

## SUBORDINATED DEBENTURE

This Debenture has not been registered under the Securities Act of 1933 (the "Act") and may not be transferred in the absence of such registration or an exemption therefrom under such Act, except under circumstances where neither such registration nor such an exemption is required by law. This Debenture may not be transferred except under conditions specified in this Debenture and no transfer of this Debenture shall be valid or effective unless and until such conditions shall have been met.

CCX, INC.

11% Subordinated Debenture due 2013

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\$

New York, N.Y.  
, 1988

CCX, INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), for value received, hereby promises to pay to or registered assigns, on , 2013 ("Stated Maturity"), the principal sum of , Dollars

(or so much thereof as shall not have been prepaid) in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts, at the principal office of the Company in Bridgewater, New Jersey (or at such other place as the Company and the Holder of this Debenture may agree upon in writing), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) at said office (or such other place as aforesaid), in like coin or currency, on the unpaid portion of said principal sum from the date hereof, quarterly on

and in each year, commencing on the first such day after the date hereof, at the rate of eleven per centum (11%) per annum until such unpaid portion of such principal amount shall have become due and payable and, so far as may be lawful, on any overdue installment of interest at the rate of fourteen per centum (14%) per annum. Capitalized terms used herein shall have the meanings set forth in Section 9 of this Debenture.

1. The Debentures. This Debenture is one of an authorized issue of registered Debentures (hereinafter called the "Debentures"), each in the denomination of \$1,000 or a multiple thereof, made by the Company and limited to an aggregate principal amount of \$10,000,000, maturing on 2013, and bearing interest payable at the same rate and on the same quarterly dates as the interest on the principal amount of this Debenture, originally issued by the Company pursuant to a Securities Purchase Agreement, dated May 10, 1988 ("Purchase Agreement"), among the Company and the Purchasers named therein.

2. Surrender, Transfer and Exchange of Debentures. (a) The Company shall keep at its principal office a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Debentures and for the registration of transfer of the Debentures.

(i) Upon due presentation at such office for registration of transfer of any Debenture or Debentures, the Company will execute, register and deliver in exchange therefor a Debenture or Debentures, each in the principal amount of \$100,000 or any multiple thereof, at such office, for the same aggregate unpaid principal amount as the Debenture or Debentures so presented for registration of transfer, dated the date from which unpaid interest has then accrued thereon and registered in the name or names of the transferee or transferees. At any time at the request of the Holder of any Debenture and upon surrender of such Debenture for such purpose to the Company at such office, the Company will execute, register and deliver in exchange therefor a new Debenture or Debentures, each in the principal amount of \$100,000 or any multiple thereof, for the same aggregate unpaid principal amount as the Debenture or Debentures so surrendered, dated the date from which unpaid interest has then accrued thereon and registered

in such name or names as such Holder may request.

(ii) Upon due presentation at such office of any Debenture or Debentures called for partial redemption in accordance with Section 4 the Company will, upon the surrender of such Debenture or Debentures (x) deliver to the Holder thereof the applicable Redemption Price, together with accrued interest to the Redemption Date, and (y) execute, register and deliver a Debenture or Debentures of like tenor in the aggregate principal amount equal to the principal amount of such Debenture or Debentures not so redeemed by the Company, dated the Redemption Date and registered in such name or names as such Holder may request.

(iii) Upon due presentation at such office of any Debenture or Debentures surrendered to be applied against the cash payment required to be made to the Company upon exercise of any Warrant held by such Holder, to the extent that the aggregate principal amount of the Debenture or Debentures so surrendered together with accrued unpaid interest thereon shall exceed the amount of cash payment required upon exercise of the Warrant, the Company will execute, register and deliver a Debenture or Debentures of like tenor in the aggregate principal amount equal to the difference between (x) the sum of (A) the aggregate principal amount of the Debenture or Debentures so surrendered and (B) unpaid interest accrued thereon to the date of the exercise of the Warrant, and (y) the cash payment required upon such exercise of the Warrant, dated the date of the exercise of such Warrant and registered in such name or names as such Holder may request.

