or any subsidiary of the Company (i) the 353,000 shares which remained available for future option grants under the 1989 Plan, plus (ii) the number of shares subject to stock options outstanding under the 1989 Plan which expire or terminate unexercised as to such shares. No grants or other awards have been made under the 1999 Plan, and it is not possible to state the terms or types of any options or other awards that may be granted to executive officers of the Company or other persons under the 1999 Plan at a future time or to identify the persons to whom such future grants may be made.

The 1999 Plan is intended to foster and promote the long-term financial success of the Company and its subsidiaries and thereby increase stockholder value by providing incentives to those full-time employees who are likely to be responsible for achieving such success. The Company anticipates that the 1999 Plan will assist it in recruiting and retaining key employees in the highly competitive communications/information industry. The Company also believes that participation in the 1999 Plan by full-time employees will strengthen their commitment to the Company and more closely align the interests of such persons with the interests of the Company's stockholders.

Required Vote

Approval of the 1999 Plan requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote at the Annual Meeting.

The Board of Directors Recommends a vote FOR approval of the 1999 Stock Incentive Plan.

Description of the 1999 Stock Incentive Plan

The following summary of the 1999 Plan does not purport to be complete and is subject to and qualified in its entirety by the full terms of the 1999 Plan, which appears as Exhibit 1 to this Proxy Statement.

The 1999 Plan authorizes the grant of (i) incentive stock options under the Internal Revenue Code of 1986 (as amended from time to time, the "Code"), (ii) non-qualified stock options, (iii) stock appreciation rights, (iv) performance unit awards, (v) restricted stock awards, and (vi) stock bonus awards to full-time employees of the Company or any subsidiary of the Company who are responsible for or contribute to, or are likely to be responsible for or contribute to, the growth and success of the Company or such subsidiary. The Company and its subsidiaries currently have approximately 1,100 full-time employees who potentially are eligible to receive such a grant.

The shares of Common Stock available for issuance pursuant to the 1999 Plan may be authorized and unissued shares or treasury shares. If there is a stock dividend, stock split, or other relevant change in the outstanding shares of Common Stock, then the Stock Option Plan Subcommittee (the "Committee") of the Board will make appropriate adjustments in (a) the aggregate number of shares of Common Stock (i) reserved for issuance under the 1999 Plan, (ii) for which grants or awards may be made to an individual grantee, and (iii) covered by outstanding awards or grants, (b) the exercise or other applicable price relating to outstanding awards or grants, and (c) the appropriate fair market value and other price determinations relevant to outstanding awards or grants. Any shares subject to an option or right which expires or terminates unexercised as to such shares will again be available for the grant of awards or options under the 1999 Plan. If any shares of Common Stock which have been pledged as collateral for indebtedness incurred by an optionee in connection with an option exercise are returned to the Company in satisfaction of such indebtedness, then such shares will again be available for the grant of awards or options under the 1999 Plan.

No award or grant under the 1999 Plan may be assigned or transferred by the recipient except by will, the laws of descent and distribution, or, in the case of awards or grants other than incentive stock options, pursuant to a qualified domestic relations order or by such other means as the Committee may approve.

Administration

The 1999 Plan is administered by the Committee, which is composed of four directors of the Company who are not employees of the Company or any of its subsidiaries. The Committee has authority to interpret the 1999 Plan, to select the full-time employees to whom awards or options will be granted, to determine whether and to what extent awards and options will be granted under the 1999 Plan, to determine the types of awards and options to be granted and the amount, size, terms, and conditions of each award or grant, and to make other relevant determinations and administrative decisions. In general, all decisions and determinations made by the Committee pursuant to the 1999 Plan are final and binding on all persons.

The Committee may delegate to any officer or officers of the Company any of the Committee's duties, powers, and authorities under the 1999 Plan upon such conditions and with such limitations as the Committee may determine; provided, that only the Committee may select for awards or options under the 1999 Plan, and make grants of awards or options under the 1999 Plan to, full-time employees of the Company or any subsidiary of the Company who are subject to Section 16 of the Securities Exchange Act of 1934 at the time of such selection or the making of such a grant.

Awards and Grants

Stock Options. The Committee may grant incentive stock options under the Code and non-qualified stock options. The option price per share may not be less than the fair market value of the Common Stock on the date of the grant. The

Committee will fix the term of each option at the time of its grant, but such term may not be more than ten years after the date of the grant. The Committee may determine when an option becomes exercisable and may accelerate previously established exercise rights. The Committee may permit payment of the option exercise price in cash or in shares of Common Stock valued at their fair market value on the exercise date. The Committee also may permit the exercise price to be paid by the optionee's delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of the applicable sale or loan proceeds required to pay the exercise price.

If an optionee's employment terminates for any reason other than death or disability, then the optionee generally may exercise an option to the extent it was exercisable at the time of the termination for a period of six months after the termination (but not after the expiration date of the option). However, the Committee has the power to terminate an optionee's rights under an outstanding option if the Committee determines that the optionee's employment was terminated for cause. If an optionee's employment terminates by reason of disability, then the optionee's options generally will be exercisable for twelve months after the termination to the extent that the exercise was permitted prior to or upon the termination (but not after the expiration date of the option). If an optionee dies while in the employ of the Company or a subsidiary, then the optionee's options generally will be exercisable by the optionee's personal representative or other successor for twelve months after the date of death to the extent that the exercise was permitted prior to or upon the optionee's death (but not after the expiration date of the option).

Stock Appreciation Rights. The Committee may grant stock appreciation rights ("SAR's") which entitle the grantee to receive, upon the exercise of an SAR, an award equal to all or a portion of the excess of (i) the fair market value of a specified number of shares of Common Stock at the time of the exercise over (ii) a specified price not less than the fair market value of the Common Stock at the time the SAR was granted. An SAR may be granted independently or in connection with a stock option grant. Upon the exercise of an SAR, the applicable award may be paid in cash or in shares of Common Stock (or a combination thereof) as the Committee may determine. The Committee will fix the term of an SAR at the time of its grant, but such term may not be more than ten years after the date of the grant. The Committee may determine when an SAR becomes exercisable and may accelerate previously established exercise rights.

The provisions of the 1999 Plan relating to exercisability of SAR's upon the termination of a grantee's employment are similar to those discussed above in connection with stock options.

Performance Unit Awards. The Committee may grant performance unit awards, which entitle the grantees to receive future payments based upon and subject to the achievement of preestablished long-term performance targets. In connection with such awards, the Committee is required to establish (i) performance periods of not less than two nor more than five years, (ii) the value of each performance unit, and (iii) maximum and minimum performance targets to be achieved during the performance period. The Committee may adjust previously established performance targets or other terms and conditions of a performance unit award to reflect major unforeseen events, but such adjustments may not increase the payment due upon attainment of the previously established performance targets. Performance unit awards, to the extent earned, may be paid in cash or shares of Common Stock (or a combination thereof) as the Committee may determine.

