

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

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

PIERCE LEAHY CORP

CIK: **1020569** | IRS No.: **232588479** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **10-K405** | Act: **34** | File No.: **001-13045** | Film No.: **99573542**
SIC: **4220** Public warehousing & storage

Business Address
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KING OF PRUSSIA PA 19406
6109928200

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the transition period from _____ to _____

Commission file number 1-13045
PIERCE LEAHY CORP.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporated or organization)

23-2588479
(IRS Employer
Identification No.)

631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA
(Address of Principal executive offices)

19406
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (610) 992-8200

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
Common Stock, \$.01 par value	New York Stock Exchange
11 1/8% Senior Subordinated Notes Due 2006	New York Stock Exchange
9 1/8% Senior Subordinated Notes Due 2007	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes 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

As of March 15, 1999, the aggregate market value of the voting stock held by non-affiliates of the Registrant was \$228,199,848.

As of March 15, 1999, 17,036,581 shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III - Portions of the Registrant's definitive Proxy Statement with respect to the Registrant's 1999 Annual Meeting of Shareholders to be filed no later than 120 days after the end of the Registrant's Fiscal year.

PART I

ITEM 1. BUSINESS.

GENERAL

Pierce Leahy Corp. ("the Company") is the largest hard copy records management company in North America, as measured by cubic feet of records under management. As of March 1, 1999, the Company had approximately 85 million cubic feet of records under management. The Company operates a total of 246 records management facilities of which 200 are in the United States, 38 are in Canada, and eight are in the United Kingdom.

The Company is a full-service provider of records management and related services, enabling customers to outsource their data and records management functions. The Company offers storage for all major media, including paper (which has typically accounted for approximately 95% of the Company's storage revenues), computer tapes, optical discs, microfilm, video tapes and X-rays. In addition, the Company provides next day or same day records retrieval and delivery, allowing customers prompt access to all stored material. The Company also offers other data management services, including customer records management programs, imaging services and records management consulting services, and marketing literature storage and fulfillment services.

The Company serves a diversified group of over 40,000 customer accounts in a variety of industries such as financial services, manufacturing, transportation, healthcare and law. The Company's storage and related services are typically provided pursuant to contracts that include recurring monthly storage fees, which continue until such records are permanently removed (for which the Company charges a fee), and additional charges for services such as retrieval on a per unit basis.

Saved documents, or records, generally fall into two categories: active and inactive. Active records refer to information that is frequently referenced and usually stored on-site by the originator. Inactive records are not needed for frequent access, but must be retained for future reference, legal requirements or regulatory compliance. Inactive records are the principal focus of the records management industry.

ACQUISITION HISTORY AND GROWTH STRATEGY

The Company believes that the consolidation trend occurring in the records management industry will continue and that acquisitions will remain an important part of its growth strategy. During 1998, the Company completed 16 acquisitions, totaling approximately 13.2 million cubic feet of records at the time of acquisition. One of these acquisitions, Comac, was a marketing fulfillment company. Since January 1, 1999, the Company has completed three acquisitions, totaling approximately 1.6 million cubic feet of records at the time of acquisition, including a U.K. based records management company with eight facilities throughout England and Scotland. This acquisition establishes the Company as the fourth largest records management company in the U.K. and represents the Company's first major entrance into the European market.

The following table summarizes certain information for each acquisition since January 1, 1998:

<TABLE>
<CAPTION>

ACQUISITION -----	LOCATION -----	EXISTING/ NEW LOCATION -----	DATE OF ACQUISITION -----
<S>	<C>	<C>	<C>
Automated Record Centres Limited	Toronto	Existing	January 1998
Record Archives Corp.	Houston	Existing	January 1998
DataStor, Inc.	St. Louis	Existing	January 1998
Off-Site Records Management, Inc.	Dallas	Existing	February 1998
DVX, Inc. d/b/a Deliverex of Denver	Denver	Existing	March 1998
Amodio Archives	New Britain, CT	Existing	April 1998
Archivex, Inc.	Canada-various	Existing/New	April 1998
All-Safe Archives, Inc.	Boston	Existing	May 1998
The Records Centre	Detroit	Existing	May 1998
Comac Services, Inc.	US-various	N/A (1)	May 1998
Data Protection Services	Alabama	Existing	June 1998
Kestrel Holdings, Inc.	Dallas & Houston	Existing	July 1998
Bender Records Service	Reno	New	July 1998
Keystone Records Management, Inc.	Harrisburg	New	July 1998
Dallas Secured Records Storage, Inc.	Dallas	Existing	July 1998
Data Management Systems, Ltd.	Halifax	New	July 1998
Allards Record Center	New Hampshire	New	January 1999
Medex Systems Storage, Inc.	Edmonton	Existing	January 1999
DataVault, Limited	U.K.-various	New	February 1999

</TABLE>

(1) Comac is a marketing fulfillment company.

DESCRIPTION OF SERVICES

The Company's records management services are focused on storage, retrieval and data management of hard copy documents.

Storage

Storage revenues were 57% of total revenues during 1998. Nearly all of the Company's storage fees are derived from hard copy storage. During 1998, the Company generated 95% of its storage revenues from hard copy storage and 5% from vault storage for special items such as computer tapes, X-rays, films or other valuable items. Storage charges typically are billed monthly on a per cubic foot basis.

The Company tracks all of its records stored in cartons, from initial pick-up through permanent removal, with the use of its Pierce Leahy User Solution(R) (PLUS(R)) computer system. Bar-coded boxes are packed by the customer and transported by the Company's transportation department to the appropriate facility where they are scanned and placed into storage at the location designated by PLUS(R). At such time, the Company's data input personnel enter the data twice (i.e., double key verifying) to enhance the integrity of the information entered into the system.

The Company offers secure, climate-controlled facilities for the storage of non-paper forms of media such as computer tapes, optical discs, microfilm, video tapes and X-rays. These types of media often require special facilities due to the nature of the records. The Company's storage fees for non-paper media are higher than for typical paper storage. The Company also provides ancillary services for non-paper records in the same manner as it provides for its hard copy storage operations.

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Service and Storage Material Sales

The Company's principal services include adding records to storage, temporary removal of records from storage to support a customer's need to review the files, replacing temporarily removed records and permanent withdrawals from storage or destruction of records. Pick-up and delivery of customer records can be tailored to a customer's specific needs and range from standard service (typically requests received by 10:30 a.m. are delivered or picked up that afternoon and requests received by 3:30 p.m. are delivered or picked up the next day) to emergency service (typically within three hours or less). Pick-up and delivery operations are supported by the Company's fleet of over 500 owned or leased vehicles. The Company charges for pick-up and delivery services on a per-unit basis depending on the immediacy of delivery requested.

A small percentage of the Company's customers manage their records on a file by file basis, allowing the customer direct access and traceability of a specific file (rather than on a box by box basis). The Company provides data entry services to such customers to input the file by file listings into the PLUS(R) system.

The Company also offers a records destruction service, which provides customers with a secure, controlled program to periodically review and remove records which no longer need to be retained. Although boxes destroyed no longer generate monthly storage fees, the Company charges for the destruction of records and increases its available shelving space as a result.

In addition to providing traditional storage, customers may contract with the Company to manage their on-site records or file services center. Such management services generally include providing Company personnel to manage the customer's active files (including records storage and tracking) at the customer's facilities, supplemented by off-site storage at the Company's facilities. As part of this service, the Company can use its own specifically developed PLUSLink(R) active file room management software, or the customer's existing system. The Company also provides consulting and other services on an individualized basis, including advisory work for customers setting up in-house records management systems. In addition, the Company sells cardboard boxes and other storage containers to its customers.

The Company offers marketing literature storage and fulfillment services through its Comac Services division, which was acquired in May 1998. This division stores customer marketing literature and delivers this material to sales offices, trade shows, and prospective customers' sites based on current and prospective customer orders. Comac also assembles custom marketing packages, and orders, manages, and provides detailed reporting on customer marketing literature inventories.

RECORDS STORAGE CUSTOMER SERVICE

In North America, customer calls are routed into one of the Company's two centralized customer service departments located in the Company's U.S. and Canadian corporate headquarters. Corporate headquarters service departments are staffed and can receive customer calls 24 hours a day, seven days a week.

Routine pick-up and delivery requests are dispatched directly by customer service representatives to local facilities as directed by PLUS(R). Customers in the U.K. continue to be serviced by each of the Datavault operation centers.

As a complement to its centralized customer service departments, the Company provides client service representatives to work with existing customers at the local level. In addition to maintaining personal contacts with customers, the local client service representatives help meet the Company's customers' changing records management needs through advice in efficient record keeping procedures, and, when appropriate, by offering the sale of additional services.

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MANAGEMENT INFORMATION SYSTEMS

The Company believes that PLUS(R), its core management information system, is the most sophisticated records management system in the industry, and provides the Company with a significant customer service and cost advantage in attracting and retaining major accounts with records storage needs in multiple locations and in acquiring other records management companies. PLUS(R) utilizes modern database technology, proprietary software and extensive bar coding in a flexible, enterprise-wide, client/server environment that allows customers and Company employees real time access to a common shared database of information. The Company's centralized customer service and billing functions eliminate the need for redundant functions at individual facilities. In addition, the PLUS(R) system enables the Company to offer its customers full life cycle records management, from file creation to destruction, and coordinates inventory control, order entry, billing, material sales, service activity, and customer and management reporting on a centralized basis.

Pierce Leahy has developed an integrated set of state-of-the-art information technology systems around its core PLUS(R) system to support all major aspects of its customers' records management needs. These include:

- . PLUSWeb(R) - Provides customers with a fully interactive, real time, web-based means to access their off-site records management information maintained within the PLUS(R) system. With its user-friendly graphical user interface, customers can perform inventory research, order entry and order status inquiry, input new boxes and files to be transmitted, maintain and modify descriptive information on their inventory, and conduct online invoice inquiries.
- . PLUSConnect(R) - Provides larger customers with their own records management systems, and the ability to place orders from directly within their own system. Customers' orders are electronically transmitted to Pierce Leahy without further human intervention via the Internet or other communications network.
- . PLUSLink(R) - Where Pierce Leahy manages customers' on-site, active file rooms, PLUSLink(R) extends PLUS(R)'s off-site records management capabilities into customers' active file rooms. It is designed around Pierce Leahy's workflow and business process methods.
- . Web Order Form - For smaller customers not requiring inventory research or more extensive interaction with the PLUS(R) system, the web order form provides a convenient and easy to use means of quickly placing an order without having to make a telephone call or send a fax.

SALES AND MARKETING

During the past five years, the Company has invested significant effort in developing its records storage sales and marketing department, which currently has approximately 130 employees in the United States and 27 employees in Canada. Sales representatives are trained to sell a "total systems approach," in which a customer's records management requirements are surveyed and evaluated in order to determine the file management system which best meets the customer's needs and to offer recommendations on how to implement such a system.

The Company's U.S. sales and marketing department is divided into groups that report to the Company's Vice President, Sales and Marketing. Two Canadian sales managers report to a National Sales Director who reports to the President, Pierce Leahy Canada. The Company's sales force is divided between sales representatives who focus on large accounts which frequently have operations in multiple cities and a group of sales representatives who focus on smaller, single market customers. In addition the Company has a dedicated healthcare sales organization. The sales force is primarily compensated on a commission basis with incentives tied to the Company's sales goals. The Company also uses telemarketing, direct response and print advertising to assist in its marketing programs.

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CUSTOMERS

The Company serves a diversified group of over 40,000 customer accounts in a variety of industries, including financial services, manufacturing, transportation, healthcare and law. The Company tracks customer accounts, which are based on invoices. Accordingly, depending on how invoices have been arranged at the request of a customer, one customer may have multiple customer accounts. None of the Company's customers accounted for more than 2% of the Company's total revenues during 1998. The Company services all types of customers from small to medium size companies (such as professional groups and law firms that often have one location) to Fortune 500 companies that have operations in multiple locations.

The Company's contracts with larger, typically multi-location customers usually provide for an initial term of five or more years, and contracts with other customers typically provide for initial terms of one or two years. Both types of contracts generally have annual renewals after the initial term (with either party having the right to terminate the contract). Customers are generally charged monthly storage fees until their records are destroyed or permanently removed, for which fees are charged.

COMPETITION

The Company competes with numerous records management companies in all geographic areas in which it operates. The Company believes that competition for customers is based on price, reputation for reliability, quality of service and scope and scale of technology, and believes that it generally competes effectively based on these factors. Management believes that, except for Iron Mountain Incorporated, all of the Company's competitors in North America have records management revenues significantly lower than those of the Company. The Company believes that the trend towards consolidation in the industry will continue and the Company also faces competition in identifying attractive acquisition candidates. In addition, the Company faces competition from the internal document handling capability of its current and potential customers.

The substantial majority of the Company's revenues are derived from the storage of paper records and from related services. Alternative technologies for generating, capturing, managing, transmitting and storing information have been developed, many of which require significantly less space than paper. Such technologies include computer media, microforms, audio/video tape, film, CD-ROM and optical disc. Management believes that conversion of paper documents into these storage media is currently not cost effective for inactive records, primarily due to the higher labor cost of preparing and converting the documents for imaging, indexing the images for subsequent retrieval, and ensuring that all the documents were imaged legibly.

EMPLOYEES

As of December 31, 1998, the Company had 3,263 employees, including 675 employees in Canada. Approximately 65 employees of Archivex, Limited in Canada are covered by a collective bargaining agreement. Management considers its employee relations to be good.

INSURANCE

The Company carries comprehensive property insurance covering replacement costs of real and personal property. Subject to certain limitations and deductibles, such policies also cover extraordinary expenses associated with business interruption and damage or loss from fire, flood or earthquakes (in certain geographic areas), and losses at the Company's facilities up to approximately \$600 million, in the aggregate.

ENVIRONMENTAL MATTERS

The Company's properties and operations past or present, may be subject to liability under various environmental laws, regardless of fault, for the investigation, removal or remediation of soil or groundwater, on or off-site, resulting from the release or threatened release of hazardous materials, as well as damages to natural resources. The past or present owner or operator of contaminated property may also be subject to claims for damages and remediation costs from third parties based upon the migration of any hazardous materials to other properties.

At certain of the properties owned or leased by the Company, petroleum products or other hazardous materials are or were stored in underground storage tanks ("USTs"). Some formerly used USTs have been removed; others were abandoned in place. The Company believes all of the USTs are registered, where required under applicable law. The Company also is aware of the presence in some of its facilities of asbestos-containing materials, but believes that no action is presently required to be taken as a result of such materials.

At the Company's New Jersey facility, certain contamination has been discovered resulting from operations of the prior owner thereof. The prior owner, which has agreed to be responsible for the cost of such remediation, is completing remediation of the property under a consent order with the New Jersey Department of Environmental Protection ("NJDEP"). The prior owner has posted a \$1.1 million letter of credit with the NJDEP. The Company has purchased an environmental liability insurance policy covering the cleanup costs to the Company, if any, resulting from any on- or off-site environmental condition at the facility existing at the time of its acquisition by the Company, with a \$500,000 deductible and policy limits of \$4 million per occurrence/\$8 million in the aggregate, provided the claim first arises during the term of the policy, which extends through August 10, 2003.

The Company has not received any written notice from any governmental authority or third party asserting, and is not otherwise aware of, any material noncompliance, liability or claim under environmental laws applicable to the Company other than as described above. No assurance can be given that there are no environmental conditions for which the Company may be liable in the future or that future regulatory action, or compliance with future environmental laws, will not require the Company to incur costs that could have a material adverse effect on the Company's financial condition or results of operations.

ITEM 2. PROPERTIES.

As of March 1, 1999, the Company operated a total of 246 records management facilities of which 200 are in the United States, 38 are in Canada and eight are in the U.K. Of the 17.2 million square feet of floor space (representing over 115.1 million cubic feet of storage capacity) in the Company's records facilities, approximately 35% and 65% (37% and 63% on a cubic footage basis) are in owned and leased facilities, respectively. The Company's facilities are located as follows:

<TABLE>
<CAPTION>

Region -----	Records Management Facilities	Cubic Feet of Capacity
<S>	<C>	<C>
United States		
Southern Region..... (Includes: Alabama, Florida, Georgia, Kentucky, Louisiana, North Carolina, Tennessee, and Virginia)	29	12.2 million
Northern Region..... (Includes: Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, and Pennsylvania)	60	42.0 million
Midwest Region..... (Includes: Colorado, Illinois, Indiana, Michigan, Minnesota, Missouri, New Mexico, Oklahoma, and Texas)	82	32.7 million
Western Region..... (Includes: Arizona, California, Nevada, Utah, and Washington)	29	9.1 million
Total U.S.	200	96.0 million
Canada..... (Includes: Calgary, Edmonton, Halifax, Montreal, Ottawa, Toronto, Vancouver, and Winnipeg)	38	17.0 million
United Kingdom	8	2.1 million
(Includes: Bristol, Edinburgh, Glasgow, Kemble, London, Manchester, and Reading)		
Total	246	115.1 million

</TABLE>

September 30, 1997	\$29 5/16	\$23 9/16
December 31, 1997	\$31 1/16	\$15 7/16
March 31, 1998	\$27	\$20 3/8
June 30, 1998	\$28 7/8	\$23 1/4
September 30, 1998	\$25 7/8	\$16 3/4
December 31, 1998	\$26	\$17 5/8

HOLDERS OF RECORD

Based on requests for proxy materials, the Company believes there are approximately 2,400 holders of the Common Stock.

DIVIDENDS

Since the Company's initial public offering of Common Stock in July 1997, the Company has not paid any cash dividends on its Common Stock and does not anticipate paying any cash dividends on its Common Stock in the foreseeable future. The Company intends to retain any future earnings for use in its business. Additionally, the Company's ability to pay cash dividends is limited by the terms of its senior subordinated notes and its credit facility.

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ITEM 6. SELECTED FINANCIAL DATA

	YEAR ENDED DECEMBER 31,				
	(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)				
	1998	1997	1996	1995	1994
<TABLE>					
<CAPTION>					
<S>					
STATEMENT OF OPERATIONS DATA:					
Revenues					
Storage	\$153,533	\$107,879	\$ 75,900	\$ 55,501	\$ 47,123
Service and storage material sales	116,767	75,638	53,848	39,895	35,513
Total Revenues	270,300	183,517	129,748	95,396	82,636
Cost of sales, excluding depreciation and amortization	154,435	101,940	73,870	55,616	49,402
Selling, general & administrative	36,994	30,070	20,007	16,148	15,882
Depreciation & amortization	35,772	21,528	12,869	8,163	8,436
Special compensation charge	-	1,752	-	-	-
Foreign currency exchange	7,907	702	-	-	-
Consulting payments to related parties	-	-	-	500	500
Non-recurring charge	-	-	3,254	-	-
Operating income	35,192	27,525	19,748	14,969	8,416
Interest expense	42,864	29,262	17,225	9,622	7,216
Income (loss) before income taxes and extraordinary charge	(7,672)	(1,737)	2,523	5,347	1,200
Income taxes	3,318	7,424	-	-	-
Extraordinary Charge	-	6,036	2,015	3,279	5,991
Net Income (loss)	(10,990)	(15,197)	508	2,068	(4,791)
Accretion of redeemable warrants	-	-	1,561	889	16
Net Income (loss) applicable to Common Shareholders	\$ (10,990)	\$ (15,197)	\$ (1,053)	\$ 1,179	\$ (4,807)
BASIC AND DILUTED EARNINGS PER COMMON SHARE					
Income (loss) before extraordinary charge	\$ (0.65)	\$ (0.69)	\$ 0.09	\$ 0.41	\$ 0.18
Extraordinary charge	-	(0.45)	(0.19)	(0.30)	(0.56)
Basic and diluted net income (loss) per Common Share	\$ (0.65)	\$ (1.14)	\$ (0.10)	\$ 0.11	\$ (0.38)
Shares used in computing basic net income (loss) per Common share	16,805	13,385	10,547	10,591	10,591
Shares used in computing diluted net income (loss) per Common share	16,805	13,385	10,631	10,890	10,888

Pro forma Data (unaudited):

Pro forma net loss applicable to Common Shareholders \$ (9,225)

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Pro forma basic and diluted net loss per Common share:

Loss before extraordinary charge \$ (0.24)

Extraordinary charge (0.45)

=====

Pro forma basic and diluted net loss per Common share \$ (0.69)

=====

Shares used in computing pro forma basic and diluted net loss per Common share

13,385

=====

OTHER DATA:

EBITDA (a)	\$ 78,871	\$ 51,507	\$ 35,871	\$ 23,632	\$ 17,352
EBITDA margin	29.2%	28.1%	27.6%	24.8%	21.0%
EBITDA per basic share	\$ 4.69	\$ 3.85	\$ 3.40	\$ 2.23	\$ 1.64

BALANCE SHEET DATA:

Working capital deficit	\$ (16,147)	\$ (12,906)	\$ (23,933)	\$ (8,139)	\$ (5,202)
Total assets	666,458	394,713	234,820	131,328	79,746
Total debt (including redeemable warrants)	518,111	279,197	217,423	120,071	77,683
Shareholders' equity (deficit)	63,095	59,323	(25,438)	(18,201)	(19,341)

</TABLE>

(a) Earnings before interest, taxes, depreciation and amortization, extraordinary charge, non-recurring charges, special compensation charge, consulting payments to related parties, and foreign currency exchange (EBITDA)

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

RESULTS OF OPERATIONS.

GENERAL

The Company is the largest hard copy records management company in North America, as measured by cubic feet of records currently under management. The Company's operations date to 1957 when its predecessor company, L.W. Pierce Co., Inc., was founded to provide filing systems and related equipment to companies in the Philadelphia area. The Company expanded primarily through internal growth until 1990, when it acquired Leahy Business Archives, which effectively doubled its size. Since 1992, the Company has pursued an expansion strategy combining growth from new and existing customers with the completion and successful integration of 59 acquisitions through 1998 and the completion of two acquisitions in January 1999 and one in February 1999.

The Company's income (loss) was \$(11.0) million, \$(15.2) million, and \$.5 million in 1998, 1997 and 1996, respectively. Although the Company's operating income has increased over the three years, net income (loss) has fluctuated as a result of increases in interest expense, goodwill amortization from purchase accounting, income taxes related to the termination of the Company's status as a Subchapter S corporation, foreign currency exchange gains and losses, and extraordinary charges related to the early extinguishment of debt due to refinancings in 1997 and 1996.

Another tool for measuring the performance of records management companies is EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization, extraordinary charge, non-recurring charges, special compensation charge and foreign currency exchange. Substantially all of the Company's financing agreements, including its 11 1/8% Senior Subordinated Notes due 2006 ("1996 Notes"), its 9 1/8% Senior Subordinated Notes due 2007 ("1997 Notes"), and the 8 1/8% Senior Notes due 2008 issued by the Company's principal Canadian Subsidiary, Pierce Leahy Command Company ("Command") ("1998 Notes"; and collectively, the "Notes"), contain covenants in which EBITDA is used as a measure of financial performance. However, EBITDA should not be considered an alternative to operating or net income (as determined in accordance with generally accepted accounting principles ("GAAP")), as an indicator of the Company's performance or to cash flow from operations (as determined in accordance with GAAP) as a measure of liquidity. Moreover, the use of EBITDA by the Company may not be comparable to similarly titled measures as reported by other companies.

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The following table illustrates the growth in stored cubic feet from new and existing customers, and acquisitions from 1994 through 1998:

NET ADDITIONS OF CUBIC FEET OF STORAGE BY CATEGORY

	YEAR ENDED DECEMBER 31,				
	1998	1997	1996	1995	1994
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Additions of Cubic Feet:					
New and Existing Customer Accounts	9,528	8,170	3,956	2,740	2,695
Acquisitions.....	13,150	10,285	6,931	4,623	440
Total.....	22,678	18,455	10,887	7,363	3,135
% Increase From:					
New and Existing Customer Accounts	16%	20%	13%	12%	14%
Acquisitions.....	23%	26%	24%	21%	2%
Total.....	39%	46%	37%	33%	16%
Cubic Feet Under Management:					
Beginning of Period.....	58,865	40,410	29,523	22,160	19,025
End of Period.....	81,543	58,865	40,410	29,523	22,160

</TABLE>

Revenues

The Company's revenues consist of storage revenues (56.8% of total revenues in 1998), and related service and storage material sales revenues (43.2% of total revenues in 1998). The Company provides records storage and related services under annual or multi-year contracts that typically provide for recurring monthly storage fees which continue until such records are permanently removed (for which the Company charges a service fee) and service charges based on activity with respect to such records.

The increase in the Company's total revenues from 1997 to 1998 includes \$9 million of revenue from the marketing literature storage and fulfillment business acquired during 1998. With respect to records management, the Company's total revenue per average cubic foot has declined from 1996 to 1998. The decline is principally attributable to (i) increases in sales to large volume accounts under long-term contracts with discounted rates, which generate lower revenue per cubic foot, but typically generate increased operating income, (ii) renegotiation of contracts with existing customers to provide for longer term contracts at lower rates, and (iii) competition.

Operating Expenses and Productivity

Operating expenses consist primarily of cost of sales, selling, general and administrative expenses, and depreciation and amortization. Cost of sales are comprised mainly of wages and benefits, facility occupancy costs, equipment costs and supplies. The major components of selling, general and administrative expenses are management, administrative, marketing and data processing wages and benefits and also include travel, communication and data processing expenses, professional fees and office expenses.

The Company's depreciation and amortization charges result primarily from the capital-intensive nature of its business and the completed acquisitions. The principal components of depreciation relate to shelving, buildings and improvements, and data processing equipment. Amortization primarily relates to the amortization of intangible assets associated with acquisitions, including goodwill, and the amortization of client acquisition costs. The Company has accounted for all of its acquisitions under the purchase method except for two small acquisitions in 1997, which were accounted for under the pooling of interests method. Since the purchase price for records management companies is substantially in excess of the fair market value of their assets, these purchases have given rise to significant goodwill and, accordingly, significant levels of amortization. Although amortization is a non-cash charge, it does impact reported net income (loss).

Capital Expenditures and Client Acquisition Costs

The majority of the Company's capital expenditures are related to expansion. The largest single component is the purchase of shelving, which is directly related to the addition of new records. Shelving has a relatively long life and rarely needs to be replaced. Most of the Company's storage facilities (both in number and square feet) are leased, but the Company does purchase facilities on an opportunistic basis. The Company's data processing capital expenditures are also largely related to growth.

The Company often incurs client acquisition costs, primarily sales commissions and move-in costs. Client acquisition costs are capitalized and amortized over

six years, which is the average initial contract term of new customer accounts. In 1998, the Company incurred \$10.9 million of client acquisition costs or approximately \$1.88 per cubic foot of client records moved in from new clients. Amortization of client acquisition costs amounted to \$5.2 million in 1998.

Extraordinary Charge

To provide capital to fund its growth oriented business strategy, the Company has incurred substantial indebtedness. The Company has completed several expansions of its credit facilities, primarily utilizing bank debt, which have resulted in one-time charges, including the repurchase of warrants and the write-off of deferred financing costs, of \$6.0 million and \$2.0 million in 1997 and 1996, respectively.

Year 2000 Compliance

The Company uses a number of computer software programs and systems in its operations, including the PLUS(R) system and embedded systems contained in the Company's buildings, plant, equipment and other infrastructure. The Company has developed a plan designed to make its systems compliant with the requirements to process transactions in the year 2000. Review of the Company's core PLUS(R) system databases and programs has been performed and code modifications and testing were completed in July 1998. The Company's internal financial accounting system was upgraded to a vendor certified year 2000 compliant version in December 1998. The Company is also working with its other internal information systems, network service providers, and other key vendors to ensure overall year 2000 readiness. The Company estimates that its remediation costs incurred to date in achieving Year 2000 compliance, including the replacement of non-compliant systems, software modifications and validation, have been approximately \$325,000. In addition, the Company estimates the cost to complete its Year 2000 evaluation, remediation and validation of all systems will approximate an additional \$25,000. Funding for costs incurred to date has come from cash flows from operations, and future costs are expected to be funded in a similar manner. The Company has not deferred any significant system projects due to its Year 2000 efforts.

Foreign Operations

The Company's expansion plans have included markets outside of the United States. At December 31, 1998, 13% of the Company's revenues and 11% of the Company's EBITDA were derived from, and 19% of the Company's total assets were employed in, operations located in 38 facilities throughout Canada. In February 1999, the Company acquired Datavault, Limited, a records management company with eight facilities throughout the United Kingdom. In addition, the Company has established joint ventures with other records management companies in Chile, Peru, India, and the Netherlands.

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Results of Operations

The following table sets forth, for the periods indicated, information derived from the Company's consolidated statements of operations, expressed as a percentage of revenue. There can be no assurance that the trends in revenue growth or operating results shown below will continue in the future.

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1998	1997	1996
	----	----	----
<S>	<C>	<C>	<C>
REVENUES:			
Storage	56.8%	58.8%	58.5%
Service and storage material sales	43.2%	41.2%	41.5%
	-----	-----	-----
Total revenues	100.0%	100.0%	100.0%
OPERATING EXPENSES:			
Cost of sales, excluding depreciation and amortization	57.1%	55.5%	57.0%
Selling, general and administrative	13.7%	16.4%	15.4%
Depreciation and amortization	13.2%	11.7%	9.9%
Special compensation charge	0.0%	1.0%	0.0%
Foreign currency exchange	2.9%	0.4%	0.0%
Non-recurring charge	0.0%	0.0%	2.5%
	-----	-----	-----
Total operating expenses	86.9%	85.0%	84.8%
Operating income	13.1%	15.0%	15.2%
INTEREST EXPENSE	15.9%	15.9%	13.3%

Income (loss) before income taxes and extraordinary item	(2.8%)	(0.9%)	1.9%
INCOME TAXES	1.2%	4.1%	0.0%
Income (loss) before extraordinary charge	(4.0%)	(5.0%)	1.9%
EXTRAORDINARY ITEM-loss on early extinguishment of debt, net of \$4,014 tax benefit in 1997 and none in 1996	0.0%	3.3%	1.5%
NET INCOME (LOSS)	(4.0%)	(8.3%)	0.4%
EBITDA	29.2%	28.1%	27.6%

</TABLE>

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Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

Total revenues increased from \$183.5 million in 1997 to \$270.3 million in 1998, an increase of \$86.8 million or 47.3%. Revenues from acquisitions represented \$60.4 million of this increase. Approximately \$26.4 million of the total revenue growth resulted from sales to new customers and increases in cubic feet stored from existing customers, a base business revenue growth of approximately 14.4% year over year.

Storage revenues increased from \$107.9 million in 1997 to \$153.5 million in 1998, an increase of \$45.6 million or 42.3%. Service and storage material sales revenues increased from \$75.6 million in 1997 to \$116.8 million in 1998, an increase of \$41.2 million or 54.4%, in part due to \$8.0 million of service revenues derived from the marketing literature storage and fulfillment business acquired during 1998.

Cost of sales (excluding depreciation and amortization) increased from \$101.9 million in 1997 to \$154.4 million in 1998, an increase of \$52.5 million or 51.5%, and, increased as a percentage of total revenues from 55.5% in 1997 to 57.1% in 1998. The increase in dollars resulted primarily from an additional number of employees and an increase in facility occupancy costs resulting from the growth in cubic feet stored from existing customers and acquisitions. The increase as a percentage of total revenues resulted primarily from increased cost of sales from acquisitions not yet integrated into the Company's PLUS(R) system.

Selling, general and administrative expenses increased from \$30.1 million in 1997 to \$37.0 million in 1998, an increase of \$6.9 million or 23.0%, but decreased as a percentage of total revenues from 16.4% in 1997 to 13.7% in 1998. The dollar increase was primarily attributable to increases in staffing, including increases in sales personnel and administrative staff. The decrease as a percentage of total revenues was attributable to economies realized from administrative efficiencies of operating in a centralized manner.

Depreciation and amortization expenses increased from \$21.5 million in 1997 to \$35.8 million in 1998, an increase of \$14.3 million or 66.2%, and increased as a percentage of total revenues from 11.7% in 1997 to 13.2% in 1998. The increase in both dollars and percentage of total revenues was primarily attributable to the additional depreciation and amortization expense related to the 16 acquisitions completed during 1998, to capital expenditures for shelving, buildings, improvements to records management facilities and information systems, and to client acquisition costs.

A special compensation charge of \$1.8 million was incurred during 1997. This charge relates to the write-off of the unamortized compensation expense due to the acceleration of the vesting of stock options granted on January 1, 1997 in conjunction with the Company's initial public offering of Common Stock.

The Company had a foreign currency exchange loss for the year ended December 31, 1998 of \$7.9 million (2.9% of total revenues) as compared to a loss of \$0.7 million (0.4% of total revenues) for the year ended December 31, 1997. The increase in the foreign currency exchange loss is primarily due to a decrease in the value of the Canadian dollar compared to the U.S. dollar. This movement affects U.S. dollar denominated liabilities of the Company's Canadian subsidiaries, primarily the \$135.0 million principal amount of the 1998 Notes issued by Pierce Leahy Command Company, a Canadian Subsidiary of the Company ("Command").

Interest expense increased from \$29.3 million in 1997 to \$42.9 million in 1998, an increase of \$13.6 million or 46.5%. The increase was primarily attributable to increased indebtedness related to financing acquisitions and capital expenditures.

As a result of the foregoing factors, the Company had a loss before income taxes and extraordinary charge of \$7.7 million (2.8% of revenues) for 1998, as compared to a loss before income taxes and extraordinary charge of \$1.7 million

The Company recorded an extraordinary charge of \$6.0 million (3.3% of total revenues) in 1997 which related to the early extinguishment of debt as a result of refinancing and expanding its existing credit agreement in 1997. The \$6.0 million extraordinary charge is net of a tax benefit of \$4.0 million.

The Company recorded a provision for income taxes of \$7.4 million (or 4.1% of revenues) for 1997 and a provision for income taxes of \$3.3 million (or 1.2% of revenues) for 1998. For 1997, these taxes were comprised of the tax effect from the termination of the Company's Subchapter S corporation status (\$6.6 million) and the provision for the results of operations after the termination of its status as a S corporation on July 1, 1997 (\$0.8 million).

As a result of the foregoing items, the Company had a net loss of \$11.0 million for 1998 and a net loss of \$15.2 million for 1997.

EBITDA increased from \$51.5 million in 1997 to \$78.9 million in 1998, an increase of \$27.4 million or 53.1%, and increased as a percentage of total revenues from 28.1% in 1997 to 29.2% in 1998. The increase as a percentage of the total revenues reflected growth in the Company's business, economies of scale and increased operating efficiencies.

Year Ended December 31, 1997 Compared to Year Ended December 31, 1996

Total revenues increased from \$129.7 million in 1996 to \$183.5 million in 1997, an increase of \$53.8 million or 41.4%. Revenues from acquisitions represented \$34.9 million or 64.9% of this increase. Approximately \$18.9 million of the total revenue growth resulted from sales to new customers and increases in cubic feet stored from existing customers, a base business revenue growth of approximately 16% year over year.

Storage revenues increased from \$75.9 million in 1996 to \$107.9 million in 1997, an increase of \$32.0 million or 42.1%. Service and storage material sales revenues increased from \$53.8 million in 1996 to \$75.6 million in 1997, an increase of \$21.8 million or 40.5%.

Cost of sales (excluding depreciation and amortization) increased from \$73.9 million in 1996 to \$101.9 million in 1997, an increase of \$28.1 million or 38.0%, but decreased as a percentage of total revenues from 57.0% in 1996 to 55.5% in 1997. The \$28.1 million increase was due primarily to increases in wages and benefits resulting from an increased number of employees and to increases in facility occupancy costs resulting from an increase in cubic feet associated with the growth in business and entry into 14 new markets during 1997. Capacity utilization is generally lower in new markets than in existing markets. The decrease as a percentage of total revenue was due primarily to increased labor operating efficiencies.

Selling, general and administrative expenses increased from \$20.0 million in 1996 to \$30.1 million in 1997, an increase of \$10.1 million or 50.3%, and increased as a percentage of total revenues from 15.4% in 1996 to 16.4% in 1997. The increase as a percentage of total revenues was due to increases in sales personnel and training costs associated with the increased staff, enhancements to the PLUS(R) computer system, and temporarily carrying duplicate administrative costs from recent acquisitions.

Depreciation and amortization expenses increased from \$12.9 million in 1996 to \$21.5 million in 1997, an increase of \$8.7 million or 67.3%, and increased as a percentage of total revenues from 9.9% in 1996 to 11.7% in 1997. This increase was the result of increased capital expenditures for shelving, building, and improvements to record management facilities and information systems and the amortization of goodwill from the Company's acquisitions and client acquisition costs.

The Company incurred non-recurring charges of \$3.3 million, or 2.5% of total revenues, in 1996 in connection with the assumption of leasehold interests in certain facilities from affiliated parties completed in connection with the sale of the 1996 Notes and with the establishment of a pension for Leo W. Pierce, Sr.

A special compensation charge of \$1.8 million was incurred during 1997. This charge relates to the write-off of the unamortized compensation expense due to the acceleration of the vesting of stock options granted on January 1, 1997 in conjunction with the Company's initial public offering of Common Stock.

The Company incurred a foreign currency exchange adjustment during 1997 of \$0.7 million during which time the Company had an intercompany loan with its Canadian subsidiary. This exchange adjustment was directly related to the decrease in the Canadian dollar to U.S. dollar exchange rate during the last quarter of

1997.

Interest expense increased from \$17.2 million in 1996 to \$29.3 million in 1997, an increase of \$12.0 million or 69.9%. The increase was primarily attributable to increased indebtedness related to financing acquisitions and capital expenditures, as well as the higher interest rate on the 1997 Notes issued in July 1997 and a full year of interest expense on the 1996 Notes compared to the bank debt repaid upon the issuance of the 1997 Notes and 1996 Notes. Interest expense was also affected by the proceeds of the Company's initial public stock offering.

As a result of the foregoing factors, the Company had a loss before income taxes and extraordinary charge of \$1.7 million (0.9% of revenues) for 1997 compared to income of \$2.5 million (1.9% of revenues) in 1996.

The Company recorded a provision for income taxes of \$7.4 million (or 4.1% of revenues) for 1997. These taxes were comprised of the tax effect from the termination of the Company's Subchapter S corporation status (\$6.6 million) and the provision for the results of operations after the termination of its status as a S corporation on July 1, 1997 (\$0.8 million). There was no provision for income taxes in the year ended 1996 since the Company operated as a Subchapter S corporation during the period.

The Company recorded extraordinary charges of \$6.0 million in 1997 and \$2.0 million in 1996 related to the early extinguishment of debt as a result of refinancing and expanding its existing credit agreement in 1997 and 1996.

As a result of the foregoing items, the Company had a net loss of \$15.2 million and net income of \$0.5 million for 1997 and 1996, respectively.

EBITDA increased from \$35.9 million in 1996 to \$51.5 million in 1997, an increase of \$15.6 million or 43.6%, and increased as a percentage of total revenues from 27.6% in 1996 to 28.1% in 1997. The increase as a percentage of the total revenues reflected growth in the Company's business, economies of scale and increased operating efficiencies.

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LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of capital have been cash flows from operations and borrowings under various revolving credit facilities and other senior indebtedness. Historically, the Company's primary uses of capital have been for acquisitions, capital expenditures and client acquisition costs.

Capital Investments

For 1998, 1997, and 1996, capital expenditures were \$48.6 million, \$35.4 million, and \$23.5 million, respectively, and client acquisition costs were \$10.9 million, \$10.6 million, and \$6.5 million, respectively. In 1999, the Company expects its aggregate capital expenditures will approximate \$52 million. Over 85% of 1999 capital expenditures are anticipated to be growth related, primarily shelving for new client records.

Acquisitions

In order to take advantage of the operating efficiencies of the PLUS(R) computer system and the opportunities presented by the consolidation undergoing in the records management industry, the Company has actively pursued acquisitions since the beginning of 1994, which has significantly impacted liquidity and capital resources. In 1998, the Company completed 16 acquisitions for an aggregate purchase price of \$204.1 million, consisting of \$186.5 million in net cash, 548,262 shares of Common Stock with a deemed value of \$14.4 million and \$3.2 million in Seller notes. During 1998, Pierce Leahy Command Company issued \$135 million principal amount of 1998 Notes, a portion of which was used to finance the acquisition of Archivex, Ltd., a Canadian records management company. The 1998 Notes are guaranteed by the Company on a senior subordinated basis. Since the beginning of 1999, the Company has completed three acquisitions for an aggregate purchase price of approximately \$42.1 million, consisting of \$23.4 million in net cash and \$18.7 million in Seller notes. The most significant of these acquisitions was Datavault, Limited, a U.K. based records management company with operations in seven markets throughout England and Scotland. This acquisition was financed by borrowings under the Company's credit facility and the issuance of Seller notes. The Company has historically financed its acquisitions with borrowings under its credit facilities and with cash flows from existing operating activities. During 1996, the Company issued \$200 million principal amount of 1996 Notes, a small portion of which was used to fund acquisitions. Funding for 1997 acquisitions was primarily from borrowings under its credit facility.

In March 1999, the Company signed a letter of intent to form a strategic partnership with ImageMax, Inc., a digital imaging, micrographics, and data entry services company. Initially the Company expects to invest approximately \$8 million in the purchase of preferred stock of ImageMax, Inc. The transaction is

subject to due diligence, bank and board of directors approval, and other customary conditions, and there can be no assurances the transaction will occur.

To the extent that future acquisitions are financed by additional borrowings under the Company's credit facility or other types of indebtedness, the resulting increase in debt and interest expense could have a negative effect on measures of liquidity such as debt to equity.