(iv) Each Debenture presented or surrendered for cancellation, registration or notice of transfer or exchange shall (if so required by the Company) be duly endorsed by, or accompanied by a written instrument or instrument of transfer in form satisfactory to the Company duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing. All transfers of Debentures shall be made in compliance with the applicable provisions of the Securities Act and state securities laws. All exchanges, transfers and registrations of transfer of Debentures shall be at the expense of the Company (other than stamp and transfer taxes, if any).

(b) Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Debenture and, in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of such Debenture, the Company will make and deliver a new Debenture of like tenor and unpaid principal amount, in lieu of such lost, stolen, destroyed or mutilated Debenture, dated the date from which unpaid interest has accrued thereon.

(c) Except as otherwise permitted by this Section 2(c), each Debenture originally issued pursuant to the Purchase Agreement and each Debenture issued upon direct or indirect transfer or in substitution for any Debenture pursuant to Section 2, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"This Debenture has not been registered under the Securities Act of 1933 (the "Act") and may not be transferred in the absence of such registration or an exemption therefrom under such Act, except under circumstances where neither such registration nor such an exemption is required by law. This Debenture may not be transferred except under conditions specified in this Debenture and no transfer of this Debenture shall be valid or effective' unless and until such conditions shall have been met."

(i) If any Holder should decide to dispose of any Debenture other than pursuant to (x) an effective registration statement under the Securities Act or (y) Rule 144 (or any successor provision) under the Securities Act, such Holder shall designate counsel (who may be its in-house counsel or other counsel reasonably acceptable to the Company) in connection with such disposition and such Holder will be entitled to transfer such Debenture free of the restrictions imposed by this Section 2(c) under the issuance of the opinion of such counsel, *provided* that such opinion is reasonably acceptable to the Company and to the effect that the proposed

distribution would not be in violation of the Securities Act or any applicable state securities or blue sky law. Each Debenture issued upon or in connection with such transfer shall bear the applicable restrictive legend set forth above in this Section 2(c), unless in the opinion of such counsel such legend is no longer required to ensure compliance with the Securities Act or applicable state securities or blue sky laws.

(ii) The Company will pay the reasonable fees, expenses and disbursements of counsel to any Holder (if such Holder designates counsel who is not one of its officers or employees) in connection with all opinions rendered to the Company pursuant to this Section 2(c).

3. **Persons Deemed Owners.** Prior to due presentment for registration of transfer of any Debenture, the Company may treat the Holder thereof as the absolute owner thereof for the purpose of receiving payment of principal of, premium, if any, and interest on, such Debenture and for all other purposes whatsoever, whether or not such Debenture shall be overdue, and the Company shall not be affected by notice to the contrary.

4. **Redemption of Debentures.**

(a) *Optional Redemption.* The Debentures may not be redeemed prior to , 1993. On and after that date and prior to their Stated Maturity the Company may, at its option, redeem the Debentures, either as a whole or from time to time in part (in multiples of \$1,000), at the following redemption prices (expressed in percentages of the principal amount thereof, and hereinafter referred to as the "Optional Redemption Price") together with interest accrued and unpaid thereon to the Redemption Date:

<u>if redeemed during the period:</u>	<u>Redemption Price</u>
1993 to , 1994	105%
1994 to , 1995	104%
1995 to , 1996	103%
1996 to , 1997	102%
1997 to , 1998	101%
1998 to , 2013	100%

(b) *Mandatory Redemption.*

(i) The Debentures are also subject to mandatory redemption, through the operation of a sinking fund as herein provided, on , 2004 and on each thereafter to and including . 2012 (each such date being a "Sinking Fund Redemption Date"), on notice as set forth below, and at 100% of the principal amount thereof (the "Sinking Fund Redemption Price") together with accrued and unpaid interest to the Sinking Fund Redemption Date. As and for a sinking fund for the retirement of the Debentures, and so long as any of the Debentures remain outstanding and unpaid, the Company will, on or before