If the employment of a grantee of a performance unit award terminates prior to the end of an applicable performance period other than by reason of disability or death, then the award generally terminates. However, the 1999 Plan permits the Committee to make partial payments of performance unit awards if the Committee determines such action to be equitable. If the employment of a grantee of a performance unit award terminates as a result of the grantee's disability or death prior to the end of an applicable performance period, then the Committee may authorize the payment of all or a portion of the performance unit award (to the extent earned in the case of disability) to the grantee or the grantee's legal representative.

Restricted Stock Awards. The Committee may grant restricted stock awards consisting of shares of Common Stock restricted against transfer, subject to a substantial risk of forfeiture and to other terms and conditions established by the Committee. The Committee must determine the restriction period applicable to a restricted stock award and the amount, form, and time of payment (if any)

required from the grantee of a restricted stock award in consideration of the issuance of the shares covered by such award. The Committee in its discretion may provide for the lapse in installments of the restrictions applicable to restricted stock awards and may waive the restrictions in whole or in part.

If the employment of a grantee of a restricted stock award terminates for any reason while some or all of the shares covered by such award are still restricted, the grantee's rights with respect to the restricted shares generally terminate. However, the Committee has the discretion to provide for complete or partial exemptions to such employment requirement.

Stock Bonus Awards. The Committee may grant a stock bonus award based upon the performance of the Company, a subsidiary, or a segment thereof in terms of preestablished objective financial criteria or performance goals or, in appropriate cases, such other measures or standards of performance (including but not limited to performance already accomplished) as the Committee may determine. The Committee may adjust preestablished financial criteria or performance goals to take into account unforeseen events or changes in circumstances, but such adjustments may not increase the amount of a stock bonus award. The Committee, in its discretion, may impose additional restrictions upon the shares of Common Stock which are the subject of a stock bonus award.

Miscellaneous Provisions

Unless the 1999 Plan is sooner terminated by the Board, the 1999 Plan will terminate on the tenth anniversary of the date the Plan is initially approved and adopted by the stockholders of the Company. Awards or options outstanding at the time of the termination of the 1999 Plan will remain in effect in accordance with their terms. The Board may amend the 1999 Plan at any time; however, stockholder approval must be obtained for any amendment for which such approval is required by Rule 16b-3 under the Securities Exchange Act of 1934 or Sections 162(m) or 422 of the Code. The Company's obligation to deliver shares of Common Stock or make cash payments under the 1999 Plan is subject to applicable tax withholding requirements; in the discretion of the Committee, required tax withholding amounts may be paid by the grantee in cash or shares of Common Stock having a fair market value equal to the required tax withholding amount.

Certain Federal Income Tax Consequences

The following brief description of certain federal income tax consequences is based upon present federal income tax laws and regulations and does not purport to be a complete description of the federal income tax consequences of the 1999 Plan.

Incentive Stock Options. The grant of an incentive stock option under the 1999 Plan will not result in taxable income to the grantee or a tax deduction for the Company. If the grantee holds the shares purchased upon the exercise of an incentive stock option for at least one year after the purchase of the shares and until at least two years after the option was granted, then the grantee's sale of the shares will result in a long-term gain or loss (depending upon the grantee's holding period), and the Company will not be entitled to any tax deduction. If the grantee sells or otherwise transfers the shares before such holding periods have elapsed, then the grantee generally will recognize ordinary income and the Company would be entitled to a tax deduction in an amount equal to the lesser of (i) the fair market value of the shares on the exercise date minus the option price or (ii) the amount realized upon the disposition minus the option price. Any gain in excess of such ordinary income portion would be taxable as long-term or short-term capital gain depending upon the grantee's holding period for the shares. The excess of the fair market value of the shares received on the option exercise date over the option price is an item of tax preference, potentially subject to the alternative minimum tax.

Non-Qualified Stock Options. The grant of a non-qualified stock option under the 1999 Plan will not result in taxable income to the grantee or a tax deduction for the Company. Upon the exercise of a non-qualified stock option, the grantee will be taxed at ordinary income rates on the excess of the fair market value of the shares received over the option exercise price, and the Company generally will be entitled to a tax deduction in the same amount. The exercise price of the non-qualified stock option plus the amount included in the grantee's income as a result of the option exercise will be treated as the grantee's basis in the shares received, and any gain or loss on the subsequent sale of the shares will be treated as long-term or short-term capital gain or loss depending upon the grantee's holding period for the shares. The grantee's sale of shares acquired upon the exercise of a non-qualified stock option will have no tax consequences to the Company.

Stock Appreciation Rights and Performance Unit Awards. The grant of an SAR or a performance unit award under the 1999 Plan will not result in taxable income to the grantee or a tax deduction for the Company. Upon the exercise of an SAR or the receipt of cash or shares of Common Stock upon the payment of a

performance unit award, the grantee will recognize ordinary income and the Company generally will be entitled to a tax deduction in an amount equal to the fair market value of the shares plus any cash received.

Restricted Stock Awards. The grant of a restricted stock award should not result in taxable income for the grantee or a tax deduction for the Company if the shares of Common Stock transferred to the grantee are subject to restrictions which create a substantial risk of forfeiture of the shares by the grantee if certain conditions prescribed at the time of the grant are not subsequently satisfied. However, the grantee may elect within 30 days after the acquisition of the shares to recognize ordinary income on the date of the acquisition in an amount equal to the excess (if any) of the fair market of the shares on the date of the grant, determined without regard to the restrictions imposed on such shares (other than restrictions which by their terms will never lapse), over the amount (if any) paid for the shares. If the grantee does not make the election referred to in the preceding sentence, then, when the restrictions imposed upon the shares lapse or otherwise terminate, the grantee of the shares will recognize ordinary income in an amount equal to the excess (if any) of the fair market value of the shares on the date of such lapse or other termination over the amount (if any) paid for the shares. If and when the grantee of a restricted stock award recognizes ordinary income with respect to the shares covered by such award, the Company generally will be entitled to a tax deduction in the same amount. The amount paid by the grantee for restricted shares plus any amount recognized by the grantee as ordinary income under the rules described above will be treated as the grantee's basis in the shares; when the grantee sells the shares covered by a restricted share award following the lapse or other termination of the restrictions, any gain or loss on such sale will be treated as long-term or short-term capital gain or loss depending upon the grantee's holding period. Any dividends paid to the grantee of restricted shares while the shares are still subject to the restrictions would be treated as compensation for federal income tax purposes.

Stock Bonus Awards. When a stock bonus award is paid to a grantee by the delivery of shares of Common Stock, the grantee will recognize ordinary income and the Company generally will be entitled to a tax deduction in an amount equal to the fair market value of such shares at the time of such delivery. If, however, such shares are subject to any restrictions, which create a substantial risk of forfeiture, then the tax rules described above with respect to restricted stock awards would be applicable.

Market Price

The closing price of the Common Stock on the Nasdaq Stock Market on March 1, 1999, was $22.25 per share.