Sources of Funds

Net cash flows provided by operating activities were \$40.7 million, \$21.0 million, and \$26.4 million for 1998, 1997 and 1996, respectively. The \$19.7 million increase from 1997 to 1998 primarily resulted from the \$27.4 million increase in EBITDA, favorable foreign currency cash transactions of \$2.2 million, and an increase in working capital of \$1.8 million, offset by an increase in the cash paid for interest of \$12.7 million.

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Net cash flows used in investing activities were \$253.0 million, \$156.5 million, and \$108.8 million for 1998, 1997 and 1996, respectively. The uses of such cash flows were primarily for acquisitions, capital expenditures and client acquisition expenditures described above.

Net cash flows provided by financing activities were \$212.9 million, \$136.1 million, and \$82.9 million for 1998, 1997, and 1996, respectively. In 1998, the \$212.9 million in financing activities consisted primarily of the net proceeds from issuance by Pierce Leamy Command Company of \$135.0 million principal amount of the 1998 Notes and \$183.9 million of borrowings under the Company's credit facility, offset by \$86.8 million of payments under the credit facility and a \$10.6 million repayment of long-term debt. In 1997, the \$136.1 million in financing activities consisted primarily of \$120.0 million of gross proceeds from the issuance of the 1997 Notes, \$93.6 million in net proceeds from the Company's initial public offering of Common Stock, and \$17.2 million of net borrowings under the credit facility, offset by the repayment of long-term debt of \$82.5 million, \$7.0 million prepayment premium on the redemption of a portion of the 1996 Notes and payment of \$5.2 million of financing costs related to the issuance of the 1997 Notes and the Company's credit facility. In July 1996, the Company issued \$200 million of the 1996 Notes and used the net proceeds to retire all of the debt outstanding under the Company's previous credit facility, to purchase certain properties from affiliates of the Company, to redeem stock from a shareholder of the Company, to fund an acquisition and for general corporate purposes. In February 1999, the U.S. portion of the credit facility was increased from \$150 million to \$175 million; all other material terms and conditions remained the same.

The credit facility contains a number of financial and other covenants restricting the Company's ability to incur additional indebtedness and make certain types of expenditures. Covenants in the indentures governing the Notes also restrict borrowings under the credit facility. As of December 31, 1998, \$118 million was outstanding under the credit facility, and the Company could have borrowed an additional \$42.4 million under the credit facility in accordance with the debt incurrence limitations. Additionally, to the extent the Company makes acquisitions, it will have additional availability under the credit facility based upon the pro forma EBITDA of such acquisitions. The effective interest rate on the credit facility, as of December 31, 1998, was approximately 7.6%.

In March 1999, the Company entered into an agreement to issue up to \$15 million of redeemable payment-in-kind ("PIK") preferred stock. This stock is redeemable at any time during the ten year term with an initial annual dividend rate of 11.36%, subject to increase under certain circumstances, including subsequent issuances of preferred stock (depending on certain interest rates at such time) and if the preferred stock is not redeemed prior to six months from its initial issuance. At its option, the Company may issue additional shares of preferred stock in lieu of quarterly cash interest payments. The Company issued \$5 million of the PIK preferred stock in March 1999.

Future Capital Needs

Management believes that cash flow from operations in conjunction with borrowings under the credit facility, the recent issuance and availability of the PIK preferred stock, and possible other sources of financing will be sufficient for the foreseeable future to meet working capital requirements and to make possible future acquisitions and capital expenditures. Depending on the pace and size of future possible acquisitions, the Company may elect to seek additional debt or equity financing. There can be no assurance that the Company will be able to obtain any future financing, if required, or that the terms for any such future financing would be favorable to the Company.

Forward-Looking Statements

This Report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act

of 1934, and is subject to the safe-harbor created by such sections. Such forward-looking statements concern the Company's operations, economic performance

and Financial condition, including in particular its acquisitions and their integration into the Company's existing operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; changes in customer preferences; competition; changes in technology; the integration of acquisitions; changes in business strategy; the indebtedness of the Company; quality of management, business abilities and judgment of the Company's personnel; the availability, terms and deployment of capital; and various other factors referenced in this Report. The forward-looking statements are made as of the date of this Report, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations result primarily from changes in interest rates and foreign currency exchange rates. The Company does not currently utilize any derivative financial instruments that expose the Company to significant market risk. The Company is exposed to cash flow and fair value risk due to changes in interest rates with respect to its long-term debt. The table below presents principal payments and related weighted average interest rates of the Company's long-term debt at December 31, 1998 by expected maturity dates. Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 1998. Implied forward rates should not be considered a predictor of actual future interest rates. The information is presented in U.S. Dollars, the Company's reporting currency.

<TABLE>
<CAPTION>

	Expected Maturity Date						Total	Fair Value
	December 31,							
	1999	2000	2001	2002	2003	Thereafter		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Debt Obligations								
Fixed Rate (US)	\$ 3,523	\$ 868	\$ 452	\$ 513	\$ 4,644	\$ 253,172	\$ 263,172	\$ 282,822
Weighted average interest rate	4.67%	6.30%	8.25%	8.31%	7.56%	10.14%	10.00%	9.31%
Fixed Rate (CDN)	\$ 60	\$ 65	\$ 2,111	\$ -	\$ -	\$ 134,537 (a)	\$ 136,773	\$ 136,100
Weighted average interest rate	8.00%	8.00%	8.00%	-	-	8.13%	8.12%	8.16%
Variable rate (US)	\$ -	\$ -	\$ -	\$ 20,500	\$ 45,000	\$ 52,500	\$ 118,000	\$ 118,000
Weighted average interest rate	\$ -	\$ -	\$ -	8.28%	8.40%	8.51%	8.43%	8.43%

(a) The principal and interest payments due on the 1998 Notes issued by Command are payable in U.S. dollars, thus subjecting the Company to foreign currency risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Pierce Leahy Corp.:

We have audited the accompanying consolidated balance sheets of Pierce Leahy Corp. (a Pennsylvania corporation) and Subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations, shareholders' equity (deficit) 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, the financial statements referred to above present fairly, in all material respects, the financial position of Pierce Leahy Corp. 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.

ARTHUR ANDERSEN LLP

Philadelphia, Pa.,
February 26, 1999

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PIERCE LEAHY CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31	
ASSETS	1998	1997
-----	-----	-----
<S>	<C>	<C>
CURRENT ASSETS:		
Cash	\$ 2,312	\$ 1,782
Accounts receivable, net of allowance for doubtful accounts of \$3,650 and \$2,399	43,063	25,201
Inventories	1,056	813
Prepaid expenses and other	1,129	1,772
Deferred income taxes	4,402	2,621
	-----	-----
Total current assets	51,962	32,189
	-----	-----
PROPERTY AND EQUIPMENT	297,216	214,981
Less-Accumulated depreciation and amortization	(67,522)	(54,500)
	-----	-----
Net property and equipment	229,694	160,481
	-----	-----
OTHER ASSETS:		
Intangible assets, net	381,515	196,750
Other	3,287	5,293
	-----	-----
Total other assets	384,802	202,043
	-----	-----
	\$ 666,458	\$ 394,713
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 3,583	\$ 1,084
Current portion of noncompete obligations	166	220
Accounts payable	11,663	8,838
Accrued expenses	40,765	24,754
Deferred revenues	11,932	10,199
	-----	-----
Total current liabilities	68,109	45,095
	-----	-----
LONG-TERM DEBT	514,362	277,767
	-----	-----
NONCOMPETE OBLIGATIONS	-	126

DEFERRED RENT	5,856	3,993
DEFERRED INCOME TAXES	15,036	8,409
COMMITMENTS AND CONTINGENCIES (Note 10)		
SHAREHOLDERS' EQUITY	63,095	59,323
	-----	-----
	\$ 666,458	\$ 394,713
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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PIERCE LEAHY CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

<TABLE>
<CAPTION>

	For the Year Ended December 31		
	1998	1997	1996
	-----	-----	-----
<S>	<C>	<C>	<C>
REVENUES:			
Storage	\$ 153,533	\$ 107,879	\$ 75,900
Service and storage material sales	116,767	75,638	53,848
	-----	-----	-----
Total revenues	270,300	183,517	129,748
	-----	-----	-----
OPERATING EXPENSES:			
Cost of sales, excluding depreciation and amortization	154,435	101,940	73,870
Selling, general and administrative	36,994	30,070	20,007
Depreciation and amortization	35,772	21,528	12,869
Special compensation charge	-	1,752	-
Foreign currency exchange	7,907	702	-
Non-recurring charges	-	-	3,254
	-----	-----	-----
Total operating expenses	235,108	155,992	110,000
	-----	-----	-----
Operating income	35,192	27,525	19,748
	-----	-----	-----
INTEREST EXPENSE	42,864	29,262	17,225
	-----	-----	-----
Income (loss) before income taxes and extraordinary charge	(7,672)	(1,737)	2,523
	-----	-----	-----
INCOME TAXES	3,318	7,424	-
	-----	-----	-----
Income (loss) before extraordinary charge	(10,990)	(9,161)	2,523
	-----	-----	-----
EXTRAORDINARY CHARGE-loss on early extinguishment of debt, net of \$4,014 tax benefit in 1997 and none in 1996	-	6,036	2,015
	-----	-----	-----
NET INCOME (LOSS)	(10,990)	(15,197)	508
	-----	-----	-----
ACCRETION OF REDEEMABLE WARRANTS	-	-	1,561
	-----	-----	-----
NET LOSS APPLICABLE TO COMMON SHAREHOLDERS	\$ (10,990)	\$ (15,197)	\$ (1,053)
	=====	=====	=====
BASIC AND DILUTED EARNINGS PER COMMON SHARE:			
Income (loss) before extraordinary charge	\$ (0.65)	\$ (0.69)	\$ 0.09
Extraordinary charge	-	(0.45)	(0.19)
	-----	-----	-----
Basic and diluted loss per Common share	\$ (0.65)	\$ (1.14)	\$ (0.10)
	-----	-----	-----
Shares used in computing basic loss per Common share	16,805	13,385	10,547
	=====	=====	=====
Shares used in computing diluted loss per Common share	16,805	13,385	10,631
	=====	=====	=====
PRO FORMA DATA (UNAUDITED) (Note 2):			
Historical net loss before income taxes and extraordinary charge		\$ (1,737)	
Pro forma provision for income taxes		1,452	
Extraordinary charge, net of tax		6,036	

Pro forma net loss applicable to Common shareholders		\$ (9,225)	
		=====	

Pro forma basic and diluted net loss per Common share

Loss before extraordinary charge	\$ (0.24)
Extraordinary charge	(0.45)

Pro forma basic and diluted net loss per Common share	\$ (0.69)
	=====

Shares used in computing pro forma basic and diluted net loss per Common share	13,385
	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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PIERCE LEAHY CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

<TABLE>
<CAPTION>

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 1, 1996	\$ -	\$ 24	\$ (18,225)	\$ -	\$ (18,201)
Accretion of redeemable warrants	-	-	(1,561)	-	(1,561)
Repurchase of Common stock	-	-	(1,450)	-	(1,450)
Deemed distribution due to purchase of real estate and other assets from related parties	-	-	(4,132)	-	(4,132)
Net income	-	-	508	-	508
Distributions to shareholders	-	-	(602)	-	(602)
BALANCE, DECEMBER 31, 1996	-----	-----	-----	-----	-----
	-	24	(25,462)	-	(25,438)
Comprehensive Income-					
Net loss	-	-	(15,197)	-	(15,197)
Foreign currency translation adjustment	-	-	-	(309)	(309)
Total Comprehensive Income					-----
					(15,506)
Transfer of accumulated deficit to additional paid-in capital upon conversion from S Corporation to C Corporation	-	(32,234)	32,234	-	-
Stock split and recapitalization	105	(105)	-	-	-
Net proceeds from initial public offering of Common stock	57	93,551	-	-	93,608
Accelerated vesting of stock options	-	1,752	-	-	1,752
Issuance of Common stock for acquisitions	3	4,904	-	-	4,907
BALANCE, DECEMBER 31, 1997	-----	-----	-----	-----	-----
	165	67,892	(8,425)	(309)	59,323
Comprehensive Income-					
Net loss	-	-	(10,990)	-	(10,990)
Foreign currency translation adjustment	-	-	-	299	299
Total Comprehensive Income					-----
					(10,691)
Issuance of Common stock for acquisitions	5	14,404	-	-	14,409
Stock Option exercise	-	54	-	-	54
BALANCE, DECEMBER 31, 1998	-----	-----	-----	-----	-----
	\$ 170	\$ 82,350	\$ (19,415)	\$ (10)	\$ 63,095
	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

PIERCE LEAHY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

<TABLE>
<CAPTION>

	For the Year Ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (10,990)	\$ (15,197)	\$ 508
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Extraordinary item	-	6,036	2,015
Special compensation charge	-	1,752	-
Depreciation and amortization	35,772	21,528	12,869
Gain (loss) on sale of property and equipment	16	(44)	(32)
Deferred income tax provision	3,322	7,241	(128)
Amortization of deferred financing costs	1,393	1,069	516
Change in deferred rent	1,280	1,042	302
Foreign currency adjustment	10,122	(435)	31
Changes in assets and liabilities, excluding the effects from the purchase of businesses:			
(Increase) decrease in -			
Accounts receivable, net	(10,731)	(3,870)	(2,408)
Inventories	(102)	(154)	150
Prepaid expenses and other	1,282	(1,137)	747
Other assets	2,296	746	(486)
Increase (decrease) in -			
Accounts payable	2,545	185	1,630
Accrued expenses	4,457	1,872	10,732
Deferred revenue	25	330	(8)
Net cash provided by operating activities	40,687	20,964	26,438
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for businesses acquired, net of cash acquired	(186,486)	(102,068)	(61,176)
Capital expenditures	(48,591)	(35,397)	(23,493)
Purchase of real estate and other assets from related parties	-	-	(11,018)
Client acquisition costs	(10,921)	(10,629)	(6,477)
Deposits on pending acquisitions	(214)	(2,398)	(850)
Increase in intangible assets	(6,659)	(5,625)	(5,618)
Payments on noncompete agreements	(220)	(496)	(333)
Proceeds from sale of property and equipment	60	64	123
Net cash used in investing activities	(253,031)	(156,549)	(108,842)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on revolving line of credit	183,925	156,983	54,750
Payments on revolving line of credit	(86,771)	(139,784)	(49,513)
Proceeds from issuance of long-term debt	128,951	120,000	210,229
Proceeds from issuance of Common stock	-	93,608	-
Payments on long-term debt	(10,627)	(82,464)	(118,570)
Payment of debt financing costs	(2,658)	(5,230)	(9,283)
Proceeds from exercise of stock options	54	-	-
Prepayment penalties and cancellation of warrants	-	(7,000)	(2,625)
Repurchase of Common stock	-	-	(1,450)
Distributions to shareholders	-	-	(602)
Net cash provided by financing activities	212,874	136,113	82,936
NET INCREASE IN CASH	530	528	532
CASH, BEGINNING OF YEAR	1,782	1,254	722
CASH, END OF YEAR	\$ 2,312	\$ 1,782	\$ 1,254
SUPPLEMENTAL DISCLOSURE-CASH PAID FOR INTEREST	\$ 39,013	\$ 26,288	\$ 7,443
SUPPLEMENTAL DISCLOSURE-CASH PAID FOR INCOME TAXES	\$ 75	\$ -	\$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1998

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

1. BACKGROUND:

Pierce Leahy Corp., (the "Company"), stores and services business records for clients throughout the United States and Canada. The Company also sells storage containers and provides records management consulting services, imaging services, and marketing literature storage and fulfillment services.

On June 25, 1997, the Company effected a stock split, reclassified its Class A and Class B Common stock to Common stock, authorized 10,000,000 shares of undesignated Preferred stock and increased its authorized Common stock to 80,000,000 shares. All references in the accompanying financial statements to the number of Common shares and per-share amounts have been retroactively restated to reflect the stock split.

In July 1997, the Company completed an initial public offering of 5,664,017 shares of Common stock, raising net proceeds of \$93,608. The proceeds of the offering were used to redeem a portion of the Company's 11 1/8% Senior Subordinated Notes and to repay outstanding borrowings under the Company's credit facility (see Note 6).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Consolidation

The consolidated financial statements include the accounts of Pierce Leahy Corp., its 99%-owned subsidiary, Pierce Leahy Command Company, and its wholly-owned subsidiaries, Archivex, Ltd., Monarch Box, Inc. and Advanced Box, Inc. All intercompany accounts and transactions have been eliminated in consolidation. The minority interest in Pierce Leahy Command Company is not material to the consolidated financial statements.

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 amount 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 those estimates.

Inventories

Inventories, which consist primarily of storage containers, are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of the assets. In March 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Software Developed or Obtained for Internal Use." This statement requires that certain costs related to the development

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or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software, and also requires that costs related to the preliminary project stage and post implementation/operations stage in an internal-use computer software development project be charged to expense as incurred. The Company's capitalization policy was in accordance with the requirements of SOP 98-1 throughout 1998, 1997 and 1996.

Goodwill

Goodwill reflects the cost in excess of fair value of the net assets of companies acquired in purchase transactions. Goodwill is amortized using the straight-line method from the date of acquisition over the expected period to be

benefited, estimated at 30 years. The Company assesses the recoverability of goodwill, as well as other long-lived assets, based upon expectations of future undiscounted cash flows in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." At December 31, 1998, no adjustment of the carrying values of long-lived assets was necessary.

Client Acquisition Costs

The unreimbursed costs of moving the records of new clients into the Company's facilities and sales commissions related to new client contracts have been capitalized and are included in intangible assets in the accompanying balance sheets (see Note 4). All such costs are being amortized on a straight-line basis over six years, which represents the average initial contract term. The Company assesses whether amortization using a six year average initial contract term varies significantly from using a specific contract basis. Such difference has not been material.

Deferred Rent

Certain of the Company's leases for warehouse space provide for scheduled rent increases over the lease terms. The Company recognizes rent expense on a straight-line basis over the lease terms, with the excess rent charged to expense over the amount paid recorded as deferred rent in the accompanying balance sheets.

Health Insurance Reserve

The Company self-insures for benefit claims under a health insurance plan provided to employees. The self-insurance was limited to \$100 in claims per insured individual per year for both 1998 and 1997, and a liability for claims incurred but not reported is reflected in the accompanying balance sheets. Specific stop-loss insurance coverage is maintained to cover claims in excess of the coverage per insured individual per year.

Income Taxes

Prior to July 1, 1997, the Company was an S Corporation for federal and state income tax purposes and, accordingly, income and losses were passed through to the shareholders and taxed at the individual level. On July 1, 1997, in connection with the Company's initial public offering, the Company terminated its S Corporation election and currently provides for federal and state income taxes.

The Company applies SFAS No. 109, "Accounting for Income Taxes," which requires the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences, measured by enacted tax rates, attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards, for years in which taxes are expected to be paid or recovered.

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Revenue Recognition

Storage and service revenues are recognized in the month the respective service is provided. Storage material sales are recognized when shipped to the customer. Deferred revenues represent amounts invoiced for storage services in advance of the rendering of the services. The costs of storage and service revenues are not separately distinguishable, as the revenue producing activities are interdependent and costs are not directly attributable or allocable in a meaningful way to those activities.

Foreign Currency

The balance sheets of Pierce Leahy Command Company and Archivex, Limited, the Company's Canadian subsidiaries, are translated into U.S. dollars using the rate of exchange at period end. The statements of operations for the Canadian subsidiaries are translated into U.S. dollars using the average exchange rate for the period. Net unrecognized exchange gains or losses resulting from the translation of the balance sheets are accumulated and included as comprehensive income on the statement of shareholders' equity (deficit). Exchange gains and losses are recognized during the period, including those related to the U.S. dollar denominated 8 1/8% Senior Notes of Pierce Leahy Command Company due in 2008, and are included in the Company's consolidated statements of operations.

Comprehensive Income

 In 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 requires the reporting and disclosure of comprehensive income and its components which encompasses net income and foreign currency translation adjustments. The Company reports comprehensive income in the consolidated statement of shareholders' equity (deficit). The prior year financial statements have been restated to conform to the reporting requirements of SFAS No. 130.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes standards for reporting and classification of derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. This pronouncement is not expected to have any impact on the Company's financial position or results of operations as the Company has not currently entered into any such instruments or hedging activities.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including accounts receivable, accounts payable and accrued expenses, management believes that the carrying amounts approximate fair value due to their short maturities. The carrying amount and estimated fair value of the Company's 11 1/8% Senior Subordinated Notes at December 31, 1998 was \$130,000 and \$143,650, respectively. The carrying amount and estimated fair value of the Company's 9 1/8% Senior Subordinated Notes at December 31, 1998 was \$120,000 and \$126,000, respectively. The carrying amount and estimated fair value of the Company's 8 1/8% Senior Notes at December 31, 1998 was \$134,537 and \$133,864, respectively. All of the Notes are publicly traded, and accordingly, the fair value of the Notes was estimated based on the quoted market price offered for such securities.

Pro Forma Basic and Diluted Net Loss Per Share

Prior to July 1, 1997, the Company was an S Corporation for federal and state income tax purposes. The pro forma income tax provision for 1997 reflects taxes that would have been recorded on the historical loss before income taxes, at an effective rate of 39%, had the Company not been an S Corporation during such

period. The basic and diluted pro forma net loss per share is computed by dividing pro forma net loss by the weighted average number of shares outstanding during the period.

3. PROPERTY AND EQUIPMENT:

<TABLE>
 <CAPTION>

	Life	December 31,	
		1998	1997
<S>	<C>	<C>	<C>
Land	-	\$ 16,785	\$ 10,501
Buildings and improvements	10-40 years	107,210	79,119
Warehouse equipment (primarily shelving)	12-20 years	131,090	95,005
Data processing equipment and software	7 years	24,063	18,364
Furniture and fixtures	7 years	6,688	5,615
Transportation equipment	5 years	9,125	6,377
Construction in progress	-	2,255	-
		297,216	214,981
Less-Accumulated depreciation and amortization		(67,522)	(54,500)
Net property and equipment		\$229,694	\$160,481

</TABLE>

Depreciation expense was \$15,127, \$9,599 and \$6,652 for the years ended December 31, 1998, 1997 and 1996, respectively.

4. INTANGIBLE ASSETS:

<TABLE>
<CAPTION>

	December 31,	
	1998	1997
<S>	<C>	<C>
Goodwill	\$337,409	\$160,119
Client acquisition costs	37,033	26,233
Noncompete agreements	23,257	14,263
Deferred financing costs	13,825	11,174
Other intangible assets	25,405	18,525
	436,929	230,314
Less-Accumulated amortization	(55,414)	(33,564)
Net intangible assets	\$381,515	\$196,750

</TABLE>

<TABLE>
<CAPTION>

	Life	Cost	December 31, 1998	
			Accumulated Amortization	Net Book Value
<S>	<C>	<C>	<C>	<C>
Goodwill	30 years	\$337,409	\$ (17,646)	\$319,763
Client acquisition costs	6 years	37,033	(13,396)	23,637
Noncompete agreements	3-7 years	23,257	(11,857)	11,400
Deferred financing costs	10 years	13,825	(2,514)	9,095
Other intangible assets	5-6 years	25,405	(10,001)	17,620
		\$436,929	\$ (55,414)	\$381,515

</TABLE>

Amortization of all intangible assets, other than deferred financing costs which are charged to interest expense, was \$20,645, \$11,929 and \$6,217 for the years ended December 31, 1998, 1997 and 1996,

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respectively. Amortization of deferred financing costs was \$1,393, \$1,069 and \$516 for the years ended December 1998, 1997 and 1996, respectively. Capitalized client acquisition costs were \$10,921, \$10,629 and \$6,477 for the years ended December 31, 1998, 1997 and 1996, respectively.

5. ACCRUED EXPENSES:

<TABLE>
<CAPTION>

	December 31,	
	1998	1997
<S>	<C>	<C>
Accrued salaries and commissions	\$ 4,863	\$ 3,329
Accrued vacation and other absences	5,646	3,981
Accrued interest	14,312	12,004
Other	15,944	5,440
	\$ 40,765	\$ 24,754

</TABLE>

6. LONG-TERM DEBT:

<TABLE>
<CAPTION>

	December 31,	
	1998	1997
<S>	<C>	<C>
11 1/8% Senior Subordinated Notes due 2006	\$ 130,000	\$ 130,000
9 1/8% Senior Subordinated Notes due 2007	120,000	120,000
8 1/8% Senior Notes due 2008	134,537	-

U.S. Revolver	118,000	-
Canadian Revolver	-	22,303
Mortgage Notes	7,368	5,369
Seller Notes	3,475	1,051
Other	4,565	128
	-----	-----
	517,945	278,851
Less-Current portion	(3,583)	(1,084)
	-----	-----
	\$ 514,362	\$ 277,767
	=====	=====

</TABLE>

11 1/8% SENIOR SUBORDINATED NOTES DUE 2006

In July 1996, the Company issued \$200,000 of Senior Subordinated Notes in a private offering that were later exchanged for registered notes with substantially identical terms (the "1996 Notes"). The 1996 Notes are general unsecured obligations of the Company, subordinated in right of payment to senior indebtedness of the Company and senior in right of payment to any current or future subordinated indebtedness. The 1996 Notes are guaranteed by the U.S. subsidiaries of the Company and secured by a second lien on 65% of the stock of the Company's Canadian subsidiaries. The 1996 Notes mature on July 15, 2006, and bear interest at 11 1/8% per year, payable semiannually in arrears on January 15 and July 15. The proceeds from the sale of the 1996 Notes were used to retire certain existing indebtedness of the Company under its previous credit facilities, to purchase certain properties from related party partnerships (see Note 12), to redeem stock from a shareholder (see Note 8), to fund an acquisition and for general corporate purposes. Upon completion of the Company's initial public offering of its Common stock in July 1997 (see Note 1), the Company exercised an option to redeem \$70,000 principal amount of the 1996 Notes. The resulting \$7,000 prepayment penalty along with the write-off of a portion of the unamortized deferred financing costs of \$3,050, net of an income tax benefit of \$4,014, was recorded as an extraordinary charge in the accompanying consolidated statements of operations.

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9 1/8% SENIOR SUBORDINATED NOTES DUE 2007

In July 1997, the Company issued \$120,000 of Senior Subordinated Notes (the "1997 Notes") in a public offering. The 1997 Notes are general unsecured obligations of the Company, subordinated in right of payment to the senior indebtedness of the Company and senior in right of payment to any current or future subordinated indebtedness. The 1997 Notes are guaranteed by the U.S. subsidiaries of the Company and secured by a third lien on 65% of the stock of the Company's Canadian subsidiaries. The 1997 Notes are equal in right of payment with the 1996 Notes. The 1997 Notes mature on July 7, 2007, and bear interest at 9 1/8% per year, payable semiannually in arrears on January 15 and July 15. The proceeds from the sale of the 1997 Notes were used to repay outstanding borrowings under a previous credit facility and for general corporate purposes.

8 1/8% SENIOR NOTES DUE 2008

In April 1998, Pierce Leahy Command Company, the Company's principal Canadian subsidiary, issued \$135,000 of Senior Notes in a private offering that were later exchanged for registered notes with substantially identical terms (the "1998 Notes"). The 1998 Notes are general unsecured obligations of Pierce Leahy Command Company ranking pari passu in right of payment to all existing and future senior unsecured indebtedness of Command. The 1998 Notes are effectively subordinated to secured indebtedness of Command to the extent of the assets securing such indebtedness. The 1998 Notes are guaranteed on a senior subordinated basis by the Company, which guarantee is equal in right of payment with the 1996 and 1997 Notes. The 1998 Notes mature on May 15, 2008, and bear interest at 8 1/8% per year, payable semi-annually in arrears on May 15 and November 15. The proceeds from the sale of the 1998 Notes were used primarily to finance the acquisition of Archivex Inc., to repay outstanding borrowings under the credit facility and for general corporate purposes.

REVOLVING CREDIT FACILITY

In February 1998, the Company amended its credit facility to provide for a revolving line of credit of U.S. \$150 million in borrowings and CDN \$40 million in borrowings for Pierce Leahy Command Company. The credit facility is senior to all subordinated indebtedness of the Company and is secured by substantially all of the assets of the Company, and a first lien on 65% of the stock of the Company's Canadian subsidiaries. Borrowings under the facility bear interest at prime plus an applicable margin, or at LIBOR plus an applicable margin, at the

option of the Company. In addition to interest and other customary fees, the Company is obligated to remit a fee of 0.375% per year on unused commitments, payable quarterly. The aggregate available commitment under the credit facility will be reduced on a quarterly basis beginning September 30, 2001. The credit facility matures on June 30, 2004, unless previously terminated. The Company's available borrowing capacity under the credit facility is contingent upon the Company meeting certain financial ratios and other criteria.

The weighted average interest rate on outstanding borrowings on the U.S. portion of the revolver at December 31, 1998 was 7.6%. The highest amount outstanding during the year ended December 31, 1998 was \$125,500, the average amount outstanding during the year was \$79,150, and the weighted average interest rate was 7.95%. The highest amount outstanding under the U.S. revolver during the year ended December 31, 1997 was \$117,763, the average amount outstanding during the year was \$69,338, and the weighted average interest rate was 7.85%.

There were no outstanding borrowings on the Canadian portion of the credit facility at December 31, 1998. The highest amounts outstanding during the years ended December 31, 1998 and 1997, were CDN \$35,000 and \$31,900, respectively. The average amounts outstanding in 1998 and 1997, respectively, were CDN \$8,750 and \$17,100, while the weighted average interest rates were 8.51% and 6.12%, respectively.

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In February 1999, the Company amended the U.S. portion of the credit facility to provide for borrowings of up to \$175 million. All other material terms and conditions remained the same.

MORTGAGE NOTES

In connection with the purchase of real estate from related parties in 1996 (see Note 12), the Company assumed a mortgage of \$1,114. The mortgage bears interest at 10.5% and requires monthly principal and interest payments of \$20 through 2002. The Company also assumed mortgage notes in connection with certain acquisitions during 1998, 1997 and 1996 of \$2,465, \$2,000 and \$2,630, respectively. The notes bear interest at rates of approximately 8% and require monthly principal and interest payments ranging from \$12 to \$22 through 2009.

SELLER NOTES

In connection with certain acquisitions completed in 1998 and 1997, notes for \$3,175, and \$1,652, respectively, were issued to the sellers. The notes bear interest at rates ranging from 5% to 7% per year. The outstanding balances on the notes as of December 31, 1998 mature through 1999.

Future scheduled principal payments on all of the Company's long-term debt at December 31, 1998 are as follows:

<S>	<C>
1999	\$ 3,583
2000	933
2001	2,563
2002	21,013
2003	49,644
2004 and thereafter	440,209

	\$517,945
	=====

</TABLE>

Upon entering into prior credit facilities in 1993 and 1994, the Company issued warrants to certain lenders to purchase common stock. Warrants to purchase 229,825 shares at \$.01 per share were issued in 1993 and 55,073 shares at \$2.68 per share were issued in 1994. Management assigned an initial value of \$338 to the 1993 warrants and \$87 to the 1994 warrants for financial reporting purposes. The Company called the warrants in February 1996 at an amount which was determined by a formula defined in the credit agreement. The change in value of the redeemable warrants from the initial value has been accreted through a charge to shareholder's equity (deficit) in the accompanying financial statements. The warrants were redeemed for \$2,625 in 1996. There were no warrants outstanding during 1997 or 1998.

Debt refinancings occurred in 1997 and 1996, resulting in the write-off of previously deferred financing costs of \$3,050 and \$2,015, respectively, and prepayment and other charges of \$7,000 in 1997. Such write-offs and charges have been recorded as extraordinary charges, net of tax, in the accompanying consolidated statements of operations. No debt refinancings occurred in 1998.

The Company is in compliance with all financial and operating covenants required under all indentures and under the Credit Facility.

7. INCOME TAXES:

The components of income taxes for the years ended December 31, 1998 and 1997 are as follows:

<TABLE>

<CAPTION>

	Year Ended December 31,	
	1998	1997
	-----	-----
<S>	<C>	<C>
Current-		
Federal	\$ 95	\$ -
State	55	-
Foreign	-	150
	-----	-----
	150	150
Deferred-		
Federal	5,309	8,895
State	(144)	1,172
Foreign	(1,997)	1,221
	-----	-----
	3,168	11,288
	-----	-----
	\$ 3,318	\$ 11,438
	=====	=====

</TABLE>

The provision for income taxes for the years ended December 31, 1998 and 1997 consists of a current tax provision for alternative minimum taxes on domestic operations and foreign taxes due on taxable income of the Company's Canadian subsidiaries, and deferred federal, state and foreign income taxes. The total deferred income tax provision in 1997 includes a one-time tax charge of \$6,600 recorded upon the termination of the Company's S corporation status.

The statement of operations for the year ended December 31, 1997 includes a pro forma adjustment for the income taxes which would have been recorded if the Company had been a C corporation for the entire period based on tax laws in effect during the period. The reconciliation of the federal statutory income tax rate and the effective income tax rate for the year ended December 31, 1998, and the reconciliation of the federal statutory income tax rate and the pro forma effective income tax rate for the year ended December 31, 1997, are as follows:

<TABLE>

<CAPTION>

	Year Ended December 31,	
	1998	1997
	-----	-----
<S>	<C>	<C>
Federal statutory rate	34.0%	34.0%
State income taxes	2.7	(1.2)
Non-deductible expenses	(86.3)	(7.9)
Foreign	6.4	(3.2)
	-----	-----
	(43.2)%	21.7%
	=====	=====

</TABLE>

Deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred taxes are comprised of the following:

<TABLE>

<CAPTION>

	Year Ended December 31,	
	1998	1997
	-----	-----

<S>	<C>	<C>
Current deferred income tax asset	\$ 4,402	\$ 2,621
	-----	-----
Gross non-current deferred tax assets	12,190	10,269
Gross non-current deferred tax liabilities	(27,226)	(18,678)
	-----	-----
Total non-current deferred taxes	15,036	8,409
	-----	-----
Net deferred tax liability	\$ (10,634)	\$ (5,788)
	=====	=====

</TABLE>

The tax effect of significant temporary differences representing deferred tax assets and liabilities at December 31, 1998 and 1997 are as follows:

<TABLE>
<CAPTION>

	Year Ended December 31,	
	1998	1997
	-----	-----
<S>	<C>	<C>
Basis difference of property and equipment	\$ (16,493)	\$ (10,312)
Basis difference in intangible assets	(8,170)	(5,076)
Net operating loss carryforward	7,464	5,112
Deferred rent	2,295	1,526
Expenses not currently deductible for tax purposes	4,270	2,962
	-----	-----
Net deferred tax liability	\$ 10,634	\$ 5,788
	=====	=====

</TABLE>

The Company has federal and state net operating loss carryforwards available for income tax and financial reporting purposes of approximately \$12,056 at December 31, 1998. The net operating loss carryforwards begin to expire in 2012.

8. CAPITAL STOCK:

At December 31, 1998 and 1997, the Company's capital stock was comprised of the following:

<TABLE>
<CAPTION>

	Preferred	Common
	-----	-----
<S>	<C>	<C>
Par value	\$.01	\$.01
Shares authorized	10,000,000	80,000,000
Shares issued and outstanding December 31, 1998	-	17,036,581
Shares issued and outstanding December 31, 1997	-	16,477,728

</TABLE>

In 1996, the Company redeemed 105,910 shares of Common stock for \$1,450 and canceled these shares.

Certain shareholders of the Company entered into a voting trust agreement on June 24, 1997. The shares held in trust represent 48.5% of the outstanding Common stock at December 31, 1998. The trustees of the voting trust include the President and Chief Executive Officer of the Company and the Chairman of the Board of Directors. Each of the trustees has shared power to vote the shares held in the voting trust. The beneficial owners of interests in the voting trust have the right to dispose of the shares to which they have beneficial interests.

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9. STOCK OPTIONS:

In September 1994, the Company established a non-qualified stock option plan which provides for the granting of options to key employees to purchase an aggregate of 1,208,433 shares of Common stock. The shares available for grant were increased by 284,898 in December 1996. Option grants have an exercise price equal to the fair market value of the Common stock on the date of grant. Before the Company consummated its initial public offering of Common stock in July 1997 (see Note 1), the fair market value of the options was determined based upon a formula, as defined in the option plan. The options granted vest in five equal annual installments beginning on the first anniversary of the date of grant, except as discussed below.

Upon the consummation of the Company's initial public offering of Common stock in July 1997, options granted during 1997 became fully vested and exercisable as provided for under the plan. The Company recorded a non-recurring, non-cash compensation charge of approximately \$1,752 relating to those options, representing the difference between the exercise price and the deemed value for accounting purposes.

In April 1997, the Company adopted its 1997 Stock Option Plan (the "1997 Plan") which provides for the granting of stock options to purchase up to 1,500,000 shares of Common stock to employees, officers, directors, consultants and advisors of the Company. The 1997 Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"). Grants may consist of incentive stock options or nonqualified stock options. The option price of any incentive stock option granted will not be less than the fair value of the underlying shares of Common stock on the date of grant. The option price of a non-qualified stock option will be determined by the Committee and may be greater than, equal to or less than the fair market value of the underlying shares of Common stock on the date of grant. The term of each option will be determined by the Committee, provided that the exercise period may not exceed 10 years from the date of grant. The options granted may be subject to vesting and other conditions. In the event of a change in control (as defined in the 1997 Plan), all outstanding options will become fully exercisable.

Information related to all of the Company's existing stock option plans is as follows:

<TABLE>
<CAPTION>

	Options	Exercise Price Per Share	Weighted Average Exercise Price Per Share	Aggregate Exercise Price
<S>	<C>	<C>	<C>	<C>
Balance as of December 31, 1995	600,512	\$ 5.09	\$ 5.09	\$3,056,606
Granted	360,092	5.86	5.86	2,110,139
Balance as of December 31, 1996	960,604	5.09-5.86	5.38	5,166,745
Granted	153,570	5.09	5.09	781,671
Balance as of December 31, 1997	1,114,174	5.09-5.86	5.34	5,948,416
Granted	156,250	20.50	20.50	3,203,125
Exercised	(10,591)	5.09	5.09	(53,908)
Terminated	(8,750)	20.50	20.50	(179,375)
Balance as of December 31, 1998	1,251,083	\$5.09-20.50	\$ 7.13	\$8,918,258
	=====	=====	=====	=====

</TABLE>

At December 31, 1998, 647,333 options to purchase shares of Common stock are fully vested and exercisable. Subsequent to December 31, 1998, the Company issued 151,000 options to employees at an exercise price of \$25.50 per share.

The Company accounts for its option plans under APB Opinion No. 25, "Accounting for Stock Issued to Employees," under which no compensation cost has been recognized. In 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123 establishes a fair value based method of accounting for stock-based compensation plans. This statement also applies to transactions in which an entity issues its equity instruments to acquire goods or services from non-

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employees. SFAS No. 123 requires that an employer's financial statements include certain disclosures about stock-based employee compensation arrangements regardless of the method used to account for the plan.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for the grants in 1998, 1997 and 1996:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Risk free interest rates	5.5%	6.4%	5.6%
Expected lives of options	7 years	7 years	7 years
Expected dividend yields	N/A	N/A	N/A
Expected volatility	45%	20%	15%

</TABLE>

The approximate fair value of each option granted in 1998, 1997 and 1996 is \$11.36, \$2.08 and \$2.06, respectively, as determined under the provisions of SFAS No. 123. The following pro forma results would have been reported had

compensation cost been recorded for the fair value of the options granted:

	1998	1997	1996
Net loss applicable to Common shareholders, as reported	\$ (10,990)	\$ (15,197)	\$ (1,053)
Net loss applicable to Common shareholders, pro forma for compensation cost and income taxes in 1997 (Note 1)	\$ (11,468)	\$ (9,681)	\$ (1,311)
Net loss per share applicable to Common shareholders, pro forma for compensation cost and income taxes in 1997 (Note 1)	\$ (0.68)	\$ (0.72)	-

The SFAS No. 123 method of accounting is applied only to options granted on or after January 1, 1995. The resulting pro forma compensation cost may not be representative of the amount to be expected in future years due to the vesting schedule of the options.

10. COMMITMENTS AND CONTINGENCIES:

Operating Leases

At December 31, 1998, the Company was obligated under non-cancelable operating leases, including the related-party leases discussed below, for warehouse space, office equipment and transportation equipment. These leases expire at various times through 2024 and require minimum rentals, subject to escalation, as follows:

<S>	<C>
1999	\$ 38,320
2000	37,201
2001	34,885
2002	32,094
2003	28,283
2004 and thereafter	97,495

	\$ 268,278
	=====

Rent expense for all leases was approximately \$31,077, \$21,657, and \$17,008 for the years ended December 31, 1998, 1997 and 1996, respectively. Some of the leases for warehouse space provide for purchase options on the facilities at certain dates.

The Company leases office and warehouse space at prices which, in the opinion of management, approximate market rates from entities which are owned by certain shareholders, officers and employees of the Company. Rent expense on these leases was approximately \$961, \$845, and \$9,019 for the years ended December 31, 1998, 1997 and 1996, respectively. A significant portion of the related party rent expense

was reduced through the purchase of certain real estate and the buy-out of certain lease interests in July 1996 (see Note 12).

Other Matters

The Company is party to various claims arising in the ordinary course of business. Although the ultimate outcome of these matters is presently not determinable, management, after consultation with legal counsel, does not believe that the resolution of these matters will have a material adverse effect on the Company's consolidated financial position or results of operations.