2004 and on or before in each year thereafter to and including , 2012, segregate and hold in trust for the benefit of the Holders entitled thereto, an amount sufficient to redeem at the Sinking Fund Redemption Price, a principal amount of Debentures (to the nearest \$1,000) equal to 10% of the aggregate principal amount of Debentures outstanding on

1988. In the case of any redemption of Debentures at the option of the Company as provided in Section 4(a) above, the next sinking fund payment to be made by the Company may be reduced by an amount (to the nearest \$1,000) equal to the aggregate principal amount of Debentures optionally redeemed. Any sinking fund payment or payments (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made in cash which shall equal or exceed \$100,000 (or a lesser sum if the Company shall so request) with respect to the Debentures shall be applied by the Company on the Sinking Fund Redemption Date on which such payment is made to the redemption of such Debentures at the Sinking Fund Redemption Price together with accrued interest, if

any, to the applicable Redemption Date. Any sinking fund money not so applied or allocated by the Company to the redemption of the Debentures shall be added to the next cash sinking fund payment segregated and held in trust as provided above for such Debentures and, together with such amount so segregated, shall be applied in accordance with the provisions of this Section 4(b)(i). Any and all sinking fund moneys with respect to the Debentures, segregated and held in trust by the Company, on the last Sinking Fund Redemption Date with respect to Debentures and not held for the payment or redemption of particular Debentures shall be applied by the Company together with other money, if necessary, to be segregated sufficient for the purpose, to the payment of the principal of the Debentures at the Stated Maturity.

(ii) The Debentures are also subject to mandatory redemption from time to time, on notice as set forth below, at 100% of the principal amount thereof (the "382 Redemption Price") together with accrued and unpaid interest to the 382 Redemption Date. The 382 Redemption Date shall be a date as determined and established by the Company, which shall be not more than 90 days following the date on which there shall have occurred a partial expiration of the Warrants as provided in Section 2.11 of the Warrant. The aggregate principal amount of Debentures to be redeemed under this Section 4(b)(ii) shall be equal to \$10,000 multiplied by a number equal to the quotient obtained by dividing (x) the number of Expired Warrant Rights by (y) 2,220; but in no event shall the aggregate principal amount of Debentures required to be redeemed pursuant to this Section 4(b)(ii) exceed \$2,000,000.

*(c) General Provisions Applicable to Redemption.*

(i) The Company shall give written notice of redemption of this Debenture or any portion hereof pursuant to this Section 4, not less than 30 nor more than 60 days prior to the date fixed for such redemption under Section 4(a) or 4(b) hereof ("Redemption Date"). Such notice of redemption shall be given by registered or certified mail to the Holder hereof at its address designated on the register maintained by the Company pursuant to Section 2. All notices of redemption shall state: (1) the Redemption Date, (2) the Redemption Price, (3) if less than all of the outstanding Debentures are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Debentures to be redeemed, (4) that on the Redemption Date the Redemption Price, together with accrued interest to the Redemption Date, will become due and payable upon each such Debenture, and that interest thereon shall cease to accrue from and after said date, (5) the place where such Debentures are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Company and (6) that the redemption is from a sinking fund, if that be the case.

(ii) In the event of any redemption of less than all of the outstanding Debentures, the Company will allocate the principal amount so to be redeemed (but only in units of \$1,000) among the Holders of Debentures in proportion, as nearly as may be, to the respective aggregate principal amount of such Debentures, then outstanding, of which they shall be Holders.

(iii) Upon any redemption of a portion of the principal amount of this Debenture, the Holder hereof, at its option, may require the Company to execute and deliver, at the expense of the Company (other than for stamp, transfer or income taxes, if any), upon surrender of this Debenture, a new Debenture payable to such person or persons, or registered assigns, as may be designated by such Holder, for the principal amount of this Debenture then remaining unpaid, dated as of the date from which unpaid interest has accrued on the unpaid principal amount of this Debenture, or may present this Debenture to the Company for notation hereon of the payment of the portion of the principal amount of this Debenture so redeemed.