PROPOSAL NO. 3

APPROVAL OF APPOINTMENT OF AUDITORS

The Board of Directors has, upon the recommendation of the Audit Committee, appointed the firm of Deloitte & Touche LLP to audit the Company's financial statements for the fiscal year ending December 31, 1999, subject to ratification by the stockholders of the Company. Deloitte & Touche LLP served as the Company's auditors for the 1998 fiscal year.

Ratification of the appointment of the independent auditors requires the affirmative vote of a majority of the shares of Common Stock present, in person or by proxy, and voting at the Meeting. If the stockholders should not ratify the appointment of Deloitte & Touche LLP, the Board of Directors will reconsider the appointment.

A representative of Deloitte & Touche LLP is expected to be present at the Meeting, will have an opportunity to make a statement if desired, and will be available to respond to appropriate stockholder questions.

The Board of Directors recommends a vote FOR the approval of the appointment of Deloitte & Touche LLP as independent auditors for the Company.

TRANSACTIONS WITH MANAGEMENT

No reportable transactions occurred during fiscal 1998 between the Company and its officers and directors.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The following directors served on the Compensation Committee of the Company's Board of Directors: Richard R. Jaros, David K. Karnes, J. Michael Parks, Jay E. Ricks and Greg T. Sloma. Mr. Sloma, because he is an officer and employee of the Company, abstains from all votes dealing with officer compensation. Also, only Mr. Jaros, Mr. Karnes, Mr. Parks and Mr. Ricks are members of the Stock Option Plan Subcommittee of the Compensation Committee which administers the Company's Stock Option Plan of 1989.

STOCKHOLDER PROPOSALS FOR 2000 ANNUAL MEETING

Proposals of stockholders for which consideration is desired at the 2000 annual meeting of stockholders of the Company must be received by the Company no later than November 15, 1999, for inclusion in the Company's proxy statement and form of proxy relating to such meeting. Any such proposals shall be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934, as amended.

If a stockholder wishes to present a proposal for consideration at the 2000 annual meeting of stockholders of the Company without having such matter included in the proxy statement of the Company for such annual meeting but does not give the Company notice of such matter by February 1, 2000, then the proxies solicited by the Board of Directors for such annual meeting may confer discretionary authority on the persons holding such proxies to vote on such matter in accordance with their judgment. Stockholder proposals should be sent to the Secretary of the Company at the principal executive office of the Company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and holders of more than 10% of the Company's common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. The Company believes that during the fiscal year ended December 31, 1998, its executive officers, directors and holders of more than 10% of the Company's common stock complied with all Section 16(a) filing requirements, except that Mr. German and Mr. Sloma each filed one late report covering one transaction each. In making these statements, the Company has relied solely upon a review of Forms 3 and 4 furnished to the Company during its most recent fiscal year, Forms 5 furnished to the Company with respect to its most recent fiscal year, and written representations from reporting persons that no Form 5 was required.

OTHER MATTERS

The Board of Directors is not aware of any business to come before the Meeting other than those matters described above in this Proxy Statement. The Company did not receive timely advance notice from any stockholder that such stockholder intends to bring a matter before the Meeting; for such purpose, timely advance notice means notice of the particular matter at least 45 days before this year's date which corresponds to the date on which the Company first mailed its proxy materials for last year's annual meeting of stockholders. Therefore, if any matter not discussed in this Proxy Statement is properly presented at the Meeting, the persons named in the accompanying proxy or their substitutes will have discretionary authority to vote on such matter in accordance with their judgment.

MISCELLANEOUS

The cost of solicitation of proxies will be borne by the Company. The Company will, upon request, reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy material to the beneficial owners of common stock. In addition to solicitations by mail, directors, officers, and regular employees of the Company may solicit proxies personally or by telegram, telephone or other means without additional compensation. The Company has retained First National Bank of Omaha, the Company's stock transfer agent, to assist in the distribution and solicitation of proxies at a cost of approximately $5,000, including the reimbursement of certain expenses.

The Company's Annual Report to Stockholders, including financial statements, has been mailed to all stockholders of record as of the close of business on March 1, 1999. Any stockholder who has not received a copy of such Annual Report may obtain a copy by writing the Company. Such Annual Report is

not to be treated as a part of this proxy solicitation material or as having been incorporated herein by reference.

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933, as amended, or the Exchange Act that might incorporate future filings, including this Proxy Statement, in whole or in part, the Compensation Committee Report on page 11 and the Performance Graph on page 10 shall not be incorporated by reference into any such filings.

THE BOARD OF DIRECTORS

Omaha, Nebraska
March 15, 1999

A COPY OF THE FORM 10-K AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, EXCLUDING EXHIBITS, WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS AS OF THE RECORD DATE UPON WRITTEN REQUEST TO THE SECRETARY, DATA TRANSMISSION NETWORK CORPORATION, 9110 WEST DODGE ROAD, SUITE 200, OMAHA, NEBRASKA 68114.

Exhibit 1
To Proxy Statement

DATA TRANSMISSION NETWORK CORPORATION
1999 Stock Incentive Plan

1. Purpose. The purpose of the Data Transmission Network Corporation 1999 Stock Incentive Plan (the "Plan") is to foster and promote the long-term financial success of the Company and its Subsidiaries and thereby increase stockholder value by providing incentives to those full-time employees who are likely to be responsible for achieving such success.

2. Certain Definitions.

"1989 Plan" means the Company's existing employee Stock Option Plan of 1989.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto. References to a particular section of the Code shall include any regulations issued under such section.

"Committee" shall have the meaning provided in Section 3 of the Plan.

"Common Stock" means the Common Stock, $.001 par value per share, of the Company.

"Company" means Data Transmission Network Corporation, a Delaware corporation.

"Disability" means (i) with respect to the exercise of an Incentive Stock Option after termination of employment, a disability within the meaning of Section 22(e)(3) of the Code and (ii) for all other purposes, a mental or physical condition which, in the opinion of the Committee, renders a grantee unable or incompetent to carry out the job responsibilities which such grantee held or the tasks to which such grantee was assigned at the time the disability was incurred and which is expected to be permanent or for an indefinite duration exceeding one year.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Fair Market Value" means, as determined by the Committee, the last reported sale price on the principal national securities exchange on which the Common Stock is listed or admitted to trading on the trading day for which the determination is being made, or, if no such reported sale takes place on such day, the average of the closing bid and asked prices on such day on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or, if the Common Stock is not admitted to trading on a national securities exchange, the average of the closing bid and asked prices in the over-the-counter market on the day for which the determination is being made as reported through Nasdaq, or, if bid and asked prices for the Common Stock on

such day are not reported through Nasdaq, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in the Common Stock selected for such purpose by the Committee, or, if none of the foregoing is applicable, then the fair market value of the Common Stock as determined in good faith by the Committee in its sole discretion.

"Incentive Stock Option" means any stock option intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

"Non-Qualified Stock Option" means any stock option that is not intended to be an Incentive Stock Option, including any stock option that provides (as of the time such option is granted) that it will not be treated as an Incentive Stock Option.

"Parent Corporation" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the granting of the option, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Performance Unit Award" means an award granted pursuant to Section 8.