In June 1997, the Company entered into a tax indemnification agreement with its then current shareholders which provides for: (i) the distribution to such shareholders of cash equal to the product of the Company's taxable income for the period from January 1, 1997 until July 1, 1997 and the sum of the highest effective federal and state income tax rate applicable to any current shareholder, less any prior distributions to such shareholders to pay taxes for such period, and (ii) an indemnification of such shareholders for any losses or liabilities with respect to any additional taxes (including interest, penalties and legal fees) resulting from the Company's operations during the period in which it was a Subchapter S Corporation.

11. EARNINGS PER SHARE:

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share." SFAS No. 128 requires dual presentation of basic and diluted earnings per share. According to SFAS No. 128, basic earnings per share, which replaces primary earnings per share, is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings per share, which replaces fully diluted earnings per share, reflects the potential dilution from the exercise or conversion of securities into Common stock, such as stock options and warrants. The Company adopted SFAS No. 128 in 1997.

In 1998 and 1997 there were no dilutive effects of stock options or warrants as the Company had a loss before extraordinary item. In 1996, the weighted average of shares outstanding was 10,546,871. The dilutive effects of the weighted average number of stock options and warrants outstanding was 84,059 shares.

12. RELATED PARTY TRANSACTIONS:

In August 1996, the Company purchased certain real estate previously leased and other assets from two partnerships, whose partners were shareholders of the Company. The payment for the purchased real estate and other assets was \$11,018 plus the assumption of a \$1,114 mortgage. Since the transaction was with related parties, the real estate was recorded at its depreciated cost. As a result, the Company charged the elimination of the deferred rent liability on the leases and the difference between the purchase price and the depreciated cost, which together totaled \$4,132, to shareholders' equity (deficit) as a deemed distribution. In addition, the Company bought out certain lease commitments from a related party partnership for \$2,764. This lease buy-out was recorded as a non-recurring charge in the 1996 consolidated statement of operations.

The Company had an agreement with a shareholder of the Company that required payments of \$60 per year for five years upon the death of the shareholder. The present value of this benefit was recorded as a liability by the Company. In July 1996, the Company decided to make monthly pension payments to the shareholder and terminated the previous agreement. The pension payments are \$8 per month until the later of the death of the shareholder or his spouse. The \$490 difference between the present value of this benefit and the liability previously reported was recorded as a non-recurring charge in the 1996 consolidated statement of operations.

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The Company paid financial advisory fees to an investment banking firm of which a director of the Company was a managing director. The fees were approximately \$62 in 1997 and \$800 in 1996, respectively. In addition, the investment banking firm received \$1,800 from the underwriters on the 1997 Notes and initial public offering and \$310 from the placement agent on the 1998 Notes.

The Company paid real estate advisory fees to a firm of which a director of the Company is the owner. The fees were approximately \$8 in 1998 and \$88 in 1997. There were no fees paid to the firm in 1996.

13. EMPLOYEE BENEFIT PLANS:

The Company maintains a discretionary profit sharing and a 401(k) plan for substantially all full-time employees over the age of 20 1/2 and with more than 1,000 hours of service. Participants in the 401(k) plan may elect to defer a specified percentage of their compensation on a pretax basis. The Company is required to make matching contributions equal to 25% of the employee's contribution up to a maximum of 2% of the employee's annual compensation. Participants become vested in the Company's matching contribution over three to seven years. The expense relating to these plans was \$1,209, \$892 and \$1,122 for the years ended December 31, 1998, 1997 and 1996, respectively.

14. ACQUISITIONS:

In 1996, the Company completed 12 acquisitions for an aggregate cash purchase price of \$62,165 (of which \$14,000 was for one transaction in May 1996 and \$13,500 was for another transaction in October 1996; all others were individually less than \$8,000).

In 1997, the Company completed 17 acquisitions, of which 15 were recorded under the purchase method of accounting while the other two acquisitions were accounted for as pooling of interests. The 15 acquisitions accounted for under the purchase method had an aggregate purchase price of \$109,098, consisting primarily of \$102,068 in net cash, 163,266 shares of Common stock with a deemed value of \$4,500 and \$1,652 in Seller notes. For purposes of computing the purchase price for accounting purposes, the value of the shares issued is determined using a discount of 10% from the market value at the day of issuance due to certain restrictions on the sale and transferability of shares issued. The most significant of these acquisitions was one acquisition for \$9,084 in

January 1997 and another for \$62,000 in April 1997; all others were individually less than \$8,000.

During 1997, the Company also completed two mergers with records management businesses by exchanging an aggregate of 165,355 shares of Common stock for the stock of these entities. These mergers constituted tax free reorganizations and have been accounted for as pooling of interests under Accounting Principles Board Opinion No. 16. Prior periods have not been restated for the acquisitions due to the immateriality of the transactions, and the book value of net assets acquired of \$407 has been recorded as additional paid-in capital. The results of operations for each acquisition have been included in the consolidated results of the Company from their respective acquisition dates.

In 1998, the Company completed 16 acquisitions for an aggregate purchase price of \$204,070, consisting primarily of \$186,486 in net cash, 548,262 shares of Common Stock with a deemed value of \$14,409 and \$3,175 in Seller notes. The most significant of these acquisitions was one transaction for \$59,000 in April 1998, another for \$30,000 in May 1998 and a third for \$52,000 in July 1998, all others were individually less than \$15,000. All of the acquisitions in 1998 were recorded under the purchase method of accounting.

In addition to these payments, the acquisitions in 1998, 1997, and 1996 provided for non-compete obligations of \$40, \$60, and \$400, respectively, payable over one year. The non-compete obligations at December 31, 1998, 1997 and 1996 was \$166, \$347 and \$783, respectively. The results of operations for each of these acquisitions have been included in the consolidated results of the Company from their respective acquisition dates. The excess of the fair value of the assets and liabilities acquired has been

allocated to goodwill (\$178,049 in 1998, \$91,047, in 1997 and \$43,062 in 1996) and is being amortized over the estimated benefit period of 30 years.

Subsequent to December 31, 1998, the Company completed three acquisitions of records management businesses for an aggregate purchase price of approximately \$42,146, consisting of \$23,402 in net cash and \$18,744 in Seller notes. Certain purchase agreements contain purchase price adjustments that could affect the net cash paid for such acquisitions. The acquisitions were accounted for under the purchase method of accounting. The \$36,264 excess of the purchase price over the underlying fair value of the assets and liabilities acquired has been allocated to goodwill. The most significant of these acquisitions was Datavault, Limited, a U.K. based records management company with operations in seven markets throughout England and Scotland. This acquisition was primarily financed by borrowings under the Company's recently amended credit facility (see Note 6).

A summary of the net cash paid for the purchase price of the completed acquisitions is as follows:

<TABLE>
<CAPTION>

	Year Ended December 31,	
	1998	1997
<S>	<C>	<C>
Fair value of assets acquired	\$230,343	\$119,053
Liabilities assumed	(27,967)	(9,953)
Seller notes issued	(3,175)	(1,652)
Fair value of Common stock issued	(14,409)	(4,907)
Cash acquired	(1,694)	(473)
Net cash paid	\$186,486	\$102,068

</TABLE>

The following unaudited pro forma information shows the results of the Company's operations for the years ended December 31, 1998 and 1997 as though each of the completed acquisitions had occurred as of January 1, 1997:

<TABLE>
<CAPTION>

	Year Ended December 31,	
	1998	1997
<S>	<C>	<C>
Total revenues	\$306,051	\$286,108
Net loss	\$(15,057)	\$(25,487)
Basic and diluted net loss per Common share	\$ (0.88)	\$ (1.50)

</TABLE>

The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the acquisitions taken place as of January 1, 1997, or the results that may occur in the future. Furthermore, the pro forma results do not give effect to all cost savings or incremental costs which may occur as a result of the integration and consolidation of the acquired companies.

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15. SEGMENT AND SUBSIDIARY INFORMATION (UNAUDITED):

The Company stores and services business records for clients throughout the United States and Canada. The following information is a summary of the operating results and financial position for the Company's U.S. and Canadian operations:

<TABLE>

<CAPTION>

	For the Year Ended December 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues:			
United States	\$235,649	\$166,337	\$114,049
Canada	\$ 34,651	\$ 17,180	\$ 15,699
Total	\$270,300	\$183,517	\$129,748
EBITDA:			
United States	\$ 70,194	\$ 43,451	\$ 28,454
Canada	\$ 8,677	\$ 8,056	\$ 7,417
Total	\$ 78,871	\$ 51,507	\$ 35,871
Operating income (loss):			
United States	\$ 41,917	\$ 25,238	\$ 16,986
Canada	\$ (6,725)	\$ 2,287	\$ 2,762
Total	\$ 35,192	\$ 27,525	\$ 19,748
Net income (loss):			
United States	\$ 2,928	\$ (15,443)	\$ (568)
Canada	\$ (13,918)	\$ 246	\$ 1,076
Total	\$ (10,990)	\$ (15,197)	\$ 508

<CAPTION>

	At December 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Current assets:			
United States	\$ 42,896	\$ 28,602	\$ 17,155
Canada	\$ 9,066	\$ 3,587	\$ 3,226
Total	\$ 51,962	\$ 32,189	\$ 20,381
Total assets:			
United States	\$542,378	\$361,657	\$203,941
Canada	\$124,080	\$ 33,056	\$ 30,879
Total	\$666,458	\$394,713	\$234,820
Current liabilities:			
United States	\$ 59,885	\$ 43,077	\$ 42,607
Canada	\$ 8,224	\$ 2,018	\$ 1,707
Total	\$ 68,109	\$ 45,095	\$ 44,314
Long-term liabilities:			
United States	\$399,739	\$264,643	\$207,590
Canada	\$135,515	\$ 25,652	\$ 8,354
Total	\$535,254	\$290,295	\$215,944

</TABLE>

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The summarized financial information of the Canadian subsidiaries has been prepared from the books and records maintained by each subsidiary. The summarized financial information may not necessarily be indicative of the results of operations or financial position had the Canadian subsidiaries operated as independent entities. Certain intercompany sales and charges, and intercompany loans among the Company and its Canadian subsidiaries are included in the subsidiaries' records and are eliminated in consolidation.

The Company's domestic, wholly-owned subsidiaries are Monarch Box, Inc. and Advanced Box, Inc. These subsidiaries were established in 1997 to hold investments and certain intangible assets of the Company. They do not have any other operations.

There are no restrictions on the ability of any of the subsidiaries to transfer funds to the Company in the form of loans, advances or dividends, except as provided by applicable law.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information." This statement established additional standards for segment reporting in the financial statements and is effective for fiscal years beginning after December 15, 1997. Management has determined that all of their operations have similar economic characteristics and may be aggregated into a single segment for disclosure under SFAS 131. Information concerning the geographic operations of the Company as prescribed by SFAS 131 is provided above.

16. SUPPLEMENTAL QUARTERLY FINANCIAL DATA (UNAUDITED):

Summarized quarterly financial data for 1998 and 1997 is as follows:

<TABLE>

<CAPTION>

	1998 QUARTER			
	FIRST	SECOND	THIRD	FOURTH
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
<S>	<C>	<C>	<C>	<C>
Total Revenues	\$ 56,290	\$ 64,146	\$ 74,597	\$ 75,267
Cost of sales, excluding depreciation and amortization	\$ 32,915	\$ 36,279	\$ 41,961	\$ 43,280
Operating income	\$ 7,444	\$ 6,710	\$ 9,123	\$ 11,915
Net loss	\$ (1,037)	\$ (4,457)	\$ (4,614)	\$ (882)
Basic and diluted loss per Common share:	\$ (0.06)	\$ (0.27)	\$ (0.27)	\$ (0.05)

<CAPTION>

	1997 QUARTER			
	FIRST	SECOND	THIRD	FOURTH
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
<S>	<C>	<C>	<C>	<C>
Total Revenues	\$ 40,232	\$ 46,208	\$ 47,249	\$ 49,828
Cost of sales, excluding depreciation and amortization	\$ 22,298	\$ 25,611	\$ 25,943	\$ 28,088
Operating income	\$ 6,776	\$ 8,040	\$ 6,780	\$ 5,929
Income (loss) before extraordinary charge	\$ 64	\$ (103)	\$ (7,870)	\$ (1,252)
Net income (loss)	\$ 64	\$ (103)	\$ (13,906)	\$ (1,252)
Basic and diluted loss per Common share:				
Income (loss) before extraordinary charge	\$ 0.01	\$ (0.01)	\$ (0.49)	\$ (0.08)
Extraordinary charge	-	-	(0.37)	-
Net income (loss)	\$ 0.01	\$ (0.01)	\$ (0.86)	\$ (0.08)

</TABLE>

In the third quarter of 1997, the Company incurred a non-recurring non-cash compensation charge of \$1,752 relating to the accelerated vesting of options as a result of its initial public offering of Common stock (see Note 9).

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

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information called for by the above items, except the information set forth in Item 4A herein, is incorporated by reference to the Company's definitive proxy statement for its 1999 Annual Meeting of Shareholders, which definitive proxy statement is to be filed with the Securities and Exchange Commission no later than 120 days after the end of the Company's fiscal year.

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PART IV

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

(a) The following documents are filed as part of this Report.

1. Financial Statements

	Page

Report of Independent Public Accountants.....	22
Consolidated Balance Sheets.....	23
Consolidated Statement of Operations.....	24
Consolidated Statement of Shareholders' Equity (Deficit) and other Comprehensive Income.....	25
Consolidated Statements of Cash Flows.....	26
Notes to Consolidated Financial Statements.....	27

2. Financial Statement Schedule:

Report of Independent Public Accountants

Schedule II - Valuation and Qualifying Accounts

3. Exhibits:

Exhibit Number	Description of Exhibits.
-----	-----
3.1	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, File No. 333-23121)
3.2	By-laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, File No. 333-23121)
3.3**	Designation, Rights and Preferences of the Series A Redeemable Senior Pay-In-Kind Preferred Stock
9	Amended and Restated Voting Trust Agreement by and among certain shareholders of the Company (incorporated by reference to Exhibit 9 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
10.1*	Pierce Leahy Corp. Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4, File No. 333-9963)
10.2*	Pierce Leahy Corp. 1997 Stock Option Plan (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1, File No. 333-23121)

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Exhibit Number	Description of Exhibits.
-----	-----
10.3(a)**	Second Amended and Restated Credit Agreement dated as of February 24, 1999, among the Company, Pierce Leahy Command

Company, the several lenders from time to time parties thereto, Canadian Imperial Bank of Commerce, as Canadian Administrative Agent, and Canadian Imperial Bank of Commerce, New York Agency, as U.S. Administrative Agent

- 10.3(b) Credit Agreement dated as of August 12, 1997, as amended, among the Company, Pierce Leahy Command Company, the several lenders from time to time parties thereto, Canadian Imperial Bank of Commerce, as Canadian Administrative Agent, and Canadian Imperial Bank of Commerce, New York Agency, as U.S. Administrative Agent, together with certain collateral documents attached thereto, including the form of US\$ Note, the form of Canadian\$ Note, and the form of the U.S. Global Guarantee and Security Agreement made by the Company, certain of its affiliates and subsidiaries and its shareholders in favor of the U.S. Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
- 10.4 Indenture, dated as of July 15, 1996, among the Company as issuer, and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-4, File No. 333-9963)
- 10.5 Indenture, dated as of July 7, 1997, among the Company, as issuer, and The Bank of New York, as trustee (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
- 10.6 Indenture, dated as of April 7, 1998, by and among Pierce Leahy Command Company, as issuer, Pierce Leahy Corp., and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1(c) to the Company's Registration Statement on Form S-4, File No. 333-58569)
- 10.7 Tax Indemnification Agreement among the Company and certain of its shareholders (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1, File No. 333-23121)
- 10.8 Pierce Leahy Corp. Profit Sharing/401(K) Plan, as amended, dated December 29, 1998 (incorporated by reference to Exhibit 10 to the Company's Registration Statement on Form S-8, File No. 333-69859)
- 10.9 Asset Purchase Agreement dated February 4, 1998, and Amending Agreement dated April 7, 1998, among Pierce Leahy Command Company, Archivex Inc., the shareholders of Archivex Inc., and certain parties related to Archivex Inc. (incorporated by reference to Exhibits 10.1 and 10.2 to the Company's Report on Form 8-K dated April 7, 1998)
- 10.10 Stock Purchase Agreement dated May 21, 1998 among Pierce Leahy Corp., and the shareholders of Kestrel Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K dated July 2, 1998)

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Exhibit Number	Description of Exhibits.
12**	Computation of Ratio of Earnings to Fixed Charges
21**	Subsidiaries of the Registrant
23**	Consent of Arthur Andersen LLP
27**	Financial Data Schedule

* Management contract or compensatory plan required to be filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

** Filed herewith.

(b) Reports on Form 8-K.
None

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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.

PIERCE LEAHY CORP.

Dated: March 22, 1999

By /s/ J. Peter Pierce

J. Peter Pierce
President and Chief Executive Officer

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>

Signature	Title	Date
<S>	<C>	<C>
/s/ J. Peter Pierce	President, Chief Executive Officer	March 22, 1999
----- J. Peter Pierce	Director (Principal Executive Officer)	
/s/ Douglas B. Huntley	Vice President, Chief Financial	March 22, 1999
----- Douglas B. Huntley	Officer, Director (Principal Financial and Accounting Officer)	
/s/ Leo W. Pierce, Sr.	Chairman of the Board, Director	March 22, 1999
----- Leo W. Pierce, Sr.		
/s/ Alan B. Campell	Director	March 22, 1999
----- Alan B. Campell		
/s/ Delbert S. Conner	Director	March 22, 1999
----- Delbert S. Conner		
/s/ Thomas A. Decker	Director	March 22, 1999
----- Thomas A. Decker		
/s/ J. Anthony Hayden	Director	March 22, 1999
----- J. Anthony Hayden		

</TABLE>

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Pierce Leahy Corp.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements for Pierce Leahy Corp. and have issued our report thereon dated February 26, 1999. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of valuation and qualifying accounts is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Philadelphia, Pa.
February 26, 1999

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SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

<TABLE>
<CAPTION>

	Balance, Beginning of Period	Charges to Expenses	Charges to Other Accounts - Purchase Accounting	Deductions From Reserve	Balance, End of Period
<S>	<C>	<C>	<C>	<C>	<C>
December 31, 1998					
Reserve for doubtful accounts.....	\$2,399	\$1,406	\$ -	\$155	\$3,650
December 31, 1997					
Reserve for doubtful accounts.....	\$ 795	\$ 947	\$953	\$296	\$2,399
December 31, 1996					
Reserve for doubtful accounts.....	\$ 487	\$ 467	\$ -	\$159	\$ 795

</TABLE>

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INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits.
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3.1	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, File No. 333-23121)
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3.3**	Designation, Rights and Preferences of the Series A Redeemable Senior Pay-In-Kind Preferred Stock
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10.2*	Pierce Leahy Corp. 1997 Stock Option Plan (incorporated by reference to Exhibit to the Company's Registration Statement on Form S-1, File No. 333-23121)
10.3(a)**	Second Amended and Restated Credit Agreement dated as of February 24, 1999, among the Company, Pierce Leahy Command Company, the several lenders from time to time parties thereto, Canadian Imperial Bank of Commerce, as Canadian Administrative Agent, and Canadian Imperial Bank of Commerce, New York Agency, as U.S. Administrative Agent
10.3(b)	Credit Agreement dated as of August 12, 1997, as amended, among the Company, Pierce Leahy Command Company, the several lenders from time to time parties thereto, Canadian Imperial Bank of Commerce, as Canadian Administrative Agent, and Canadian Imperial Bank of Commerce, New York Agency, as U.S. Administrative Agent, together with certain collateral documents attached thereto, including the form of US\$ Note, the form of Canadian\$ Note, and the form of the U.S. Global Guarantee and Security Agreement made by the Company, certain of its affiliates and subsidiaries and its shareholders in favor of the U.S. Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
10.4	Indenture, dated as of July 15, 1996, among the Company as issuer, and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-4, File No. 333-9963)
10.5	Indenture, dated as of July 7, 1997, among the Company, as issuer,

Exhibit Number -----	Description of Exhibits. -----
10.6	Indenture, dated as of April 7, 1998, by and among Pierce Leahy Command Company, as issuer, Pierce Leahy Corp., and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1(c) to the Company's Registration Statement on Form S-4, File No. 333-58569)
10.7	Tax Indemnification Agreement among the Company and certain of its shareholders (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1, File No. 333-23121)
10.8	Pierce Leahy Corp. Profit Sharing/401(K) Plan, as amended, dated December 29, 1998 (incorporated by reference to Exhibit 10 to the Company's Registration Statement on Form S-8, File No. 333-69859)
10.9	Asset Purchase Agreement dated February 4, 1998, and Amending Agreement dated April 7, 1998, among Pierce Leahy Command Company, Archivex Inc., the shareholders of Archivex Inc., and certain parties related to Archivex Inc. (incorporated by reference to Exhibits 10.1 and 10.2 to the Company's Report on Form 8-K dated April 7, 1998)
10.10	Stock Purchase Agreement dated May 21, 1998 among Pierce Leahy Corp., and the shareholders of Kestrel Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K dated July 2, 1998)
12**	Computation of Ratio of Earnings to Fixed Charges
21**	Subsidiaries of the Registrant
23**	Consent of Arthur Andersen LLP
27**	Financial Data Schedule

* Management contract or compensatory plan required to be filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

** Filed herewith.

(b) Reports on Form 8-K.
None

<TABLE>
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Microfilm Number _____
Entity Number _____
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Filed with the Department of State on _____

Secretary of the Commonwealth

STATEMENT WITH RESPECT TO SHARES-DOMESTIC BUSINESS CORPORATION
DSCB:15-1522 (REV 90)

In compliance with the requirements of 15 Pa.C.S. ss.1522(b) (relating to statement with respect to shares), the undersigned corporation, desiring to state the designation and voting rights, preferences, limitations, and special rights, if any, of a class or series of its shares, hereby states that:

1. The name of the corporation is Pierce Leahy Corp.

2. (Check and complete one of the following):
____ The resolution amending the Articles under 15 Pa.C.S.ss.1522(b) (relating to divisions and determinations by the board).

X The resolution amending the Articles under 15 Pa. C.S.ss.1522(b) is set forth in full in Exhibit A attached hereto and made a part hereof.

3. The aggregate number of shares of such class or series established and designated by (a) such resolution, (b) all prior statements, if any, filed under 15 Pa. C.S.ss.1522 or corresponding provisions of prior law with respect thereto, and (c) any other provision of the Articles is _____ shares.

4. The resolution was adopted by the Board of Directors or an authorized committee thereof on: _____

5. (CHECK, AND IF APPROPRIATE COMPLETE, ONE OF THE FOLLOWING):
X The resolution shall be effective upon the filing this statement with respect to shares in the Department of State.

____ The resolution shall be effective on: _____ Date
at _____ Hour

IN TESTIMONY WHEREOF, the undersigned corporation has caused this statement to be signed by a duly authorized officer thereof this 26th day of February, 1999.

Pierce Leahy Corp.

(Name of Corporation)
By: /s/ Joseph P. Linaugh

(Signature)
Title: Vice President

DESIGNATION, RIGHTS AND PREFERENCES
OF THE
SERIES A REDEEMABLE SENIOR
PAY-IN-KIND PREFERRED STOCK
OF
PIERCE LEAHY CORP.

RESOLVED, that the Board of Directors, pursuant to

authority vested in it by the provisions of the Articles of Incorporation, of the Corporation, as amended (the "Certificate"), hereby creates and authorizes the issue of a series of the Corporation's preferred stock, par value \$.01 per share, and hereby fixes the designation, dividend rate, redemption provisions, voting powers, rights on liquidation or dissolution, and other preferences, rights, and the qualifications, limitations or restrictions thereof (in addition to those set forth in the Certificate) as follows:

1. DESIGNATION AND AMOUNT.

The shares of one series of Preferred Stock of the Corporation created and authorized hereby shall be designated as "Series A Redeemable Senior Pay-in-Kind Preferred Stock" (hereinafter referred to as the "Senior Preferred Stock") and the number of shares constituting such series shall be 25,000. Capitalized terms used in Sections 1 through 9 of this Designation without definition have the meanings assigned to them in Section 10.

2. DIVIDENDS.

(A) Each holder of record of a share of Senior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available therefor pursuant to the Pennsylvania Business Corporation Law (the "Legally Available Funds"),

preferential cumulative dividends as provided for, and payable in accordance with, this SECTION 2. Dividends on each share of Senior Preferred Stock shall accrue at the Applicable Dividend Rate on the sum of the Liquidation Preference and all accumulated and unpaid dividends thereon. Such dividends (i) shall be calculated and compounded quarterly on March 31, June 30, September 30 and December 31 of each year (each, a "Dividend Calculation Date"), commencing June

30, 1999, (ii) shall be fully cumulative, (iii) shall commence to accrue (and shall be deemed earned) on each share of Senior Preferred Stock from its issuance date, whether or not declared by the Board of Directors, and whether or not

there are profits, surplus or other Legally Available Funds, and (iv) shall continue to accrue to but excluding the date the Liquidation Preference of such share (plus all accrued and unpaid dividends thereon) is paid in full in cash in immediately available funds. For purposes of determining the amount of dividends accrued on the Senior Preferred Stock pursuant to this SECTION 2 in connection with the sale, redemption or repurchase of any Senior Preferred Stock which may occur between two Dividend Calculation Dates, the Applicable Dividend Rate for such period shall be multiplied by a fraction, the numerator of which is the actual number of days elapsed in the then current quarterly period and the denominator of which is the total number of days comprising such quarterly period.

(B) Except as provided in subsection d(i), dividends accrued on the Senior Preferred Stock shall be paid in cash on each Dividend Calculation Date, subject to the availability of Legally Available Funds. If at any time the Corporation distributes less than the total amount of dividends then accrued with respect to the Senior Preferred Stock, such payment will be distributed ratably among the holders of Senior Preferred Stock based upon the aggregate accrued but unpaid dividends on the Senior Preferred stock held by each holder.

(C) Each such dividend shall be paid to the holders of record of shares of Senior Preferred Stock as they appear on the stock register of the Corporation on such record date as shall be fixed by the Board of Directors of the Corporation or a duly authorized committee thereof, which date shall be not more than 30 days nor less than 10 days preceding the Dividend Payment Date relating thereto.

(D) (I) The Board of Directors of the Corporation may, in its sole discretion, elect to make payments of dividends in additional shares of Senior Preferred Stock. The number of shares of Senior Preferred Stock payable as such dividends shall be calculated by dividing the aggregate dollar amount which would be payable as a dividend in cash by the Liquidation Preference of the then outstanding Senior Preferred Stock. In the event that any portion of such dividend is not evenly divisible by the Liquidation Preference of the then outstanding Senior Preferred Stock, the Corporation may elect to pay to each holder that portion of such dividend which is not evenly divisible by the Liquidation Preference of the then outstanding Senior Preferred Stock (the "Remainder") (i) in fractional shares or (ii) in cash, out of Legally Available Funds. A dividend paid in additional shares of Senior Preferred Stock shall be deemed satisfied in full if the sum of the aggregate Liquidation Preference of such additional shares of Senior Preferred Stock and the aggregate Remainder, if any, whether paid in cash or in fractional shares, is equal to the amount of the

dividend which was payable on such Dividend Calculation Date.

(II) If all or a portion of the Remainder is not paid on or before the Dividend Calculation Date next succeeding the Dividend Calculation Date on which the Remainder was payable, such accrued but unpaid dividends shall be added (solely for

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the purpose of calculating dividends payable on the Senior Preferred Stock) to the Liquidation Preference of the Senior Preferred Stock effective at the beginning of the period commencing on the Dividend Calculation Date next succeeding the Dividend Calculation Date on which the Remainder was payable, and shall thereafter accrue additional dividends at the Applicable Dividend Rate until such unpaid dividends have been paid in full.

(E) No dividend or other distribution shall be declared or paid upon or set apart for any Junior Securities, nor shall any Junior Securities be redeemed or purchased by the Corporation or any subsidiary or other affiliate thereof, nor shall any money be paid to or made available for a sinking or other analogous fund for redemption or purchase of any Junior Securities, in each case until the Senior Preferred Stock shall have been redeemed in full for cash in immediately available funds as provided in SECTION 3 or SECTION 4.

3. OPTIONAL REDEMPTION.

(A) OPTIONAL REDEMPTION; REDEMPTION PRICE. The shares of Senior Preferred Stock shall be redeemable, in whole or in part, out of Legally Available Funds, at the option of the Corporation, at any time upon giving notice as provided in SECTION 3(B) below, at the Redemption Price, payable in cash in immediately available funds.

(B) NOTICE OF REDEMPTION. At least 5 days but not more than 30 days prior to the date fixed for the redemption of shares of the Senior Preferred Stock pursuant to paragraph (a) above (the "Optional Redemption Date"), written

notice of such redemption shall be hand delivered or mailed to each holder of record of shares of Senior Preferred Stock. Each such notice shall state: (i) the Optional Redemption Date; (ii) the cash Redemption Price; (iii) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Prices; and (iv) that dividends on the Senior Preferred Stock shall cease to accrue on the Optional Redemption Date. On or after the Optional Redemption Date each holder of shares of Senior Preferred Stock shall present and surrender its, his or her certificate or certificates for such shares to the Corporation at the place designated in such notice and thereupon the Redemption Price of such shares shall be paid to or on the order of the Person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. From and after the Optional Redemption Date (unless default shall be made by the Corporation in payment of the Redemption Price), all dividends on the Senior Preferred Stock shall cease to accrue and all rights of the holders thereof as stockholders of the Corporation, except the right to receive the Redemption Price thereof (including all accrued and unpaid dividends up to the date of redemption), without interest, upon the surrender of certificates representing the same, shall cease and terminate and such shares shall not thereafter be transferred (except with

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the consent of the Corporation) on the books of the Corporation and such shares not be deemed to be outstanding for any purpose whatsoever.

4. OTHER REDEMPTIONS.

(A) REDEMPTION DATE. Irrespective of the provisions of SECTION 3, the Corporation will, subject to the consent of the Senior Lenders or the prior payment in full in cash of the Companies' indebtedness to the Senior Lenders and subject also to the conditions set forth in paragraph (b) below, redeem each outstanding share of the Senior Preferred Stock from the holders thereof at the Redemption Price, payable in cash in immediately available funds on the Scheduled Redemption Date.

(B) INSUFFICIENT FUNDS. If Legally Available Funds on the Scheduled Redemption Date (based on the highest valuation of the Corporation's assets permissible under applicable law) are insufficient to redeem all of the

Senior Preferred Stock then outstanding as required under this SECTION 4, then, subject to the consent of the Senior Lenders or the prior payment in full of the Senior Debt, then, at the option of the holders of a majority of the outstanding shares of the Senior Preferred Stock, those funds which constitute Legally Available Funds will be used to redeem the maximum possible number of shares of Senior Preferred Stock ratably on the basis of the number of shares of Senior Preferred Stock which would be redeemed on such date if Legally Available Funds had been sufficient to redeem all outstanding shares of Senior Preferred Stock. Subject to the consent of the Senior Lenders or the prior payment in full of the Senior Debt, the balance of the Redemption Price for such shares shall remain an obligation of the Corporation and shall become due and payable, in cash in immediately available funds, as soon as there are Legally Available Funds therefor. In case less than all Senior Preferred Stock represented by any stock certificate is redeemed in any redemption pursuant to this SECTION 4, a new certificate will be issued and delivered on the Scheduled Redemption Date representing the unredeemed Senior Preferred Stock without cost to the holder thereof.

(C) OWNERSHIP CHANGE. The Corporation will, subject to the consent

of the Senior Lenders and in compliance with the Corporation's public indentures, make an offer to the Purchaser to redeem all of the shares of Senior Preferred Stock outstanding at 101% of the Redemption Price in the event of an Ownership Change.

5. VOTING RIGHTS.

(A) Except as set forth in this SECTION 5, the holders of Senior

Preferred Stock shall not, except as required by law or as set forth in SECTION 5(B), have any right or power to vote on any question in any proceeding or to be represented at, or to receive notice of, any meeting of the Corporation's stockholders. On any matters on which the holders of the Senior Preferred Stock shall be so entitled to vote, they shall be entitled to one vote for each share held.

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(B) So long as any shares of the Senior Preferred Stock are outstanding, in addition to the vote or consent of the holders of any Junior Securities which may be required by law, the Certificate of Incorporation or By-laws of the Corporation or by the Certificate of Designation of the Senior Preferred Stock, the consent of the holders of a majority of all of the outstanding shares of Senior Preferred Stock (given in person or by proxy, at a special meeting of stockholders called for such purpose or at any annual meeting of stockholders, with the holders of Senior Preferred Stock voting as a class and with each share of Senior Preferred Stock having one vote or given by written consent in lieu of such meeting in accordance with the By-laws of the Corporation) shall be required before the Corporation may (or may permit any of its Subsidiaries to):

(I) authorize, effect or validate the amendment, alteration or repeal of any of the provisions of this Certificate of Designation or of any amendment thereto, or of the Certificate of Incorporation or By-Laws of the Corporation that, in any case, would have an adverse effect on the designations, rights, preferences, powers or privileges of, or the restrictions provided for the benefit of, shares of Senior Preferred Stock;

(II) create any class or series of capital stock ranking prior to or on parity with the Senior Preferred Stock with respect to rights to receive dividends, redemption payments or distributions upon liquidation or winding up of the Corporation;

(III) increase or decrease the number of authorized shares of Senior Preferred Stock, except for any increase to implement the provisions of Section 2(d) hereof;

(IV) declare, order, pay or make any dividends or other distributions on, or redeem or purchase, any Junior Securities or other equity securities (other than dividends payable by the Subsidiaries to the Corporation or another Subsidiary) set aside any sum or property therefor (including any sinking or other analogous fund), except (A) to increase the liquidation preference of the Senior Preferred Stock by adding accrued but unpaid dividends in accordance with the provisions of Section 2(b) of the Certificate of Designation of the Series A Preferred Stock, and (B) as provided for herein.

(C) The holders of the Senior Preferred Stock, voting together as a class with the holders of any other series of preferred stock upon which like

rights have been conferred and are exercisable, will be entitled to elect two additional members to the Board of Directors of the Corporation if the Corporation fails to declare dividends for two or more consecutive quarters or fails to pay dividends (in cash or shares of Senior Preferred Stock) for two or more consecutive quarters when able to do so.

(D) Notwithstanding anything herein to the contrary, the consent of the holders of 100% of all of the outstanding shares of Senior Preferred Stock shall be

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required before the Corporation may modify the Dividend Rate, Liquidation Preference or Redemption Price of the Senior Preferred Stock.

6. LIQUIDATION PREFERENCE.

In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Senior Preferred Stock shall be entitled to receive in cash in immediately available funds, out of the remaining net assets of the Corporation, and before any distribution of any kind shall be made to the holders of the Junior Securities, the Liquidation Preference for each share of Senior Preferred Stock, plus an amount equal to all dividends accrued and unpaid on each such share (whether or not declared) to the date fixed for distribution.

7. RANKING OF SENIOR PREFERRED STOCK. The Senior Preferred Stock

shall rank prior to any other equity securities of the Corporation, including all classes of the Common Stock

8. CERTAIN COVENANTS. During the period any Senior Preferred

Stock remains outstanding, the Corporation shall comply with the covenants set forth in Sections 4.2 and 4.6 through 4.16 of the Indenture as in effect as of the date hereof, dated as of April 7, 1998, among the Corporation, Pierce Leahy Command Company and the Bank of New York, as trustee.

9. INFORMATION. The Corporation will furnish to each holder of

record of Senior Preferred Stock:

(A) as soon as available and in any event within 120 days after the end of each fiscal year of the Corporation, a consolidated balance sheet of the Corporation as of the end of such fiscal year and the related statement of operations, cash flow and stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all audited by the Corporation's independent public accountants; and

(B) as soon as available and in any event within 45 days after the end of each fiscal quarter, a consolidated balance sheet of the Corporation as of the end of such fiscal quarter and the related statement of operations and cash flow for such fiscal quarter and for the portion of the Corporation's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding fiscal quarter and the corresponding portion of the Corporation's previous fiscal year.

10. DEFINITIONS. As used in this Certificate of Designation, the

following terms have the following respective meanings:

APPLICABLE DIVIDEND RATE

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(A) From the date the Senior Preferred Stock is issued through and including the date which is 6 months following the issuance date, a rate equal to 300 basis points in excess of the Yield-To-Worst on the Pierce Leahy Command Company's 8-1/8% Senior Notes due 2008 on the date immediately preceding the date of issuance. The dividend rate shall increase 100 basis points six months following the issuance date and an additional 50 basis points each three months thereafter, subject to a maximum of 18%. The dividend rate shall increase by an additional 250 basis points 30 days following the date on which the Corporation could repay the Senior Preferred Stock under its existing public indentures and the Credit Agreement.

(B) Upon any subsequent issuance of the Senior Preferred Stock (other than pursuant to Section 2(d) hereof), the dividend rate on all of the Senior Preferred Stock will be reset at the higher of the current dividend rate or 300 basis points in excess of the current Yield-To-Worst on the Pierce Leamy Command Company's 8-1/8% Senior Notes due 2008 on the date immediately preceding the date of issuance. The dividend rate shall be further increased as set forth in (a) above.

(C) The dividend rate will increase an additional 25 basis point per quarter, subject to a maximum increase of an additional 100 basis points if the Corporation fails to file a registration statement for or an offer to exchange the Senior Preferred Stock within 270 days of issuance and to cause such registration statement or offer to exchange to become effective within 360 days of issuance.

BUSINESS DAY. With respect to the Preferred Stock, any day other than -----
a Saturday, Sunday or any day on which the New York Stock Exchange is closed.

COMMON STOCK. The Common Stock, \$.01 par value of the Corporation.

COMPANIES. The Corporation and the Subsidiaries.

CREDIT AGREEMENT. That certain credit agreement among the Corporation,

Pierce Leamy Command Company and the Canadian Imperial Bank of Commerce as US Administrative Agent and Canadian Administrative Agent as in effect on February 26, 1999.

INDEBTEDNESS. The meaning of "Indebtedness" set forth in the Credit

Agreement, as in effect on February 26, 1999.

JUNIOR SECURITIES. The Common Stock and any other class or series of

shares of capital stock of the Corporation hereafter authorized over which the Senior Preferred Stock has preference or priority in the payment of dividends or in the

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distribution of assets on any liquidation, dissolution or winding up of the Corporation.

LIQUIDATION PREFERENCE. With respect to each share of the Senior

Preferred Stock, \$1000.

OWNERSHIP CHANGE. Any "change in control" of the Corporation as

defined in its public indentures.

PERSON. Any individual, corporation, partnership, joint venture, trust

or unincorporated organization or any government or any agency or political subdivision thereof

PREFERRED STOCK. The Senior Preferred Stock of the Corporation, par

value \$.01 per share.

REDEMPTION PRICE. 100% of the Liquidation Preference of such share of

the outstanding Senior Preferred Stock plus all accrued but unpaid dividends thereon (whether or not declared) to the date of redemption.

SCHEDULED REDEMPTION DATE. November 30, 2009.

SENIOR DEBT. The Corporation's Indebtedness to its Lenders set forth

in the Credit Agreement.

SENIOR LENDERS. The Corporation's senior lenders in the Credit

Agreement.

SUBSIDIARY(IES). Any corporation, general or limited partnership or

other entity the majority of the outstanding voting or ownership
interests in which are from time to time owned by the Corporation or
any other Subsidiary.

YIELD-TO-WORST. The lowest yield on the Pierce Leahy Command Company's

8 % Senior Notes (the "Command Notes") due 2008 assuming the Command
Notes will be redeemed by Pierce Leahy Command Company at any of the
stated call dates specified in the indenture governing the Command
Notes.

11. AVAILABLE INFORMATION. The full text of any agreement referred

to in this Designation is on file and available upon request at the
principal place of business of the Corporation at 631 Park Avenue,
King of Prussia, Pennsylvania 19406.

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US\$ 175,000,000
C\$ 40,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF FEBRUARY 24, 1999

PIERCE LEAHY CORP.
AND
PIERCE LEAHY COMMAND COMPANY,
AS BORROWERS

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO

CANADIAN IMPERIAL BANK OF COMMERCE
AS CANADIAN ADMINISTRATIVE AGENT

AND

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY
AS US ADMINISTRATIVE AGENT

FLEET NATIONAL BANK
AS DOCUMENTATION AGENT

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF FEBRUARY 24, 1999, AMONG PIERCE LEAHY CORP., A PENNSYLVANIA CORPORATION (THE "COMPANY"),

PIERCE LEAHY COMMAND COMPANY, A COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE PROVINCE OF NOVA SCOTIA (THE "CANADIAN BORROWER" AND, TOGETHER WITH THE

COMPANY, THE "BORROWERS"), THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS

FROM TIME TO TIME PARTIES TO THIS AGREEMENT (THE "LENDERS"), CANADIAN IMPERIAL

BANK OF COMMERCE, NEW YORK AGENCY, AS US ADMINISTRATIVE AGENT (AS HEREINAFTER DEFINED) FOR THE US\$ LENDERS HEREUNDER AND CANADIAN IMPERIAL BANK OF COMMERCE, AS CANADIAN ADMINISTRATIVE AGENT (AS HEREINAFTER DEFINED) FOR THE C\$ LENDERS HEREUNDER.