(iv) This Debenture or the portion hereof required to be redeemed as provided in Section 4 hereof shall cease to bear interest from and after the Redemption Date and this Debenture or such portion shall not be deemed to be outstanding thereafter unless the Company shall fail to pay this Debenture or such portion, as the case may be, in which event this Debenture or such

portion, as the case may be, shall be deemed to be outstanding and shall bear interest thereafter and until paid at the rate of 12.5% per annum.

(v) The Company shall not redeem any Debentures with sinking fund money or mail any notice of redemption of such Debentures by operation of the sinking fund for such Debenture during the continuance of a default in payment of interest on such Debentures or of any Event of Default (other than an Event of Default occurring as a consequence of this Section) with respect to such Debentures except that if the notice of redemption of any such Debenture shall theretofore have been mailed in accordance with the provisions hereof, the Company shall redeem such Debentures if cash sufficient for that purpose shall be segregated by the Company for that purpose in accordance with the terms of this Section 4. Except as aforesaid, any moneys in the sinking fund for such Debentures at the time when any such default or Event of Default shall occur and any moneys thereafter paid into such sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of such Debentures; *provided, however*, that in case such Event of Default or default shall have been cured or waived as provided herein, such moneys shall thereafter be applied on the next Sinking Fund Redemption Date for such Debentures on which such moneys may be applied pursuant to the provisions of Section 4(b).

5. Covenants. The Company covenants and agrees that:

(a) *Payment of Debentures.* The Company will duly and punctually pay or cause to be paid the principal and interest and the premium, if any, to become due in respect of all of the Debentures according to the terms thereof.

(b) *Restricted Payments.* As long as any of the Debentures are outstanding, the Company shall not, directly or indirectly, pay or declare any cash dividend on any class of its stock or make any other distribution on any class of its stock, or make or permit any of its Subsidiaries to make any redemption, purchase or other acquisition, directly or indirectly (other than redemption of the Debentures as provided in Section 4) of any shares of any class of the Company's stock in excess of an amount equal to the sum of: (i) \$1,000,000, (ii) the net proceeds from the sale by the Company of additional shares of the Common Stock and (iii) 25% of the Consolidated Net Income of the Company for all periods subsequent to March 31, 1988.

(c) *Restriction on Merger and Acquisition.* As long as any of the Debentures are outstanding, the Company shall not consolidate with or merge into any other corporation or convey, transfer or lease substantially as an entirety its properties and assets to any Person, unless:

(i) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety (x) shall be a corporation organized and existing under the laws of any State of the United States of America or the District of Columbia, and (y) shall expressly assume the due and punctual payment of the principal of (and premium, if any) and interest on the Debentures and the performance of every covenant of the Debentures, the Warrants, Registration Rights Agreement and this Agreement on the part of the Company to be performed or observed;

(ii) the Consolidated Tangible Net Worth of such merged or consolidated entity or of such Person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety immediately after such transaction shall be equal to or greater than the Consolidated Tangible Net Worth of the Company immediately prior to such transaction;

(iii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing; and

(iv) the Company shall have delivered to the Holders of the Debentures a certificate signed by an executive officer of the Company stating that such consolidation, merger, conveyance, transfer or lease complies with this Section 5.

Upon any consolidation or merger, or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with this Section 5, the successor corporation formed by such consolidation or into which the Company is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such successor corporation or such Person had been named as the Company herein.

6. Subordination. Payments of principal, premium, if any, and interest in respect of the indebtedness of the Company under the Debentures (such indebtedness being hereinafter called "Subordinated Debt") shall be subordinate and junior in right of payment to all principal and interest of all Senior Debt (as defined in Section 9) of the Company in the manner and with the effect provided below in this Section 6, and each Holder of this Debenture, by its acceptance hereof, agrees to be bound by such subordination.

(a) *Maturity of Senior Debt.* Upon the maturity of any Senior Debt, whether at stated maturity, by acceleration or otherwise, all principal thereof and premium, if any, and interest thereon or any other amounts owing in respect thereof, in each case to the extent due and owing, shall first be paid in full, or such payment duly provided for, before any payment is made on account of the principal of, or interest or premium on, or sinking fund payment, or any amount otherwise owing in respect of the Subordinated Debt.