"Plan Year" means the twelve-month period beginning on January 1 and ending on December 31; provided, that the first Plan Year shall be a short Plan Year beginning on the date the Plan becomes effective and ending on December 31, 1999.

"Restricted Stock Award" means an award of Common Stock granted pursuant to Section 9.

"Rule 16b-3" means Rule 16b-3 under the Exchange Act, as in effect from time to time.

"Stock Appreciation Right" means an award granted pursuant to Section 7.

"Stock Bonus Award" means an award of Common Stock granted pursuant to Section 10.

"Stock Option" means any option to purchase Common Stock granted pursuant to Section 6.

"Subsidiary" means (i) as it relates to Incentive Stock Options, any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the option, each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain and (ii) for all other purposes, a corporation, domestic or foreign, of which not less than 50% of the voting shares are held by the Company or by a Subsidiary, whether or not such corporation now exists or hereafter is organized or acquired by the Company or by a Subsidiary.

3. Administration. The Plan shall be administered by a committee composed solely of two or more members of the Board (the "Committee") selected by the Board, each of whom shall qualify as a "Non-Employee Director" within the meaning of Rule 16b-3 and as an "outside director" within the meaning of Section 162(m) of the Code.

The Committee shall have authority to grant to eligible employees of the Company or its Subsidiaries, pursuant to the terms of the Plan, (a) Stock Options, (b) Stock Appreciation Rights, (c) Restricted Stock Awards, (d) Performance Unit Awards, (e) Stock Bonus Awards, or (f) any combination of the foregoing.

Subject to the applicable provisions of the Plan, the Committee shall have authority to interpret the provisions of the Plan and to decide all questions of fact arising in the application of such provisions; to select the full-time employees to whom awards or options shall be granted under the Plan; to determine whether and to what extent awards or options shall be granted under the Plan; to determine the types of awards and options to be granted under the Plan and the amount, size, terms and conditions of each such award or option; to determine the time when awards or options shall be granted under the Plan; to determine whether, to what extent and under what circumstances the payment of Common Stock and other amounts payable with respect to an award granted under the Plan shall be deferred either automatically or at the election of the grantee; to determine the Fair Market Value of the Common Stock from time to time; to authorize persons to execute on behalf of the Company any agreement required to be entered into under the Plan; to adopt, alter and repeal such

administrative rules, guidelines and practices governing the Plan as the

Committee from time to time shall deem advisable; and to make all other determinations necessary or advisable for the administration of the Plan.

Unless otherwise expressly provided in the Plan, all decisions and determinations made by the Committee pursuant to the provisions of the Plan shall be made in the sole discretion of the Committee and shall be final and binding on all persons, including but not limited to the Company and its Subsidiaries, the full-time employees to whom awards and options are granted under the Plan, the heirs and legal representatives of such employees, and the personal representatives and beneficiaries of the estates of such employees.

The Committee may delegate to any officer or officers of the Company any of the Committee's duties, powers, and authorities under the Plan upon such conditions and with such limitations as the Committee may determine; provided, that only the Committee may select for awards or options under the Plan, and make grants of awards or options under the Plan to, full-time employees of the Company or any Subsidiary who are subject to Section 16 of the Exchange Act at the time of such selection or the making of such a grant.

4. Common Stock Subject to the Plan. Subject to adjustment pursuant to Section 19, the maximum number of shares of Common Stock that may be issued under the Plan is (i) 353,000 shares of Common Stock which remain available for future option grants under the 1989 Plan, plus (ii) the number of shares subject to stock options outstanding under the 1989 Plan that are forfeited, terminated, canceled, acquired by the Company or expire unexercised, which maximum number shall not exceed 1,930,000. The Company shall reserve and keep available for issuance under the Plan such maximum number of shares of Common Stock, subject to adjustment pursuant to Section 19. Such shares may consist in whole or in part of authorized and unissued shares or treasury shares or any combination thereof. Except as otherwise provided in the Plan, any shares subject to an option or right which expires for any reason or terminates unexercised as to such shares shall again be available for the grant of awards or options under the Plan. If any shares of Common Stock have been pledged as collateral for indebtedness incurred by an optionee in connection with the exercise of a Stock Option and such shares are returned to the Company in satisfaction of such indebtedness, then such shares shall again be available for the grant of awards or options under the Plan.

5. Eligibility to Receive Awards and Options. Awards and options may be granted under the Plan to those full-time employees of the Company or any Subsidiary who are responsible for or contribute to, or are likely to be responsible for or contribute to, the growth and success of the Company or any Subsidiary. The granting of an award or option under the Plan to an employee of the Company or any Subsidiary shall conclusively evidence the Committee's determination that such grantee meets one or more of the criteria referred to in the preceding sentence. Directors of the Company or of any Subsidiary who are not employees of the Company or any Subsidiary shall not be eligible to participate in the Plan.

6. Stock Options. A Stock Option may be an Incentive Stock Option or a Non-Qualified Stock Option. To the extent that any Stock Option does not qualify as an Incentive Stock Option, it shall constitute a separate Non-Qualified Stock Option. Stock Options may be granted alone or in addition to other awards made under the Plan. Stock Options shall be evidenced by agreements in such form as the Committee shall approve from time to time. The agreements shall contain in substance the following terms and conditions and may contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem appropriate:

(a) Type of Option. Each option agreement shall identify the Stock Option represented thereby as an Incentive Stock Option or a Non-Qualified Stock Option, as the case may be.

(b) Option Price. The option exercise price per share shall not be less than the Fair Market Value of the Common Stock on the date the Stock Option is granted and in no event shall be less than the par value of the Common Stock.

(c) Term. Each option agreement shall state the period or periods of time within which the Stock Option may be exercised, in whole or in part, which shall be such period or periods of time as the Committee may determine at the time of the Stock Option grant; provided, that no Stock Option granted under the Plan shall be exercisable more than ten years after the date of its grant; and provided further, that one-third of the shares covered by each Stock

Option granted under the Plan shall become exercisable on each of the first three anniversaries of the date of its grant, unless the option agreement specifically provides otherwise and except as such exercisability is accelerated upon the death or Disability of the optionee as provided in Section 6(e). The Committee shall have authority to accelerate previously established exercise rights, subject to the requirements set forth in the Plan, under such circumstances and upon such terms and conditions as the Committee shall deem appropriate.

(d) Payment for Shares. The Committee may permit all or part of the payment of the option exercise price to be made (i) in cash, by check or by wire transfer or (ii) in shares of Common Stock (A) which already are owned by the optionee and which are surrendered to the Company in good form for transfer or (B) which are retained by the Company from the shares of the Common Stock which would otherwise be issued to the optionee upon the optionee's exercise of the Stock Option. Such shares shall be valued at their Fair Market Value on the date of exercise of the Stock Option. In lieu of payment in fractions of shares, payment of any fractional share amount shall be made in cash or check payable to the Company. The Committee also may provide that the exercise price may be paid by delivering a properly executed exercise notice in a form approved by the Committee together with irrevocable instructions to a broker to promptly deliver to the Company the amount of the applicable sale or loan proceeds required to pay the exercise price. No shares of Common Stock shall be issued to any optionee upon the exercise of a Stock Option until the Company receives full payment therefor as described above.