W I T N E S S E T H :

- - - - -

WHEREAS, PIERCE LEAHY CORP., A NEW YORK CORPORATION ("PLC"), THE
CANADIAN BORROWER, THE LENDERS, THE US ADMINISTRATIVE AGENT AND THE CANADIAN
ADMINISTRATIVE AGENT ARE PARTIES TO THE CREDIT AGREEMENT, DATED AS OF AUGUST 13,
1996 (AS HERETOFORE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED PRIOR TO THE
DATE HEREOF, THE "ORIGINAL CREDIT AGREEMENT");

WHEREAS, THE COMPANY IS THE SUCCESSOR TO PLC BY REASON OF PLC HAVING
BEEN MERGED WITH AND INTO THE COMPANY IMMEDIATELY PRECEDING THE EQUITY OFFERINGS
(AS HEREINAFTER DEFINED);

WHEREAS, THE ORIGINAL CREDIT AGREEMENT WAS AMENDED AND RESTATED ON
AUGUST 12, 1997 (AS SO AMENDED AND RESTATED, THE "EXISTING CREDIT AGREEMENT") TO

(A) INCREASE THE AGGREGATE PRINCIPAL AMOUNT OF THE US COMMITMENTS (AS
HEREINAFTER DEFINED) TO US\$ 150,000,000, (B) REFLECT CHANGES IN THE COMPANY'S
CORPORATE STRUCTURE AND GOVERNANCE RELATED TO ITS STATUS AS A PUBLIC COMPANY
FOLLOWING THE EQUITY OFFERINGS AND (C) OTHERWISE AMEND THE ORIGINAL CREDIT
AGREEMENT AND RESTATE IT IN ITS ENTIRETY AS MORE FULLY SET FORTH THEREIN;

WHEREAS, THE BORROWERS HAVE REQUESTED THAT THE EXISTING CREDIT
AGREEMENT BE AMENDED AND RESTATED TO (A) REFLECT AMENDMENTS TO THE EXISTING
CREDIT AGREEMENT MADE ON FEBRUARY 9, 1998, APRIL 3, 1998, MAY 1, 1998 AND JUNE
12, 1998, (B) PROVIDE FOR THE ISSUANCE OF LETTERS OF CREDIT UNDER THE US
COMMITMENTS, (C) INCREASE THE AGGREGATE PRINCIPAL AMOUNT OF THE US COMMITMENTS
TO US\$175,000,000 AND (D) OTHERWISE AMEND THE EXISTING CREDIT AGREEMENT AND
RESTATE IT IN ITS ENTIRETY AS MORE FULLY SET FORTH HEREIN; AND THE LENDERS, THE
US ADMINISTRATIVE AGENT AND THE CANADIAN ADMINISTRATIVE AGENT ARE WILLING, UPON
AND SUBJECT TO THE TERMS AND CONDITIONS HEREOF, SO TO AMEND AND RESTATE THE
EXISTING CREDIT AGREEMENT;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL AGREEMENTS HEREIN SET
FORTH, THE PARTIES HERETO HEREBY AGREE THAT ON THE CLOSING DATE (AS HEREINAFTER
DEFINED) THE EXISTING CREDIT AGREEMENT SHALL BE AMENDED AND RESTATED TO READ IN
ITS ENTIRETY AS FOLLOWS:

SECTION 1. DEFINITIONS

1.1 DEFINED TERMS. AS USED IN THIS AGREEMENT, THE FOLLOWING TERMS

SHALL HAVE THE FOLLOWING MEANINGS:

"ACCEPTANCE FEE": THE FEE PAYABLE IN C\$ TO EACH C\$ LENDER IN RESPECT

OF BANKERS' ACCEPTANCES COMPUTED IN ACCORDANCE WITH SUBSECTION 3.3(E).

"ACQUISITION DOCUMENTS": IN CONNECTION WITH ANY PERMITTED ACQUISITION,

ANY ASSET PURCHASE AGREEMENT, STOCK PURCHASE AGREEMENT, MERGER AGREEMENT OR
SIMILAR AGREEMENT AND ALL OTHER DOCUMENTS ENTERED INTO OR DELIVERED IN
CONNECTION THEREWITH.

"ACQUISITION LOAN": ANY LOAN THE PROCEEDS OF WHICH ARE USED TO

FINANCE ALL OR ANY PORTION OF THE PURCHASE PRICE OF (AND TO PAY FEES AND
EXPENSES, AND REFINANCE EXISTING INDEBTEDNESS IN CONNECTION WITH) A
PERMITTED ACQUISITION.

"ADDITIONAL MORTGAGED PROPERTY": AS DEFINED IN SUBSECTION 7.14(A).

"ADJUSTED EBITDA": FOR ANY PERIOD, WITH RESPECT TO THE COMPANY AND

ITS SUBSIDIARIES ON A CONSOLIDATED BASIS, EBITDA OF THE COMPANY AND ITS
SUBSIDIARIES FOR SUCH PERIOD DETERMINED ON A PRO A BASIS AFTER GIVING
EFFECT TO THE FOLLOWING ADJUSTMENTS:

(A) ANY BUSINESS ACQUIRED DURING SUCH PERIOD PURSUANT TO A
PERMITTED ACQUISITION SHALL BE DEEMED TO HAVE BEEN ACQUIRED ON THE
FIRST DAY OF SUCH PERIOD (AND EBITDA ATTRIBUTABLE TO SUCH BUSINESS
SHALL BE CALCULATED ON THE BASIS OF THE AVAILABLE FINANCIAL STATEMENTS
OF SUCH BUSINESS);

(B) ANY BUSINESS DISPOSED OF DURING SUCH PERIOD PURSUANT TO A
DISPOSITION SHALL BE DEEMED TO HAVE BEEN DISPOSED OF ON THE FIRST DAY
OF SUCH PERIOD; AND

(C) IF, IN CONNECTION WITH ANY PERMITTED ACQUISITION, THE COMPANY
SHALL IN GOOD FAITH ADOPT A PROGRAM WHICH CAN REASONABLY BE EXPECTED
TO RESULT IN QUANTIFIABLE IMPROVEMENTS IN THE OPERATING RESULTS OF THE
ACQUIRED BUSINESS, THE COMPANY (SO LONG AS (I) IT SHALL HAVE DELIVERED
TO THE LENDERS A DESCRIPTION OF SUCH PROGRAM, SETTING FORTH IN
REASONABLE DETAIL THE TERMS AND CONDITIONS THEREOF AND (II) THE
AGGREGATE AMOUNT OF SUCH QUANTIFIABLE IMPROVEMENTS IN OPERATING
RESULTS FROM SUCH PERMITTED ACQUISITION SHALL NOT EXCEED 15% OF THE
COMPANY'S EBITDA FOR THE THEN MOST RECENTLY ENDED PERIOD OF TWELVE
CONSECUTIVE MONTHS FOR WHICH FINANCIAL STATEMENTS SHALL HAVE BEEN
DELIVERED TO THE LENDERS PURSUANT TO SUBSECTIONS 7.1(A) OR (B)) SHALL
BE ENTITLED TO ASSUME THAT THE IMPROVED OPERATING RESULTS PROJECTED TO
RESULT FROM SUCH PROGRAM SHALL HAVE OCCURRED

FROM THE FIRST DAY OF SUCH PERIOD TO THE DATE OF SUCH PERMITTED ACQUISITION.

"ADJUSTMENT DATE": THE SECOND BUSINESS DAY FOLLOWING RECEIPT BY THE

US ADMINISTRATIVE AGENT OF BOTH (A) THE FINANCIAL STATEMENTS REQUIRED TO BE DELIVERED PURSUANT TO SUBSECTION 7.1(A) OR 7.1(B), AS THE CASE MAY BE, FOR THE MOST RECENTLY COMPLETED FISCAL PERIOD AND (B) THE RELATED COMPLIANCE CERTIFICATE REQUIRED TO BE DELIVERED PURSUANT TO SUBSECTION 7.2(B) WITH RESPECT TO SUCH FISCAL PERIOD.

"ADMINISTRATIVE AGENTS": THE COLLECTIVE REFERENCE TO THE US

ADMINISTRATIVE AGENT AND THE CANADIAN ADMINISTRATIVE AGENT.

"ADMINISTRATIVE OFFICE": THE CANADIAN ADMINISTRATIVE OFFICE OR THE US

ADMINISTRATIVE OFFICE, AS APPLICABLE.

"AFFECTED PROPERTY": AS DEFINED IN SUBSECTION 4.4(D).

"AFFILIATE": WITH RESPECT TO ANY PERSON, ANY OTHER PERSON DIRECTLY OR

INDIRECTLY CONTROLLING (INCLUDING BUT NOT LIMITED TO ALL DIRECTORS AND OFFICERS OF SUCH PERSON), CONTROLLED BY, OR UNDER DIRECT OR INDIRECT COMMON CONTROL WITH, SUCH PERSON; PROVIDED, HOWEVER, THAT FOR PURPOSES OF

SUBSECTION 8.6, AN AFFILIATE OF THE COMPANY SHALL INCLUDE ANY PERSON THAT DIRECTLY OR INDIRECTLY OWNS MORE THAN 5% OF THE TOTAL VOTING POWER OF THE COMPANY'S CAPITAL STOCK. A PERSON SHALL BE DEEMED TO CONTROL ANOTHER PERSON IF SUCH PERSON POSSESSES, DIRECTLY OR INDIRECTLY, THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF SUCH OTHER PERSON, WHETHER THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT OR OTHERWISE.

"AFFILIATE CONTRACTS": COLLECTIVELY, ALL CONTRACTS OR AGREEMENTS

ENTERED INTO BETWEEN THE COMPANY OR ANY OF ITS WHOLLY OWNED SUBSIDIARIES, ON THE ONE HAND, AND ANY OF ITS AFFILIATES (OTHER THAN WHOLLY OWNED SUBSIDIARIES), ON THE OTHER HAND.

"AGREEMENT": THIS CREDIT AGREEMENT, AS AMENDED, SUPPLEMENTED,

RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

"APPLICABLE BA DISCOUNT RATE": WITH RESPECT TO ANY C\$ LENDER, AS

APPLICABLE TO A BANKERS' ACCEPTANCE BEING PURCHASED BY SUCH C\$ LENDER ON ANY DAY, THE A RATE IN EFFECT ON SUCH DAY WITH RESPECT TO SUCH BANKERS' ACCEPTANCE.

"APPLICABLE MARGIN": THE RATE FOR THE RESPECTIVE TYPE OF LOAN SET

FORTH OPPOSITE THE RANGE IN WHICH THE LEVERAGE RATIO IN EFFECT ON THE CLOSING DATE (AS DETERMINED FROM THE CERTIFICATE DELIVERED ON SUCH DATE PURSUANT TO SUBSECTION 6.2(A)) SHALL FALL, PROVIDED THAT IF ON ANY

ADJUSTMENT DATE OCCURRING AFTER THE CLOSING DATE THE LEVERAGE RATIO DETERMINED FROM THE FINANCIAL STATEMENTS RELATING TO SUCH ADJUSTMENT DATE (AND BASED UPON THE TOTAL NET DEBT ON THE DATE OF THE BALANCE SHEET INCLUDED IN SUCH

FINANCIAL STATEMENTS) SHALL FALL WITHIN ANY OF THE RANGES SET FORTH BELOW THEN THE APPLICABLE MARGIN FOR ALL LOANS WILL BE ADJUSTED ON SUCH ADJUSTMENT DATE (EACH SUCH ADJUSTMENT TO BE EFFECTIVE UNTIL THE NEXT SUCCEEDING ADJUSTMENT DATE) TO THE RATE FOR THE RESPECTIVE TYPE OF LOAN SET FORTH OPPOSITE THE RANGE IN WHICH SUCH LEVERAGE RATIO FALLS:

APPLICABLE MARGIN (% PER ANNUM)

<TABLE>
<CAPTION>

EURODOLLAR LOANS/ PRIME ----- LOANS ----- <S>	BANKERS' <C>	BASE RATE LOANS/ RANGE OF LEVERAGE RATIO ----- <C>	C\$ -- ACCEPTANCES ----- <C>
GREATER THAN OR EQUAL TO 5.50 TO 1.00		1.00%	2.25%
GREATER THAN OR EQUAL TO 5.00 TO 1.00 BUT LESS THAN 5.50 TO 1.00		0.75%	2.00%
GREATER THAN OR EQUAL TO 4.50 TO 1.00 BUT LESS THAN 5.00 TO 1.00		0.50%	1.75%
GREATER THAN OR EQUAL TO 4.00 TO 1.00 BUT LESS THAN 4.50 TO 1.00		0.25%	1.50%

GREATER THAN OR EQUAL TO 3.50 TO 1.00 BUT LESS THAN 4.00 TO 1.00	0.00%	1.25%
LESS THAN 3.50 TO 1.00	0.00%	1.00%

</TABLE>

PROVIDED, HOWEVER, THAT, THE APPLICABLE MARGIN FOR ANY LOAN SHALL NOT BE

 REDUCED PURSUANT TO THE IMMEDIATELY PRECEDING PROVISIO FOR ANY PERIOD DURING
 WHICH A DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING;
 AND PROVIDED, FURTHER THAT:

(A) IF ON OR PRIOR TO THE THIRTIETH DAY FOLLOWING THE OCCURRENCE
 OF A DEFAULT OR EVENT OF DEFAULT WHICH ARISES UNDER SUBSECTION 9(B),
 (C) OR (D), SUCH DEFAULT OR EVENT OF DEFAULT HAS BEEN CURED OR WAIVED,
 THEN THE APPLICABLE MARGIN DURING THE THIRTY-DAY PERIOD DURING WHICH
 SUCH DEFAULT OR EVENT OF DEFAULT EXISTED SHALL BE DEEMED TO HAVE BEEN
 THE APPLICABLE MARGIN WITH THE APPLICABLE REDUCTION DETERMINED IN
 ACCORDANCE WITH THE TABLE SET FORTH ABOVE ABSENT SUCH DEFAULT OR EVENT
 OF DEFAULT, AND ANY EXCESS PAYMENTS OF INTEREST MADE BY THE APPLICABLE
 BORROWER AS A RESULT OF THE UNAVAILABILITY OF THE REDUCTION IN THE
 APPLICABLE MARGIN PURSUANT TO THE IMMEDIATELY PRECEDING PROVISIO, SO
 LONG AS THERE EXISTS NO OTHER DEFAULT OR EVENT OF

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DEFAULT, SHALL BE CREDITED BY THE APPLICABLE LENDERS TO THE NEXT
 INTEREST PAYMENT DUE FROM SUCH BORROWER IN THE AMOUNT OF SUCH EXCESS;
 AND

(B) IF ANY DEFAULT OR EVENT OF DEFAULT REFERRED TO IN PARAGRAPH
 (A) ABOVE SHALL NOT HAVE BEEN CURED OR WAIVED PRIOR TO THE THIRTIETH
 DAY FOLLOWING ITS OCCURRENCE, THEN, FOR THE PERIOD FROM THE DATE UPON
 WHICH SUCH DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED UNTIL TWO
 BUSINESS DAYS FOLLOWING THE DATE UPON WHICH SUCH DEFAULT OR EVENT OF
 DEFAULT IS CURED OR WAIVED, THE APPLICABLE MARGIN IN RESPECT OF LOANS
 SHALL BE 1.00% PER ANNUM, IN THE CASE OF BASE RATE LOANS AND C\$ PRIME
 LOANS, AND 2.25% PER ANNUM, IN THE CASE OF EURODOLLAR LOANS AND
 BANKERS' ACCEPTANCES.

"APPLICATION": AN APPLICATION, IN SUCH FORM AS THE ISSUING LENDER MAY

 SPECIFY FROM TIME TO TIME, REQUESTING THE ISSUING LENDER TO OPEN A LETTER
 OF CREDIT.

"ASSIGNEE": AS DEFINED IN SUBSECTION 11.6(C).

"ASSIGNMENT AND ACCEPTANCE": AS DEFINED IN SUBSECTION 11.6(C).

"AVAILABLE CANADIAN COMMITMENT": AS TO ANY C\$ LENDER, AT A PARTICULAR

TIME, AN AMOUNT EQUAL TO THE EXCESS, IF ANY, OF (A) THE AMOUNT OF SUCH LENDER'S CANADIAN COMMITMENT AT SUCH TIME OVER (B) THE AGGREGATE PRINCIPAL

AMOUNT OF ALL C\$ LOANS MADE BY SUCH LENDER THEN OUTSTANDING.

"AVAILABLE US COMMITMENT": AS TO ANY US\$ LENDER, AT A PARTICULAR

TIME, AN AMOUNT EQUAL TO THE EXCESS, IF ANY, OF (A) THE AMOUNT OF SUCH US\$ LENDER'S US COMMITMENT AT SUCH TIME OVER (B) SUCH US\$ LENDER'S US

EXTENSIONS OF CREDIT THEN OUTSTANDING.

"BA DISCOUNT PROCEEDS": IN RESPECT OF ANY BANKERS' ACCEPTANCE TO BE

PURCHASED BY A C\$ LENDER ON ANY DAY UNDER SUBSECTION 3.3, AN AMOUNT (ROUNDED TO THE NEAREST WHOLE CANADIAN CENT, AND WITH ONE-HALF OF ONE CANADIAN CENT BEING ROUNDED UP) CALCULATED ON SUCH DAY BY DIVIDING:

(A) THE FACE AMOUNT OF SUCH BANKERS' ACCEPTANCE; BY

(B) THE SUM OF ONE PLUS THE PRODUCT OF:

(I) THE APPLICABLE BA DISCOUNT RATE (EXPRESSED AS A DECIMAL) APPLICABLE TO SUCH BANKERS' ACCEPTANCE; AND

(II) A FRACTION, THE NUMERATOR OF WHICH IS THE NUMBER OF DAYS REMAINING IN THE TERM OF SUCH BANKERS' ACCEPTANCE AND THE DENOMINATOR OF WHICH IS 365;

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WITH SUCH PRODUCT BEING ROUNDED UP OR DOWN TO THE FIFTH DECIMAL PLACE AND .000005 BEING ROUNDED UP.

"BANKERS' ACCEPTANCE": A BILL OF EXCHANGE DENOMINATED IN C\$ DRAWN BY

THE CANADIAN BORROWER AND ACCEPTED BY A C\$ LENDER PURSUANT TO SUBSECTION 3.3.

"BASE RATE": ON ANY PARTICULAR DATE, A RATE OF INTEREST PER ANNUM

EQUAL TO THE HIGHER OF: (A) THE RATE OF INTEREST MOST RECENTLY ANNOUNCED BY A AS ITS PRIME RATE (WHICH RATE IS NOT NECESSARILY INTENDED TO BE THE LOWEST RATE OF INTEREST CHARGED BY CIBC IN CONNECTION WITH EXTENSIONS OF

CREDIT) FOR LOANS DENOMINATED IN US DOLLARS; AND (B) THE FEDERAL FUNDS RATE FOR SUCH DATE PLUS .50%.

"BASE RATE LOANS": US\$ LOANS THE RATE OF INTEREST APPLICABLE TO WHICH

IS BASED UPON THE BASE RATE.

"BENEFITTED LENDER": AS DEFINED IN SUBSECTION 11.7(A).

"BORROWING DATE": ANY BUSINESS DAY SPECIFIED IN A NOTICE PURSUANT TO

SUBSECTION 2.2, 3.2 OR 3.3(B) (1) AS A DATE ON WHICH A BORROWER REQUESTS THE RELEVANT LENDERS TO MAKE LOANS HEREUNDER OR THE ISSUING LENDER TO ISSUE A LETTER OF CREDIT HEREUNDER.

"BRITISH POUNDS" OR "(POUNDS)": POUNDS STERLING, THE LAWFUL CURRENCY

OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

"BRITISH POUNDS EXCHANGE RATE": WITH RESPECT TO BRITISH POUNDS ON ANY

DATE, THE RATE AT WHICH BRITISH POUNDS MAY BE EXCHANGED INTO US DOLLARS, AS SET FORTH ON SUCH DATE ON THE A SERIES REUTERS CURRENCY PAGE AT OR ABOUT 11:00 A.M. NEW YORK CITY TIME ON SUCH DATE. IN THE EVENT THAT SUCH RATE DOES NOT APPEAR ON SUCH REUTERS PAGE, THE "BRITISH POUNDS EXCHANGE RATE"

SHALL BE DETERMINED BY REFERENCE TO SUCH OTHER PUBLICLY AVAILABLE SERVICE FOR DISPLAYING EXCHANGE RATES AS MAY BE AGREED UPON BY THE US ADMINISTRATIVE AGENT AND THE COMPANY OR, IN THE ABSENCE OF SUCH AGREEMENT, SUCH "BRITISH POUNDS EXCHANGE RATE" SHALL INSTEAD BE THE US ADMINISTRATIVE

A SPOT RATE OF EXCHANGE IN THE INTERBANK MARKET WHERE ITS CURRENCY EXCHANGE OPERATIONS IN RESPECT OF BRITISH POUNDS ARE THEN BEING CONDUCTED, AT OR ABOUT 10:00 A.M. LOCAL TIME AT SUCH DATE FOR THE PURCHASE OF US DOLLARS WITH BRITISH POUNDS FOR DELIVERY TWO BUSINESS DAYS LATER; PROVIDED

THAT IF AT THE TIME OF ANY SUCH DETERMINATION NO SUCH SPOT RATE CAN REASONABLY BE QUOTED, THE US ADMINISTRATIVE AGENT MAY USE ANY REASONABLE METHOD (INCLUDING OBTAINING QUOTES FROM THREE OR MORE MARKET MAKERS FOR BRITISH POUNDS) AS IT DEEMS APPROPRIATE TO DETERMINE SUCH RATE AND SUCH DETERMINATION SHALL BE CONCLUSIVE ABSENT MANIFEST ERROR (WITHOUT PREJUDICE TO THE DETERMINATION OF THE REASONABLENESS OF SUCH METHOD).

"BUSINESS DAY": A DAY OTHER THAN A SATURDAY, SUNDAY OR OTHER DAY ON

WHICH COMMERCIAL BANKS IN NEW YORK CITY ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE, EXCEPT THAT (A) WHEN USED IN CONNECTION WITH A EURODOLLAR LOAN,

"BUSINESS DAY" SHALL MEAN ANY BUSINESS DAY ON WHICH DEALINGS IN FOREIGN CURRENCIES AND EXCHANGE BETWEEN BANKS MAY BE CARRIED ON IN LONDON, ENGLAND AND NEW YORK, NEW YORK AND (B) WHEN USED IN CONNECTION WITH A C\$ LOAN, "BUSINESS DAY" SHALL MEAN A DAY ON WHICH BANKS ARE OPEN FOR BUSINESS IN TORONTO, ONTARIO, CANADA BUT EXCLUDES SATURDAY, SUNDAY AND ANY OTHER DAY WHICH IS A LEGAL HOLIDAY IN TORONTO, ONTARIO, CANADA.

"CANADIAN ADMINISTRATIVE AGENT": CANADIAN IMPERIAL BANK OF COMMERCE,

TOGETHER WITH ITS AFFILIATES, AS THE AGENT FOR THE C\$ LENDERS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

"CANADIAN ADMINISTRATIVE OFFICE": THE CANADIAN ADMINISTRATIVE AGENT'S

OFFICE LOCATED AT COMMERCE COURT WEST 7, TORONTO, ONTARIO, CANADA OR SUCH OTHER OFFICE IN CANADA AS MAY BE DESIGNATED AS SUCH BY THE CANADIAN ADMINISTRATIVE AGENT BY WRITTEN NOTICE TO THE CANADIAN BORROWER AND THE LENDERS.

"CANADIAN COMMITMENT": AS TO ANY C\$ LENDER, ITS OBLIGATION TO MAKE C\$

LOANS TO AND PURCHASE BANKERS' ACCEPTANCES FROM THE CANADIAN BORROWER HEREUNDER IN AN AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING NOT TO EXCEED THE AMOUNT SET FORTH OPPOSITE SUCH LENDER'S NAME ON SCHEDULE 1.1 AS SUCH LENDER'S "CANADIAN COMMITMENT", AS SUCH AMOUNT MAY BE CHANGED FROM TIME TO TIME AS PROVIDED HEREIN. THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF THE CANADIAN COMMITMENTS IS C\$40,000,000.

"CANADIAN DEBENTURE PLEDGE AGREEMENTS": THE DEBENTURE PLEDGE

AGREEMENTS EXECUTED AND DELIVERED BY THE CANADIAN BORROWER ON THE ORIGINAL CLOSING DATE, SUBSTANTIALLY IN THE FORM OF EXHIBIT E-3 TO THE ORIGINAL CREDIT AGREEMENT, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME.

"CANADIAN DEMAND DEBENTURES": THE DEMAND DEBENTURES EXECUTED AND

DELIVERED BY THE CANADIAN BORROWER ON THE ORIGINAL CLOSING DATE, SUBSTANTIALLY IN THE FORM OF EXHIBIT E-2 TO THE ORIGINAL CREDIT AGREEMENT, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME.

"CANADIAN DOLLARS" OR "C\$": DOLLARS IN LAWFUL CURRENCY OF CANADA.
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"CANADIAN EXCHANGE RATE": ON A PARTICULAR DATE, THE RATE AT WHICH C\$

MAY BE EXCHANGED INTO US\$, DETERMINED BY REFERENCE TO THE BANK OF CANADA NOON RATE AS PUBLISHED ON THE

REUTERS SCREEN PAGE A. IN THE EVENT THAT SUCH RATE DOES NOT APPEAR ON SUCH REUTERS PAGE, THE "CANADIAN EXCHANGE RATE" SHALL BE DETERMINED BY

 REFERENCE TO ANY OTHER MEANS (AS SELECTED BY THE CANADIAN ADMINISTRATIVE AGENT) BY WHICH SUCH RATE IS QUOTED OR PUBLISHED FROM TIME TO TIME BY THE BANK OF CANADA (IN EACH CASE AS IN EFFECT AT OR ABOUT 12:00 NOON, TORONTO TIME, ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE RELEVANT DATE OF DETERMINATION); PROVIDED, THAT IF AT THE TIME OF ANY SUCH DETERMINATION,

 FOR ANY REASON, NO SUCH EXCHANGE RATE IS BEING QUOTED OR PUBLISHED, THE CANADIAN ADMINISTRATIVE AGENT MAY USE ANY REASONABLE METHOD AS IT DEEMS APPLICABLE TO DETERMINE SUCH RATE, AND SUCH DETERMINATION SHALL BE PRIMA FACIE EVIDENCE OF THE ACCURACY THEREOF.

"CANADIAN HYPOTHEC": THE MOVEABLE HYPOTHEC EXECUTED AND DELIVERED BY

 THE CANADIAN BORROWER ON THE ORIGINAL CLOSING DATE, SUBSTANTIALLY IN THE FORM OF EXHIBIT E-4 TO THE ORIGINAL CREDIT AGREEMENT, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME.

"CANADIAN LENDING OFFICE": AS TO EACH C\$ LENDER, THE OFFICE IN CANADA

 SPECIFIED AS THE "CANADIAN LENDING OFFICE" OF SUCH LENDER ON SCHEDULE 1.1 OR IN AN ASSIGNMENT AND ACCEPTANCE, AS THE CASE MAY BE, OR SUCH OTHER OFFICE IN CANADA AS MAY BE DESIGNATED BY SUCH LENDER BY WRITTEN NOTICE TO THE COMPANY AND THE CANADIAN ADMINISTRATIVE AGENT.

"CANADIAN MORTGAGE": A MORTGAGE PROVIDED BY THE CANADIAN BORROWER OR A

 SUBSIDIARY THEREOF WITH RESPECT TO A CANADIAN MORTGAGED PROPERTY PURSUANT TO THE PROVISIONS SET FORTH IN THE RELEVANT CANADIAN DEMAND DEBENTURE AND CANADIAN DEBENTURE PLEDGE AGREEMENT.

"CANADIAN MORTGAGED PROPERTIES": ALL REAL PROPERTY LISTED AND

 IDENTIFIED AS SUCH IN PART B OF SCHEDULE 5.8 AND DESIGNATED AS SUCH.

"CANADIAN PENSION PLAN": ANY PLAN, PROGRAM, ARRANGEMENT OR

 UNDERSTANDING THAT IS A PENSION PLAN FOR THE PURPOSES OF ANY APPLICABLE PENSION BENEFITS OR TAX LAWS OF CANADA (WHETHER OR NOT REGISTERED UNDER ANY SUCH LAWS) WHICH IS MAINTAINED OR CONTRIBUTED TO BY (OR TO WHICH THERE IS OR MAY BE AN OBLIGATION TO CONTRIBUTE OF), ANY BORROWER OR ANY SUBSIDIARY OF THE COMPANY IN RESPECT OF ANY A EMPLOYMENT IN CANADA OR A PROVINCE OR TERRITORY THEREOF WITH THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY AND ALL RELATED AGREEMENTS, ARRANGEMENTS AND UNDERSTANDINGS IN RESPECT OF, OR RELATED TO, ANY BENEFITS TO BE PROVIDED THEREUNDER OR THE EFFECT THEREOF ON ANY OTHER COMPENSATION OR REMUNERATION OF ANY EMPLOYEE.

"CANADIAN SECURITY AGREEMENT": THE CANADIAN SECURITY AGREEMENT

EXECUTED AND DELIVERED BY THE CANADIAN BORROWER ON THE ORIGINAL CLOSING
DATE,

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SUBSTANTIALLY IN THE FORM OF EXHIBIT E-1 TO THE ORIGINAL CREDIT AGREEMENT,
AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO
TIME.

"CANADIAN SECURITY DOCUMENTS": THE COLLECTIVE REFERENCE TO THE

CANADIAN DEMAND DEBENTURES, CANADIAN DEBENTURE PLEDGE AGREEMENTS, THE
CANADIAN HYPOTHEC, AND THE CANADIAN SECURITY AGREEMENT AND ALL OTHER
SECURITY DOCUMENTS HEREAFTER DELIVERED TO THE CANADIAN ADMINISTRATIVE AGENT
GRANTING A LIEN ON ANY ASSET OR ASSETS OF THE CANADIAN BORROWER OR ANY
CANADIAN SUBSIDIARY TO SECURE THE OBLIGATIONS AND LIABILITIES OF THE
CANADIAN BORROWER HEREUNDER AND UNDER ANY OF THE OTHER LOAN DOCUMENTS OR TO
SECURE ANY GUARANTEE BY ANY CANADIAN SUBSIDIARY OF ANY SUCH OBLIGATIONS AND
LIABILITIES.

"CANADIAN SUBSIDIARY": ANY SUBSIDIARY THAT IS INCORPORATED OR

ORGANIZED UNDER THE LAWS OF CANADA OR ANY PROVINCE THEREOF.

"CAPITAL EXPENDITURES": AS DEFINED IN SUBSECTION 8.7.

"CAPITAL STOCK": ANY AND ALL SHARES, INTERESTS, PARTICIPATIONS OR

OTHER EQUIVALENTS (HOWEVER DESIGNATED) OF CAPITAL STOCK OF A CORPORATION,
ANY AND ALL EQUIVALENT OWNERSHIP INTERESTS IN A PERSON (OTHER THAN A
CORPORATION) AND ANY AND ALL WARRANTS OR OPTIONS TO PURCHASE ANY OF THE
FOREGOING.

"CAPITALIZED LEASE OBLIGATIONS": INDEBTEDNESS REPRESENTED BY

OBLIGATIONS UNDER A LEASE THAT IS REQUIRED TO BE CAPITALIZED FOR FINANCIAL
REPORTING PURPOSES IN ACCORDANCE WITH GAAP; THE AMOUNT OF SUCH INDEBTEDNESS
SHALL BE THE CAPITALIZED AMOUNT OF SUCH OBLIGATIONS DETERMINED IN
ACCORDANCE WITH GAAP.

"CASH EQUIVALENTS": (I) SECURITIES ISSUED OR DIRECTLY AND FULLY

GUARANTEED OR INSURED BY THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY
THEREOF OR CANADA OR ANY PROVINCE THEREOF (PROVIDED THAT THE FULL FAITH AND

CREDIT OF THE UNITED STATES OR CANADA OR ANY PROVINCE THEREOF IS PLEDGED IN

SUPPORT THEREOF) HAVING MATURITIES OF NOT MORE THAN SIX MONTHS FROM THE DATE OF ACQUISITION, (II) TIME DEPOSITS AND CERTIFICATES OF DEPOSIT OF ANY LENDER OR ANY COMMERCIAL BANK INCORPORATED IN THE UNITED STATES OR CANADA OF RECOGNIZED STANDING HAVING CAPITAL AND SURPLUS IN EXCESS OF US\$200,000,000 AND HAVING, OR WHICH IS THE PRINCIPAL BANKING SUBSIDIARY OF A BANK HOLDING COMPANY HAVING, A LONG-TERM A DEBT RATING OF AT LEAST "A" OR THE EQUIVALENT THEREOF FROM S&P OR "A-2" OR THE EQUIVALENT THEREOF FROM MOODY'S, OR AT LEAST A OR THE EQUIVALENT THEREOF BY CANADIAN BOND RATING SERVICE LIMITED OR AT LEAST A MIDDLE OR THE EQUIVALENT THEREOF BY DOMINION BOND RATING SERVICE LIMITED WITH MATURITIES OF NOT MORE THAN SIX MONTHS FROM THE DATE OF ACQUISITION BY SUCH PERSON, (III) REPURCHASE OBLIGATIONS WITH A TERM OF NOT MORE THAN SEVEN DAYS FOR UNDERLYING SECURITIES OF

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THE TYPES DESCRIBED IN CLAUSE (I) ABOVE ENTERED INTO WITH ANY BANK MEETING THE QUALIFICATIONS SPECIFIED IN CLAUSE (II) ABOVE, (IV) COMMERCIAL PAPER ISSUED BY ANY LENDER OR ANY PERSON INCORPORATED IN THE UNITED STATES OR CANADA RATED AT LEAST A-1+ OR THE EQUIVALENT THEREOF BY S&P OR AT LEAST P-1 OR THE EQUIVALENT THEREOF BY MOODY'S OR AT LEAST A-1+ OR THE EQUIVALENT THEREOF BY CANADIAN BOND RATING SERVICE LIMITED OR AT LEAST R-I (MIDDLE OR HIGH) OR THE EQUIVALENT THEREOF BY DOMINION BOND RATING SERVICE LIMITED AND IN EACH CASE MATURING NOT MORE THAN SIX MONTHS AFTER THE DATE OF ACQUISITION BY SUCH PERSON AND (V) INVESTMENTS IN MONEY MARKET FUNDS SUBSTANTIALLY ALL OF THE ASSETS OF WHICH ARE COMPRISED OF SECURITIES OF THE TYPES DESCRIBED IN CLAUSES (I) THROUGH (IV) ABOVE.

"CASUALTY EVENT": WITH RESPECT TO ANY PROPERTY OR ASSETS OF ANY

PERSON, ANY LOSS OF OR DAMAGE TO, OR ANY CONDEMNATION OR OTHER TAKING OF, SUCH PROPERTY (OTHER THAN IN THE ORDINARY COURSE OF BUSINESS) FOR WHICH SUCH PERSON OR ANY OF ITS SUBSIDIARIES RECEIVES INSURANCE PROCEEDS, OR PROCEEDS OF A CONDEMNATION AWARD OR OTHER COMPENSATION.

"CASUALTY REINVESTABLE PROCEEDS": AS DEFINED IN SUBSECTION 4.4(D).

"C\$ COMMITMENT PERCENTAGE": AS TO ANY C\$ LENDER AT ANY TIME, THE

PERCENTAGE OF THE AGGREGATE CANADIAN COMMITMENTS THEN CONSTITUTED BY SUCH LENDER'S CANADIAN COMMITMENT.

"C\$ EQUIVALENT": ON ANY DATE OF DETERMINATION, WITH RESPECT TO ANY

AMOUNT IN US\$, THE EQUIVALENT IN C\$ OF SUCH AMOUNT DETERMINED BY THE CANADIAN ADMINISTRATIVE AGENT USING THE US\$ EXCHANGE RATE THEN IN EFFECT.

"C\$ LENDER": EACH LENDER DESIGNATED AS A "C\$ LENDER" ON SCHEDULE 1.1,

AS SUCH SCHEDULE MAY BE MODIFIED FROM TIME TO TIME AS PROVIDED HEREIN.

"C\$ LOANS": THE COLLECTIVE REFERENCE TO C\$ PRIME LOANS AND BANKERS'

ACCEPTANCES; FOR THE PURPOSES OF THIS AGREEMENT, THE PRINCIPAL AMOUNT OF ANY C\$ LOAN CONSTITUTING A BANKERS' ACCEPTANCE SHALL BE DEEMED TO BE THE A FACE AMOUNT OF SUCH BANKERS' ACCEPTANCE.

"C\$ NOTE": AS DEFINED IN SUBSECTION 4.1(G).

"C\$ PRIME LOANS": C\$ LOANS AT SUCH TIME AS THEY BEAR INTEREST AT A

RATE BASED UPON THE C\$ PRIME RATE.

"C\$ PRIME RATE": WITH RESPECT TO A C\$ PRIME LOAN, ON ANY DAY, THE

GREATER OF (A) THE ANNUAL RATE OF INTEREST ANNOUNCED FROM TIME TO TIME BY CIBC AS ITS REFERENCE RATE THEN IN EFFECT FOR DETERMINING INTEREST RATES ON C\$ DENOMINATED COMMERCIAL LOANS IN CANADA AND (B) THE ANNUAL RATE OF INTEREST EQUAL TO THE SUM OF (I) THE CDOR RATE AND (II) 0.50% PER ANNUM.

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"CDOR RATE": ON ANY DATE, THE PER ANNUM RATE OF INTEREST WHICH IS THE

RATE BASED ON THE RATE APPLICABLE TO C\$ BANKERS' ACCEPTANCES FOR A TERM OF 30 DAYS (IN THE CASE OF THE DEFINITION OF "C\$ PRIME RATE") OR FOR A TERM EQUIVALENT TO THE TERM OF, AND FOR AMOUNTS COMPARABLE TO THE AMOUNT OF, THE RELEVANT BANKERS' ACCEPTANCES (IN THE CASE OF THE DEFINITION OF "APPLICABLE BA DISCOUNT RATE") APPEARING ON THE "REUTERS SCREEN CDOR PAGE" (AS DEFINED IN THE INTERNATIONAL SWAP DEALER ASSOCIATION, INC. DEFINITIONS, AS MODIFIED AND AMENDED FROM TIME TO TIME) FOR ACCEPTANCES OF SCHEDULE I BANKS UNDER THE BANK ACT (CANADA) AS OF 10:00 A.M., TORONTO TIME, ON SUCH DATE, OR IF SUCH DATE IS NOT A BUSINESS DAY, THEN ON THE IMMEDIATELY PRECEDING BUSINESS DAY; PROVIDED, HOWEVER, THAT IF NO SUCH RATE APPEARS ON THE REUTERS SCREEN

CDOR PAGE AS CONTEMPLATED, THEN THE CDOR RATE ON ANY DATE SHALL BE CALCULATED AS THE ARITHMETIC MEAN OF THE RATES FOR THE TERM AND AMOUNT REFERRED TO ABOVE APPLICABLE TO C\$ BANKERS' ACCEPTANCES QUOTED BY CIBC AS OF 10:00 A.M., TORONTO TIME, ON SUCH DATE OR, IF SUCH DATE IS NOT A BUSINESS DAY, THEN ON THE IMMEDIATELY PRECEDING BUSINESS DAY.

"CERCLA": THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND

LIABILITY ACT OF 1980, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, 42 U.S.C. (S)9601 ET SEQ.

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"CHANGE OF CONTROL": WITH RESPECT TO THE COMPANY SHALL BE DEEMED TO

HAVE OCCURRED AT SUCH TIME AS:

(A) ANY PERSON (INCLUDING A PERSON'S AFFILIATES AND ASSOCIATES), OTHER THAN A PERMITTED HOLDER, BECOMES THE BENEFICIAL OWNER (AS DEFINED UNDER RULE 13D-3 OR ANY SUCCESSOR RULE OR REGULATION PROMULGATED UNDER THE EXCHANGE ACT) OF MORE THAN 50% OF THE TOTAL VOTING POWER OF THE COMPANY'S COMMON STOCK;

(B) ANY PERSON (INCLUDING A PERSON'S AFFILIATES AND ASSOCIATES), OTHER THAN A PERMITTED HOLDER, BECOMES THE BENEFICIAL OWNER OF MORE THAN 33- % OF THE TOTAL VOTING POWER OF THE COMPANY'S COMMON STOCK, AND THE PERMITTED HOLDERS BENEFICIALLY OWN, IN THE AGGREGATE, A LESSER PERCENTAGE OF THE TOTAL VOTING POWER OF THE COMMON STOCK OF THE COMPANY THAN SUCH OTHER PERSON AND DO NOT HAVE THE RIGHT OR ABILITY BY VOTING POWER, CONTRACT OR OTHERWISE TO ELECT OR DESIGNATE FOR ELECTION A MAJORITY OF THE BOARD OF DIRECTORS OF THE COMPANY;

(C) THERE SHALL BE CONSUMMATED ANY CONSOLIDATION OR MERGER OF THE COMPANY IN WHICH THE COMPANY IS NOT THE CONTINUING OR SURVIVING CORPORATION OR PURSUANT TO WHICH THE COMMON STOCK OF THE COMPANY WOULD BE CONVERTED INTO CASH, SECURITIES OR OTHER PROPERTY, OTHER THAN A MERGER OR CONSOLIDATION OF THE COMPANY IN WHICH THE HOLDERS OF THE COMMON STOCK OF THE COMPANY OUTSTANDING IMMEDIATELY PRIOR TO THE CONSOLIDATION OR MERGER HOLD, DIRECTLY OR

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INDIRECTLY, AT LEAST A MAJORITY OF THE COMMON STOCK OF THE SURVIVING CORPORATION IMMEDIATELY AFTER SUCH CONSOLIDATION OR MERGER; OR

(D) DURING ANY PERIOD OF TWO CONSECUTIVE YEARS, INDIVIDUALS WHO AT THE BEGINNING OF SUCH PERIOD CONSTITUTED THE BOARD OF DIRECTORS OF THE COMPANY (TOGETHER WITH ANY NEW DIRECTORS WHOSE ELECTION BY SUCH BOARD OF DIRECTORS OR WHOSE NOMINATION FOR ELECTION BY THE SHAREHOLDERS OF THE COMPANY HAS BEEN APPROVED BY A MAJORITY OF THE DIRECTORS THEN STILL IN OFFICE WHO EITHER WERE DIRECTORS AT THE BEGINNING OF SUCH PERIOD OR WHOSE ELECTION OR RECOMMENDATION FOR ELECTION WAS PREVIOUSLY SO APPROVED) CEASE TO CONSTITUTE A MAJORITY OF THE BOARD OF DIRECTORS OF THE COMPANY.