(b) *Subordination in Event of Insolvency, etc.* In the event of any insolvency, bankruptcy, liquidation, reorganization or other similar proceedings, or any receivership proceedings in connection therewith, relative to the Company, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Company, whether or not involving insolvency or bankruptcy proceedings, then all principal of and interest on all the Senior Debt shall first be paid in full, or such payment shall have been provided for, before any payment on account of principal or interest or sinking fund payment is made by the Company upon the Debentures. In any of the proceedings referred to above, any payment or distribution of any obligations, which may be payable or deliverable in respect of the Debentures shall be paid or delivered directly to the holders of the Senior Debt (or to a banking institution selected by the court or person making the payment or delivery or designated by any holder of Senior Debt) for application in payment thereof in accordance with the priorities then existing among such holders, unless and until all principal of and interest on all the Senior Debt shall have been paid in full, or such payment shall have been provided for; *provided, however,* that:

(i) in the event that payment or delivery by the Company of such cash, property, stock or obligations to the Holders of the Debentures is authorized by an order or decree giving effect, and stating in such order or decree that effect is given, to the subordination of the Debentures to Senior Debt, and made by a court of competent jurisdiction in a reorganization proceeding under any applicable bankruptcy or reorganization law, no payment or delivery by the Company, of such cash, property, stock or obligations payable or deliverable with respect to the Debentures shall be made to the holders of Senior Debt; and

(ii) no such delivery shall be made to holders of Senior Debt of stock or obligations which are issued pursuant to reorganization proceedings or dissolution or liquidation proceedings, or upon any merger, consolidation, sale, lease, transfer or other disposal not prohibited by the provisions of the Purchase Agreement, by the Company, as reorganized, or by the corporation succeeding to the Company, or acquiring its property and assets, if such stock or obligations are subordinate and junior at least to the extent provided in this Section 6(b) to the payment of or in respect of all Senior Debt then outstanding and to the payment of

any stock or obligations which are issued in exchange or substitution for any Senior Debt then outstanding.

(c) *Distributions Held in Trust.* If any payment or distribution of any character, whether in cash, securities or other property, shall be received by any Holder of the Debentures after such Holder has received written notice from the Company or any holder of Senior Debt correctly stating that such payment or distribution would be in contravention of any of the terms of this Section 6 and before all the Senior Debt shall have been paid in full, such payment or distribution shall be received in trust for the benefit of the holders of the Senior Debt at the time outstanding in accordance with the priorities then existing among such holders, and shall be paid over or delivered and transferred to the holders of the Senior Debt.

(d) *Senior Debt Default.* The Company shall not make any payment of principal or interest on, or make any sinking fund payment, or purchase or acquire for value, any of the Debentures, during the continuance of any default in the payment of principal of or premium or interest on any Senior Debt.

(e) *Company's Obligations Unimpaired.* The provisions of this Section 6 are for the purpose of defining the relative rights of the holders of Senior Debt, on the one hand, and the Holders of the Debentures, on the other hand, against the Company and its property, and nothing herein shall impair, as among the Company, its creditors (other than the holders of the Senior Debt) and the Holders of the Debentures, the obligation of the Company, which is unconditional and absolute, to pay to the Holders thereof the principal thereof and premium, if any, and interest thereon in accordance with their terms and the provisions hereof, nor shall anything herein prevent the Holders of the Debentures from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder or under the Debentures, subject to the rights, if any, under this Section 6 of holders of Senior Debt to receive cash, property, stock or obligations otherwise payable or deliverable to the Holders of the Debentures.

(1) *Subrogation.* Upon payment in full of the Senior Debt, the Holders of the Debentures shall be subrogated to the rights of the holders of the Senior Debt to receive payments or distributions of assets of the Company made on the Senior Debt until the principal of and premium, if any, and interest on the Debentures shall be paid in full, and, for the purposes of such subrogation, no payments to the holders of the Senior Debt of any cash, property, stock or obligations to which the Holders of the Debentures would be entitled except for the provisions of Section 6(b)(ii) above shall, as among the Company, its creditors (other than the holders of the Senior Debt) and the Holders of the Debentures, be deemed to be a payment by the Company to or on account of the Senior Debt.