(e) Rights upon Termination of Employment. In the event that an optionee ceases to be employed by the Company and all of its Subsidiaries for any reason other than such optionee's death or Disability, any rights of the optionee under any Stock Option then in effect immediately shall terminate; provided, that the optionee (or the optionee's legal representative) shall have the right to exercise the Stock Option during its term within a period of six (6) months after such termination of employment to the extent that the Stock Option was exercisable at the time of such termination or within such other period and subject to such other terms and conditions as may be specified by the Committee. Notwithstanding the foregoing provisions of this Section 6(e), the optionee (and the optionee's legal representative) shall not have any rights under any Stock Option, and the Company shall not be obligated to sell or deliver shares of Common Stock (or have any other obligation or liability) under any Stock Option, if the Committee shall determine that the employment of the optionee with the Company or any Subsidiary has been terminated for cause. In the event of such determination, the optionee (and the optionee's legal representative) shall have no right under any Stock Option to purchase any shares of Common Stock regardless of whether the optionee (or the optionee's legal representative) shall have delivered a notice of exercise prior to the Committee's making of such determination. Any Stock Option may be terminated entirely by the Committee at the time of or at any time subsequent to a determination by the Committee under this Section 6(e) which has the effect of eliminating the Company's obligation to sell or deliver shares of Common Stock under such Stock Option.

In the event that an optionee ceases to be employed by the Company and all of its Subsidiaries by reason of such optionee's Disability, prior to the expiration of a Stock Option and without such optionee's having fully exercised such Stock Option, such optionee or such optionee's legal representative shall have the right to exercise such Stock Option during its term within a period of twelve (12) months after such termination of employment to the extent that such Stock Option was exercisable at the time of such termination (as such exercisability is accelerated pursuant to the next sentence) or within such other period and subject to such other terms and conditions as may

be specified by the Committee. Notwithstanding the provisions of this Section 6(e), unless otherwise specified in the Stock Option agreement, in the event that an optionee ceases to be employed by the Company and all of its Subsidiaries by reason of such optionee's Disability, each Stock Option granted more than twelve (12) months prior to such event shall become immediately exercisable in full.

In the event that an optionee ceases to be employed by the Company and all of its Subsidiaries by reason of such optionee's death, prior to the expiration of a Stock Option and without such optionee's having fully exercised such Stock Option, the personal representative of such optionee's estate or the person who acquired the right to exercise such Stock Option by bequest or inheritance from such optionee shall have the right to exercise such Stock Option during its term within a period of twelve (12) months after the date of such optionee's

death to the extent that such Stock Option was exercisable at the time of such death (as such exercisability is accelerated pursuant to the next sentence) or within such other period and subject to such other terms and conditions as may be specified by the Committee. Notwithstanding the provisions of this Section 6(e), unless otherwise specified in the Stock Option agreement, in the event that an optionee dies, each Stock Option granted more than twelve (12) months prior to such death shall become immediately exercisable in full.

To the extent that the aggregate Fair Market Value (determined as of the time the option is granted) of the Common Stock with respect to which Incentive Stock Options granted under the Plan (and all other plans of the Company and its Subsidiaries) become exercisable for the first time by any individual in any calendar year exceeds $100,000, such Stock Options shall be treated as Non-Qualified Stock Options. No Incentive Stock Option shall be granted to any employee if, at the time the option is granted, the employee (in his or her own right or by reason of the attribution rules applicable under Section 424(d) of the Code) owns more than 10% of the total combined voting power of all classes of stock of the Company or any Parent Corporation or Subsidiary unless at the time such option is granted the option price is at least 110% of the Fair Market Value of the stock subject to such Stock Option and such Stock Option by its terms is not exercisable after the expiration of five years from the date of its grant.

7. Stock Appreciation Rights. Stock Appreciation Rights shall enable the grantees thereof to benefit from increases in the Fair Market Value of shares of Common Stock and shall be evidenced by agreements in such form as the Committee shall approve from time to time. The agreements shall contain in substance the following terms and conditions and may contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem appropriate:

(a) Award. A Stock Appreciation Right shall entitle the grantee, subject to such terms and conditions as the Committee may prescribe, to receive upon the exercise thereof an award equal to all or a portion of the excess of (i) the Fair Market Value of a specified number of shares of Common Stock at the time of the exercise of such right over (ii) a specified price which shall not be less than the Fair Market Value of the Common Stock at the time the right is granted or, if connected with a previously granted Stock Option, not less than the Fair Market Value of the Common Stock at the time such Stock Option was granted. Subject to the limitations set forth in Section 4, such award may be paid by the Company in cash, shares of Common Stock (valued at their then Fair Market Value) or any combination thereof, as the Committee may determine. Stock Appreciation Rights may be, but are not required to be, granted in connection with a previously or contemporaneously granted Stock Option. In the event of the exercise of a Stock Appreciation Right, the number of shares reserved for issuance under the Plan shall be reduced by the number of shares covered by the Stock Appreciation Right as to which such exercise occurs.

(b) Term. Each agreement shall state the period or periods of time within which the Stock Appreciation Right may be exercised, in whole or in part, subject to such terms and conditions prescribed for

such purpose by the Committee; provided, that no Stock Appreciation Right shall be exercisable more than ten years after the date of its grant; and provided further, that one-third of each Stock Appreciation Right granted under the Plan shall become exercisable on each of the first three anniversaries of the date of its grant, unless the agreement specifically provides otherwise and except as such exercisability is accelerated upon the death or Disability of the grantee as provided in Section 7(c). The Committee shall have authority to accelerate previously established exercise rights, subject to the requirements set forth in the Plan, under such circumstances and upon such terms and conditions as the Committee shall deem appropriate.

(c) Rights upon Termination of Employment. In the event that a grantee of a Stock Appreciation Right ceases to be employed by the Company and all of its Subsidiaries for any reason other than such grantee's death or Disability, any rights of the grantee under any Stock Appreciation Right then in effect immediately shall terminate; provided, that the grantee (or the grantee's legal representative) shall have the right to exercise the Stock Appreciation Right during its term within a period of six (6) months after such termination of employment to the extent that the Stock Appreciation Right was exercisable at the time of such termination or within such other period and subject to such other terms and conditions as may be specified by the Committee. Notwithstanding the foregoing provisions of this Section 7(c), the grantee (and the grantee's legal representative) shall not

have any rights under any Stock Appreciation Right, and the Company shall not be obligated to pay or deliver any cash, Common Stock or any combination thereof (or have any other obligation or liability) under any Stock Appreciation Right, if the Committee shall determine that the employment of the grantee with the Company or any Subsidiary has been terminated for cause. In the event of such determination, the grantee (and the grantee's legal representative) shall have no right under any Stock Appreciation Right regardless of whether the grantee (or the grantee's legal representative) shall have delivered a notice of exercise prior to the Committee's making of such determination. Any Stock Appreciation Right may be terminated entirely by the Committee at the time of or at any time subsequent to a determination by the Committee under this Section 7(c) which has the effect of eliminating the Company's obligations under such Stock Appreciation Right.