"CIBC": CANADIAN IMPERIAL BANK OF COMMERCE, A CANADIAN CHARTERED

BANK, OR ONE OR MORE OF ITS AGENCIES, BRANCHES OR AFFILIATES IN ITS OR THEIR RESPECTIVE CAPACITY OR CAPACITIES, AS THE CASE MAY BE, AS A LENDER OR LENDERS HEREUNDER.

"CLAIMS": AS DEFINED IN THE DEFINITION OF "ENVIRONMENTAL CLAIMS."

"CLIENT ACQUISITION COSTS": THE CAPITALIZED UNREIMBURSED COSTS OF

ACQUIRING AND MOVING RECORDS OF NEW CLIENTS INTO THE FACILITIES OF EITHER
BORROWER OR ANY SUBSIDIARY THEREOF.

"CLOSING DATE": THE DATE ON WHICH THE CONDITIONS PRECEDENT SET FORTH

IN SUBSECTION 6.1 SHALL BE SATISFIED.

"CODE": THE INTERNAL REVENUE CODE OF 1986, AS AMENDED FROM TIME TO

TIME.

"COLLATERAL": ALL ASSETS OF THE LOAN PARTIES, NOW OWNED OR

HEREINAFTER ACQUIRED, UPON WHICH A LIEN IS PURPORTED TO BE CREATED BY ANY
SECURITY DOCUMENT.

"COMMITMENT": WITH RESPECT TO ANY LENDER, SUCH LENDER'S US COMMITMENT

OR CANADIAN COMMITMENT, AS THE CASE MAY BE.

"COMMITMENT PERCENTAGE": AS TO ANY LENDER AT ANY TIME, THE PERCENTAGE

WHICH SUCH LENDER'S COMMITMENT THEN CONSTITUTES OF THE AGGREGATE
COMMITMENTS (OR, AT ANY TIME AFTER THE COMMITMENTS SHALL HAVE EXPIRED OR
TERMINATED, THE PERCENTAGE WHICH (X) THE AGGREGATE PRINCIPAL AMOUNT OF SUCH
LENDER'S LOANS THEN OUTSTANDING PLUS (Y) SUCH LENDER'S INTEREST IN ALL L/C

OBLIGATIONS THEN OUTSTANDING CONSTITUTES OF (A) THE AGGREGATE PRINCIPAL
AMOUNT OF THE LOANS THEN OUTSTANDING PLUS (B) THE AGGREGATE AMOUNT OF ALL

L/C OBLIGATIONS THEN OUTSTANDING); ALL AMOUNTS DENOMINATED IN BRITISH
POUNDS OR C\$ SHALL BE INCLUDED IN ANY COMPUTATIONS PURSUANT TO THIS
DEFINITION AT THE US\$ EQUIVALENT THEREOF.

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"COMMITMENT PERIOD": AS TO THE COMMITMENT OF ANY LENDER, THE PERIOD

FROM AND INCLUDING THE CLOSING DATE TO BUT NOT INCLUDING THE TERMINATION
DATE OR SUCH EARLIER DATE AS THE COMMITMENTS SHALL TERMINATE AS PROVIDED
HEREIN.

"COMMON STOCK": ALL CAPITAL STOCK OF SUCH PERSON THAT IS GENERALLY

ENTITLED TO (I) VOTE IN THE ELECTION OF DIRECTORS OF SUCH PERSON OR (II) IF
SUCH PERSON IS NOT A CORPORATION, VOTE OR OTHERWISE PARTICIPATE IN THE
SELECTION OF THE GOVERNING BODY, PARTNERS, MANAGERS OR OTHERS THAT WILL
CONTROL THE MANAGEMENT AND POLICIES OF SUCH PERSON.

"COMMONLY CONTROLLED ENTITY": AN ENTITY, WHETHER OR NOT INCORPORATED,

WHICH IS UNDER COMMON CONTROL WITH THE COMPANY WITHIN THE MEANING OF
SECTION 4001 OF ERISA OR IS PART OF A GROUP WHICH INCLUDES THE COMPANY AND
WHICH IS TREATED AS A SINGLE EMPLOYER UNDER SECTION 414 OF THE CODE.

"COMPLIANCE CERTIFICATE": AS DEFINED IN SUBSECTION 7.2(B).

"CONTRACTUAL OBLIGATION": AS TO ANY PERSON, ANY PROVISION OF ANY

SECURITY ISSUED BY SUCH PERSON OR OF ANY AGREEMENT, INSTRUMENT OR OTHER
UNDERTAKING TO WHICH SUCH PERSON IS A PARTY OR BY WHICH IT OR ANY OF ITS
PROPERTY IS BOUND.

"CURRENT CASUALTY EVENT": AS DEFINED IN SUBSECTION 4.4(D).

"CURRENT DISPOSITION": AS DEFINED IN SUBSECTION 4.4(B).

"DATAVAULT TRANSACTION": THE PROPOSED ACQUISITION BY A SUBSIDIARY OF

THE COMPANY OF ALL THE CAPITAL STOCK OF DATAVAULT LIMITED, DATAVAULT
HOLDINGS LIMITED AND SILVER SKY LIMITED FOR A PURCHASE PRICE NOT TO EXCEED
(POUNDS) 23,000,000.

"DEFAULT": ANY OF THE EVENTS SPECIFIED IN SECTION 9, WHETHER OR NOT

ANY REQUIREMENT FOR THE GIVING OF NOTICE, THE LAPSE OF TIME, OR BOTH, OR
ANY OTHER CONDITION, HAS BEEN SATISFIED.

"DISPOSITION": ANY TRANSACTION, OR SERIES OF RELATED TRANSACTIONS,

PURSUANT TO WHICH EITHER BORROWER AND/OR ANY OF ITS SUBSIDIARIES SELLS,
ASSIGNS, TRANSFERS OR OTHERWISE DISPOSES (OTHER THAN SALES OF EQUIPMENT OR
INVENTORY IN THE ORDINARY COURSE OF BUSINESS) OF ANY PROPERTY (WHETHER NOW
OWNED OR HEREAFTER ACQUIRED) TO ANY OTHER PERSON, IN EACH CASE WHETHER OR
NOT THE CONSIDERATION THEREFOR TO BE RECEIVED BY SUCH BORROWER OR A
SUBSIDIARY CONSISTS OF CASH, SECURITIES OR THE SWAP OR EXCHANGE OF ASSETS
OWNED BY THE ACQUIRING PERSON, EXCEPT ANY SUCH TRANSACTION BETWEEN OR AMONG
THE BORROWERS AND THEIR SUBSIDIARIES OR BETWEEN OR AMONG ANY SUCH
SUBSIDIARIES OF THE BORROWERS.

"DOLLAR EQUIVALENT AMOUNT": WITH RESPECT TO (I) ANY AMOUNT OF BRITISH

POUNDS OR C\$ ON ANY DATE, THE EQUIVALENT

AMOUNT OF US DOLLARS OF SUCH AMOUNT OF BRITISH POUNDS OR C\$, AS THE CASE MAY BE, AS DETERMINED BY THE US ADMINISTRATIVE AGENT IN ACCORDANCE WITH SUBSECTION 4.6(D) USING THE BRITISH POUNDS EXCHANGE RATE OR THE CANADIAN EXCHANGE RATE, AS THE CASE MAY BE, AND (II) ANY AMOUNT IN DOLLARS, SUCH AMOUNT.

"DOMESTIC SUBSIDIARY": WITH RESPECT TO ANY PERSON, ANY SUBSIDIARY OF

SUCH PERSON THAT IS INCORPORATED OR ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE THEREOF.

"DRAFT": A BLANK BILL OF EXCHANGE, WITHIN THE MEANING OF THE BILLS OF

EXCHANGE ACT (CANADA), IN SUBSTANTIALLY THE FORM SET FORTH IN EXHIBIT B, DRAWN BY THE CANADIAN BORROWER ON A C\$ LENDER, DENOMINATED IN C\$ AND BEARING SUCH DISTINGUISHING LETTERS AND NUMBERS AS SUCH LENDER MAY DETERMINE, BUT WHICH AT SUCH TIME, EXCEPT AS OTHERWISE PROVIDED HEREIN, HAS NOT BEEN COMPLETED OR ACCEPTED BY SUCH LENDER.

"DRAWING": THE CREATION AND PURCHASE OF BANKERS' ACCEPTANCES AND/OR

THE PURCHASE OF COMPLETED DRAFTS, BY THE C\$ LENDERS PURSUANT TO SUBSECTION 3.2.

"EBITDA": FOR ANY PERIOD FOR ANY PERSON, THE CONSOLIDATED NET INCOME

OF SUCH PERSON AND ITS SUBSIDIARIES, PLUS, TO THE EXTENT DEDUCTED IN DETERMINING SUCH NET INCOME FOR SUCH PERIOD, (A) INTEREST EXPENSE, (B) AMORTIZATION OF INTANGIBLES AND DEFERRED FINANCING FEES, (C) DEPRECIATION, (D) PROVISIONS FOR TAXES, AND IN THE CASE OF THE COMPANY, ALL TAX DISTRIBUTIONS, (E) ANY EXTRAORDINARY, UNUSUAL OR NON-RECURRING GAINS OR LOSSES OR CHARGES, AND (F) ANY OTHER NON-CASH ITEMS REDUCING SUCH NET INCOME, ALL AS DETERMINED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH GAAP; PROVIDED THAT, FOR ANY PERIOD DURING WHICH THE COMPANY OR ANY SUBSIDIARY

SHALL PURCHASE OR OTHERWISE ACQUIRE ANY REAL PROPERTY WHICH THE COMPANY OR SUCH SUBSIDIARY SHALL HAVE BEEN LEASING AS LESSEE DURING SUCH PERIOD, THE COMPANY OR SUCH SUBSIDIARY, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE ACQUIRED SUCH REAL PROPERTY ON THE FIRST DAY OF SUCH PERIOD AND ANY RENTAL EXPENSE OF THE COMPANY OR SUCH SUBSIDIARY DURING SUCH PERIOD IN RESPECT OF SUCH REAL PROPERTY SHALL BE DISREGARDED.

"ENVIRONMENTAL CLAIMS": ANY AND ALL ADMINISTRATIVE, REGULATORY OR

JUDICIAL ACTIONS, SUITS, WRITTEN DIRECTIVES, CLAIMS, LIENS, NOTICES OF NONCOMPLIANCE OR VIOLATION, INVESTIGATIONS OR PROCEEDINGS RELATING IN ANY WAY TO ANY ENVIRONMENTAL LAW OR ANY PERMIT ISSUED, OR ANY APPROVAL GIVEN, UNDER ANY SUCH ENVIRONMENTAL LAW (HEREAFTER, "CLAIMS"), INCLUDING, WITHOUT

LIMITATION, (A) ANY AND ALL CLAIMS BY GOVERNMENTAL AUTHORITIES FOR

ENFORCEMENT, CLEANUP, REMOVAL, RESPONSE, REMEDIAL OR OTHER ACTIONS OR DAMAGES PURSUANT TO ANY APPLICABLE ENVIRONMENTAL LAWS AND (B) CLAIMS BY ANY THIRD PARTY PURSUANT TO ENVIRONMENTAL LAWS SEEKING DAMAGES, CONTRIBUTIONS, INDEMNIFICATION, COST RECOVERY, COMPENSATION OR INJUNCTIVE RELIEF RESULTING FROM HAZARDOUS MATERIALS OR ARISING FROM

ALLEGED INJURY OR THREAT OF INJURY TO HEALTH, SAFETY OR THE ENVIRONMENT.

"ENVIRONMENTAL COSTS": ANY AND ALL COSTS, FINES, PENALTIES, EXPENSES,

DAMAGES AND LIABILITIES, INCLUDING, WITHOUT LIMITATION, THE FEES OF ATTORNEYS AND ENVIRONMENTAL CONSULTANTS, ARISING DIRECTLY UNDER ENVIRONMENTAL LAWS.

"ENVIRONMENTAL LAW": ANY FEDERAL, STATE, PROVINCIAL, FOREIGN OR LOCAL

STATUTE, LAW, RULE, REGULATION, ORDINANCE OR RULE OF COMMON LAW NOW OR HEREAFTER IN EFFECT AND IN EACH CASE AS AMENDED, AND ANY JUDICIAL OR ADMINISTRATIVE INTERPRETATION THEREOF, INCLUDING ANY JUDICIAL OR ADMINISTRATIVE ORDER, CONSENT DECREE OR JUDGMENT, RELATING TO THE ENVIRONMENT, OR HAZARDOUS MATERIALS, INCLUDING, WITHOUT LIMITATION, A; RCRA; THE HAZARDOUS MATERIALS TRANSPORTATION ACT, AS AMENDED, 49 U.S.C. (S) 1801 ET SEQ.; THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, 33

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U.S.C. (S) 1251 ET SEQ.; THE TOXIC SUBSTANCES CONTROL ACT, 15 U.S.C. (S)

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2601 ET SEQ.; THE CLEAN AIR ACT, 42 U.S.C. (S) 7401 ET SEQ.; THE SAFE

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DRINKING WATER ACT, 42 U.S.C. (S) 3808 ET SEQ.; THE OIL POLLUTION ACT OF

-- ---

1990, 33 U.S.C. (S) 2701 ET SEQ.; THE EMERGENCY PLANNING AND COMMUNITY

-- ---

RIGHT-TO-KNOW-ACT OF 1986, 42 U.S.C. (S) 11001 ET SEQ.; ANY APPLICABLE

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STATE AND LOCAL OR FOREIGN COUNTERPARTS OR EQUIVALENTS; AND ANY CANADIAN FEDERAL, PROVINCIAL, MUNICIPAL OR LOCAL COUNTERPARTS OR EQUIVALENTS THEREOF, INCLUDING THE CANADIAN ENVIRONMENTAL PROTECTION ACT, AS AMENDED, THE ENVIRONMENTAL PROTECTION ACT (ONTARIO), AS AMENDED, AND THE ONTARIO WATER RESOURCES ACT AND ANY FOREIGN COUNTERPARTS OR EQUIVALENTS THEREOF; AND THE TERMS AND CONDITIONS OF ANY ENVIRONMENTAL PERMIT ISSUED PURSUANT TO ANY ENVIRONMENTAL LAW TO EITHER BORROWER OR ITS SUBSIDIARIES OR ANY FACILITY OWNED OR OPERATED BY SUCH BORROWER OR ITS SUBSIDIARIES.

"ERISA": THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS

AMENDED FROM TIME TO TIME.

"EQUITY OFFERINGS": THE COLLECTIVE REFERENCE TO THE CONCURRENT PUBLIC

OFFERINGS BY THE COMPANY CONSUMMATED IN JULY, 1997 OF SHARES OF THE
COMPANY'S COMMON STOCK (I) IN THE UNITED STATES OF AMERICA AND CANADA AND
(II) INTERNATIONALLY.

"A RESERVE REQUIREMENTS": FOR ANY DAY AS APPLIED TO A

EURODOLLAR LOAN, THE AGGREGATE (WITHOUT DUPLICATION) OF THE RATES
(EXPRESSED AS A DECIMAL FRACTION) OF RESERVE REQUIREMENTS IN EFFECT ON SUCH
DAY (INCLUDING, WITHOUT LIMITATION, BASIC, SUPPLEMENTAL, MARGINAL AND
EMERGENCY RESERVES UNDER ANY REGULATIONS OF THE BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM OR OTHER GOVERNMENTAL AUTHORITY HAVING JURISDICTION
WITH RESPECT THERETO) DEALING WITH RESERVE REQUIREMENTS PRESCRIBED FOR
EUROCURRENCY FUNDING (CURRENTLY REFERRED TO AS "EUROCURRENCY LIABILITIES"
IN REGULATION D OF SUCH BOARD) MAINTAINED BY A MEMBER BANK OF SUCH SYSTEM.

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"EURODOLLAR BASE RATE": WITH RESPECT TO EACH DAY DURING EACH INTEREST

PERIOD PERTAINING TO A EURODOLLAR LOAN, THE RATE PER ANNUM DETERMINED BY
THE US ADMINISTRATIVE AGENT TO BE THE ARITHMETIC MEAN (ROUNDED TO THE
NEAREST 1/100TH OF 1%) OF THE OFFERED RATES FOR DEPOSITS IN US DOLLARS WITH
A TERM COMPARABLE TO SUCH INTEREST PERIOD THAT APPEARS ON THE TELERATE
BRITISH BANKERS ASSOC. INTEREST SETTLEMENT RATES PAGE (AS DEFINED BELOW) AT
APPROXIMATELY 11:00 A.M., LONDON TIME, ON THE SECOND FULL BUSINESS DAY
PRECEDING THE FIRST DAY OF SUCH INTEREST PERIOD; PROVIDED, HOWEVER, THAT IF

THERE SHALL AT ANY TIME NO LONGER EXIST A TELERATE BRITISH BANKERS ASSOC.
INTEREST SETTLEMENT RATES PAGE, "EURODOLLAR BASE RATE" SHALL MEAN, WITH

RESPECT TO EACH DAY DURING EACH INTEREST PERIOD PERTAINING TO A EURODOLLAR
LOAN, THE RATE PER ANNUM EQUAL TO THE RATE AT WHICH CIBC IS OFFERED US
DOLLAR DEPOSITS AT OR ABOUT 10:00 A.M., NEW YORK CITY TIME, TWO BUSINESS
DAYS PRIOR TO THE BEGINNING OF SUCH INTEREST PERIOD IN THE INTERBANK
EURODOLLAR MARKET WHERE THE EURODOLLAR AND FOREIGN CURRENCY AND EXCHANGE
OPERATIONS IN RESPECT OF ITS EURODOLLAR LOANS ARE THEN BEING CONDUCTED FOR
DELIVERY ON THE FIRST DAY OF SUCH INTEREST PERIOD FOR THE NUMBER OF DAYS
COMPRISED THEREIN AND IN AN AMOUNT COMPARABLE TO THE AMOUNT OF ITS
EURODOLLAR LOAN TO BE OUTSTANDING DURING SUCH INTEREST PERIOD. "TELERATE

BRITISH BANKERS ASSOC. INTEREST SETTLEMENT RATES PAGE" SHALL MEAN THE

DISPLAY DESIGNATED AS PAGE 3750 ON THE TELERATE SYSTEM INCORPORATED SERVICE
(OR SUCH OTHER PAGE AS MAY REPLACE SUCH PAGE ON SUCH SERVICE FOR THE
PURPOSE OF DISPLAYING THE RATES AT WHICH US DOLLAR DEPOSITS ARE OFFERED BY
LEADING BANKS IN THE LONDON INTERBANK DEPOSIT MARKET).

"EURODOLLAR LOANS": US\$ LOANS THE RATE OF INTEREST APPLICABLE TO

WHICH IS BASED UPON THE EURODOLLAR RATE.

"EURODOLLAR RATE": WITH RESPECT TO EACH DAY DURING EACH INTEREST

PERIOD PERTAINING TO A EURODOLLAR LOAN, A RATE PER ANNUM DETERMINED FOR
SUCH DAY IN ACCORDANCE WITH THE FOLLOWING FORMULA (ROUNDED UPWARD TO THE
NEAREST 1/100TH OF 1%):

EURODOLLAR BASE RATE

1.00 - EUROCURRENCY RESERVE REQUIREMENTS

"EURODOLLAR TRANCHE": THE COLLECTIVE REFERENCE TO EURODOLLAR LOANS

THE THEN CURRENT INTEREST PERIODS WITH RESPECT TO ALL OF WHICH BEGIN ON THE
SAME DATE AND END ON THE SAME LATER DATE (WHETHER OR NOT SUCH LOANS SHALL
ORIGINALLY HAVE BEEN MADE ON THE SAME DAY).

"EVENT OF DEFAULT": ANY OF THE EVENTS SPECIFIED IN SECTION 9,

PROVIDED THAT ANY REQUIREMENT FOR THE GIVING OF NOTICE, THE LAPSE OF TIME,

OR BOTH, OR ANY OTHER CONDITION, HAS BEEN SATISFIED.

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"EXCHANGE ACT": THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND

THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

"EXISTING CREDIT AGREEMENT": AS DEFINED IN THE RECITALS TO THIS

AGREEMENT.

"FEDERAL FUNDS RATE": FOR ANY PARTICULAR DATE, AN INTEREST RATE PER

ANNUM EQUAL TO THE INTEREST RATE (ROUNDED UPWARD TO THE NEAREST 1/16TH OF
1%) OFFERED IN THE INTERBANK MARKET TO CIBC AS THE OVERNIGHT FEDERAL FUNDS
RATE AT OR ABOUT 10:00 A.M., NEW YORK CITY TIME, ON SUCH DAY (OR, IF SUCH
DAY IS NOT A BUSINESS DAY, FOR THE NEXT PRECEDING BUSINESS DAY).

"FIXED CHARGE COVERAGE RATIO": FOR ANY PERIOD, THE RATIO OF (A)

EBITDA OF THE COMPANY FOR SUCH PERIOD TO (B) FIXED CHARGES FOR SUCH PERIOD.

"FIXED CHARGES": FOR ANY PERIOD, THE SUM OF THE FOLLOWING FOR SUCH

PERIOD: (A) INTEREST EXPENSE, (B) THE EXCESS, IF ANY, OF THE DOLLAR
EQUIVALENT AMOUNT OF THE AGGREGATE PRINCIPAL AMOUNT OF LOANS AND L/C
OBLIGATIONS OUTSTANDING ON THE FIRST DAY OF SUCH PERIOD OVER THE MAXIMUM

AGGREGATE AMOUNT OF THE COMMITMENTS ON THE LAST DAY OF SUCH PERIOD, GIVING EFFECT TO THE SCHEDULED REDUCTIONS REQUIRED UNDER SUBSECTION 4.3(A) AND 4.3(B), (C) INCOME TAXES PAID BY THE COMPANY AND ITS SUBSIDIARIES, (D) TAX DISTRIBUTIONS AND (E) THE AMOUNT OF CAPITAL EXPENDITURES RELATING TO THE COMPANY'S NORMAL MAINTENANCE PROGRAM.

"FOREIGN SUBSIDIARY": ANY SUBSIDIARY ORGANIZED UNDER THE LAWS OF ANY

JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA.

"GAAP": GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES

OF AMERICA IN EFFECT FROM TIME TO TIME.

"GOVERNMENTAL AUTHORITY": ANY NATION OR GOVERNMENT, ANY STATE OR

OTHER POLITICAL SUBDIVISION THEREOF AND ANY ENTITY EXERCISING EXECUTIVE, LEGISLATIVE, JUDICIAL, REGULATORY OR ADMINISTRATIVE FUNCTIONS OF OR PERTAINING TO GOVERNMENT.

"GUARANTEE OBLIGATION": AS TO ANY PERSON (THE "GUARANTEEING PERSON"),

WITHOUT DUPLICATION, ANY OBLIGATION OF (A) THE GUARANTEEING PERSON OR (B) ANOTHER PERSON (INCLUDING, WITHOUT LIMITATION, ANY BANK UNDER ANY LETTER OF CREDIT) TO INDUCE THE CREATION OF WHICH THE GUARANTEEING PERSON HAS ISSUED A REIMBURSEMENT, COUNTERINDEMNITY OR SIMILAR OBLIGATION, IN EITHER CASE GUARANTEEING OR IN EFFECT GUARANTEEING ANY INDEBTEDNESS, LEASES, DIVIDENDS OR OTHER OBLIGATIONS (THE "PRIMARY OBLIGATIONS") OF ANY OTHER THIRD PERSON

(THE "PRIMARY OBLIGOR") IN ANY MANNER, WHETHER DIRECTLY OR INDIRECTLY,

INCLUDING, WITHOUT LIMITATION, ANY OBLIGATION OF THE GUARANTEEING PERSON, WHETHER OR NOT CONTINGENT, (I) TO PURCHASE ANY SUCH PRIMARY OBLIGATION OR ANY PROPERTY CONSTITUTING DIRECT OR INDIRECT SECURITY THEREFOR, (II) TO

ADVANCE OR SUPPLY FUNDS (1) FOR THE PURCHASE OR PAYMENT OF ANY SUCH PRIMARY OBLIGATION OR (2) TO MAINTAIN WORKING CAPITAL OR EQUITY CAPITAL OF THE PRIMARY OBLIGOR OR OTHERWISE TO MAINTAIN THE NET WORTH OR SOLVENCY OF THE PRIMARY OBLIGOR, (III) TO PURCHASE PROPERTY, SECURITIES OR SERVICES PRIMARILY FOR THE PURPOSE OF ASSURING THE OWNER OF ANY SUCH PRIMARY OBLIGATION OF THE ABILITY OF THE PRIMARY OBLIGOR TO MAKE PAYMENT OF SUCH PRIMARY OBLIGATION OR (IV) OTHERWISE TO ASSURE OR HOLD HARMLESS THE OWNER OF ANY SUCH PRIMARY OBLIGATION AGAINST LOSS IN RESPECT THEREOF; PROVIDED,

HOWEVER, THAT THE TERM GUARANTEE OBLIGATION SHALL NOT INCLUDE ENDORSEMENTS

OF INSTRUMENTS FOR DEPOSIT OR COLLECTION IN THE ORDINARY COURSE OF BUSINESS. THE AMOUNT OF ANY GUARANTEE OBLIGATION OF ANY GUARANTEEING

PERSON SHALL BE DEEMED TO BE THE LOWER OF (A) AN AMOUNT EQUAL TO THE STATED OR DETERMINABLE AMOUNT OF THE PRIMARY OBLIGATION IN RESPECT OF WHICH SUCH GUARANTEE OBLIGATION IS MADE AND (B) THE MAXIMUM AMOUNT FOR WHICH SUCH GUARANTEEING PERSON MAY BE LIABLE PURSUANT TO THE TERMS OF THE INSTRUMENT EMBODYING SUCH GUARANTEE OBLIGATION, UNLESS SUCH PRIMARY OBLIGATION AND THE MAXIMUM AMOUNT FOR WHICH SUCH GUARANTEEING PERSON MAY BE LIABLE ARE NOT STATED OR DETERMINABLE, IN WHICH CASE THE AMOUNT OF SUCH GUARANTEE OBLIGATION SHALL BE SUCH GUARANTEEING PERSON'S MAXIMUM REASONABLY ANTICIPATED LIABILITY IN RESPECT THEREOF AS DETERMINED BY THE COMPANY IN GOOD FAITH.

"HAZARDOUS MATERIALS": (A) ANY PETROLEUM OR PETROLEUM PRODUCTS,

RADIOACTIVE MATERIALS, ASBESTOS IN ANY FORM THAT IS FRIABLE, UREA FORMALDEHYDE FOAM INSULATION, TRANSFORMERS OR OTHER EQUIPMENT THAT CONTAIN DIELECTRIC FLUID CONTAINING LEVELS OF POLYCHLORINATED BIPHENYLS, AND RADON GAS IN EXCESS OF FOUR PICOCURIES PER LITER; (B) ANY CHEMICALS, MATERIALS OR SUBSTANCES DEFINED AS OR INCLUDED IN THE DEFINITION OF "HAZARDOUS SUBSTANCES," "HAZARDOUS WASTE," "HAZARDOUS MATERIALS," "EXTREMELY HAZARDOUS WASTE," "RESTRICTED HAZARDOUS WASTE," "TOXIC SUBSTANCES," "TOXIC POLLUTANTS," "CONTAMINANTS," OR "POLLUTANTS," OR WORDS OF SIMILAR IMPORT, UNDER ANY APPLICABLE ENVIRONMENTAL LAW; AND (C) ANY OTHER CHEMICAL, MATERIAL OR SUBSTANCE, EXPOSURE TO WHICH IS PROHIBITED, LIMITED OR REGULATED BY ANY GOVERNMENTAL AUTHORITY.

"INDEBTEDNESS": OF ANY PERSON AT ANY DATE, WITHOUT DUPLICATION, (A)

ALL INDEBTEDNESS OF SUCH PERSON FOR BORROWED MONEY OR FOR THE DEFERRED PURCHASE PRICE OF PROPERTY OR SERVICES (OTHER THAN ACCOUNTS PAYABLE OR TRADE PAYABLES AND OTHER ACCRUED LIABILITIES INCURRED IN THE ORDINARY COURSE OF BUSINESS AND PAYABLE IN ACCORDANCE WITH CUSTOMARY PRACTICES), PROVIDED THAT AMOUNTS DEFERRED AND OWING WITH RESPECT TO NON-COMPETITION OR

CONSULTING AGREEMENTS WITH RESPECT TO PERMITTED ACQUISITIONS OR EXISTING ON THE CLOSING DATE UP TO AN AGGREGATE AMOUNT OF \$5,000,000 AT ANY ONE TIME OUTSTANDING SHALL NOT CONSTITUTE INDEBTEDNESS, (B) ANY OTHER INDEBTEDNESS OF SUCH PERSON WHICH IS EVIDENCED BY A NOTE, BOND, DEBENTURE OR SIMILAR INSTRUMENT, (C) ALL OBLIGATIONS OF SUCH PERSON IN RESPECT OF ACCEPTANCES ISSUED OR CREATED FOR THE ACCOUNT OF SUCH PERSON,

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(D) ALL CAPITALIZED LEASE OBLIGATIONS OF SUCH PERSON, (E) ALL UNREIMBURSED OBLIGATIONS OF SUCH PERSON, IN RESPECT OF AMOUNTS DRAWN UNDER ACCEPTANCE, LETTER OF CREDIT OR SIMILAR FACILITIES, (F) FOR PURPOSES OF SUBSECTION 8.4 AND SECTION 9(E), ALL OBLIGATIONS OF SUCH PERSON IN RESPECT OF ANY INTEREST RATE PROTECTION AGREEMENTS, AND (G) ALL LIABILITIES SECURED BY ANY LIEN ON ANY PROPERTY OWNED BY SUCH PERSON IN CIRCUMSTANCES WHERE SUCH PERSON HAS NOT ASSUMED OR OTHERWISE BECOME LIABLE FOR THE PAYMENT THEREOF, WHICH INDEBTEDNESS SHALL BE LIMITED TO THE LESSER OF THE VALUE OF THE PROPERTY OR

THE AMOUNT OF THE LIABILITY.

"INDEMNIFIED LIABILITIES": AS DEFINED IN SUBSECTION 11.5.

"INSOLVENCY": WITH RESPECT TO ANY MULTIEMPLOYER PLAN, THE CONDITION

THAT SUCH PLAN IS INSOLVENT WITHIN THE MEANING OF SECTION 4245 OF ERISA.

"INSOLVENT": PERTAINING TO A CONDITION OF INSOLVENCY.

"INTELLECTUAL PROPERTY": AS DEFINED IN SUBSECTION 5.9.

"INTEREST EXPENSE": FOR ANY PERIOD FOR ANY PERSON, THE TOTAL

CONSOLIDATED INTEREST EXPENSE OF SUCH PERSON AND ITS SUBSIDIARIES FOR SUCH PERIOD (CALCULATED ON AN ACCRUAL BASIS WITHOUT REGARD TO ANY LIMITATIONS ON THE PAYMENT THEREOF AND EXCLUDING AMORTIZATION OF DEFERRED FINANCING COSTS) IN RESPECT OF ALL INDEBTEDNESS OF SUCH PERSON FOR SUCH PERIOD PLUS, WITHOUT DUPLICATION, THAT PORTION OF CAPITALIZED LEASE OBLIGATIONS OF SUCH PERSON AND ITS SUBSIDIARIES REPRESENTING THE INTEREST FACTOR FOR SUCH PERIOD.

"INTEREST PAYMENT DATE": (A) AS TO ANY BASE RATE LOAN OR C\$ PRIME

LOAN, THE LAST DAY OF EACH MARCH, JUNE, SEPTEMBER AND DECEMBER, (B) AS TO ANY EURODOLLAR LOAN HAVING AN INTEREST PERIOD OF THREE MONTHS OR LESS, THE LAST DAY OF SUCH INTEREST PERIOD AND (C) AS TO ANY EURODOLLAR LOAN HAVING AN INTEREST PERIOD LONGER THAN THREE MONTHS, THE DAY WHICH IS THREE MONTHS AFTER THE FIRST DAY OF SUCH INTEREST PERIOD AND THE LAST DAY OF SUCH INTEREST PERIOD.

"INTEREST PERIOD": WITH RESPECT TO ANY EURODOLLAR LOAN:

(A) INITIALLY, THE PERIOD COMMENCING ON THE BORROWING OR CONVERSION DATE, AS THE CASE MAY BE, WITH RESPECT TO SUCH EURODOLLAR LOAN AND ENDING ONE, TWO, THREE OR SIX MONTHS THEREAFTER, AS SELECTED BY THE COMPANY IN ITS NOTICE OF BORROWING OR NOTICE OF CONVERSION, AS THE CASE MAY BE, GIVEN WITH RESPECT THERETO; AND

(B) THEREAFTER, EACH PERIOD COMMENCING ON THE LAST DAY OF THE NEXT PRECEDING INTEREST PERIOD APPLICABLE TO SUCH EURODOLLAR LOAN AND ENDING ONE, TWO, THREE OR SIX MONTHS THEREAFTER, AS SELECTED BY THE COMPANY BY

IRREVOCABLE NOTICE TO THE US ADMINISTRATIVE AGENT NOT LESS THAN THREE

BUSINESS DAYS PRIOR TO THE LAST DAY OF THE THEN CURRENT INTEREST PERIOD WITH RESPECT THERETO;

PROVIDED THAT, ALL OF THE FOREGOING PROVISIONS RELATING TO INTEREST PERIODS

ARE SUBJECT TO THE FOLLOWING:

(I) IF ANY INTEREST PERIOD PERTAINING TO A EURODOLLAR LOAN WOULD OTHERWISE END ON A DAY THAT IS NOT A BUSINESS DAY, SUCH INTEREST PERIOD SHALL BE EXTENDED TO THE NEXT SUCCEEDING BUSINESS DAY UNLESS THE RESULT OF SUCH EXTENSION WOULD BE TO CARRY SUCH INTEREST PERIOD INTO ANOTHER CALENDAR MONTH IN WHICH EVENT SUCH INTEREST PERIOD SHALL END ON THE IMMEDIATELY PRECEDING BUSINESS DAY;

(II) ANY INTEREST PERIOD THAT WOULD OTHERWISE EXTEND BEYOND THE TERMINATION DATE SHALL END ON THE TERMINATION DATE;

(III) ANY INTEREST PERIOD PERTAINING TO A EURODOLLAR LOAN THAT BEGINS ON THE LAST BUSINESS DAY OF A CALENDAR MONTH (OR ON A DAY FOR WHICH THERE IS NO NUMERICALLY CORRESPONDING DAY IN THE CALENDAR MONTH AT THE END OF SUCH INTEREST PERIOD) SHALL END ON THE LAST BUSINESS DAY OF A CALENDAR MONTH; AND

(IV) THE COMPANY SHALL SELECT INTEREST PERIODS SO AS NOT TO REQUIRE A PAYMENT OR PREPAYMENT OF ANY EURODOLLAR LOAN DURING AN INTEREST PERIOD FOR SUCH LOAN.

"INTEREST RATE PROTECTION AGREEMENT": ANY INTEREST RATE PROTECTION

AGREEMENT, INTEREST RATE FUTURE, INTEREST RATE OPTION, INTEREST RATE CAP OR COLLAR OR OTHER INTEREST RATE HEDGE ARRANGEMENT, TO OR UNDER WHICH THE COMPANY OR ANY OF ITS SUBSIDIARIES IS A PARTY OR A BENEFICIARY.

"ISSUING LENDER": CIBC, IN ITS CAPACITY AS ISSUER OF ANY LETTER OF

CREDIT.

"KNOTT TRANSACTION": THE ACQUISITION OF THE 60% PARTNERSHIP INTEREST

IN KNOTT PIERCE LIMITED PARTNERSHIP NOT CURRENTLY OWNED BY THE COMPANY.

"L/C COMMITMENT": US\$20,000,000.

"L/C FEE PAYMENT DATE": THE LAST DAY OF EACH MARCH, JUNE, SEPTEMBER

AND DECEMBER AND THE LAST DAY OF THE COMMITMENT PERIOD.

"L/C OBLIGATIONS": AT ANY TIME, AN AMOUNT EQUAL TO THE SUM OF (A) THE

AGGREGATE THEN UNDRAWN AND UNEXPIRED DOLLAR EQUIVALENT AMOUNT OF THE THEN

UNDER LETTERS OF CREDIT THAT HAVE NOT THEN BEEN REIMBURSED PURSUANT TO
SECTION 12.5.

"L/C PARTICIPANTS": THE COLLECTIVE REFERENCE TO ALL THE US\$ LENDERS

OTHER THAN THE ISSUING LENDER.

"LENDERS": AS DEFINED IN THE PREAMBLE HERETO.

"LETTERS OF CREDIT": AS DEFINED IN SECTION 12.1(A).

"LEVERAGE RATIO": AT ANY DATE OF DETERMINATION THEREOF, THE RATIO OF

(A) TOTAL NET DEBT AT SUCH DATE TO (B) ADJUSTED EBITDA FOR THE THEN MOST
RECENTLY ENDED PERIOD OF FOUR CONSECUTIVE FISCAL QUARTERS, FOR WHICH
FINANCIAL STATEMENTS SHALL HAVE BEEN DELIVERED TO THE LENDERS PURSUANT TO
SUBSECTION 5.1, 7.1(A) OR 7.1(B), AS THE CASE MAY BE.

"LIEN": ANY MORTGAGE OR DEED OF TRUST, PLEDGE, HYPOTHECATION,

ASSIGNMENT, DEPOSIT ARRANGEMENT, SECURITY INTEREST, LIEN, CHARGE, EASEMENT,
ENCUMBRANCE, PREFERENCE, PRIORITY, OR OTHER SECURITY AGREEMENT OR
PREFERENTIAL ARRANGEMENT OF ANY KIND OR NATURE WHATSOEVER ON OR WITH
RESPECT TO SUCH PROPERTY OR ASSETS (INCLUDING WITHOUT LIMITATION, ANY
CAPITALIZED LEASE OBLIGATION, CONDITIONAL SALE, OR OTHER TITLE RETENTION
AGREEMENT HAVING SUBSTANTIALLY THE SAME ECONOMIC EFFECT AS ANY OF THE
FOREGOING).

"LIMITED PARTNERSHIP": COLLECTIVELY, PLC COMMAND I, L.P. AND PLC

COMMAND II, L.P., EACH A LIMITED PARTNERSHIP ORGANIZED AND EXISTING UNDER
THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.

"LOAN DOCUMENTS": THIS AGREEMENT, EACH DRAFT, EACH BANKERS'

ACCEPTANCE, ANY NOTES, THE SECURITY DOCUMENTS, EACH APPLICATION AND ANY
DOCUMENT, AGREEMENT OR CERTIFICATE EXECUTED OR DELIVERED IN CONNECTION
HEREWITH.

"LOAN PARTIES": EACH BORROWER AND EACH SUBSIDIARY OF THE COMPANY AND

ANY OTHER PERSON (OTHER THAN THE LENDERS AND THE ADMINISTRATIVE AGENTS)
WHICH IS A PARTY TO A LOAN DOCUMENT.

"LOANS": THE COLLECTIVE REFERENCE TO THE US\$ LOANS AND THE C\$ LOANS.

"LOCAL TIME": (A) IN THE CASE OF MATTERS RELATING TO US\$ LOANS, NEW

YORK CITY TIME, AND (B) IN THE CASE OF MATTERS RELATING TO C\$ LOANS,
TORONTO TIME.

"MATERIAL ADVERSE EFFECT": A MATERIAL ADVERSE EFFECT ON (A) THE

BUSINESS, OPERATIONS, PROPERTY, CONDITION (FINANCIAL OR OTHERWISE) OR
PROSPECTS OF THE COMPANY AND ITS SUBSIDIARIES TAKEN AS A WHOLE OR (B) THE
VALIDITY OR ENFORCEABILITY OF THIS OR ANY OF THE OTHER LOAN DOCUMENTS OR
THE RIGHTS OR REMEDIES OF THE ADMINISTRATIVE AGENTS OR THE LENDERS
HEREUNDER OR THEREUNDER.

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"MOODY'S": MOODY'S INVESTORS SERVICE, INC.

"MORTGAGES": THE COLLECTIVE REFERENCE TO ALL US MORTGAGES AND ALL

CANADIAN MORTGAGES.

"MULTIEMPLOYER PLAN": A PLAN WHICH IS A MULTIEMPLOYER PLAN AS DEFINED

IN SECTION 4001(A)(3) OF ERISA.