(g) *Subordination Unimpaired.* No right of any present or future holder of the Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act in good faith by any such holder, or by any noncompliance by the Company with the terms, provisions, and covenants of any agreement relating to the Senior Debt, regardless of any knowledge thereof with which any such holder may have or be otherwise charged.

7. Amendment of Debentures. (a) Any term, covenant, agreement or condition of the Debentures may, with the consent of the Company, be amended, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), by one or more substantially concurrent written instruments signed by the Holder or Holders of a majority in aggregate principal amount of the Debentures at the time outstanding; *provided, however,* that

(i) no such amendment or waiver shall (x) reduce the amount of or change the date of final maturity of the principal of any of the Debentures, change the time of payment of, or rate of interest on, any of the Debentures, or reduce the amount of any premium payable upon any prepayment of the Debentures, or modify or waive any of the provisions of Section 4 or Section

5(a) hereof, without the consent of the Holder of each Debenture so affected, or (y) reduce the percentage of Holders of Debentures required to approve any such amendment or effectuate any such waiver, without the consent of the Holders of all the Debentures then outstanding; and

(ii) no such waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon.

(b) Any amendment or waiver pursuant to this Section 7 shall apply equally to all the Holders of the Debentures and shall be binding upon them, upon each future Holder of any Debenture and upon the Company. In the case of an amendment or waiver of the character described in clause (x) of Section 7(a)(i) above, a notation shall be made on each outstanding Debenture, the Holder of which has consented to such amendment or waiver, to indicate that such amendment or waiver has been effected, and the Holder of this Debenture hereby agrees that it shall surrender this Debenture for such notation. In the case of any other amendment or waiver, no notation need be made on the Debentures at the time outstanding, but any Debenture executed and delivered thereafter may, at the option of the Company, bear a notation referring to any such amendment or waiver then in effect.

8. Events of Default. If any one or more of the following events or conditions (herein called "Events of Default") shall happen (for any reason whatever and whether such happening shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) default shall be made in the payment of any portion of the principal of any Debenture, or the premium thereon, if any, when and as the same shall become due and payable, whether at maturity or at a date fixed for redemption or by acceleration or otherwise;

(b) default shall be made in the payment of any installment of interest on any Debenture when and as the same shall become due and payable and such default shall continue for a period of 10 days;

(c) default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of the Company to be observed or performed pursuant to the terms hereof or of the Purchase Agreement and such default shall continue for 30 days after written notice thereof, specifying such default and requesting that the same be remedied, shall have been given to the Company by the Holder of any Debenture;

(d) default by the Company shall occur in respect of any bond, debenture, note or other similar evidence of indebtedness aggregating more than \$100,000 (other than the Debentures) of, or assumed or guaranteed by, the Company, or in respect of any agreement under which such bond, debenture, note or other similar evidence of indebtedness is issued, and such default shall continue for more than the period of grace, if any, specified therein and shall not at the time of declaration of default hereunder be cured or waived;

(e) the Company shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or a voluntary petition or any answer seeking

reorganization in a proceeding under any bankruptcy laws or an answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall by voluntary petition, answer or consent, seek relief under the provisions of any other existing or future bankruptcy or similar law providing for the reorganization or winding up of corporations, or an arrangement, composition, extension or adjustment with its creditors; or the Company or its directors shall take action looking to the dissolution or liquidation of the Company;

(l) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or any substantial part of the property of the Company shall be sequestered, and any such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated for a period of 60 days after the date of entry thereof;

(g) a petition against the Company in a proceeding under any bankruptcy laws or other insolvency laws shall be filed, and such petition shall not have been dismissed within a period of 60 days after such filing, or, in case the approval of such petition by a Court of competent jurisdiction is required, the petition as filed or amended shall be approved by such a court as properly filed or an order for relief shall be entered in respect thereof and such approval or order shall not be withdrawn or the proceeding dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding up of corporations and which may apply to the Company any court of competent jurisdiction shall assume jurisdiction, custody or control of the Company, or any substantial part of its property, and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 60 days;