In the event that a grantee of a Stock Appreciation Right ceases to be employed by the Company and all of its Subsidiaries by reason of such grantee's Disability, prior to the expiration of a Stock Appreciation Right and without such grantee's having fully exercised such Stock Appreciation Right, such grantee or such grantee's legal representative shall have the right to exercise such Stock Appreciation Right during its term within a period of twelve (12) months after such termination of employment to the extent that such Stock Appreciation Right was exercisable at the time of such termination (as such exercisability is accelerated pursuant to the next sentence) or within such other period and subject to such other terms and conditions as may be specified by the Committee. Notwithstanding the provisions of this Section 7(c), unless otherwise specified in the Stock Appreciation Right agreement, in the event that a grantee ceases to be employed by the Company and all of its Subsidiaries by reason of such grantee's Disability, each Stock Appreciation Right granted more than twelve (12) months prior to such event shall become immediately exercisable in full.

In the event that a grantee ceases to be employed by the Company and all of its Subsidiaries by reason of such grantee's death, prior to the expiration of a Stock Appreciation Right and without such grantee's having fully exercised such Stock Appreciation Right, the personal representative of the grantee's estate or the person who acquired the right to exercise such Stock Appreciation Right by bequest or inheritance from such grantee shall have the right to exercise such Stock Appreciate Right during its term within a period of twelve (12) months after the date of such grantee's death to the extent that such Stock Appreciation Right was exercisable at the time of such death (as such exercisability is accelerated pursuant to the next sentence) or within such other period and subject to such other terms and conditions as may be specified by the Committee. Notwithstanding the provisions of this Section 7(c), unless otherwise specified in the Stock Appreciation Right agreement, in the event that a grantee dies, each Stock

Appreciation Right granted more than twelve (12) months prior to such death shall become immediately exercisable in full.

8. Performance Unit Awards. Performance Unit Awards shall entitle the grantees thereof to receive future payments based upon and subject to the achievement of preestablished long-term performance targets and shall be evidenced by agreements in such form as the Committee shall approve from time to time. The agreements shall contain in substance the following terms and conditions and may contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem appropriate:

(a) Performance Period. The Committee shall establish with respect to each Performance Unit Award a performance period of not fewer than two years nor more than five years.

(b) Unit Value. The Committee shall establish with respect to each Performance Unit Award a value for each unit which shall not change thereafter or which may vary thereafter on the basis of criteria specified by the Committee.

(c) Performance Targets. The Committee shall establish with respect to each Performance Unit Award maximum and minimum performance targets to be achieved during the applicable performance period. The achievement of the maximum targets shall entitle a grantee to payment with respect to the full value of a Performance Unit Award. The achievement of less than the maximum targets, but in excess of the minimum targets, shall entitle a grantee to payment with respect to a portion of a Performance Unit Award according to the level of achievement of the applicable targets as specified by the Committee. To the extent the Committee deems necessary or appropriate to protect

against the loss of deductibility pursuant to Section 162(m) of the Code, such targets shall be established in conformity with the requirements of Section 162(m) of the Code.

(d) Performance Measures. Performance targets established by the Committee shall relate to corporate, division, subsidiary, group or unit performance in terms of objective financial criteria or performance goals which satisfy the requirements of Section 162(m) of the Code or, with respect to grantees not subject to Section 162(m) of the Code, such other measures or standards of performance as the Committee may determine. Multiple targets may be used and may have the same or different weighting, and the targets may relate to absolute performance or relative performance measured against other companies, businesses or indexes.

(e) Adjustments. At any time prior to the payment of a Performance Unit Award, the Committee may adjust previously established performance targets or other terms and conditions of such Performance Unit Award, including the Company's or another Company's financial performance for Plan purposes, in order to reduce or eliminate, but not to increase, the payment with respect to a Performance Unit Award that otherwise would be due upon the attainment of such previously established performance targets. Such adjustments shall be made to reflect major unforeseen events such as changes in laws, regulations or accounting practices, mergers, acquisitions or divestitures or other extraordinary, unusual or nonrecurring items or events.

(f) Payment of Performance Unit Awards. Upon the conclusion of each performance period, the Committee shall determine the extent to which the applicable performance targets have been attained and any other terms and conditions have been satisfied for such period and shall provide such certification thereof as may be necessary to satisfy the requirements of Section 162(m) of the Code. The Committee shall determine what, if any, payment is due on a Performance Unit Award and, subject to the limitations set forth in Section 4, whether such payment shall be made in cash, shares of Common Stock (valued at their then Fair Market Value) or a combination thereof. Payment of a Performance Unit Award shall be made in a lump sum or in installments, as determined by the Committee, commencing as promptly as practicable

after the end of the performance period unless such payment is deferred upon such terms and conditions as may be specified by the Committee.

(g) Termination of Employment. In the event that a grantee of a Performance Unit Award ceases to be employed by the Company and all of its Subsidiaries for any reason other than such grantee's death or Disability, any rights of such grantee under any Performance Unit Award then in effect whose performance period has not ended shall terminate immediately; provided, that the Committee may authorize the partial payment of any such Performance Unit Award if the Committee determines such action to be equitable.

In the event that a grantee of a Performance Unit Award ceases to be employed by the Company and all of its Subsidiaries by reason of such grantee's death or Disability, any rights of such grantee under any Performance Unit Award then in effect whose performance period has not ended shall terminate immediately; provided, that the Committee may authorize the payment to such grantee or such grantee's legal representative of all or any portion of such Performance Unit Award to the extent earned under the applicable performance targets, even though the applicable performance period has not ended, upon such terms and conditions as may be specified by the Committee.

9. Restricted Stock Awards. Restricted Stock Awards shall consist of shares of Common Stock restricted against transfer, subject to a substantial risk of forfeiture and to other terms and conditions intended to further the purpose of the Plan as the Committee may determine, and shall be evidenced by agreements in such form as the Committee shall approve from time to time. The agreements shall contain in substance the following terms and conditions and may contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem appropriate:

(a) Restriction Period. The Common Stock covered by Restricted Stock Awards shall be subject to the applicable restrictions established by the Committee over such period as the Committee shall determine. To the extent the Committee deems necessary or appropriate to protect against the loss of deductibility pursuant to Section 162(m) of the Code, Restricted Stock Awards also may be subject to the attainment of one or more preestablished performance objectives which relate to corporate, subsidiary, division, group or unit performance in terms of objective financial criteria or performance goals which

satisfy the requirements of Section 162(m) of the Code; provided, that any such preestablished financial criteria or performance goals subsequently may be adjusted by the Committee to reduce or eliminate, but not to increase, a Restricted Stock Award in order to take into account unforeseen events or changes in circumstances.