"NET INCOME": WITH RESPECT TO ANY PERSON FOR ANY PERIOD, THE

CONSOLIDATED NET INCOME OF SUCH PERSON AND ITS SUBSIDIARIES FOR SUCH PERIOD
DETERMINED IN ACCORDANCE WITH GAAP, EXCLUDING ANY FOREIGN CURRENCY
TRANSLATION GAINS OR LOSSES ADDED OR DEDUCTED, AS APPLICABLE, IN THE
COMPUTATION OF NET INCOME.

"NET PROCEEDS":

(A) IN THE CASE OF ANY DISPOSITION, THE AGGREGATE AMOUNT OF ALL
CASH PAYMENTS RECEIVED BY THE RELEVANT BORROWER AND ITS SUBSIDIARIES
DIRECTLY OR INDIRECTLY IN CONNECTION WITH SUCH DISPOSITION; PROVIDED

THAT (I) NET PROCEEDS SHALL BE NET OF (X) THE AMOUNT OF ANY LEGAL,
TITLE AND RECORDING TAX EXPENSES, COMMISSIONS AND OTHER FEES AND
EXPENSES PAID BY SUCH BORROWER AND ITS SUBSIDIARIES IN CONNECTION WITH
SUCH DISPOSITION AND (Y) ANY FEDERAL, STATE, PROVINCIAL AND LOCAL
INCOME OR OTHER TAXES ESTIMATED TO BE PAYABLE BY SUCH BORROWER AND ITS
SUBSIDIARIES (OR, IN THE CASE OF THE COMPANY, BY THE COMPANY AND/OR

THE SUBCHAPTER S SHAREHOLDERS RESULTING FROM THE COMPANY'S STATUS AS AN S CORPORATION AS DEFINED IN SECTION 1361 OF THE CODE PRIOR TO THE EQUITY OFFERINGS) AS A RESULT OF SUCH DISPOSITION (BUT ONLY TO THE EXTENT THAT SUCH ESTIMATED TAXES ARE IN FACT PAID TO THE RELEVANT FEDERAL, STATE, PROVINCIAL OR LOCAL GOVERNMENTAL AUTHORITY) AND (II) NET PROCEEDS SHALL BE NET OF ANY REPAYMENTS BY SUCH BORROWER OR ANY OF ITS SUBSIDIARIES OF INDEBTEDNESS TO THE EXTENT THAT (X) SUCH INDEBTEDNESS IS SECURED BY A LIEN ON THE PROPERTY THAT IS SUBJECT TO SUCH DISPOSITION (WHICH INDEBTEDNESS SHALL BE VALUED AT THE LESSER OF THE VALUE OF THE PROPERTY OR THE AMOUNT OF THE INDEBTEDNESS) AND (Y) THE TRANSFEREE OF (OR HOLDER OF A LIEN ON) SUCH PROPERTY REQUIRES THAT SUCH INDEBTEDNESS BE REPAYED AS A CONDITION TO THE PURCHASE OF SUCH PROPERTY; AND

(B) IN THE CASE OF ANY CASUALTY EVENT, THE AGGREGATE AMOUNT OF PROCEEDS OF INSURANCE (OTHER THAN BUSINESS INTERRUPTION INSURANCE), CONDEMNATION AWARDS AND OTHER COMPENSATION RECEIVED BY THE RELEVANT BORROWER AND ITS SUBSIDIARIES IN RESPECT OF SUCH CASUALTY EVENT NET OF (I) REASONABLE EXPENSES INCURRED BY SUCH BORROWER AND ITS SUBSIDIARIES IN CONNECTION THEREWITH, (II) CONTRACTUALLY REQUIRED REPAYMENTS ON INDEBTEDNESS (OTHER THAN INDEBTEDNESS HEREUNDER) TO THE EXTENT SECURED BY A LIEN

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ON SUCH PROPERTY, (III) ANY INCOME AND TRANSFER TAXES PAYABLE BY SUCH BORROWER OR ANY OF ITS SUBSIDIARIES (OR, IN THE CASE OF THE COMPANY, BY THE COMPANY AND/OR THE SUBCHAPTER S SHAREHOLDERS RESULTING FROM THE COMPANY'S STATUS AS AN S CORPORATION AS DEFINED IN SECTION 1361 OF THE CODE PRIOR TO THE EQUITY OFFERINGS) IN RESPECT OF SUCH CASUALTY EVENT AND (IV) COSTS RESULTING FROM THE USE OF ALTERNATE FACILITIES OR WAREHOUSES BY SUCH BORROWER AND/OR ANY SUBSIDIARIES AS A RESULT OF SUCH CASUALTY EVENT.

"1996 SENIOR SUBORDINATED NOTES": THE 11-1/8% SENIOR SUBORDINATED

NOTES DUE 2006 OF THE COMPANY IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF US\$200,000,000 ISSUED PURSUANT TO THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11.

"1997 SENIOR SUBORDINATED NOTES": THE 9-1/8% SENIOR SUBORDINATED

NOTES DUE 2007 OF THE COMPANY IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF US\$120,000,000 ISSUED PURSUANT TO THE 1997 SENIOR SUBORDINATED NOTES INDENTURE, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11.

"1998 SENIOR NOTES": THE SENIOR NOTES DUE 2008 OF THE CANADIAN

BORROWER IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF US\$135,000,000 ISSUED PURSUANT TO THE 1998 SENIOR NOTES INDENTURE, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11(B) OR (C).

"1999 SENIOR SUBORDINATED NOTES": THE SENIOR SUBORDINATED NOTES DUE

2009 OF THE COMPANY IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED US\$175,000,000 TO BE ISSUED PURSUANT TO THE 1999 SENIOR SUBORDINATED NOTES INDENTURE, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11(B) OR (C).

"1996 SENIOR SUBORDINATED NOTES INDENTURE": THE SENIOR SUBORDINATED

NOTES INDENTURE, DATED AS OF JULY 15, 1996, BETWEEN THE COMPANY AND UNITED STATES TRUST COMPANY OF NEW YORK, AS TRUSTEE, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11.

"1997 SENIOR SUBORDINATED NOTES INDENTURE": THE SENIOR SUBORDINATED

NOTES INDENTURE, DATED AS OF JULY 7, 1997 BETWEEN THE COMPANY AND THE BANK OF NEW YORK, AS TRUSTEE, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11.

"1998 SENIOR NOTES INDENTURE": THE SENIOR NOTES INDENTURE, DATED AS

OF APRIL 7, 1998 BETWEEN THE CANADIAN

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BORROWER, THE COMPANY AND THE BANK OF NEW YORK, AS TRUSTEE, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH SUBSECTION 8.11(B) OR (C).

"1999 SENIOR SUBORDINATED NOTES INDENTURE": THE INDENTURE PROPOSED TO

BE ENTERED INTO ON OR BEFORE AUGUST 1, 1999 BETWEEN THE COMPANY AND A TRUSTEE TO BE NAMED CONTAINING SUBSTANTIALLY THE SAME TERMS AND CONDITIONS AS THE 1997 SENIOR SUBORDINATED NOTES INDENTURE (EXCEPT THAT THE INTEREST RATE PAYABLE THEREUNDER SHALL BE CONSISTENT WITH RATES FOR SIMILAR INDEBTEDNESS PREVAILING IN THE MARKET FOR SUCH TYPE OF INDEBTEDNESS AT THE TIME OF THE ISSUANCE OF THE 1999 SENIOR SUBORDINATED NOTES), AS SUCH INDENTURE MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED IN ACCORDANCE WITH SUBSECTION 8.11(B) OR (C).

"NON-EXCLUDED TAXES": AS DEFINED IN SUBSECTION 4.11.

"NOTES": THE COLLECTIVE REFERENCE TO THE US\$ NOTES AND C\$ NOTES.

"ORIGINAL CLOSING DATE": THE CLOSING DATE, AS DEFINED IN THE EXISTING

CREDIT AGREEMENT.

"ORIGINAL CREDIT AGREEMENT": AS DEFINED IN THE RECITALS TO THIS

AGREEMENT.

"PARTICIPANT": AS DEFINED IN SUBSECTION 11.6(B).

"PARTNERSHIP AGREEMENT": THE PLC COMMAND I, L.P. LIMITED PARTNERSHIP

AGREEMENT DATED AS OF OCTOBER 23, 1995 BETWEEN PLC COMMAND I, INC. AS
GENERAL PARTNER AND THE COMPANY AS LIMITED PARTNER, AS AMENDED,
SUPPLEMENTED OR MODIFIED THERETO, AND THE PLC COMMAND II, L.P. LIMITED
PARTNERSHIP AGREEMENT DATED AS OF OCTOBER 23, 1995 BETWEEN PLC COMMAND II,
INC. AS GENERAL PARTNER AND THE COMPANY AS LIMITED PARTNER, AS AMENDED,
SUPPLEMENTED OR MODIFIED THERETO.

"PBGC": THE PENSION BENEFIT GUARANTY CORPORATION ESTABLISHED PURSUANT

TO SUBTITLE A OF TITLE IV OF ERISA.

"PERMITTED ACQUISITION": ANY ACQUISITION BY THE COMPANY OR ANY WHOLLY

OWNED SUBSIDIARY, ON OR AFTER THE CLOSING DATE, WHETHER THROUGH A PURCHASE
OF CAPITAL STOCK OR ASSETS OR THROUGH A MERGER, CONSOLIDATION OR
AMALGAMATION, OF ANOTHER PERSON OR THE ASSETS CONSTITUTING AN ENTIRE
BUSINESS OR OPERATING BUSINESS UNIT OF ANOTHER PERSON, PROVIDED THAT:

(A) THE ASSETS SO ACQUIRED OR, AS THE CASE MAY BE, THE ASSETS OF THE
PERSON SO ACQUIRED SHALL BE IN OR RELATED TO THE ARCHIVES RECORDS
MANAGEMENT BUSINESS;

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(B) NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE
CONTINUING AT THE TIME THEREOF OR WOULD RESULT THEREFROM;

(C) THE COMPANY SHALL HAVE DELIVERED TO THE US ADMINISTRATIVE AGENT,
AS SOON AS AVAILABLE BUT IN NO EVENT LATER THAN THE EARLIER OF (I) 10
DAYS AFTER THE EXECUTION THEREOF AND (II) 3 BUSINESS DAYS PRIOR THE
CLOSING OF SUCH ACQUISITION, A COPY OF THE EXECUTED PURCHASE AGREEMENT
WITH RESPECT THERETO (WITHOUT EXHIBITS, EXCEPT TO THE EXTENT AVAILABLE
AND REQUESTED BY THE US ADMINISTRATIVE AGENT) OR THE MOST RECENT DRAFT
THEREOF;

(D) IF THE PURCHASE PRICE OF SUCH PERMITTED ACQUISITION WOULD EXCEED US\$30,000,000 (OR THE EQUIVALENT THEREOF IN OTHER CURRENCIES), THE REQUIRED LENDERS SHALL HAVE CONSENTED IN WRITING TO SUCH PERMITTED ACQUISITION;

(E) IF, AFTER GIVING EFFECT TO SUCH ACQUISITION, THE AGGREGATE AMOUNT OF THE PROCEEDS OF ACQUISITION LOANS MADE (X) DURING THE PERIOD FROM THE CLOSING DATE TO AND INCLUDING DECEMBER 31, 1997 OR (Y) IN ANY FISCAL YEAR OF THE COMPANY THEREAFTER THAT ARE USED TO FUND PERMITTED ACQUISITIONS SHALL EXCEED US\$85,000,000, (I) THE REQUIRED LENDERS SHALL HAVE CONSENTED IN WRITING TO SUCH PERMITTED ACQUISITION AND (II) THE COMPANY SHALL, NOT LESS THAN FIVE BUSINESS DAYS PRIOR TO THE CLOSING OF SUCH PERMITTED ACQUISITION, HAVE PROVIDED UPDATED FINANCIAL PROJECTIONS FOR THE THEN REMAINING LIFE OF THIS AGREEMENT AND DELIVERED A COMPLIANCE CERTIFICATE OF A RESPONSIBLE OFFICER DEMONSTRATING PRO FORMA COMPLIANCE WITH SUBSECTIONS 8.8, 8.9 AND 8.10 FOR THE THEN REMAINING LIFE OF THIS AGREEMENT; AND

(F) SUCH ACQUISITION SHALL BE EFFECTED IN SUCH MANNER SO THAT THE ACQUIRED CAPITAL STOCK OR ASSETS ARE OWNED EITHER BY THE COMPANY OR A WHOLLY OWNED SUBSIDIARY AND, IF EFFECTED BY MERGER, CONSOLIDATION OR AMALGAMATION, THE COMPANY OR A WHOLLY OWNED SUBSIDIARY SHALL BE THE CONTINUING, SURVIVING OR RESULTING ENTITY.

NOTWITHSTANDING THE FOREGOING, EACH OF THE KNOTT TRANSACTION AND THE DATAVAULT TRANSACTION (PROVIDED THAT IT SHALL BE COMPLETED ON OR PRIOR TO MARCH 15, 1999) SHALL BE A PERMITTED ACQUISITION.

"PERMITTED HOLDERS": COLLECTIVELY, LEO W. PIERCE, SR., HIS CHILDREN

OR OTHER LINEAL DESCENDANTS (WHETHER ADOPTIVE OR BIOLOGICAL), THE SPOUSES OF ANY OF THE FOREGOING AND ANY PROBATE ESTATE OF ANY SUCH INDIVIDUAL AND ANY TRUST, SO LONG AS ONE OR MORE OF THE FOREGOING INDIVIDUALS IS THE PRINCIPAL BENEFICIARY OF SUCH TRUST, AND ANY PARTNERSHIP, CORPORATION OR OTHER ENTITY ALL OF THE PARTNERS, SHAREHOLDERS, MEMBERS OR OWNERS OF WHICH ARE ANY ONE OR MORE OF THE FOREGOING.

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"PERMITTED INTERCOMPANY INDEBTEDNESS": (A) LOANS AND ADVANCES FROM

THE COMPANY TO ANY SUBSIDIARY OF THE COMPANY, (B) LOANS AND ADVANCES FROM ANY SUBSIDIARY OF THE COMPANY TO THE COMPANY OR ANY OTHER SUBSIDIARY OF THE COMPANY, AND (C) ACCRUED BUT UNPAID FEES OWING BY THE COMPANY TO ANY SUBSIDIARY OF THE COMPANY OR BY ANY SUBSIDIARY OF THE COMPANY TO THE COMPANY OR ANY OTHER SUBSIDIARY OF THE COMPANY.

"PERMITTED INTERCOMPANY INVESTMENT": THE EQUITY CAPITAL INVESTMENT BY

THE COMPANY INTO THE CANADIAN BORROWER IN THE AMOUNT OF APPROXIMATELY

US\$6,200,000 ON OR ABOUT DECEMBER 31, 1997, THROUGH THE PURCHASE OF ADDITIONAL SHARES OF CAPITAL STOCK OF THE CANADIAN BORROWER WITH A CORRESPONDING AMOUNT OF PERMITTED INTERCOMPANY INDEBTEDNESS OUTSTANDING ON SUCH DATE.

"PERMITTED MORTGAGE DEBT": INDEBTEDNESS OF THE COMPANY PERMITTED BY

SUBSECTION 8.4(C).

"PERMITTED PREFERRED STOCK": ANY PAY-IN-KIND PREFERRED STOCK ISSUED

AND SOLD BY THE COMPANY DURING THE COMMITMENT PERIOD HAVING AN AGGREGATE LIQUIDATION PREFERENCE NOT TO EXCEED US\$20,000,000 (PLUS THE AGGREGATE LIQUIDATION PREFERENCE OF ADDITIONAL SHARES OF SUCH PREFERRED STOCK ISSUED IN LIEU OF PAYING CASH DIVIDENDS THEREON).

"PERSON": AN INDIVIDUAL, PARTNERSHIP, CORPORATION, BUSINESS TRUST,

JOINT STOCK COMPANY, TRUST, UNINCORPORATED ASSOCIATION, JOINT VENTURE, GOVERNMENTAL AUTHORITY OR OTHER ENTITY OF WHATEVER NATURE.

"PLAN": AT A PARTICULAR TIME, ANY EMPLOYEE BENEFIT PLAN WHICH IS

COVERED BY ERISA AND IN RESPECT OF WHICH THE COMPANY OR A COMMONLY CONTROLLED ENTITY IS (OR, IF SUCH PLAN WERE TERMINATED AT SUCH TIME, WOULD UNDER SECTION 4069 OF ERISA BE DEEMED TO BE) AN "EMPLOYER" AS DEFINED IN SECTION 3(5) OF ERISA.

"PLC": AS DEFINED IN THE RECITALS TO THIS AGREEMENT.

"PPSA": THE PERSONAL PROPERTY SECURITY ACT (ONTARIO).

"PREFERRED STOCK": AS DEFINED IN SUBSECTION 5.17.

"PURCHASE PRICE": WITH RESPECT TO ANY PERMITTED ACQUISITION, AN

AMOUNT EQUAL TO THE SUM OF (I) THE AGGREGATE CONSIDERATION, WHETHER CASH, PROPERTY (AT THE FAIR MARKET VALUE THEREOF DETERMINED IN GOOD FAITH BY THE BOARD OF DIRECTORS) OR SECURITIES (INCLUDING, WITHOUT LIMITATION, ANY INDEBTEDNESS INCURRED PURSUANT TO SUBSECTION 8.4(F) AND THE FAIR MARKET VALUE OF ANY CAPITAL STOCK OF THE COMPANY ISSUED TO THE SELLER IN SUCH PERMITTED ACQUISITION), PAID OR DELIVERED BY THE COMPANY AND ITS SUBSIDIARIES IN CONNECTION WITH SUCH PERMITTED ACQUISITION PLUS (II) THE AGGREGATE AMOUNT OF LIABILITIES OF THE ACQUIRED BUSINESS (NET OF CURRENT ASSETS OF THE ACQUIRED BUSINESS) THAT WOULD BE REFLECTED ON A BALANCE

SHEET (IF SUCH WERE TO BE PREPARED) OF THE COMPANY AND ITS SUBSIDIARIES AFTER GIVING EFFECT TO SUCH PERMITTED ACQUISITION.

"QUALIFIED ASSETS": AS DEFINED IN SUBSECTION 4.4(B).

"RCRA": SHALL MEAN THE RESOURCE CONSERVATION AND RECOVERY ACT, AS THE

SAME MAY BE AMENDED FROM TIME TO TIME, 42 U.S.C. (S) 6901 ET SEQ.
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"REDUCE L/C EXPOSURE" OR "REDUCTION OF L/C EXPOSURE": THE ACT OF

REDUCING OR, AS THE CASE MAY BE, THE RESULTANT REDUCTION BY THE COMPANY OF ITS L/C OBLIGATIONS BY REPLACING OR REDUCING OUTSTANDING LETTERS OF CREDIT AND/OR BY DEPOSITING AN AMOUNT IN CASH IN A CASH COLLATERAL ACCOUNT ESTABLISHED WITH THE US ADMINISTRATIVE AGENT FOR THE BENEFIT OF THE US\$ LENDERS ON TERMS AND CONDITIONS SATISFACTORY TO THE US ADMINISTRATIVE AGENT.

"REFUNDING BANKERS' ACCEPTANCE": AS DEFINED IN SUBSECTION 3.3(D).

"REGISTERS": AS DEFINED IN SUBSECTION 11.6(D).

"REGULATION D, G, T, U OR X": REGULATION D, G, T, U OR X OF THE BOARD

OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AS IN EFFECT FROM TIME TO TIME.

"REIMBURSEMENT OBLIGATION": THE OBLIGATION OF THE COMPANY TO

REIMBURSE THE ISSUING LENDER PURSUANT TO SUBSECTION 12.5 FOR AMOUNTS DRAWN UNDER LETTERS OF CREDIT.

"REINVESTABLE PROCEEDS": AS DEFINED IN SUBSECTION 4.4(B).

"RELEASE": DISPOSING, DISCHARGING, INJECTING, SPILLING, PUMPING,

LEAKING, LEACHING, DUMPING, EMITTING, ESCAPING, EMPTYING, SEEPING, PLACING, POURING AND THE LIKE, INTO OR UPON ANY LAND OR WATER OR AIR, OR OTHERWISE ENTERING INTO THE ENVIRONMENT.

"RELEVANT PERMITTED ACQUISITION": AS DEFINED IN SUBSECTION 6.3(A).

"REORGANIZATION": WITH RESPECT TO ANY MULTIEMPLOYER PLAN, THE

CONDITION THAT SUCH PLAN IS IN REORGANIZATION WITHIN THE MEANING OF SECTION

"REPORTABLE EVENT": ANY OF THE EVENTS SET FORTH IN SECTION 4043(B) OF

ERISA, OTHER THAN THOSE EVENTS AS TO WHICH THE THIRTY DAY NOTICE PERIOD IS
WAIVED UNDER SUBSECTIONS .13, .14, .16, .18, .19 OR .20 OF PBGC REG. (S)
2615.

"REQUIRED C\$ LENDERS": AT ANY DATE, C\$ LENDERS THE C\$ COMMITMENT

PERCENTAGES OF WHICH AGGREGATE AT LEAST 51% AT SUCH DATE.

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"REQUIRED LENDERS": AT ANY DATE, LENDERS THE COMMITMENT PERCENTAGES

OF WHICH AGGREGATE AT LEAST 51% AT SUCH DATE.

"REQUIRED US\$ LENDERS": AT ANY DATE, US\$ LENDERS THE US COMMITMENT

PERCENTAGES OF WHICH AGGREGATE AT LEAST 51% AT SUCH DATE.

"REQUIREMENT OF LAW": AS TO ANY PERSON, THE CERTIFICATE OF

INCORPORATION AND BY-LAWS OR OTHER ORGANIZATIONAL OR GOVERNING DOCUMENTS OF
SUCH PERSON, AND ANY LAW, TREATY, RULE OR REGULATION OR DETERMINATION OF AN
ARBITRATOR OR A COURT OR OTHER GOVERNMENTAL AUTHORITY, IN EACH CASE
APPLICABLE TO OR BINDING UPON SUCH PERSON OR ANY OF ITS PROPERTY OR TO
WHICH SUCH PERSON OR ANY OF ITS PROPERTY IS SUBJECT.

"RESPONSIBLE OFFICER": WITH RESPECT TO EITHER BORROWER, THE CHIEF

EXECUTIVE OFFICER, THE PRESIDENT, THE CHIEF FINANCIAL OFFICER OR THE
TREASURER OF SUCH BORROWER.

"SECURITY DOCUMENTS": THE COLLECTIVE REFERENCE TO THE US SECURITY

DOCUMENTS AND THE CANADIAN SECURITY DOCUMENTS.

"SINGLE EMPLOYER PLAN": ANY PLAN WHICH IS COVERED BY TITLE IV OF

ERISA, BUT WHICH IS NOT A MULTIEMPLOYER PLAN.

"S&P": STANDARD & POOR'S RATINGS SERVICES.

"STOCK RECAPITALIZATION": THE COLLECTIVE REFERENCE TO THE STOCK SPLIT

AND RECAPITALIZATION EFFECTED BY PLC IMMEDIATELY PRIOR TO PLC'S
REDOMESTICATION INTO PENNSYLVANIA PURSUANT TO PLC'S MERGER WITH AND INTO

THE COMPANY, IN WHICH EACH OUTSTANDING SHARE OF CLASS A AND CLASS B COMMON STOCK OF PLC WAS CONVERTED INTO SHARES OF VOTING COMMON STOCK OF THE COMPANY.

"SUBSIDIARY": AS TO ANY PERSON, A CORPORATION, PARTNERSHIP OR OTHER

ENTITY OF WHICH SHARES OF STOCK OR OTHER OWNERSHIP INTERESTS HAVING ORDINARY VOTING POWER (OTHER THAN STOCK OR SUCH OTHER OWNERSHIP INTERESTS HAVING SUCH POWER ONLY BY REASON OF THE HAPPENING OF A CONTINGENCY) TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OR OTHER MANAGERS OF SUCH CORPORATION, PARTNERSHIP OR OTHER ENTITY ARE AT THE TIME OWNED, OR THE MANAGEMENT OF WHICH IS OTHERWISE CONTROLLED, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, OR BOTH, BY SUCH PERSON. UNLESS OTHERWISE QUALIFIED, ALL REFERENCES TO A "SUBSIDIARY" OR TO "SUBSIDIARIES" IN THIS AGREEMENT SHALL REFER TO A SUBSIDIARY OR SUBSIDIARIES OF THE COMPANY.

"SUBCHAPTER S SHAREHOLDERS": THE COLLECTIVE REFERENCE TO THE

SHAREHOLDERS OF THE COMPANY DURING THE PERIOD IN WHICH THE COMPANY WAS TAXED AS AN S CORPORATION AS DEFINED IN SECTION 1361 OF THE CODE, TO WHOM THE COMPANY MAY MAKE TAX DISTRIBUTIONS.

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"TAX DISTRIBUTIONS": WITH RESPECT TO ANY PERIOD IN WHICH THE COMPANY

WAS TAXED AS AN S CORPORATION AS DEFINED IN SECTION 1361 OF THE CODE OR OTHER PASS-THROUGH ENTITY FOR FEDERAL INCOME TAX PURPOSES, DISTRIBUTIONS TO THE SUBCHAPTER S SHAREHOLDERS BASED ON ESTIMATES OF THE HIGHEST AMOUNT OF FEDERAL, STATE AND LOCAL INCOME TAX PER SHARE OF CAPITAL STOCK OF THE COMPANY OUTSTANDING PRIOR TO THE STOCK RECAPITALIZATION THAT ANY SUBCHAPTER S SHAREHOLDER WOULD BE REQUIRED TO PAY AS A RESULT OF THE COMPANY'S BEING TREATED AS A PASS-THROUGH ENTITY FOR INCOME TAX PURPOSES OR PURSUANT TO A TAX INDEMNITY AGREEMENT.

"TAX INDEMNITY AGREEMENT": COLLECTIVELY, (A) THE TAX INDEMNIFICATION

AGREEMENT, DATED JUNE 24, 1997, ENTERED INTO BY THE COMPANY AND CERTAIN SUBCHAPTER S SHAREHOLDERS WITH RESPECT TO THE INDEMNITY BY THE COMPANY FOR TAXES OWING BY SUCH SHAREHOLDERS AS A RESULT OF THE COMPANY'S OPERATIONS DURING THE PERIOD IN WHICH THE COMPANY WAS TAXED AS AN S CORPORATION AND (B) THE AGREEMENT WITH ONE OF THE SUBCHAPTER S SHAREHOLDERS RELATING TO SUCH MATTERS THAT IS DESCRIBED IN THE LETTER FROM THE COMPANY TO THE US ADMINISTRATIVE AGENT DATED AUGUST 12, 1997.

"TAX REFUND": WITH RESPECT TO EITHER BORROWER, ANY CASH PAYMENT

RECEIVED BY SUCH BORROWER AS A REBATE OR REFUND OF ANY FEDERAL, STATE, PROVINCIAL OR LOCAL INCOME TAXES PAID BY SUCH BORROWER OR OF ANY TAXES WITH RESPECT TO THE ASSETS OR PROPERTIES OF SUCH BORROWER.

"TAX SHARING AGREEMENTS": COLLECTIVELY, ALL TAX SHARING, TAX

ALLOCATION AND OTHER SIMILAR AGREEMENTS ENTERED INTO BY THE COMPANY OR ANY
OF ITS SUBSIDIARIES.

"TERMINATION DATE": JUNE 30, 2004.

"TEXAS AVENUE PROPERTY": THAT CERTAIN REAL PROPERTY LEASED BY THE

COMPANY PURSUANT TO A GROUND LEASE, DATED AS OF AUGUST 1, 1922, BETWEEN THE
COMPANY AND S. BERNARD NAMAN, AS TRUSTEE, LOCATED AT 1120 TEXAS AVENUE,
HOUSTON, TEXAS.

"TOTAL NET DEBT": AT ANY DATE OF DETERMINATION, WITHOUT DUPLICATION,

THE EXCESS, IF ANY, OF ALL INDEBTEDNESS OF THE COMPANY AND ITS SUBSIDIARIES
(EXCLUDING (A) ALL INDEBTEDNESS OF THE TYPE DESCRIBED IN CLAUSE (E) OF THE
DEFINITION THEREOF, EXCEPT TO THE EXTENT AMOUNTS ARE OWING WITH RESPECT
THERETO UPON THE TERMINATION OF THE RESPECTIVE AGREEMENT CONSTITUTING SUCH
INDEBTEDNESS) AND ALL GUARANTEE OBLIGATIONS OF THE COMPANY AND ITS
SUBSIDIARIES IN RESPECT OF INDEBTEDNESS OF THIRD PERSONS OVER (B) ANY CASH
BALANCES IN EXCESS OF US\$500,000 THEN STANDING TO THE CREDIT OF THE COMPANY
AND ITS SUBSIDIARIES IN THEIR RESPECTIVE OPERATING ACCOUNTS AND THE
AGGREGATE AMOUNT OF CASH EQUIVALENTS THEN OWNED BY THE COMPANY AND ITS
SUBSIDIARIES.

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"TRANSFeree": AS DEFINED IN SUBSECTION 11.6(F).

"TRAVELERS CORPORATION BUILDING ARCHIVES": THE REAL PROPERTY LOCATED

AT 1100 KENNEDY BOULEVARD, WINDSOR, CONNECTICUT.

"TYPE": (A) AS TO ANY US\$ LOAN, ITS NATURE AS A BASE RATE LOAN OR A

EURODOLLAR LOAN AND (B) AS TO ANY C\$ LOAN, ITS NATURE AS A C\$ PRIME LOAN OR
A BANKERS' ACCEPTANCE.

"US ADMINISTRATIVE AGENT": CANADIAN IMPERIAL BANK OF COMMERCE, NEW

YORK AGENCY, TOGETHER WITH ITS AFFILIATES, AS THE AGENT FOR THE US\$ LENDERS
UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

"US ADMINISTRATIVE OFFICE": THE US ADMINISTRATIVE AGENT'S OFFICE

LOCATED AT 425 LEXINGTON AVENUE, NEW YORK, NEW YORK 10017, OR SUCH OTHER

OFFICE IN THE UNITED STATES AS MAY BE DESIGNATED BY THE US ADMINISTRATIVE AGENT BY WRITTEN NOTICE TO THE COMPANY AND THE LENDERS.

"US COMMITMENT": AS TO ANY US\$ LENDER, ITS OBLIGATION TO MAKE US\$

LOANS TO AND/OR ISSUE OR PARTICIPATE IN LETTERS OF CREDIT ISSUED ON BEHALF OF THE COMPANY HEREUNDER IN AN AGGREGATE PRINCIPAL AND/OR FACE DOLLAR EQUIVALENT AMOUNT AT ANY ONE TIME OUTSTANDING NOT TO EXCEED THE AMOUNT SET FORTH OPPOSITE SUCH LENDER'S NAME ON SCHEDULE 1.1 AS SUCH LENDER'S "US COMMITMENT", AS SUCH AMOUNT MAY BE CHANGED FROM TIME TO TIME AS PROVIDED HEREIN. THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF THE US COMMITMENTS IS US\$ 175,000,000.

"US COMMITMENT PERCENTAGE": AS TO ANY US\$ LENDER AT ANY TIME, THE

PERCENTAGE OF THE AGGREGATE US COMMITMENTS THEN CONSTITUTED BY SUCH LENDER'S US COMMITMENT.

"US\$ EQUIVALENT": ON ANY DATE OF DETERMINATION, WITH RESPECT TO ANY

AMOUNT IN BRITISH POUNDS OR C\$, THE EQUIVALENT IN US DOLLARS OF SUCH AMOUNT, DETERMINED BY THE US ADMINISTRATIVE AGENT USING THE BRITISH POUNDS EXCHANGE RATE OR THE CANADIAN EXCHANGE RATE, RESPECTIVELY, THEN IN EFFECT.

"US\$ EXCHANGE RATE": ON A PARTICULAR DATE, THE RATE AT WHICH US\$ MAY

BE EXCHANGED INTO C\$, DETERMINED BY REFERENCE TO THE BANK OF CANADA NOON RATE AS PUBLISHED ON THE REUTERS SCREEN PAGE BOFC ON THE IMMEDIATELY PRECEDING BUSINESS DAY. IN THE EVENT THAT SUCH RATE DOES NOT APPEAR ON SUCH REUTERS PAGE, THE "US\$ EXCHANGE RATE" SHALL BE DETERMINED BY REFERENCE

TO ANY OTHER MEANS (AS SELECTED BY THE RELEVANT ADMINISTRATIVE AGENT) BY WHICH SUCH RATE IS QUOTED OR PUBLISHED FROM TIME TO TIME BY THE BANK OF CANADA (IN EACH CASE AS IN EFFECT AT OR ABOUT 12:00 NOON, TORONTO TIME, ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE RELEVANT DATE OF DETERMINATION); PROVIDED, THAT IF AT THE TIME OF ANY SUCH DETERMINATION, FOR ANY REASON, NO

SUCH EXCHANGE RATE IS BEING QUOTED OR PUBLISHED, THE

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RELEVANT ADMINISTRATIVE AGENT MAY USE ANY REASONABLE METHOD AS IT DEEMS APPLICABLE TO DETERMINE SUCH RATE, AND SUCH DETERMINATION SHALL BE CONCLUSIVE ABSENT MANIFEST ERROR.

"US\$ LENDER": EACH LENDER DESIGNATED AS A "US\$ LENDER" ON SCHEDULE

1.1, AS SUCH SCHEDULE MAY BE MODIFIED FROM TIME TO TIME AS PROVIDED HEREIN.

"US\$ LOANS": AS DEFINED IN SUBSECTION 2.1(A).

"US DOLLARS" AND "US\$": DOLLARS IN LAWFUL CURRENCY OF THE UNITED

STATES OF AMERICA.

"US EXTENSIONS OF CREDIT": AS TO ANY US\$ LENDER AT ANY TIME, AN

AMOUNT EQUAL TO THE SUM OF (A) THE AGGREGATE PRINCIPAL AMOUNT OF ALL US\$
LOANS HELD BY SUCH US\$ LENDER THEN OUTSTANDING AND (B) SUCH US\$ LENDER'S US
COMMITMENT PERCENTAGE OF THE L/C OBLIGATIONS THEN OUTSTANDING.

"US GLOBAL GUARANTEE AND SECURITY AGREEMENT": THE AMENDED AND

RESTATED US GLOBAL GUARANTEE AND SECURITY AGREEMENT EXECUTED AND DELIVERED
BY THE PARTIES THERETO SUBSTANTIALLY IN THE FORM OF EXHIBIT D TO THE
EXISTING CREDIT AGREEMENT, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR
OTHERWISE MODIFIED FROM TIME TO TIME.

"US LENDING OFFICE": AS TO EACH US\$ LENDER, THE OFFICE IN THE UNITED

STATES SPECIFIED AS THE "US LENDING OFFICE" OF SUCH LENDER ON SCHEDULE 1.1
OR IN AN ASSIGNMENT AND ACCEPTANCE, AS THE CASE MAY BE, OR SUCH OTHER
OFFICE IN THE UNITED STATES AS MAY BE DESIGNATED BY SUCH LENDER BY WRITTEN
NOTICE TO COMPANY AND THE US ADMINISTRATIVE AGENT.

"US MORTGAGE": A MORTGAGE EXECUTED AND DELIVERED PURSUANT TO THE

ORIGINAL CREDIT AGREEMENT OR TO BE EXECUTED AND DELIVERED PURSUANT HERETO
BY A DOMESTIC LOAN PARTY, WITH RESPECT TO A US MORTGAGED PROPERTY,
SUBSTANTIALLY IN THE FORM OF EXHIBIT E TO THE EXISTING CREDIT AGREEMENT, AS
THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO
TIME.

"US MORTGAGED PROPERTIES": ALL REAL PROPERTY LISTED AND IDENTIFIED AS

SUCH IN PART B OF SCHEDULE 5.8 AND DESIGNATED AS SUCH.

"US\$ NOTES": AS DEFINED IN SUBSECTION 4.1(F).

"US SECURITY DOCUMENTS": THE COLLECTIVE REFERENCE TO THE US GLOBAL

GUARANTEE AND SECURITY AGREEMENT, THE US MORTGAGES, AND ALL OTHER SECURITY
DOCUMENTS HEREAFTER DELIVERED TO THE US ADMINISTRATIVE AGENT GRANTING A
LIEN ON ANY ASSET OR ASSETS OF THE COMPANY OR ANY DOMESTIC SUBSIDIARY TO
SECURE THE OBLIGATIONS AND LIABILITIES OF THE COMPANY HEREUNDER AND UNDER
ANY OF THE OTHER LOAN DOCUMENTS OR TO

SECURE ANY GUARANTEE BY ANY SUBSIDIARY OF ANY SUCH OBLIGATIONS AND LIABILITIES.

"WHOLLY OWNED SUBSIDIARY": ANY SUBSIDIARY, 99% OR MORE OF THE

OUTSTANDING CAPITAL STOCK (OTHER THAN DIRECTORS' QUALIFYING SHARES OR SHARES HELD PURSUANT TO SIMILAR REQUIREMENTS OF LAW IN RESPECT OF FOREIGN SUBSIDIARIES) OF WHICH ARE OWNED, DIRECTLY OR INDIRECTLY, BY THE COMPANY.

1.2 OTHER DEFINITIONAL PROVISIONS. (A) UNLESS OTHERWISE SPECIFIED

THEREIN, ALL TERMS DEFINED IN THIS AGREEMENT SHALL HAVE THE DEFINED MEANINGS WHEN USED IN ANY NOTES OR ANY CERTIFICATE OR OTHER DOCUMENT MADE OR DELIVERED PURSUANT HERETO.

(B) AS USED HEREIN AND IN ANY NOTES, AND ANY CERTIFICATE OR OTHER DOCUMENT MADE OR DELIVERED PURSUANT HERETO, ACCOUNTING TERMS RELATING TO THE COMPANY AND ITS SUBSIDIARIES NOT DEFINED IN SUBSECTION 1.1 AND ACCOUNTING TERMS PARTLY DEFINED IN SUBSECTION 1.1, TO THE EXTENT NOT DEFINED, SHALL HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM UNDER GAAP.

(C) THE WORDS "HEREOF," "HEREIN" AND "HEREUNDER" AND WORDS OF SIMILAR IMPORT WHEN USED IN THIS AGREEMENT SHALL REFER TO THIS AGREEMENT AS A WHOLE AND NOT TO ANY PARTICULAR PROVISION OF THIS AGREEMENT, AND SECTION, SUBSECTION, SCHEDULE AND EXHIBIT REFERENCES ARE TO THIS AGREEMENT UNLESS OTHERWISE SPECIFIED.

(D) THE MEANINGS GIVEN TO TERMS DEFINED HEREIN SHALL BE EQUALLY APPLICABLE TO BOTH THE SINGULAR AND PLURAL FORMS OF SUCH TERMS.

SECTION 2. THE US COMMITMENTS

2.1 THE US COMMITMENTS. (A) SUBJECT TO THE TERMS AND CONDITIONS

HEREOF, EACH US\$ LENDER SEVERALLY AGREES TO MAKE REVOLVING CREDIT LOANS ("US\$

LOANS") TO THE COMPANY FROM TIME TO TIME DURING THE COMMITMENT PERIOD IN AN

AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING WHICH, WHEN ADDED TO SUCH US\$ LENDER'S US COMMITMENT PERCENTAGE OF THE L/C OBLIGATIONS THEN OUTSTANDING, DOES NOT EXCEED THE AMOUNT OF SUCH LENDER'S US COMMITMENT. DURING THE COMMITMENT PERIOD THE COMPANY MAY USE THE US COMMITMENTS BY (I) BORROWING, PREPAYING OR REPAYING THE US\$ LOANS OF SUCH US\$ LENDER IN WHOLE OR IN PART, AND REBORROWING, AND/OR (II) CAUSING THE ISSUING LENDER TO ISSUE LETTERS OF CREDIT IN ACCORDANCE WITH SECTION 12, ALL IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREOF.

(B) THE US\$ LOANS MAY FROM TIME TO TIME BE (I) EURODOLLAR LOANS, (II) BASE RATE LOANS OR (III) A COMBINATION THEREOF, AS DETERMINED BY THE COMPANY AND NOTIFIED TO THE US ADMINISTRATIVE AGENT IN ACCORDANCE WITH SUBSECTIONS 2.2 AND

2.3, PROVIDED THAT NO US\$ LOAN SHALL BE MADE AS A EURODOLLAR LOAN AFTER THE DAY

THAT IS ONE MONTH PRIOR TO THE TERMINATION DATE.