(h) final judgement for the payment of money in excess of \$100,000 shall be rendered against the Company and the same shall remain undischarged for a period of 60 days during which execution of such judgment shall not be effectively stayed;

then and in any such event and so long as any such event shall be continuing, any Holder or Holders of a majority in aggregate principal amount of the Debentures at the time outstanding may at any time at its or their option, by written notice or notices to the Company, declare all of the Debentures to be due and payable, and, in either of the events specified in subsection (a) or (b) of this Section, the Holder of this Debenture may (by written notice to the Company) declare this Debenture to be due and payable, whereupon in each case the same shall forthwith mature and become due and payable, together with interest accrued thereon, without presentment, demand, protest or future notice, all of which are hereby waived; *provided, however*, that if, at any time after all of the Debentures (or this Debenture) shall have been so declared due and payable and before any judgment or decree for the payment of money due shall have been obtained or entered, the Company shall pay in full all amounts of principal, premium, if any, and interest which shall have become due and payable in respect of the Debentures otherwise than by such declaration, with interest upon all such overdue principal and premium, if any, and the Company shall remedy every other default (whether or not constituting an Event of Default), then the Holders of a majority in aggregate principal amount of the Debentures then outstanding, by written notice to the Company, may but shall not be obligated to waive all Events of Default and rescind and annul such declaration and its consequences: but no such waiver or rescission or annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon. In case of a default in the payment of any principal or premium, if any, or interest on any Debenture, the Company will pay to the Holder thereof such further amount as shall be sufficient to cover the cost and expenses of collection, including without limitation reasonable attorneys' fees, expenses and disbursements.

9. Definitions. For all purposes of the Debentures, unless the context otherwise requires:

*"Commission"* shall mean the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

*"Common Stock"* shall mean the authorized common stock of the Company.

*"Company"* shall have the meaning specified in the opening paragraphs of this Debenture, including any corporation which shall succeed to or assume the obligations of the Company hereunder in compliance with Section 5(c).

*"Consolidated Net Income"* shall mean for any period, the net income of the Company and its Subsidiaries for the period in question (taken as a cumulative whole) after deducting, without duplication, all operating expenses, provisions for all taxes and reserves (including reserves for

deferred income taxes) and all other proper deductions, all determined in accordance with generally accepted accounting principles on a consolidated basis, after eliminating all inter-company items and after deducting portions of income properly attributable to outside minority interests, if any, in Subsidiaries; *provided, however*, that there shall be excluded (a) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period, (b) any deferred credit or amortization thereof from the acquisition of any properties or assets of any Person, (c) any aggregate net income (but not any aggregate net loss) during such period arising from the sale, exchange or other distribution of capital assets (such term to include all fixed assets, whether tangible or intangible, and all securities), (d) any write-up of any assets, (e) any items properly classified as extraordinary in accordance with generally accepted accounting principles, (f) proceeds of life insurance policies to the extent such proceeds exceed premiums paid to maintain such life insurance policies, (g) any income of a Subsidiary of the Company which is unavailable for the payment of dividends, and (h) any gain arising from the acquisition of any securities, or the extinguishment, under generally accepted accounting principles, of any Indebtedness of the Company or any Subsidiary of the Company.

*"Consolidated Tangible Net Worth"* shall mean as of any date of determination, the total Tangible Assets of the Company and its Subsidiaries on a consolidated basis and after eliminating all inter company items, less the total liabilities of the Company and its Subsidiaries on a consolidated basis and after eliminating all inter-company items.

*"Debentures"* shall mean the issue of 11% Subordinated Debentures of the Company described in Section 1 of which this Debenture is a part. *"Debenture"* means one of the Debentures.

*"Events of Default"* shall have the meaning specified in Section 8.

*"Expired Warrant Rights"* shall have the meaning specified in Section 2.11 of the Warrant.

*"Holder"* shall mean the person in whose name such Debenture is registered in the register maintained by the Company pursuant to Section 2.