(b) Restriction upon Transfer. Shares of Common Stock covered by Restricted Stock Awards may not be sold, assigned, transferred, exchanged, pledged, hypothecated or otherwise encumbered, except as provided in the Plan or in any Restricted Stock Award agreement entered into between the Company and a grantee, during the restriction period applicable to such shares. Notwithstanding the foregoing provisions of this Section 9(b), and except as otherwise provided in the Plan or the applicable Restricted Stock Award agreement, a grantee of a Restricted Stock Award shall have all of the other rights of a holder of Common Stock including but not limited to the right to receive dividends and the right to vote such shares.

(c) Payment. The Committee shall determine the amount, form and time of payment, if any, that shall be required from the grantee of a Restricted Stock Award in consideration of the issuance and delivery of the shares of Common Stock covered by such Restricted Stock Award.

(d) Certificates. Each certificate issued in respect of shares of Common Stock covered by a Restricted Stock Award shall be registered in the name of the grantee and shall bear the following legend (in addition to any other legends which may be appropriate):

> "This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture provisions and restrictions against transfer) contained in the Data Transmission Network Corporation 1999 Stock Incentive Plan and a Restricted Stock Award Agreement entered into between the registered owner and Data Transmission Network Corporation. Release from such terms and conditions may be obtained only in accordance with the provisions of such Plan and Agreement, a copy of each of which is on file in the office of the Secretary of Data Transmission Network Corporation."

The Committee may require the grantee of a Restricted Stock Award to enter into an escrow agreement providing that the certificates representing the shares covered by such Restricted Stock Award will remain in the physical custody of an escrow agent until all restrictions are removed or expire. The Committee also may require that the certificates held in such escrow be accompanied by a stock power, endorsed in blank by the grantee, relating to the Common Stock covered by such certificates.

(e) Lapse of Restrictions. Except for preestablished performance objectives established with respect to Restricted Stock Awards to grantees subject to Section 162(m) of the Code, the Committee may provide for the lapse of restrictions applicable to Common Stock subject to Restricted Stock Awards in installments and may waive such restrictions in whole or in part based upon such factors and such circumstances as the Committee shall determine. Upon the lapse of such restrictions, certificates for shares of Common Stock, free of the restrictive legend set forth in Section 9(c), shall be issued to the grantee or the grantee's legal representative. The Committee shall have authority to accelerate the expiration of the applicable restriction period with respect to all or any portion of the shares of Common Stock covered by a Restricted Stock Award except, with respect to grantees subject to Section 162(m) of the Code, to the extent such acceleration would result in the loss of the deductibility of such Restricted Stock Award pursuant to Section 162(m) of the Code.

(f) Termination of Employment. In the event that a grantee of a Restricted Stock Award ceases to be employed by the Company and all of its Subsidiaries for any reason, any rights of such grantee with respect to shares of Common Stock that remain subject to restrictions under such Restricted Stock Award shall terminate immediately, and any shares of Common Stock covered by a Restricted Stock Award with unlapsed restrictions shall be subject to reacquisition by the Company upon the terms set forth in the applicable agreement with such grantee. The Committee may provide for complete or partial exceptions to such employment requirement if the Committee determines such action to be equitable.

10. Stock Bonus Awards. The Committee may grant a Stock Bonus Award to an eligible grantee under the Plan based upon corporate, division, subsidiary,

group or unit performance in terms of preestablished objective financial criteria or performance goals or, with respect to participants not subject to Section 162(m) of the Code, such other measures or standards of performance (including but not limited to performance already accomplished) as the Committee may determine; provided, that any such preestablished financial criteria or performance goals subsequently may be adjusted to reduce or eliminate, but not to increase, a Stock Bonus Award in order to take into account unforeseen events or changes in circumstances.

If appropriate in the sole discretion of the Committee, Stock Bonus Awards shall be evidenced by agreements in such form as the Committee shall approve from time to time. In addition to any applicable performance goals or

standards and subject to the terms of the Plan, shares of Common Stock which are the subject of a Stock Bonus Award may be (i) subject to additional restrictions (including but not limited to restrictions on transfer) or (ii) granted directly to a grantee free of any restrictions, as the Committee shall deem appropriate.

11. General Restrictions. Each award or grant under the Plan shall be subject to the requirement that if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, (ii) the consent or approval of any governmental regulatory body, or (iii) an agreement by the grantee of an award or grant with respect to the disposition of the shares of Common Stock subject or related thereto is necessary or desirable as a condition of, or in connection with, such award or grant or the issuance or purchase of shares of Common Stock thereunder, then such award or grant may not be consummated and any rights thereunder may not be exercised in whole or in part unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained upon conditions acceptable to the Committee. Awards or grants under the Plan shall be subject to such additional terms and conditions, not inconsistent with the Plan, as the Committee in its sole discretion deems necessary or desirable, including but not limited to such terms and conditions as are necessary to enable a grantee to avoid any short-swing profit recapture liability under Section 16 of the Exchange Act.

12. Single or Multiple Agreements. Multiple forms of awards or grants or combinations thereof may be evidenced either by a single agreement or by multiple agreements, as determined by the Committee.

13. Rights of a Stockholder. Unless otherwise provided by the Plan, the grantee of any award or grant under the Plan shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject or related to such award or grant unless and until certificates for such shares of Common Stock are issued to such grantee.

14. No Right to Continue Employment. Nothing in the Plan or in any agreement entered into pursuant to the Plan shall confer upon any grantee the right to continue in the employment of the Company or any Subsidiary or affect any right which the Company or any Subsidiary may have to terminate the employment of any grantee with or without cause.

15. Withholding. The Company's obligation to (i) deliver shares of Common Stock or pay cash upon the exercise of any Stock Option or Stock Appreciation Right, (ii) deliver shares of Common Stock or pay cash in payment of any Performance Unit Award, (iii) deliver stock certificates upon the vesting of any Restricted Stock Award, and (iv) deliver shares of Common Stock upon the grant of any Stock Bonus Award shall be subject to applicable federal, state and local tax withholding requirements. In the discretion of the Committee, amounts required to be withheld for taxes may be paid by the grantee in cash or shares of Common Stock (either through the surrender of previously held shares of Common Stock or the withholding of shares of Common Stock otherwise issuable upon the exercise or payment of such Stock Option, Stock Appreciation Right or Award) having a Fair Market Value equal to the required tax withholding amount and upon such other terms and conditions as the Committee shall determine; provided, that any election by a grantee subject to Section 16(b) of the Exchange Act to pay any tax withholding in shares of Common Stock shall be subject to and must comply with any applicable rules under Section 16(b) of the Exchange Act.

16. Indemnification. No member of the Board or the Committee, nor any officer or employee of the Company or a Subsidiary acting on behalf of the Board or the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan; and all members of the Board or the Committee and each and any officer or employee of the Company or any Subsidiary acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

17. Non-Assignability. No award or grant under the Plan shall be

assignable or transferable by the recipient thereof except by will, by the laws of descent and distribution or, in the case of awards or grants other than

Incentive Stock Options, pursuant to a qualified domestic relations order or by such other means (if any) as the Committee may approve from time to time. No right or benefit under the Plan shall in any manner be subject to the debts, contracts, liabilities or torts of the person entitled to such right or benefit.