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2.2 PROCEDURE FOR US\$ LOAN BORROWING. THE COMPANY MAY BORROW UNDER

THE US COMMITMENTS DURING THE COMMITMENT PERIOD ON ANY BUSINESS DAY, PROVIDED

THAT THE COMPANY SHALL GIVE THE US ADMINISTRATIVE AGENT IRREVOCABLE WRITTEN OR
TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN
WRITING) (WHICH NOTICE MUST BE RECEIVED BY THE US ADMINISTRATIVE AGENT PRIOR TO
10:00 A.M., NEW YORK CITY TIME, (A) THREE BUSINESS DAYS PRIOR TO THE REQUESTED
BORROWING DATE, IF ALL OR ANY PART OF THE REQUESTED US\$ LOANS ARE TO BE
INITIALLY EURODOLLAR LOANS, OR (B) ONE BUSINESS DAY PRIOR TO THE REQUESTED
BORROWING DATE, IN THE CASE OF BASE RATE LOANS), SPECIFYING (I) THE AMOUNT TO BE
BORROWED, (II) THE REQUESTED BORROWING DATE, (III) WHETHER THE BORROWING IS TO
BE OF EURODOLLAR LOANS, BASE RATE LOANS OR A COMBINATION THEREOF AND (IV) IF THE
BORROWING IS TO BE ENTIRELY OR PARTLY OF EURODOLLAR LOANS, THE AMOUNT OF SUCH
TYPE OF LOAN AND THE LENGTH OF THE INITIAL INTEREST PERIOD OR INTEREST PERIODS
THEREFOR. EACH BORROWING UNDER THE US COMMITMENTS SHALL BE IN AN AMOUNT EQUAL
TO (X) IN THE CASE OF BASE RATE LOANS, US\$300,000 OR A WHOLE MULTIPLE OF
US\$100,000 IN EXCESS THEREOF (OR, IF THE THEN AVAILABLE COMMITMENTS ARE LESS
THAN US\$300,000, SUCH LESSER AMOUNT) AND (Y) IN THE CASE OF EURODOLLAR LOANS,
US\$1,000,000 OR A WHOLE MULTIPLE OF US\$100,000 IN EXCESS THEREOF (OR, IF THE
THEN AVAILABLE COMMITMENTS ARE LESS THAN US\$1,000,000, SUCH LESSER AMOUNT).
UPON RECEIPT OF ANY SUCH NOTICE FROM THE COMPANY, THE US ADMINISTRATIVE AGENT
SHALL PROMPTLY NOTIFY EACH US\$ LENDER THEREOF. EACH US\$ LENDER WILL MAKE THE
AMOUNT OF ITS PRO RATA SHARE OF EACH BORROWING AVAILABLE TO THE US
ADMINISTRATIVE AGENT FOR THE ACCOUNT OF THE COMPANY AT THE US ADMINISTRATIVE
OFFICE PRIOR TO 11:00 A.M., NEW YORK CITY TIME, ON THE BORROWING DATE REQUESTED
BY THE COMPANY IN FUNDS IMMEDIATELY AVAILABLE TO THE US ADMINISTRATIVE AGENT.
SUCH BORROWING WILL THEN BE MADE AVAILABLE TO THE COMPANY BY THE US
ADMINISTRATIVE AGENT CREDITING THE ACCOUNT OF THE COMPANY ON THE BOOKS OF SUCH
OFFICE WITH THE AGGREGATE OF THE AMOUNTS MADE AVAILABLE TO THE US ADMINISTRATIVE
AGENT BY THE US\$ LENDERS AND IN LIKE FUNDS AS RECEIVED BY THE US ADMINISTRATIVE
AGENT.

2.3 CONVERSION AND CONTINUATION OPTIONS. (A) THE COMPANY MAY ELECT

FROM TIME TO TIME TO CONVERT EURODOLLAR LOANS TO BASE RATE LOANS BY GIVING THE
US ADMINISTRATIVE AGENT AT LEAST ONE BUSINESS DAY'S PRIOR IRREVOCABLE WRITTEN OR
TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN
WRITING) OF SUCH ELECTION, PROVIDED THAT IF ANY SUCH CONVERSION OF EURODOLLAR

LOANS OCCURS ON A DAY OTHER THAN THE LAST DAY OF AN INTEREST PERIOD WITH RESPECT
THERETO THE COMPANY SHALL PAY ANY BREAKAGE COSTS IN CONNECTION WITH SUCH
CONVERSION. THE COMPANY MAY ELECT FROM TIME TO TIME TO CONVERT BASE RATE LOANS
TO EURODOLLAR LOANS BY GIVING THE US ADMINISTRATIVE AGENT AT LEAST THREE

BUSINESS DAYS' PRIOR IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN WRITING) OF SUCH ELECTION. ANY SUCH NOTICE OF CONVERSION TO EURODOLLAR LOANS SHALL SPECIFY THE LENGTH OF THE INITIAL INTEREST PERIOD OR INTEREST PERIODS THEREFOR. UPON RECEIPT OF ANY SUCH NOTICE THE US ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY EACH US\$ LENDER THEREOF. ALL OR ANY PART OF OUTSTANDING EURODOLLAR LOANS AND BASE RATE LOANS MAY BE CONVERTED

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AS PROVIDED HEREIN, PROVIDED THAT (I) NO BASE RATE LOAN MAY BE CONVERTED INTO A

EURODOLLAR LOAN WHEN ANY EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING AND THE US ADMINISTRATIVE AGENT HAS OR THE REQUIRED US\$ LENDERS HAVE DETERMINED THAT SUCH A CONVERSION IS NOT APPROPRIATE AND (II) NO BASE RATE LOAN MAY BE CONVERTED INTO A EURODOLLAR LOAN AFTER THE DATE THAT IS ONE MONTH PRIOR TO THE TERMINATION DATE.

(B) ANY EURODOLLAR LOANS MAY BE CONTINUED AS SUCH UPON THE EXPIRATION OF THE THEN CURRENT INTEREST PERIOD WITH RESPECT THERETO BY THE COMPANY GIVING, AT LEAST THREE BUSINESS DAYS' PRIOR, IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN WRITING) TO THE US ADMINISTRATIVE AGENT, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE TERM "INTEREST PERIOD" SET FORTH IN SUBSECTION 1.1, OF THE LENGTH OF THE NEXT INTEREST PERIOD TO BE APPLICABLE TO SUCH LOANS, PROVIDED THAT NO EURODOLLAR LOAN

MAY BE CONTINUED AS SUCH (I) WHEN ANY EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING AND THE US ADMINISTRATIVE AGENT HAS OR THE REQUIRED US\$ LENDERS HAVE DETERMINED THAT SUCH A CONTINUATION IS NOT APPROPRIATE OR (II) AFTER THE DATE THAT IS ONE MONTH PRIOR TO THE TERMINATION DATE IN ACCORDANCE WITH THE TERMS DESCRIBED ABOVE AND PROVIDED, FURTHER, THAT IF THE COMPANY SHALL FAIL TO GIVE

SUCH NOTICE OR IF SUCH CONTINUATION IS NOT PERMITTED SUCH LOANS SHALL BE AUTOMATICALLY CONVERTED TO BASE RATE LOANS ON THE LAST DAY OF SUCH THEN EXPIRING INTEREST PERIOD. UPON RECEIPT OF ANY NOTICE GIVEN BY THE COMPANY PURSUANT TO THIS SUBSECTION 2.3(B), THE US ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY EACH US\$ LENDER THEREOF.

2.4 MINIMUM AMOUNTS AND MAXIMUM NUMBER OF EURODOLLAR TRANCHEs.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, ALL BORROWINGS, PAYMENTS, PREPAYMENTS, CONVERSIONS AND CONTINUATIONS OF US\$ LOANS HEREUNDER AND ALL SELECTIONS OF INTEREST PERIODS HEREUNDER SHALL BE IN SUCH AMOUNTS AND BE MADE PURSUANT TO SUCH ELECTIONS SO THAT, AFTER GIVING EFFECT THERETO, THE AGGREGATE PRINCIPAL AMOUNT OF THE LOANS COMPRISING EACH EURODOLLAR TRANCHE SHALL BE EQUAL TO US\$1,000,000 OR A WHOLE MULTIPLE OF US\$100,000 IN EXCESS THEREOF. MORE THAN ONE BORROWING MAY OCCUR ON THE SAME DATE, BUT IN NO EVENT SHALL THERE BE MORE THAN FIVE EURODOLLAR TRANCHEs OUTSTANDING AT ANY TIME.

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SECTION 3. THE CANADIAN COMMITMENTS

3.1 THE CANADIAN COMMITMENTS. SUBJECT TO THE TERMS AND CONDITIONS

HEREOF, EACH C\$ LENDER SEVERALLY AGREES TO MAKE REVOLVING CREDIT LOANS (WHICH SHALL BE C\$ PRIME LOANS) TO, AND TO ACCEPT AND, AT THE OPTION OF THE CANADIAN BORROWER, PURCHASE BANKERS' ACCEPTANCES FROM, THE CANADIAN BORROWER FROM TIME TO TIME DURING THE COMMITMENT PERIOD IN AN AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING NOT TO EXCEED SUCH LENDER'S CANADIAN COMMITMENT. DURING THE COMMITMENT PERIOD, THE CANADIAN BORROWER MAY USE THE CANADIAN COMMITMENTS BY BORROWING, PREPAYING OR REPAYING THE C\$ PRIME LOANS OR BANKERS' ACCEPTANCES, IN WHOLE OR IN PART, AND REBORROWING, ALL IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREOF.

3.2 PROCEDURE FOR C\$ LOAN BORROWING. THE CANADIAN BORROWER MAY

BORROW C\$ PRIME LOANS DURING THE COMMITMENT PERIOD ON ANY BUSINESS DAY, PROVIDED

THAT THE CANADIAN BORROWER SHALL GIVE THE CANADIAN ADMINISTRATIVE AGENT IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN WRITING) (WHICH NOTICE MUST BE RECEIVED BY THE CANADIAN ADMINISTRATIVE AGENT PRIOR TO 10:00 A.M., TORONTO TIME, ONE BUSINESS DAY PRIOR TO THE REQUESTED BORROWING DATE), SPECIFYING (A) THE AMOUNT TO BE BORROWED AND (B) THE REQUESTED BORROWING DATE. EACH BORROWING OF C\$ PRIME LOANS SHALL BE IN AN AMOUNT EQUAL TO C\$300,000 OR A WHOLE MULTIPLE OF C\$100,000 IN EXCESS THEREOF. UPON RECEIPT OF ANY SUCH IRREVOCABLE NOTICE FROM THE CANADIAN BORROWER, THE CANADIAN ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY EACH C\$ LENDER THEREOF. EACH C\$ LENDER WILL MAKE THE AMOUNT OF ITS PRO RATA SHARE OF EACH SUCH BORROWING AVAILABLE TO THE CANADIAN ADMINISTRATIVE AGENT FOR THE ACCOUNT OF THE CANADIAN BORROWER AT THE CANADIAN ADMINISTRATIVE OFFICE PRIOR TO 11:00 A.M., TORONTO TIME, ON THE BORROWING DATE REQUESTED BY THE CANADIAN BORROWER IN FUNDS IMMEDIATELY AVAILABLE TO THE CANADIAN ADMINISTRATIVE AGENT. SUCH BORROWING WILL THEN BE MADE AVAILABLE ON SUCH BORROWING DATE TO THE CANADIAN BORROWER BY THE CANADIAN ADMINISTRATIVE AGENT CREDITING THE ACCOUNT OF THE CANADIAN BORROWER ON THE BOOKS OF THE CANADIAN ADMINISTRATIVE OFFICE WITH THE AGGREGATE OF THE AMOUNTS MADE AVAILABLE TO THE CANADIAN ADMINISTRATIVE AGENT BY THE C\$ LENDERS AND IN LIKE FUNDS AS RECEIVED BY THE CANADIAN ADMINISTRATIVE AGENT.

3.3 BANKERS' ACCEPTANCES. (A) THE CANADIAN BORROWER MAY ISSUE

BANKERS' ACCEPTANCES DENOMINATED IN C\$, FOR ACCEPTANCE AND, AT THE CANADIAN BORROWER'S OPTION, PURCHASE BY THE C\$ LENDERS, EACH IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION 3.3.

(B) PROCEDURES.

(1 NOTICE. THE CANADIAN BORROWER SHALL NOTIFY THE CANADIAN

ADMINISTRATIVE AGENT BY IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN WRITING) BY 10:00 A.M., TORONTO TIME, ONE BUSINESS DAY PRIOR TO THE BORROWING DATE IN RESPECT OF ANY BORROWING BY WAY OF BANKERS' ACCEPTANCES.

(2 MINIMUM BORROWING AMOUNT. EACH BORROWING BY WAY OF BANKERS'

ACCEPTANCES SHALL BE IN A MINIMUM AGGREGATE FACE AMOUNT OF C\$1,000,000 OR A WHOLE MULTIPLE OF C\$100,000 IN EXCESS THEREOF.

(3 FACE AMOUNTS. THE FACE AMOUNT OF EACH BANKERS' ACCEPTANCE SHALL

BE C\$100,000 OR ANY WHOLE MULTIPLE THEREOF.

(4 TERM. BANKERS' ACCEPTANCES SHALL BE ISSUED AND SHALL MATURE ON A

BUSINESS DAY. EACH BANKERS' ACCEPTANCE SHALL HAVE A TERM OF 30, 60, 90 OR 180 DAYS (OR SUCH SHORTER OR LONGER TERM AS SHALL BE AGREED TO BY ALL OF THE C\$ LENDERS), SHALL MATURE ON OR BEFORE THE TERMINATION DATE AND SHALL BE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO EACH C\$ LENDER.

(5 BANKERS' ACCEPTANCES IN BLANK. TO FACILITATE THE ACCEPTANCE OF

BANKERS' ACCEPTANCES UNDER THIS AGREEMENT, THE CANADIAN BORROWER SHALL, FROM TIME TO TIME AS REQUIRED, PROVIDE TO THE CANADIAN ADMINISTRATIVE AGENT DRAFTS DULY EXECUTED AND ENDORSED IN BLANK BY THE CANADIAN BORROWER IN QUANTITIES SUFFICIENT FOR EACH C\$ LENDER TO FULFILL ITS OBLIGATIONS HEREUNDER. EACH C\$ LENDER IS HEREBY AUTHORIZED TO ACCEPT SUCH DRAFTS ENDORSED IN BLANK IN SUCH FACE AMOUNTS AS MAY BE DETERMINED BY SUCH C\$ LENDER IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, PROVIDED THAT THE

AGGREGATE AMOUNT THEREOF IS LESS THAN OR EQUAL TO THE AGGREGATE AMOUNT OF BANKERS' ACCEPTANCES REQUIRED TO BE ACCEPTED BY SUCH C\$ LENDER. NO C\$ LENDER SHALL BE RESPONSIBLE OR LIABLE FOR ITS FAILURE TO ACCEPT A BANKERS' ACCEPTANCE IF THE CAUSE OF SUCH FAILURE IS, IN WHOLE OR IN PART, DUE TO THE FAILURE OF THE CANADIAN BORROWER TO PROVIDE DULY EXECUTED AND ENDORSED DRAFTS TO THE CANADIAN ADMINISTRATIVE AGENT ON A TIMELY BASIS, NOR SHALL ANY C\$ LENDER BE LIABLE FOR ANY DAMAGE, LOSS OR OTHER CLAIM ARISING BY REASON OF ANY LOSS OR IMPROPER USE OF ANY SUCH INSTRUMENT EXCEPT LOSS OR IMPROPER USE ARISING BY REASON OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH C\$ LENDER, ITS OFFICERS, EMPLOYEES, AGENTS OR REPRESENTATIVES. THE CANADIAN ADMINISTRATIVE AGENT AND EACH C\$ LENDER SHALL EXERCISE SUCH CARE IN THE CUSTODY AND SAFEKEEPING OF DRAFTS AS IT WOULD EXERCISE IN THE CUSTODY AND SAFEKEEPING OF SIMILAR PROPERTY OWNED BY IT. EACH C\$ LENDER WILL, UPON THE REQUEST OF THE CANADIAN BORROWER, PROMPTLY ADVISE THE CANADIAN BORROWER OF THE NUMBER AND DESIGNATION, IF ANY, OF DRAFTS THEN HELD BY IT FOR THE CANADIAN BORROWER. EACH C\$ LENDER SHALL MAINTAIN A RECORD WITH RESPECT TO DRAFTS AND BANKERS' ACCEPTANCES (I)

ANY REASON, (III) ACCEPTED BY IT HEREUNDER, (IV) PURCHASED BY IT HEREUNDER AND (V) CANCELED AT THEIR RESPECTIVE MATURITIES. EACH C\$ LENDER FURTHER AGREES TO RETAIN SUCH RECORDS IN THE MANNER AND FOR THE STATUTORY PERIODS PROVIDED IN THE VARIOUS CANADIAN PROVINCIAL OR FEDERAL STATUTES AND REGULATIONS WHICH APPLY TO SUCH C\$ LENDER.

(6 EXECUTION OF BANKERS' ACCEPTANCES. DRAFTS OF THE CANADIAN

BORROWER TO BE ACCEPTED AS BANKERS' ACCEPTANCES HEREUNDER SHALL BE DULY EXECUTED ON BEHALF OF THE CANADIAN BORROWER. NOTWITHSTANDING THAT ANY PERSON WHOSE SIGNATURE APPEARS ON ANY BANKERS' ACCEPTANCE AS A SIGNATORY FOR THE CANADIAN BORROWER MAY NO LONGER BE AN AUTHORIZED SIGNATORY FOR THE CANADIAN BORROWER AT THE DATE OF ISSUANCE OF A BANKERS' ACCEPTANCE, SUCH SIGNATURE SHALL NEVERTHELESS BE VALID AND SUFFICIENT FOR ALL PURPOSES AS IF SUCH AUTHORITY HAD REMAINED IN FORCE AT THE TIME OF SUCH ISSUANCE, AND ANY SUCH BANKERS' ACCEPTANCE SO SIGNED SHALL BE BINDING ON THE CANADIAN BORROWER.

(7 ISSUANCE OF BANKERS' ACCEPTANCES. PROMPTLY FOLLOWING RECEIPT OF

A NOTICE OF BORROWING BY WAY OF BANKERS' ACCEPTANCES, THE CANADIAN ADMINISTRATIVE AGENT SHALL SO ADVISE THE C\$ LENDERS AND SHALL ADVISE EACH C\$ LENDER OF THE FACE AMOUNT OF EACH DRAFT TO BE ACCEPTED BY IT AND THE TERM THEREOF. THE AGGREGATE FACE AMOUNT OF DRAFTS TO BE ACCEPTED BY A C\$ LENDER SHALL BE DETERMINED BY THE CANADIAN ADMINISTRATIVE AGENT ON A PRO RATA BASIS BY REFERENCE TO THE RESPECTIVE CANADIAN COMMITMENTS OF THE C\$ LENDERS, EXCEPT THAT, IF THE FACE AMOUNT OF A DRAFT WHICH WOULD OTHERWISE BE ACCEPTED BY A C\$ LENDER WOULD NOT BE C\$100,000 OR A WHOLE MULTIPLE THEREOF, SUCH FACE AMOUNT SHALL BE INCREASED OR REDUCED BY THE CANADIAN ADMINISTRATIVE AGENT IN ITS SOLE AND UNFETTERED DISCRETION TO THE NEAREST WHOLE MULTIPLE OF C\$100,000.

(8 ACCEPTANCE OF BANKERS' ACCEPTANCES. EACH DRAFT TO BE ACCEPTED BY

A C\$ LENDER SHALL BE ACCEPTED AT SUCH C\$ LENDER'S CANADIAN LENDING OFFICE.

(9 PURCHASE OF BANKERS' ACCEPTANCES. EACH C\$ LENDER SHALL BE

REQUIRED TO PURCHASE (SUBJECT TO THE COMMERCIAL AVAILABILITY OF A RESALE MARKET IN THE CASE OF BANKERS' ACCEPTANCES WITH A TERM OF APPROXIMATELY 30, 60, 90 OR 180 DAYS, AS THE CASE MAY BE) FROM THE CANADIAN BORROWER ON SUCH BORROWING DATE, AT THE APPLICABLE BA DISCOUNT RATE, THE BANKERS' ACCEPTANCES ACCEPTED BY IT ON SUCH BORROWING DATE AND TO PROVIDE TO THE CANADIAN ADMINISTRATIVE AGENT THE BA DISCOUNT PROCEEDS THEREOF NOT LATER THAN 12:00 NOON, TORONTO TIME, ON SUCH BORROWING DATE FOR THE ACCOUNT OF

THE CANADIAN BORROWER. THE ACCEPTANCE FEE PAYABLE BY THE CANADIAN BORROWER TO SUCH C\$ LENDER UNDER SUBSECTION 3.3(E) IN RESPECT OF EACH BANKERS' ACCEPTANCE ACCEPTED AND PURCHASED BY SUCH C\$ LENDER FROM THE CANADIAN BORROWER SHALL BE SET OFF AGAINST THE BA DISCOUNT PROCEEDS PAYABLE BY SUCH C\$ LENDER UNDER THIS

SUBSECTION 3.3(B)(9). NOT LATER THAN 2:00 P.M., TORONTO TIME, ON SUCH BORROWING DATE, THE CANADIAN ADMINISTRATIVE AGENT SHALL MAKE SUCH BA DISCOUNT PROCEEDS AVAILABLE TO THE CANADIAN BORROWER BY CREDITING THE ACCOUNT OF THE CANADIAN BORROWER ON THE BOOKS OF THE CANADIAN ADMINISTRATIVE OFFICE WITH THE AGGREGATE OF THE AMOUNTS MADE AVAILABLE TO THE CANADIAN ADMINISTRATIVE AGENT BY THE C\$ LENDERS AND IN LIKE FUNDS AS RECEIVED BY THE CANADIAN ADMINISTRATIVE AGENT.

(10 SALE OF BANKERS' ACCEPTANCES. EACH C\$ LENDER MAY AT ANY TIME

AND FROM TIME TO TIME HOLD, SELL, REDISCOUNT OR OTHERWISE DISPOSE OF ANY OR ALL BANKERS' ACCEPTANCES ACCEPTED AND PURCHASED BY IT.

(11 WAIVER OF PRESENTMENT AND OTHER CONDITIONS. TO THE EXTENT

PERMITTED BY APPLICABLE LAW, THE CANADIAN BORROWER WAIVES PRESENTMENT FOR PAYMENT AND ANY OTHER DEFENSE TO PAYMENT OF ANY AMOUNTS DUE TO A C\$ LENDER IN RESPECT OF A BANKERS' ACCEPTANCE ACCEPTED BY IT PURSUANT TO THIS AGREEMENT WHICH MIGHT EXIST SOLELY BY REASON OF SUCH BANKERS' ACCEPTANCE BEING HELD, AT THE MATURITY THEREOF, BY SUCH C\$ LENDER IN ITS OWN RIGHT, AND THE CANADIAN BORROWER AGREES NOT TO CLAIM ANY DAYS OF GRACE IF SUCH C\$ LENDER AS HOLDER SUES THE CANADIAN BORROWER ON THE BANKERS' ACCEPTANCES FOR PAYMENT OF THE AMOUNT PAYABLE BY THE CANADIAN BORROWER THEREUNDER.

(C THE CANADIAN BORROWER SHALL REIMBURSE A C\$ LENDER FOR, AND THERE SHALL BECOME DUE AND PAYABLE AT 10:00 A.M., TORONTO TIME, ON THE CONTRACT MATURITY DATE FOR EACH BANKERS' ACCEPTANCE, AN AMOUNT IN CANADIAN DOLLARS IN SAME DAY FUNDS EQUAL TO THE FACE AMOUNT OF SUCH BANKERS' ACCEPTANCE. THE CANADIAN BORROWER SHALL MAKE EACH SUCH REIMBURSEMENT PAYMENT (I) BY CAUSING ANY PROCEEDS OF A REFUNDING BANKERS' ACCEPTANCE ISSUED IN ACCORDANCE WITH SUBSECTION 3.3(D) OR CONVERSION OF SUCH BANKERS' ACCEPTANCE IN ACCORDANCE WITH SUBSECTION 3.4 TO BE APPLIED IN REDUCTION OF SUCH REIMBURSEMENT PAYMENT; AND (II) BY DEPOSITING THE AMOUNT OF SUCH REIMBURSEMENT PAYMENT (OR ANY PORTION THEREOF REMAINING UNPAID AFTER APPLICATION OF ANY PROCEEDS REFERRED TO IN CLAUSE (I)) WITH THE CANADIAN ADMINISTRATIVE OFFICE IN ACCORDANCE WITH SUBSECTION 4.8. THE CANADIAN BORROWER'S PAYMENT IN ACCORDANCE WITH THIS SECTION SHALL SATISFY ITS OBLIGATIONS UNDER ANY BANKERS' ACCEPTANCE TO WHICH IT RELATES, AND THE C\$ LENDER WHICH HAS ACCEPTED SUCH BANKERS' ACCEPTANCE SHALL THEREAFTER BE SOLELY RESPONSIBLE FOR THE PAYMENT OF SUCH BANKERS' ACCEPTANCE.

(D THE CANADIAN BORROWER SHALL GIVE IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN

WRITING) (OR SUCH OTHER METHOD OF NOTIFICATION AS MAY BE AGREED UPON BETWEEN THE CANADIAN ADMINISTRATIVE AGENT AND THE CANADIAN BORROWER) TO THE CANADIAN ADMINISTRATIVE AGENT AT OR BEFORE 10:00 A.M., TORONTO TIME, ONE BUSINESS DAY PRIOR TO THE MATURITY DATE OF EACH BANKERS' ACCEPTANCE OF THE CANADIAN BORROWER'S INTENTION TO ISSUE A BANKERS' ACCEPTANCE ON SUCH MATURITY DATE (A "REFUNDING BANKERS' ACCEPTANCE") TO PROVIDE FOR THE

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PAYMENT OF SUCH MATURING BANKERS' ACCEPTANCE (IT BEING UNDERSTOOD THAT PAYMENTS BY THE CANADIAN BORROWER AND FUNDINGS BY THE C\$ LENDERS IN RESPECT OF EACH MATURING BANKERS' ACCEPTANCE AND THE RELATED REFUNDING BANKERS' ACCEPTANCE SHALL BE MADE ON A NET BASIS REFLECTING THE DIFFERENCE BETWEEN THE FACE AMOUNT OF SUCH MATURING BANKERS' ACCEPTANCE AND THE BA DISCOUNT PROCEEDS (NET OF THE APPLICABLE ACCEPTANCE FEE) OF SUCH REFUNDING BANKERS' ACCEPTANCE). IF THE CANADIAN BORROWER FAILS TO GIVE SUCH NOTICE OR DOES NOT HAVE SUFFICIENT FUNDS ON DEPOSIT IN THE AMOUNT OF REIMBURSEMENT PAYMENT IN ACCORDANCE WITH SUBSECTION 3.3(C)(II), THE CANADIAN BORROWER SHALL BE DEEMED TO HAVE REQUESTED THAT SUCH MATURING BANKERS' ACCEPTANCES BE REPAYED WITH THE PROCEEDS OF C\$ PRIME LOANS (WITHOUT ANY REQUIREMENT TO GIVE NOTICE WITH RESPECT THERETO), COMMENCING ON THE MATURITY DATE OF SUCH MATURING BANKERS' ACCEPTANCES.

(E AN ACCEPTANCE FEE SHALL BE PAYABLE BY THE CANADIAN BORROWER TO EACH C\$ LENDER IN ADVANCE (IN THE MANNER SPECIFIED IN SUBSECTION 3.3(B)(9)) UPON THE ISSUANCE OF A BANKERS' ACCEPTANCE TO BE ACCEPTED BY SUCH C\$ LENDER CALCULATED AT THE RATE PER ANNUM EQUAL TO THE APPLICABLE MARGIN, SUCH ACCEPTANCE FEE TO BE CALCULATED ON THE FACE AMOUNT OF SUCH BANKERS' ACCEPTANCE AND TO BE COMPUTED ON THE BASIS OF THE NUMBER OF DAYS IN THE TERM OF SUCH BANKERS' ACCEPTANCE.

(F UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT WHICH IS CONTINUING, AND IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES OF ANY C\$ LENDER AND THE CANADIAN ADMINISTRATIVE AGENT HEREUNDER, ANY C\$ LENDER OR THE CANADIAN ADMINISTRATIVE AGENT (OR SUCH ALTERNATE ARRANGEMENT AS MAY BE AGREED UPON BY THE CANADIAN BORROWER AND SUCH C\$ LENDER OR THE CANADIAN ADMINISTRATIVE AGENT, AS APPLICABLE) SHALL BE ENTITLED TO DEPOSIT AND RETAIN IN AN ACCOUNT TO BE MAINTAINED BY THE CANADIAN ADMINISTRATIVE AGENT (BEARING INTEREST AT THE CANADIAN ADMINISTRATIVE AGENT'S RATES AS MAY BE APPLICABLE IN RESPECT OF OTHER DEPOSITS OF SIMILAR AMOUNTS FOR SIMILAR TERMS), FOR THE RATABLE BENEFIT OF THE C\$ LENDERS, AMOUNTS WHICH ARE RECEIVED BY SUCH C\$ LENDER OR THE CANADIAN ADMINISTRATIVE AGENT FROM THE CANADIAN BORROWER HEREUNDER OR AS PROCEEDS OF THE EXERCISE OF ANY RIGHTS OR REMEDIES OF ANY C\$ LENDER OR THE CANADIAN ADMINISTRATIVE AGENT HEREUNDER AGAINST THE CANADIAN BORROWER, TO THE EXTENT SUCH AMOUNTS MAY BE REQUIRED TO SATISFY ANY CONTINGENT OR UNMATURED OBLIGATIONS OR LIABILITIES OF THE CANADIAN BORROWER TO THE C\$ LENDERS OR THE CANADIAN ADMINISTRATIVE AGENT, OR ANY OF THEM HEREUNDER.

3.4 CONVERSION OPTION. SUBJECT TO THE PROVISIONS OF THIS AGREEMENT,

THE CANADIAN BORROWER MAY, PRIOR TO THE TERMINATION DATE, EFFECTIVE ON ANY BUSINESS DAY, CONVERT, IN WHOLE OR IN PART, C\$ PRIME LOANS INTO BANKERS' ACCEPTANCES OR VICE VERSA UPON GIVING TO THE CANADIAN ADMINISTRATIVE AGENT PRIOR IRREVOCABLE WRITTEN OR TELEPHONIC NOTICE (IN THE CASE OF TELEPHONIC NOTICE, TO BE PROMPTLY CONFIRMED IN WRITING) WITHIN THE NOTICE PERIOD AND IN THE FORM WHICH WOULD BE REQUIRED TO BE GIVEN TO THE CANADIAN ADMINISTRATIVE AGENT IN RESPECT OF THE CATEGORY OF C\$ LOAN INTO WHICH THE OUTSTANDING C\$

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LOAN IS TO BE CONVERTED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION 3.2 OR 3.3, AS APPLICABLE, PROVIDED THAT:

- (A) NO C\$ PRIME LOAN MAY BE CONVERTED INTO A BANKERS' ACCEPTANCE WHEN ANY EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING;
- (B) EACH CONVERSION TO BANKERS' ACCEPTANCES SHALL BE FOR AN AGGREGATE AMOUNT OF C\$1,000,000 (AND WHOLE MULTIPLES OF C\$100,000 IN EXCESS THEREOF), AND EACH CONVERSION TO C\$ PRIME LOANS SHALL BE IN A MINIMUM AGGREGATE AMOUNT OF C\$100,000; AND
- (C) BANKERS' ACCEPTANCES MAY BE CONVERTED ONLY ON THE MATURITY DATE OF SUCH BANKERS' ACCEPTANCES AND, PROVIDED THAT, IF LESS THAN ALL BANKERS'

ACCEPTANCES ARE CONVERTED, THEN AFTER SUCH CONVERSION NOT LESS THAN C\$1,000,000 (AND WHOLE MULTIPLES OF C\$100,000 IN EXCESS THEREOF) SHALL REMAIN AS BANKERS' ACCEPTANCES.

3.5 CIRCUMSTANCES MAKING BANKERS' ACCEPTANCES UNAVAILABLE. (A) IF

THE CANADIAN ADMINISTRATIVE AGENT DETERMINES IN GOOD FAITH, WHICH DETERMINATION SHALL BE FINAL, CONCLUSIVE AND BINDING UPON THE CANADIAN BORROWER, AND NOTIFIES THE CANADIAN BORROWER THAT, BY REASON OF CIRCUMSTANCES AFFECTING THE MONEY MARKET, THERE IS NO MARKET FOR BANKERS' ACCEPTANCES, THEN:

(I) THE RIGHT OF THE CANADIAN BORROWER TO REQUEST A BORROWING BY WAY OF BANKERS' ACCEPTANCE SHALL BE SUSPENDED UNTIL THE CANADIAN ADMINISTRATIVE AGENT DETERMINES THAT THE CIRCUMSTANCES CAUSING SUCH SUSPENSION NO LONGER EXIST AND THE CANADIAN ADMINISTRATIVE AGENT SO NOTIFIES THE CANADIAN BORROWER; AND

(II) ANY NOTICE RELATING TO A BORROWING BY WAY OF BANKERS' ACCEPTANCE WHICH IS OUTSTANDING AT SUCH TIME SHALL BE DEEMED TO BE A NOTICE REQUESTING A BORROWING BY WAY OF C\$ PRIME LOANS (ALL AS IF IT WERE A NOTICE GIVEN PURSUANT TO SUBSECTION 3.2).

(B) THE CANADIAN ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY THE CANADIAN BORROWER AND THE C\$ LENDERS OF THE SUSPENSION OF THE CANADIAN BORROWER'S RIGHT TO REQUEST A BORROWING BY WAY OF BANKERS' ACCEPTANCE AND OF THE

SECTION 4. GENERAL PROVISIONS

4.1 REPAYMENT OF LOANS; EVIDENCE OF DEBT. (A) THE COMPANY HEREBY

UNCONDITIONALLY PROMISES TO PAY TO THE US ADMINISTRATIVE AGENT FOR THE ACCOUNT OF EACH US\$ LENDER THE THEN UNPAID PRINCIPAL AMOUNT OF EACH US\$ LOAN OF SUCH US\$ LENDER ON THE TERMINATION DATE (OR SUCH EARLIER DATE ON WHICH THE US\$ LOANS BECOME DUE AND PAYABLE PURSUANT TO SECTION 9). THE COMPANY HEREBY FURTHER AGREES TO PAY INTEREST ON THE UNPAID PRINCIPAL AMOUNT OF THE US\$ LOANS FROM TIME TO TIME OUTSTANDING FROM THE DATE HEREOF UNTIL

PAYMENT IN FULL THEREOF AT THE RATES PER ANNUM, AND ON THE DATES, SET FORTH IN SUBSECTION 4.5.

(B) THE CANADIAN BORROWER HEREBY UNCONDITIONALLY PROMISES TO PAY TO THE CANADIAN ADMINISTRATIVE AGENT FOR THE ACCOUNT OF EACH C\$ LENDER THE THEN UNPAID PRINCIPAL AMOUNT OF EACH C\$ LOAN OF SUCH C\$ LENDER ON THE TERMINATION DATE (OR SUCH EARLIER DATE ON WHICH THE C\$ LOANS BECOME DUE AND PAYABLE PURSUANT TO SECTION 9). THE CANADIAN BORROWER HEREBY FURTHER AGREES TO PAY INTEREST ON THE UNPAID PRINCIPAL AMOUNT OF THE C\$ LOANS FROM TIME TO TIME OUTSTANDING FROM THE DATE HEREOF UNTIL PAYMENT IN FULL THEREOF AT THE RATES PER ANNUM, AND ON THE DATES, SET FORTH IN SUBSECTION 4.5.

(C) EACH LENDER SHALL MAINTAIN IN ACCORDANCE WITH ITS USUAL PRACTICE AN ACCOUNT OR ACCOUNTS EVIDENCING INDEBTEDNESS OF THE RELEVANT BORROWER TO SUCH LENDER RESULTING FROM EACH LOAN OF SUCH LENDER FROM TIME TO TIME, INCLUDING THE AMOUNTS OF PRINCIPAL AND INTEREST PAYABLE AND PAID TO SUCH LENDER FROM TIME TO TIME UNDER THIS AGREEMENT.

(D) EACH ADMINISTRATIVE AGENT SHALL MAINTAIN THE REGISTER PURSUANT TO SUBSECTION 11.6(D), AND A SUBACCOUNT THEREIN FOR EACH RELEVANT LENDER, IN WHICH SHALL BE RECORDED (I) THE AMOUNT OF EACH RELEVANT LOAN MADE HEREUNDER, WHETHER SUCH LOAN IS, AS APPLICABLE, A US\$ LOAN, A C\$ PRIME LOAN OR A BANKERS' ACCEPTANCE, THE TYPE OF EACH US\$ LOAN MADE AND EACH INTEREST PERIOD APPLICABLE TO ANY EURODOLLAR LOAN, (II) THE AMOUNT OF ANY PRINCIPAL OR INTEREST DUE AND PAYABLE OR TO BECOME DUE AND PAYABLE FROM THE RELEVANT BORROWER TO EACH RELEVANT LENDER HEREUNDER AND (III) BOTH THE AMOUNT OF ANY SUM RECEIVED BY SUCH ADMINISTRATIVE AGENT HEREUNDER FROM THE RELEVANT BORROWER AND EACH RELEVANT LENDER'S SHARE THEREOF.

(E) THE ENTRIES MADE IN THE REGISTERS AND THE ACCOUNTS OF EACH LENDER MAINTAINED PURSUANT TO SUBSECTION 4.1(C) SHALL, TO THE EXTENT PERMITTED BY APPLICABLE LAW, BE PRIMA FACIE EVIDENCE OF THE EXISTENCE AND AMOUNTS OF THE OBLIGATIONS OF THE RELEVANT BORROWER THEREIN RECORDED; PROVIDED, HOWEVER, THAT

THE FAILURE OF ANY LENDER OR EITHER ADMINISTRATIVE AGENT TO MAINTAIN SUCH

REGISTER OR ANY SUCH ACCOUNT, OR ANY ERROR THEREIN, SHALL NOT IN ANY MANNER AFFECT THE OBLIGATION OF EACH BORROWER TO REPAY (WITH APPLICABLE INTEREST AND ALL OTHER AMOUNTS OWING WITH RESPECT THERETO) THE LOANS MADE TO SUCH BORROWER BY SUCH LENDER IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

(F) THE COMPANY AGREES THAT, UPON THE REQUEST TO THE US ADMINISTRATIVE AGENT BY ANY US\$ LENDER, THE COMPANY WILL EXECUTE AND DELIVER TO SUCH LENDER A PROMISSORY NOTE OF THE COMPANY EVIDENCING THE US\$ LOANS OF SUCH LENDER, SUBSTANTIALLY IN THE FORM OF EXHIBIT A-1 WITH APPROPRIATE INSERTIONS AS TO DATE AND PRINCIPAL AMOUNT (A "US\$ NOTE"), AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR

OTHERWISE MODIFIED FROM TIME TO TIME.

(G) THE CANADIAN BORROWER AGREES THAT, UPON THE REQUEST TO THE CANADIAN ADMINISTRATIVE AGENT BY ANY C\$ LENDER, THE CANADIAN BORROWER WILL EXECUTE AND DELIVER TO SUCH LENDER A PROMISSORY NOTE

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OF THE CANADIAN BORROWER EVIDENCING THE C\$ PRIME LOANS OF SUCH LENDER, SUBSTANTIALLY IN THE FORM OF EXHIBIT A-2 WITH APPROPRIATE INSERTIONS AS TO DATE AND PRINCIPAL AMOUNT (A "C\$ NOTE"), AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR

OTHERWISE MODIFIED FROM TIME TO TIME.

4.2 COMMITMENT FEE. (A) THE COMPANY AGREES TO PAY TO THE US

ADMINISTRATIVE AGENT FOR THE ACCOUNT OF EACH US\$ LENDER A COMMITMENT FEE FOR THE PERIOD FROM AND INCLUDING THE FIRST DAY OF THE COMMITMENT PERIOD TO THE TERMINATION DATE, COMPUTED AT THE RATE OF 3/8THS OF 1% PER ANNUM ON THE AVERAGE DAILY AMOUNT OF THE AVAILABLE US COMMITMENT OF SUCH US\$ LENDER DURING THE PERIOD FOR WHICH PAYMENT IS MADE, PAYABLE QUARTERLY IN ARREARS ON THE LAST DAY OF EACH MARCH, JUNE, SEPTEMBER AND DECEMBER AND ON THE TERMINATION DATE OR SUCH EARLIER DATE AS THE US COMMITMENTS SHALL TERMINATE AS PROVIDED HEREIN, COMMENCING ON THE FIRST OF SUCH DATES TO OCCUR AFTER THE DATE HEREOF.

(B) THE CANADIAN BORROWER AGREES TO PAY TO THE CANADIAN ADMINISTRATIVE AGENT FOR THE ACCOUNT OF EACH C\$ LENDER A COMMITMENT FEE FOR THE PERIOD FROM AND INCLUDING THE FIRST DAY OF THE COMMITMENT PERIOD TO THE TERMINATION DATE, COMPUTED AT THE RATE OF 3/8THS OF 1% PER ANNUM ON THE AVERAGE DAILY AMOUNT OF THE AVAILABLE CANADIAN COMMITMENT OF SUCH C\$ LENDER DURING THE PERIOD FOR WHICH PAYMENT IS MADE, PAYABLE QUARTERLY IN ARREARS ON THE LAST DAY OF EACH MARCH, JUNE, SEPTEMBER AND DECEMBER AND ON THE TERMINATION DATE OR SUCH EARLIER DATE AS THE CANADIAN COMMITMENTS SHALL TERMINATE AS PROVIDED HEREIN, COMMENCING ON THE FIRST OF SUCH DATES TO OCCUR AFTER THE DATE HEREOF.