*"Indebtedness"* shall mean with respect to any Person, all items (except stockholders equity) which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as of the date on which Indebtedness is to be determined.

*"Person"* shall mean a corporation, an association, a partnership, a joint venture, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

*"Purchase Agreement"* shall mean the Securities Purchase Agreement, dated May 10, 1988 between the Company and the Purchasers named therein and providing for the original issuance of the Debentures and the Warrants.

*"Purchasers"* shall mean the purchasers named in the Purchase Agreement.

*"Optional Redemption Price"* shall have the meaning specified in Section 4(a). *"Redemption Date"* shall have the meaning specified in Section 4(c)(i).

*"Redemption Price"* shall mean the applicable Optional Redemption Price, the Sinking Fund Redemption Price or the 382 Redemption Price, as the case may be.

*"Registration Rights Agreement"* shall mean the Registration Rights Agreement, dated May 10, 1988, in the form of Exhibit C to the Purchase Agreement.

*"Securities Act"* shall mean 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.

“*Senior Debt*” shall mean the principal of (and premium, if any) and interest on the following, whether outstanding at the date hereof or hereafter issued, created, incurred or assumed:

(a) any indebtedness of the Company or any Subsidiary, as the case may be, (i) for money borrowed by the Company or any Subsidiary, (ii) for money borrowed by another Person, the repayment of which is guaranteed, directly or indirectly, by the Company or any Subsidiary, (iii) for the payment of the purchase price of property or assets (other than inventory or similar property acquired in the ordinary course of business) purchased by the Company or any Subsidiary (whether such assets are purchased by the Company or any Subsidiary or are purchased by another Person and such payment is guaranteed, directly or indirectly, by the Company or any Subsidiary, as the case may be), whether by purchase, merger, consolidation or otherwise, or (iv) for the payment of money relating to obligations of the Company or any Subsidiary under a lease that is required to be capitalized for financial reporting purposes in accordance with generally accepted accounting principles; and

(b) any renewal, extension or refunding of any indebtedness referred to in clause (a) above; *provided, however*, that Senior Debt shall not include the indebtedness evidenced by the Debentures or any indebtedness or guarantee of the Company or any Subsidiary which by its terms or the terms of the instrument creating or evidencing the same is not declared to be subordinated and junior in right of payment to, or *pari passu* with, the Debentures.

“*Sinking Fund Redemption Date*” shall have the meaning specified in Section 4(b)(i).

“*Sinking Fund Redemption Price*” shall have the meaning specified in Section 4(b)(i).

“*382 Redemption Date*” shall have the meaning specified in Section 4(b)(ii).

“*382 Redemption Price*” shall have the meaning specified in Section 4(b)(ii).

“*Stated Maturity*” shall mean \_\_\_\_\_, 2013.

“*Subordinated Debt*” shall have the meaning specified in Section 6.

“*Subsidiary*” shall mean any corporation of which the Company and/or one or more of its Subsidiaries owns or controls directly or indirectly all of the stock of every class.

“*Tangible Assets*” shall mean all land, buildings, machinery and equipment and leasehold interests and improvements which would be reflected on a consolidated balance sheet of the Company and its consolidated Subsidiaries prepared in accordance with generally accepted accounting principles, excluding (i) all such tangible property located outside the United States of America, (ii) all rights, contracts and other intangible assets of any nature whatsoever and (iii) all inventories and other current assets.

“*Warrants*” shall mean the Warrants issued by the Company pursuant to the Purchase Agreement.

10. Governing Law. This Debenture shall be construed in accordance with the laws of the State of Delaware.

11. Successors and Assigns. All the covenants, stipulations, promises and agreements in the Debentures contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

12. Course of Dealings not a Waiver. No course of dealings between the Company and the Holder hereof shall operate as a waiver of any right of any Holder hereof and no delay on the part of

the Holder hereof in exercising any right hereunder shall so operate.

IN WITNESS WHEREOF, CCX, INC. has caused this Debenture to be signed in its corporate name by one or more of its officers thereunto duly authorized, and to be dated as of the day, month and year first above written.

**CCX, INC.**

By \_\_\_\_\_