18. Nonuniform Determinations. The Committee's determinations under the Plan (including but not limited to determinations of the persons to receive awards or grants, the form, amount and timing of such awards or grants, the terms and provisions of such awards or grants and the agreements evidencing them and the establishment of values and performance targets) need not be uniform and may be made by the Committee selectively among the persons who receive, or are eligible to receive, awards or grants under the Plan, whether or not such persons are similarly situated.

19. Adjustments. In the event of any change in the outstanding shares of Common Stock, by reason of a stock dividend or distribution, stock split, recapitalization, merger, reorganization, consolidation, split-up, spin-off, combination of shares, exchange of shares or other change in corporate structure affecting the Common Stock, the Committee shall make appropriate adjustments in (a) the aggregate number of shares of Common Stock (i) reserved for issuance under the Plan, (ii) for which grants or awards may be made to an individual grantee and (iii) covered by outstanding awards and grants denominated in shares or units of Common Stock, (b) the exercise or other applicable price related to outstanding awards or grants and (c) the appropriate Fair Market Value and other price determinations relevant to outstanding awards or grants and shall make such other adjustments as may be equitable under the circumstances; provided, that the number of shares subject to any award or grant always shall be a whole number.

20. Terms of Payment. Subject to any other applicable provisions of the Plan and to any applicable laws, whenever payment by a grantee is required with respect to shares of Common Stock which are the subject of an award or grant under the Plan, the Committee shall determine the time, form and manner of such payment, including but not limited to lump-sum payments and installment payments upon such terms and conditions as the Committee may prescribe. Installment payment obligations of a grantee may be evidenced by full-recourse, limited-recourse or non-recourse promissory notes or other instruments, with or without interest and with or without collateral or other security as the Committee may determine.

21. Termination and Amendment. The Board may terminate the Plan or amend the Plan or any portion thereof at any time, including but not limited to amendments to the Plan necessary to comply with the requirements of Section 16(b) of the Exchange Act, Section 162(m) of the Code, Section 422 of the Code or any regulations issued under any of such statutory provisions. The termination or any modification or amendment of the Plan shall not, without the consent of a grantee, adversely affect such grantee's rights under an award or grant previously made to such grantee under the Plan. The Committee may amend the terms of any award or grant previously made under the Plan, prospectively or retroactively; but, except as otherwise expressly permitted by the Plan and subject to the provisions of Section 19, no such amendment shall adversely affect the rights of the grantee of such award or grant without such grantee's consent. Notwithstanding the foregoing provisions of this Section 21, stockholder approval of any action referred to in this Section 21 shall be required whenever necessary to satisfy the applicable requirements of Section 16(b) of the Exchange Act, Section 162(m) of the Code, Section 422 of the Code or any regulations issued under any of such statutory provisions.

22. Severability. With respect to participants subject to Section 16 of the Exchange Act, (i) the Plan is intended to comply with all applicable conditions of Rule 16b-3 or any successor to such rule, (ii) all transactions involving grantees who are subject to Section 16(b) of the Exchange Act are subject to such conditions, regardless of whether the conditions are expressly set forth in the Plan and (iii) any provision of the Plan that is contrary to a condition of Rule 16b-3 shall not apply to grantees who are subject to Section 16(b) of the Exchange Act. If any of the terms or provisions of the Plan, or awards or grants made under the Plan, conflict with the requirements of Section 162(m) or Section 422 of the Code with respect to awards or grants subject to or governed by Section 162(m) or Section 422 of the Code, as the case may be, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Section 162(m) or Section 422 of the Code, as

the case may be. With respect to an Incentive Stock Option, if the Plan does not contain any provision required to be included in the Plan under Section 422 of

the Code (as amended from time to time) or any successor to such section, then such provision shall be deemed to be incorporated in the Plan with the same force and effect as if such provision had been expressly set out in the Plan.

23. Effect on Other Plans. Participation in the Plan shall not affect an employee's eligibility to participate in any other benefit or incentive plan of the Company or any Subsidiary. Any grants or awards made pursuant to the Plan shall not be taken into account in determining the benefits provided or to be provided under any other plan of the Company or any Subsidiary unless otherwise specifically provided in such other plan.

24. Term of Plan. The Plan shall become effective upon the approval of the Plan by the stockholders of the Company not later than December 31, 1999, and shall terminate for purposes of further grants on the first to occur of (i) the tenth anniversary of the date the Plan is initially approved and adopted by the stockholders of the Company, or (ii) the effective date of the termination of the Plan by the Board pursuant to Section 21. No awards or options may be granted under the Plan after the termination of the Plan, but such termination shall not affect any awards or options outstanding at the time of such termination or the authority of the Committee to continue to administer the Plan apart from the making of further grants.

25. Governing Law. The Plan shall be governed by and construed in accordance with the laws of Delaware.

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DATA TRANSMISSION NETWORK CORPORATION
9110 West Dodge Road, Suite 200
Omaha, NE 68114

DATA TRANSMISSION NETWORK CORPORATION PROXY
Annual Meeting of Stockholders To Be Held April 28, 1999

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Roger R. Brodersen and Brian L. Larson, or either of them, as proxies of the undersigned, with full power of substitution to either of them, and hereby authorizes them to vote all shares of common stock of Data Transmission Network Corporation held of record by the undersigned on March 1, 1999 at the Annual Meeting of Stockholders to be held on April 28, 1999 and at any further adjournments thereof (a) as designated below on the following matters and (b) in their discretion on any other matters that properly may come before the meeting or any adjournments thereof:

1. ELECTION OF DIRECTORS

FOR all nominees listed below (except as marked)

WITHHOLD AUTHORITY to vote for all nominees listed below

(INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), draw a line through the nominee's name below.)

Roger R. Brodersen	Scott A. Fleck	Richard R. Jaros
Peter H. Kamin	David K. Karnes	J. Michael Parks
Jay E. Ricks	Greg T. Sloma	Roger W. Wallace

2. ADOPTION OF 1999 STOCK INCENTIVE PLAN FOR ---- AGAINST ---- ABSTAIN ----

3. RATIFICATION OF APPOINTMENT OF DELOITTE & TOUCHE LLP as independent auditors of the Corporation for fiscal year ending December 31, 1999.

FOR ---- AGAINST ---- ABSTAIN ----

This proxy will be voted as specified. IF NO SPECIFICATION IS GIVEN, THIS PROXY WILL BE VOTED FOR THE PROPOSALS SET FORTH ABOVE. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders of Data Transmission Network Corporation to be held on April 28, 1999 and the Proxy Statement for such meeting.

Dated , 1999
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(Signature of Stockholder)

Note: Please sign exactly as name appears on stock certificate (as Indicated on reverse side). All joint owners should sign. When signing as personal representative, executor, administrator, attorney, trustee or guardian, please give full title as such. If a corporation, please sign in full corporation name by president or other authorized person. If a partnership, please sign in partnership name by a partner.