(C) THE COMPANY AGREES TO PAY TO THE US ADMINISTRATIVE AGENT AND THE CANADIAN BORROWER AGREES TO PAY TO THE CANADIAN ADMINISTRATIVE AGENT, FOR THEIR OWN ACCOUNTS, THE FEES IN THE AMOUNTS AND ON THE DATES PREVIOUSLY AGREED TO IN THE FEE LETTER DATED MARCH 28, 1997, AMONG THE BORROWERS, THE US ADMINISTRATIVE

4.3 TERMINATION OR REDUCTION OF COMMITMENTS. (A) THE AGGREGATE

 AMOUNT OF THE US COMMITMENTS SHALL BE AUTOMATICALLY REDUCED TO ZERO ON THE TERMINATION DATE. THE AGGREGATE AMOUNT OF THE US COMMITMENTS SHALL ALSO REDUCE ON THE LAST DAY OF MARCH, JUNE, SEPTEMBER AND DECEMBER OF EACH YEAR, COMMENCING MARCH 31, 2001, EACH OF WHICH REDUCTIONS ON ANY SUCH DATE SHALL BE IN AN AMOUNT EQUAL TO THE AMOUNT SET FORTH BELOW OPPOSITE SUCH DATE:

DATE ----	AMOUNT -----
MARCH 31, 2001	\$ 6,562,500
JUNE 30, 2001	6,562,500
SEPTEMBER 30, 2001	6,562,500
DECEMBER 31, 2001	6,562,500
MARCH 31, 2002	8,750,000
JUNE 30, 2002	8,750,000

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DATE ----	AMOUNT -----
SEPTEMBER 30, 2002	8,750,000
DECEMBER 31, 2002	8,750,000
MARCH 31, 2003	13,125,000
JUNE 30, 2003	13,125,000
SEPTEMBER 30, 2003	13,125,000
DECEMBER 31, 2003	13,125,000
MARCH 31, 2004	30,625,000
JUNE 30, 2004	30,625,000

(B THE AGGREGATE AMOUNT OF THE CANADIAN COMMITMENTS SHALL BE AUTOMATICALLY REDUCED TO ZERO ON THE TERMINATION DATE. THE AGGREGATE AMOUNT OF THE CANADIAN COMMITMENTS SHALL ALSO REDUCE ON THE LAST DAY OF MARCH, JUNE, SEPTEMBER AND DECEMBER OF EACH YEAR, COMMENCING MARCH 31, 2001, EACH OF WHICH REDUCTIONS ON ANY SUCH DATE SHALL BE IN AN AMOUNT EQUAL TO THE AMOUNT SET FORTH BELOW OPPOSITE SUCH DATE:

DATE ----	AMOUNT -----
MARCH 31, 2001	C\$1,312,500
JUNE 30, 2001	1,312,500
SEPTEMBER 30, 2001	1,312,500
DECEMBER 31, 2001	1,312,500

MARCH 31, 2002	1,750,000
JUNE 30, 2002	1,750,000
SEPTEMBER 30, 2002	1,750,000
DECEMBER 31, 2002	1,750,000
MARCH 31, 2003	2,625,000
JUNE 30, 2003	2,625,000
SEPTEMBER 30, 2003	2,625,000
DECEMBER 31, 2003	2,625,000
MARCH 31, 2004	8,625,000
JUNE 30, 2004	8,625,000

(C THE COMPANY SHALL HAVE THE RIGHT, UPON NOT LESS THAN TWO BUSINESS DAYS' NOTICE TO THE APPLICABLE ADMINISTRATIVE AGENT, WITHOUT PREMIUM OR PENALTY, TO TERMINATE THE COMMITMENTS OR, FROM TIME TO TIME, TO REDUCE THE AMOUNT OF THE US COMMITMENTS (SO LONG AS, AFTER GIVING EFFECT THERETO AND TO ANY CONTEMPORANEOUS PREPAYMENT OF THE LOANS OR REDUCTION OF L/C EXPOSURE, THE THEN OUTSTANDING US EXTENSIONS OF CREDIT OF EACH US\$ LENDER SHALL BE NO GREATER THAN SUCH LENDER'S US COMMITMENT) OR REDUCE THE AMOUNT OF THE CANADIAN COMMITMENTS (SO LONG AS, AFTER GIVING EFFECT THERETO AND TO ANY CONTEMPORANEOUS PREPAYMENT OF THE C\$ LOANS, THE THEN OUTSTANDING C\$ LOANS OF EACH C\$ LENDER SHALL BE NO GREATER THAN SUCH LENDER'S CANADIAN COMMITMENT). UPON RECEIPT OF SUCH NOTICE THE APPLICABLE ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY EACH RELEVANT LENDER THEREOF. ANY SUCH REDUCTION SHALL BE IN AN AMOUNT OF AT LEAST

US\$500,000 AND, IF GREATER, IN INTEGRAL MULTIPLES OF US\$100,000 (IN THE CASE OF THE US COMMITMENTS) OR C\$500,000 AND, IF GREATER, IN INTEGRAL MULTIPLES OF C\$100,000 (IN THE CASE OF THE CANADIAN COMMITMENTS) AND SHALL REDUCE PERMANENTLY THE AMOUNT OF THE AFFECTED COMMITMENTS THEN IN EFFECT. ANY TERMINATION OF THE COMMITMENTS SHALL BE ACCOMPANIED BY PREPAYMENT IN FULL OF THE LOANS, TOGETHER WITH ACCRUED INTEREST THEREON TO THE DATE OF SUCH PREPAYMENT, AND CANCELLATION OF ALL LETTERS OF CREDIT.

4.4 OPTIONAL AND MANDATORY PREPAYMENTS. (A) EACH BORROWER MAY AT

ANY TIME AND FROM TIME TO TIME PREPAY THE RELEVANT LOANS, IN WHOLE OR IN PART, WITHOUT PREMIUM OR PENALTY, UPON AT LEAST THREE BUSINESS DAYS' IRREVOCABLE NOTICE TO THE RELEVANT ADMINISTRATIVE AGENT (IN THE CASE OF EURODOLLAR LOANS), OR ONE BUSINESS DAY'S IRREVOCABLE NOTICE TO THE RELEVANT ADMINISTRATIVE AGENT (OTHERWISE), SPECIFYING THE DATE AND AMOUNT OF PREPAYMENT, AND THE TYPE OF LOAN TO BE PREPAID, AND, IF OF A COMBINATION THEREOF, THE AMOUNT ALLOCABLE TO EACH. UPON RECEIPT OF ANY SUCH NOTICE THE RELEVANT ADMINISTRATIVE AGENT SHALL PROMPTLY NOTIFY EACH RELEVANT LENDER THEREOF. IF ANY SUCH NOTICE IS GIVEN, THE AMOUNT SPECIFIED IN SUCH NOTICE SHALL BE DUE AND PAYABLE ON THE DATE SPECIFIED THEREIN, TOGETHER WITH, IN THE CASE OF EURODOLLAR LOANS, ANY INTEREST ACCRUED THEREON, AND IN THE CASE OF ALL LOANS, ANY AMOUNTS PAYABLE PURSUANT TO SUBSECTION 4.12. PARTIAL PREPAYMENTS SHALL BE IN AN AGGREGATE PRINCIPAL AMOUNT OF US\$1,000,000 OR C\$1,000,000, AS THE CASE MAY BE, OR A WHOLE MULTIPLE OF US\$100,000 OR C\$100,000, AS THE CASE MAY BE, IN EXCESS THEREOF. NOTWITHSTANDING ANYTHING TO THE CONTRARY

ABOVE, C\$ LOANS CONSISTING OF BANKERS' ACCEPTANCES MAY NOT BE PREPAID PURSUANT TO THIS SUBSECTION.

(B WITHOUT LIMITING THE OBLIGATION OF THE COMPANY TO OBTAIN THE CONSENT OF THE REQUIRED LENDERS PURSUANT TO SUBSECTION 8.2 TO ANY DISPOSITION NOT OTHERWISE PERMITTED HEREUNDER, IN THE EVENT THAT THE NET PROCEEDS OF ANY DISPOSITION BY EITHER BORROWER OR ANY OF ITS SUBSIDIARIES (THE "CURRENT

DISPOSITION"), AND OF ALL PRIOR DISPOSITIONS OF THE BORROWERS AND THEIR

SUBSIDIARIES AS TO WHICH A PREPAYMENT HAS NOT YET BEEN MADE UNDER THIS SUBSECTION 4.4(B), BUT EXCLUDING ANY REINVESTABLE PROCEEDS (AS DEFINED BELOW), SHALL EXCEED US\$2,500,000 THEN, NO LATER THAN FIVE BUSINESS DAYS AFTER THE OCCURRENCE OF THE CURRENT DISPOSITION, THE RELEVANT BORROWER WILL DELIVER TO THE US ADMINISTRATIVE AGENT A STATEMENT, CERTIFIED BY A RESPONSIBLE OFFICER OF SUCH BORROWER, IN FORM AND DETAIL REASONABLY SATISFACTORY TO THE US ADMINISTRATIVE AGENT, OF THE AMOUNT OF THE NET PROCEEDS OF THE CURRENT DISPOSITION AND OF ALL SUCH PRIOR DISPOSITIONS AND SHALL PREPAY ITS LOANS AND/OR REDUCE L/C EXPOSURE, AND ITS COMMITMENTS SHALL BE SUBJECT TO AUTOMATIC REDUCTION (AND, IF REQUIRED, SUCH BORROWER SHALL PROVIDE CASH COLLATERAL IN CONNECTION WITH SUCH REDUCTION, WHICH CASH COLLATERAL SHALL BE INVESTED IN CASH EQUIVALENTS), IN AN AGGREGATE AMOUNT EQUAL TO THE EXCESS OF 100% OF THE NET PROCEEDS OF THE CURRENT DISPOSITION AND SUCH PRIOR DISPOSITIONS (BUT EXCLUDING THE AMOUNT OF ANY REINVESTABLE PROCEEDS) OVER US\$2,500,000 (OR THE C\$ EQUIVALENT THEREOF, AS THE CASE MAY BE), SUCH PREPAYMENT, REDUCTION IN L/C EXPOSURE AND REDUCTION TO BE EFFECTED IN EACH CASE IN THE MANNER AND ORDER

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SPECIFIED IN SUBSECTION 4.4(I); PROVIDED THAT, AT THE OPTION OF SUCH BORROWER

AND SO LONG AS NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING OR WOULD BE CAUSED THEREBY AND SUBJECT TO THE CONSENT OF THE REQUIRED LENDERS IN CONNECTION WITH ANY DISPOSITION NOT OTHERWISE PERMITTED HEREUNDER, SUCH NET PROCEEDS SHALL NOT BE REQUIRED TO BE APPLIED ON SUCH DATE SO LONG AS SUCH BORROWER DELIVERS A CERTIFICATE OF A RESPONSIBLE OFFICER TO THE US ADMINISTRATIVE AGENT PRIOR TO SUCH DATE STATING THAT SUCH BORROWER INTENDS TO USE ALL OR A PORTION OF THE NET PROCEEDS OF ANY DISPOSITION (THE "REINVESTABLE

PROCEEDS" OF SUCH DISPOSITION) TO PURCHASE ASSETS TO BE USED BY SUCH BORROWER OR

SUCH SUBSIDIARY IN ITS BUSINESS (THE "QUALIFIED ASSETS") WITHIN 270 DAYS AFTER

RECEIPT OF SUCH PROCEEDS AND SETTING FORTH AN ESTIMATE OF THE REINVESTABLE PROCEEDS TO BE SO EXPENDED. AFTER SUCH ELECTION TO USE THE REINVESTABLE PROCEEDS, ON THE DATE WHICH IS 270 DAYS AFTER THE RELEVANT DISPOSITION, SUCH BORROWER SHALL (I) DELIVER A CERTIFICATE OF A RESPONSIBLE OFFICER TO THE US ADMINISTRATIVE AGENT CERTIFYING AS TO THE AMOUNT AND USE OF SUCH REINVESTABLE PROCEEDS ACTUALLY USED TO PURCHASE QUALIFIED ASSETS AND (II) DELIVER TO THE US ADMINISTRATIVE AGENT, FOR APPLICATION IN ACCORDANCE WITH THIS SUBSECTION 4.4(B),

AN AMOUNT EQUAL TO THE REMAINING UNUSED REINVESTABLE PROCEEDS.

(C ON THE DATE OF THE RECEIPT THEREOF BY EITHER BORROWER OR ANY OF ITS SUBSIDIARIES, SUCH BORROWER SHALL PREPAY ITS LOANS AND/OR REDUCE L/C EXPOSURE (BUT THE COMMITMENTS SHALL NOT BE SUBJECT TO ANY REDUCTION) IN AN AGGREGATE AMOUNT EQUAL TO (I) 100% OF THE PROCEEDS (NET OF UNDERWRITING DISCOUNTS AND COMMISSIONS AND OTHER COSTS ASSOCIATED THEREWITH) FROM ANY SALE OR ISSUANCE OF EQUITY (OTHER THAN PERMITTED PREFERRED STOCK) OF SUCH BORROWER OR ANY OF ITS SUBSIDIARIES (OTHER THAN ANY PORTION OF SUCH PROCEEDS APPLIED TO REDEEM THE 1997 SENIOR SUBORDINATED NOTES, THE 1998 SENIOR NOTES AND/OR THE 1999 SENIOR SUBORDINATED NOTES AS PERMITTED BY SUBSECTION 8.11(A)) OTHER THAN TO EITHER BORROWER OR ANY OF ITS SUBSIDIARIES AND (II) 100% OF THE PROCEEDS (NET OF UNDERWRITING DISCOUNTS AND COMMISSIONS AND OTHER COSTS ASSOCIATED THEREWITH) FROM ANY INCURRENCE OF ANY INDEBTEDNESS FOR BORROWED MONEY BY SUCH BORROWER OR ANY OF ITS SUBSIDIARIES (OTHER THAN INDEBTEDNESS PERMITTED BY SUBSECTION 8.4), SUCH PREPAYMENT AND REDUCTION TO BE EFFECTED IN EACH CASE IN THE MANNER AND ORDER SPECIFIED IN SUBSECTION 4.4(I). THE PROVISIONS OF THIS PARAGRAPH SHALL NOT LIMIT THE OBLIGATION OF THE COMPANY TO OBTAIN THE CONSENT OF THE REQUIRED LENDERS TO ANY ACTION REFERRED TO IN THIS PARAGRAPH THAT IS NOT OTHERWISE PERMITTED HEREUNDER.

(D IN THE EVENT THAT THE NET PROCEEDS OF ANY CASUALTY EVENT OF EITHER BORROWER OR ANY OF ITS SUBSIDIARIES (THE "CURRENT CASUALTY EVENT"), AND -----
OF ALL PRIOR CASUALTY EVENTS OF THE BORROWERS AND THEIR SUBSIDIARIES AS TO WHICH A PREPAYMENT HAS NOT YET BEEN MADE UNDER THIS SUBSECTION 4.4(D), BUT EXCLUDING ANY CASUALTY REINVESTABLE PROCEEDS (AS DEFINED BELOW), SHALL EXCEED US\$2,500,000, THEN, NO LATER THAN FIVE BUSINESS DAYS AFTER THE OCCURRENCE OF THE CURRENT CASUALTY EVENT, THE RELEVANT BORROWER WILL DELIVER TO THE US ADMINISTRATIVE AGENT A STATEMENT, CERTIFIED BY A RESPONSIBLE OFFICER OF SUCH BORROWER, IN FORM AND DETAIL

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REASONABLY SATISFACTORY TO THE RELEVANT ADMINISTRATIVE AGENT, OF THE AMOUNT OF THE NET PROCEEDS OF THE CURRENT CASUALTY EVENT AND OF ALL SUCH PRIOR CASUALTY EVENTS AND SHALL PREPAY ITS LOANS AND/OR REDUCE L/C EXPOSURE, AND ITS COMMITMENTS SHALL BE SUBJECT TO AUTOMATIC REDUCTION (AND, IF REQUIRED, SUCH BORROWER SHALL PROVIDE CASH COLLATERAL IN CONNECTION WITH SUCH REDUCTION, WHICH CASH COLLATERAL SHALL BE INVESTED IN CASH EQUIVALENTS), IN AN AGGREGATE AMOUNT EQUAL TO THE EXCESS OF 100% OF THE NET PROCEEDS OF THE CURRENT CASUALTY EVENT AND SUCH PRIOR CASUALTY EVENTS (BUT EXCLUDING THE AMOUNT OF ANY CASUALTY REINVESTABLE PROCEEDS) OVER US\$2,500,000 (OR THE C\$ EQUIVALENT THEREOF, AS THE CASE MAY BE), SUCH PREPAYMENT, REDUCTION IN L/C EXPOSURE AND REDUCTION TO BE EFFECTED IN EACH CASE IN THE MANNER AND ORDER SPECIFIED IN SUBSECTION 4.4(I); PROVIDED, THAT SUCH NET PROCEEDS SHALL NOT BE REQUIRED TO BE APPLIED ON SUCH -----

DATE (OTHER THAN IF SUCH NET PROCEEDS ARE REQUIRED TO BE APPLIED PURSUANT TO THE TERMS OF ANY MORTGAGE OR LEASE) SO LONG AS (I) SUCH BORROWER DELIVERS A CERTIFICATE OF A RESPONSIBLE OFFICER TO THE US ADMINISTRATIVE AGENT PRIOR TO

SUCH DATE STATING THAT SUCH BORROWER INTENDS TO USE OR CAUSE THE APPROPRIATE SUBSIDIARY TO USE SUCH NET PROCEEDS (THE "CASUALTY REINVESTABLE PROCEEDS" OF

SUCH CASUALTY EVENT) TO REPAIR OR REPLACE THE PROPERTY AFFECTED BY SUCH CASUALTY EVENT (THE "AFFECTED PROPERTY") WITHIN 270 DAYS AFTER RECEIPT OF SUCH NET

PROCEEDS AND SETTING FORTH AN ESTIMATE OF THE CASUALTY REINVESTABLE PROCEEDS TO BE SO EXPENDED AND (II) NO EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING OR WOULD BE CAUSED THEREBY. AFTER SUCH ELECTION TO REINVEST, ON THE DATE WHICH IS 270 DAYS AFTER THE RELEVANT CASUALTY EVENT, SUCH BORROWER SHALL (I) DELIVER A CERTIFICATE OF A RESPONSIBLE OFFICER TO THE RELEVANT ADMINISTRATIVE AGENT CERTIFYING AS TO THE AMOUNT AND USE OF SUCH CASUALTY REINVESTABLE PROCEEDS ACTUALLY USED TO PURCHASE OR REPLACE THE AFFECTED PROPERTY AND (II) DELIVER TO THE RELEVANT ADMINISTRATIVE AGENT, FOR APPLICATION IN ACCORDANCE WITH THIS SUBSECTION 4.4(D), AN AMOUNT EQUAL TO THE REMAINING UNUSED CASUALTY REINVESTABLE PROCEEDS.

(E ON THE DATE OF THE RECEIPT THEREOF BY EITHER BORROWER OR ANY OF ITS SUBSIDIARIES, SUCH BORROWER SHALL PREPAY ITS LOANS AND/OR REDUCE L/C EXPOSURE (BUT ITS COMMITMENTS SHALL NOT BE SUBJECT TO ANY REDUCTION) IN AN AGGREGATE AMOUNT EQUAL TO 100% OF THE PROCEEDS OF ANY TAX REFUND (NET OF ANY MARGINAL INCREASE IN INCOME TAXES PAYABLE AS A RESULT OF THE RECEIPT BY SUCH BORROWER AND/OR ANY OF ITS SUBSIDIARIES OF SUCH TAX REFUND, SUCH PREPAYMENT AND/OR REDUCTION IN L/C EXPOSURE TO BE EFFECTED IN EACH CASE IN THE MANNER AND ORDER SPECIFIED IN SUBSECTION 4.4(I).

(F ON THE DATE OF THE RECEIPT THEREOF BY EITHER BORROWER OR ANY OF ITS SUBSIDIARIES, SUCH BORROWER SHALL PREPAY ITS LOANS AND/OR REDUCTION IN L/C EXPOSURE (BUT ITS COMMITMENTS SHALL NOT BE SUBJECT TO ANY REDUCTION) IN AN AGGREGATE AMOUNT EQUAL TO 100% OF THE NET PROCEEDS OF ANY DISPOSITION OF PROPERTY ACQUIRED AS PART OF A PERMITTED ACQUISITION BUT NOT USED OR USEFUL TO THE BUSINESS OF SUCH BORROWER OR SUCH SUBSIDIARY SO LONG AS SUCH DISPOSITION IS MADE WITHIN 270 DAYS OF THE DATE OF THE CONSUMMATION OF SUCH PERMITTED ACQUISITION, SUCH PREPAYMENT AND/OR REDUCTION IN L/C EXPOSURE TO BE

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EFFECTED IN EACH CASE IN THE MANNER AND ORDER SPECIFIED IN SUBSECTION 4.4(I).

(G IF, AT ANY TIME DURING THE COMMITMENT PERIOD, THE US EXTENSIONS OF CREDIT WITH RESPECT TO ALL US\$ LENDERS EXCEEDS THE AGGREGATE US COMMITMENTS THEN IN EFFECT, THE COMPANY SHALL, WITHOUT NOTICE OR DEMAND, IMMEDIATELY REPAY THE US\$ LOANS AND/OR REDUCE L/C EXPOSURE IN AN AGGREGATE PRINCIPAL AMOUNT EQUAL TO SUCH EXCESS. ON THE BUSINESS DAY NEXT SUCCEEDING THE DATE ON WHICH A PAYMENT HAS CAUSED THE US EXTENSIONS OF CREDIT WITH RESPECT TO ALL US\$ LENDERS TO BE EQUAL TO OR LESS THAN THE US COMMITMENTS THEN IN EFFECT, THE US ADMINISTRATIVE AGENT SHALL RETURN TO THE COMPANY ANY CASH USED TO CASH COLLATERALIZE THE THEN OUTSTANDING L/C OBLIGATIONS PURSUANT TO THE PRECEDING SENTENCE.

(H IF, AT ANY TIME DURING THE COMMITMENT PERIOD, THE AGGREGATE

PRINCIPAL AMOUNT OF C\$ LOANS OUTSTANDING WITH RESPECT TO ALL C\$ LENDERS EXCEEDS THE AGGREGATE CANADIAN COMMITMENTS THEN IN EFFECT, THE CANADIAN BORROWER SHALL, WITHOUT NOTICE OR DEMAND, IMMEDIATELY REPAY THE C\$ LOANS IN AN AGGREGATE PRINCIPAL AMOUNT EQUAL TO SUCH EXCESS, TOGETHER WITH INTEREST ACCRUED TO THE DATE OF SUCH PAYMENT OR PREPAYMENT AND ANY AMOUNTS PAYABLE UNDER SUBSECTION 4.12.

(I) PREPAYMENTS OF THE LOANS PURSUANT TO SUBSECTIONS 4.4(B), (C), (D), (E), (F), (G) AND (H) AND PERMANENT REDUCTIONS OF COMMITMENTS PURSUANT TO SUBSECTIONS 4.4(B) AND (D) SHALL BE APPLIED IN THE FOLLOWING MANNER:

(I) TO THE EXTENT SUCH PREPAYMENT IS REQUIRED TO BE MADE BY THE COMPANY, SUCH PREPAYMENT SHALL BE APPLIED TO REDUCE (RATABLY AMONG THE US\$ LENDERS) SUCH OF THE THEN OUTSTANDING US\$ LOANS AS THE COMPANY SHALL DETERMINE IN ITS SOLE DISCRETION, AND ANY REDUCTION OF THE COMMITMENTS REQUIRED PURSUANT THERETO SHALL BE APPLIED RATABLY AMONG THE US LENDERS TO REDUCE RATABLY THEIR RESPECTIVE US COMMITMENTS (WHICH REDUCTION OF US COMMITMENTS SHALL REDUCE THE REMAINING SCHEDULED COMMITMENT REDUCTIONS THEREOF IN INVERSE ORDER OF MATURITY); AND

(II) TO THE EXTENT THAT SUCH PREPAYMENT IS REQUIRED TO BE MADE BY THE CANADIAN BORROWER, SUCH PREPAYMENT SHALL BE APPLIED TO REDUCE (RATABLY AMONG THE CANADIAN LENDERS) SUCH OF THE THEN OUTSTANDING C\$ LOANS (OR, IN THE CASE OF BANKERS' ACCEPTANCES, CASH COLLATERALIZATION OF SUCH BANKERS' ACCEPTANCES ON TERMS SATISFACTORY TO THE CANADIAN ADMINISTRATIVE AGENT, WHICH CASH COLLATERAL SHALL BE INVESTED IN CASH EQUIVALENTS) AS THE CANADIAN BORROWER SHALL DETERMINE IN ITS SOLE DISCRETION, AND ANY REDUCTION OF THE CANADIAN COMMITMENTS REQUIRED PURSUANT THERETO SHALL BE APPLIED RATABLY AMONG THE CANADIAN LENDERS TO REDUCE RATABLY THEIR RESPECTIVE CANADIAN COMMITMENTS (WHICH REDUCTION OF CANADIAN COMMITMENTS SHALL REDUCE THE REMAINING SCHEDULED COMMITMENT REDUCTIONS THEREOF IN INVERSE ORDER OF MATURITY).

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(J) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED ABOVE, (I) ALL PREPAYMENTS OF LOANS SHALL BE MADE IN THE CURRENCY IN WHICH SUCH LOANS WERE MADE, (II) ALL CASH COLLATERALIZATION OF BANKERS ACCEPTANCES SHALL BE MADE IN CANADIAN DOLLARS AND (III) ALL CASH COLLATERALIZATION OF LETTERS OF CREDIT SHALL BE IN US\$ OR BRITISH POUNDS, AS THE CASE MAY BE. FOR PURPOSES OF DETERMINING THE AMOUNTS REQUIRED TO BE APPLIED, CONVERSIONS OF ONE CURRENCY TO ANOTHER ARE ASSUMED TO BE MADE BY USING THE C\$ EQUIVALENT OR US\$ EQUIVALENT, AS THE CASE MAY BE, OF AMOUNTS RECEIVED IN THE OTHER CURRENCY. HOWEVER, IT SHALL REMAIN THE RESPONSIBILITY OF THE RESPECTIVE BORROWER TO CONVERT AMOUNTS RECEIVED IN ONE CURRENCY INTO THE OTHER TO THE EXTENT NEEDED TO REPAY, OR CASH COLLATERALIZE, LOANS, BANKERS ACCEPTANCES OR LETTERS OF CREDIT MAINTAINED IN THE OTHER SUCH CURRENCY.

4.5 INTEREST RATES AND PAYMENT DATES. (A) EACH EURODOLLAR LOAN

SHALL BEAR INTEREST FOR EACH DAY DURING EACH INTEREST PERIOD WITH RESPECT THERETO AT A RATE PER ANNUM EQUAL TO THE EURODOLLAR RATE DETERMINED FOR SUCH INTEREST PERIOD PLUS THE APPLICABLE MARGIN.

(B EACH BASE RATE LOAN SHALL BEAR INTEREST FOR EACH DAY ON THE UNPAID PRINCIPAL AMOUNT THEREOF, AT A RATE PER ANNUM EQUAL TO THE BASE RATE DETERMINED FOR SUCH DAY PLUS THE APPLICABLE MARGIN.

(C EACH C\$ PRIME LOAN SHALL BEAR INTEREST FOR EACH DAY ON THE UNPAID PRINCIPAL AMOUNT THEREOF, AT A RATE PER ANNUM EQUAL TO THE C\$ PRIME RATE DETERMINED FOR SUCH DAY PLUS THE APPLICABLE MARGIN.

(D IF ALL OR A PORTION OF (I) ANY PRINCIPAL OF ANY LOAN OR REIMBURSEMENT OBLIGATION, (II) ANY INTEREST PAYABLE THEREON, (III) ANY ACCEPTANCE FEE OR ANY COMMITMENT FEE OR (IV) ANY OTHER AMOUNT PAYABLE HEREUNDER SHALL NOT BE PAID WHEN DUE (WHETHER AT THE STATED MATURITY, BY ACCELERATION OR OTHERWISE), SUCH OVERDUE AMOUNT SHALL BEAR INTEREST AT A RATE PER ANNUM WHICH IS (X) IN THE CASE OF PRINCIPAL, THE RATE THAT WOULD OTHERWISE BE APPLICABLE THERETO PURSUANT TO THE FOREGOING PROVISIONS OF THIS SUBSECTION PLUS 2% OR (Y) IN THE CASE OF ANY SUCH OVERDUE REIMBURSEMENT OBLIGATION, INTEREST, ACCEPTANCE FEE OR COMMITMENT FEE OR OTHER AMOUNT, THE RATE DESCRIBED IN PARAGRAPH (B) OF THIS SUBSECTION (IN THE CASE OF AMOUNTS PAYABLE IN US DOLLARS) OR PARAGRAPH (C) OF THIS SUBSECTION (IN THE CASE OF AMOUNTS PAYABLE IN CANADIAN DOLLARS) PLUS 2%, IN EACH CASE FROM THE DATE OF SUCH NON-PAYMENT UNTIL SUCH OVERDUE PRINCIPAL, INTEREST, ACCEPTANCE FEE OR COMMITMENT FEE OR OTHER AMOUNT IS PAID IN FULL (AFTER AS WELL AS BEFORE JUDGMENT).

(E INTEREST SHALL BE PAYABLE IN ARREARS ON EACH INTEREST PAYMENT DATE, PROVIDED THAT INTEREST ACCRUING PURSUANT TO PARAGRAPH (D) OF THIS

SUBSECTION SHALL BE PAYABLE FROM TIME TO TIME ON DEMAND. INTEREST IN RESPECT OF US\$ LOANS OR REIMBURSEMENT OBLIGATIONS (AND ALL OTHER AMOUNTS DENOMINATED IN US\$) SHALL BE PAYABLE IN US\$, AND INTEREST IN RESPECT OF C\$ LOANS (AND ALL OTHER AMOUNTS DENOMINATED IN C\$) SHALL BE PAYABLE IN C\$.

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(F (I) IF ANY PROVISION OF THIS AGREEMENT WOULD OBLIGATE ANY LOAN PARTY TO MAKE ANY PAYMENT OF INTEREST OR OTHER AMOUNT PAYABLE TO ANY C\$ LENDER IN AN AMOUNT OR CALCULATED AT A RATE WHICH WOULD BE PROHIBITED BY LAW OR WOULD RESULT IN A RECEIPT BY SUCH C\$ LENDER OF INTEREST AT A CRIMINAL RATE (AS SUCH TERMS ARE CONSTRUED UNDER THE CRIMINAL CODE (CANADA)), THEN NOTWITHSTANDING SUCH

PROVISION, SUCH AMOUNT OR RATE SHALL BE DEEMED TO HAVE BEEN ADJUSTED WITH RETROACTIVE EFFECT TO THE MAXIMUM AMOUNT OR RATE OF INTEREST, AS THE CASE MAY BE, AS WOULD NOT BE SO PROHIBITED BY LAW OR SO RESULT IN A RECEIPT BY SUCH C\$ LENDER OF INTEREST AT A CRIMINAL RATE, SUCH ADJUSTMENT TO BE EFFECTED, TO THE EXTENT NECESSARY, AS FOLLOWS:

(X) FIRST, BY REDUCING THE AMOUNT OR RATES OF INTEREST REQUIRED

TO BE PAID UNDER THIS SUBSECTION 4.5; AND

(Y) THEREAFTER, BY REDUCING ANY FEES, COMMISSIONS, PREMIUMS AND OTHER AMOUNTS WHICH WOULD CONSTITUTE INTEREST FOR PURPOSES OF SECTION 347 OF THE CRIMINAL CODE (CANADA).

(II) IF, NOTWITHSTANDING THE PROVISIONS OF CLAUSE (I) OF THIS SUBSECTION 4.5.(F), AND AFTER GIVING EFFECT TO ALL ADJUSTMENTS CONTEMPLATED THEREBY, ANY C\$ LENDER SHALL HAVE RECEIVED AN AMOUNT IN EXCESS OF THE MAXIMUM PERMITTED BY SUCH CLAUSE, THEN THE APPLICABLE LOAN PARTY SHALL BE ENTITLED, BY NOTICE IN WRITING TO SUCH C\$ LENDER, TO OBTAIN REIMBURSEMENT FROM SUCH C\$ LENDER OF AN AMOUNT EQUAL TO SUCH EXCESS, AND, PENDING SUCH REIMBURSEMENT, SUCH AMOUNT SHALL BE DEEMED TO BE AN AMOUNT PAYABLE BY SUCH C\$ LENDER TO SUCH LOAN PARTY.

(III) ANY AMOUNT OR RATE OF INTEREST REFERRED TO IN THIS SUBSECTION 4.5(F) SHALL BE DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACTUARIAL PRACTICES AND PRINCIPLES AS AN EFFECTIVE ANNUAL RATE OF INTEREST OVER THE TERM OF ANY C\$ LOAN ON THE ASSUMPTION THAT ANY CHARGES, FEES OR EXPENSES THAT FALL WITHIN THE MEANING OF "INTEREST" (AS DEFINED IN THE CRIMINAL CODE (CANADA))

SHALL, IF THEY RELATE TO A SPECIFIC PERIOD OF TIME, BE PRORATED OVER THAT PERIOD OF TIME AND OTHERWISE BE PRORATED OVER THE PERIOD FROM THE CLOSING DATE TO THE TERMINATION DATE AND, IN THE EVENT OF DISPUTE, A CERTIFICATE OF A FELLOW OF THE CANADIAN INSTITUTE OF ACTUARIES APPOINTED BY THE CANADIAN ADMINISTRATIVE AGENT SHALL BE CONCLUSIVE FOR THE PURPOSES OF SUCH DETERMINATION ABSENT MANIFEST ERROR.

4.6 COMPUTATION OF INTEREST, FEES AND DOLLAR EQUIVALENT AMOUNTS. (A)

INTEREST CALCULATED ON THE BASIS OF THE EURODOLLAR RATE AND FEDERAL FUNDS RATE SHALL BE CALCULATED ON THE BASIS OF A 360-DAY YEAR FOR THE ACTUAL DAYS ELAPSED; ACCEPTANCE FEES AND COMMITMENT FEES AND INTEREST CALCULATED ON THE BASIS OF THE CDOR RATE SHALL BE CALCULATED ON THE BASIS OF A 365-DAY YEAR FOR THE ACTUAL DAYS ELAPSED; AND INTEREST CALCULATED ON ANY OTHER BASIS SHALL BE CALCULATED ON THE BASIS OF A 365- OR 366- DAY YEAR, AS THE CASE MAY BE, FOR THE ACTUAL DAYS ELAPSED. THE RELEVANT ADMINISTRATIVE AGENT SHALL AS SOON AS PRACTICABLE NOTIFY THE

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RELEVANT BORROWER AND THE RELEVANT LENDERS OF EACH DETERMINATION OF EURODOLLAR RATES OR THE APPLICABLE BA DISCOUNT RATE. ANY CHANGE IN THE INTEREST RATE ON A LOAN RESULTING FROM A CHANGE IN THE BASE RATE, THE C\$ PRIME RATE OR THE APPLICABLE MARGIN SHALL BECOME EFFECTIVE AS OF THE OPENING OF BUSINESS ON THE DAY ON WHICH SUCH CHANGE BECOMES EFFECTIVE. THE RELEVANT ADMINISTRATIVE AGENT SHALL AS SOON AS PRACTICABLE NOTIFY THE RELEVANT LENDERS AND THE RELEVANT BORROWER OF THE EFFECTIVE DATE AND THE AMOUNT OF EACH SUCH CHANGE IN INTEREST RATE.

(B EACH DETERMINATION OF AN INTEREST RATE BY THE RELEVANT ADMINISTRATIVE AGENT PURSUANT TO ANY PROVISION OF THIS AGREEMENT SHALL BE PRIMA FACIE EVIDENCE OF THE ACCURACY THEREOF ON THE BORROWERS AND THE LENDERS IN THE ABSENCE OF MANIFEST ERROR. WHEN APPLICABLE, EACH DETERMINATION BY CIBC OF A RATE TO BE NOTIFIED TO THE RELEVANT ADMINISTRATIVE AGENT PURSUANT TO THE DEFINITION OF "CDOR RATE" SHALL BE PRIMA FACIE EVIDENCE OF THE ACCURACY THEREOF. THE RELEVANT ADMINISTRATIVE AGENT SHALL, AT THE REQUEST OF THE RELEVANT BORROWER, DELIVER TO SUCH BORROWER A STATEMENT SHOWING ANY QUOTATIONS AND THE COMPUTATIONS USED BY THE RELEVANT ADMINISTRATIVE AGENT IN DETERMINING ANY CDOR RATE.

(C FOR THE PURPOSES OF THE INTEREST ACT (CANADA), IN ANY CASE IN

WHICH AN INTEREST RATE IS STATED IN THIS AGREEMENT TO BE CALCULATED ON THE BASIS OF A YEAR OF 360 DAYS OR 365 DAYS, AS THE CASE MAY BE, THE YEARLY RATE OF INTEREST TO WHICH SUCH INTEREST RATE IS EQUIVALENT IS EQUAL TO SUCH INTEREST RATE MULTIPLIED BY THE NUMBER OF DAYS IN THE YEAR IN WHICH THE RELEVANT INTEREST PAYMENT ACCRUES AND DIVIDED BY 360 OR 365, RESPECTIVELY. IN ADDITION, THE PRINCIPLES OF DEEMED INVESTMENT OF INTEREST DO NOT APPLY TO ANY INTEREST CALCULATIONS UNDER THIS AGREEMENT AND THE RATES OF INTEREST STIPULATED IN THIS AGREEMENT ARE INTENDED TO BE NOMINAL RATES AND NOT EFFECTIVE RATES OR YIELDS.

(D) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE US EXTENSIONS OF CREDIT AT ANY TIME, THE US ADMINISTRATIVE AGENT WILL DETERMINE THE DOLLAR EQUIVALENT AMOUNT WITH RESPECT TO ANY LETTERS OF CREDIT DENOMINATED IN BRITISH POUNDS ON (I) THE DATE OF EACH ISSUANCE OF SUCH A LETTER OF CREDIT, (II) THE DATE OF EACH LOAN UNDER THE US COMMITMENTS, (III) THE DATE OF EACH REDUCTION OF THE US COMMITMENTS AND (IV) THE FIRST BUSINESS DAY OF EACH CALENDAR MONTH, AND THE BRITISH POUNDS EXCHANGE RATE IN EFFECT ON THE DATE OF EACH SUCH DETERMINATION SHALL BE DEEMED TO REMAIN IN EFFECT FOR ALL PURPOSES OF THIS AGREEMENT UNTIL THE NEXT SUCH DETERMINATION DESCRIBED IN CLAUSES (I) THROUGH (IV) ABOVE.

4.7 INABILITY TO DETERMINE EURODOLLAR RATE. IF PRIOR TO THE

FIRST DAY OF ANY INTEREST PERIOD:

(A THE US ADMINISTRATIVE AGENT SHALL HAVE DETERMINED (WHICH DETERMINATION SHALL BE PRIMA FACIE EVIDENCE OF THE ACCURACY THEREOF) THAT, BY REASON OF CIRCUMSTANCES AFFECTING THE RELEVANT MARKET, ADEQUATE AND REASONABLE MEANS DO NOT

EXIST FOR ASCERTAINING THE EURODOLLAR RATE FOR SUCH INTEREST PERIOD, OR

(B THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED NOTICE FROM THE REQUIRED US\$ LENDERS THAT THE EURODOLLAR RATE DETERMINED OR TO BE DETERMINED FOR SUCH INTEREST PERIOD WILL NOT ADEQUATELY AND FAIRLY REFLECT THE COST TO SUCH US\$ LENDERS (AS CONCLUSIVELY CERTIFIED BY SUCH US\$

LENDERS) OF MAKING OR MAINTAINING THEIR AFFECTED LOANS DURING SUCH INTEREST PERIOD,

THE US ADMINISTRATIVE AGENT SHALL GIVE TELECOPY OR TELEPHONIC NOTICE (TO BE CONFIRMED IN WRITING) THEREOF TO THE COMPANY AND THE US\$ LENDERS AS SOON AS PRACTICABLE THEREAFTER. IF SUCH NOTICE IS GIVEN (X) ANY EURODOLLAR LOANS REQUESTED TO BE MADE ON THE FIRST DAY OF SUCH INTEREST PERIOD SHALL BE MADE AS BASE RATE LOANS, (Y) ANY BASE RATE LOANS THAT WERE TO HAVE BEEN CONVERTED ON THE FIRST DAY OF SUCH INTEREST PERIOD TO EURODOLLAR LOANS SHALL BE CONVERTED TO OR CONTINUED AS BASE RATE LOANS AND (Z) ANY OUTSTANDING EURODOLLAR LOANS SHALL BE CONVERTED, ON THE FIRST DAY OF SUCH INTEREST PERIOD, TO BASE RATE LOANS. UNTIL SUCH NOTICE HAS BEEN WITHDRAWN BY THE US ADMINISTRATIVE AGENT, NO FURTHER EURODOLLAR LOANS SHALL BE MADE OR CONTINUED AS SUCH, NOR SHALL THE COMPANY HAVE THE RIGHT TO CONVERT LOANS TO EURODOLLAR LOANS.

4.8 PRO RATA TREATMENT AND PAYMENTS. (A) EACH BORROWING BY EACH

BORROWER FROM THE LENDERS HEREUNDER, EACH PAYMENT BY EACH BORROWER ON ACCOUNT OF ANY COMMITMENT FEE OR ACCEPTANCE FEE HEREUNDER AND ANY REDUCTION OF THE US COMMITMENTS OR THE CANADIAN COMMITMENTS OF THE LENDERS SHALL BE MADE PRO RATA ACCORDING TO THE RESPECTIVE US COMMITMENT PERCENTAGES, IN THE CASE OF THE US\$ LENDERS, AND THE RESPECTIVE C\$ COMMITMENT PERCENTAGES, IN THE CASE OF THE C\$ LENDERS. EACH PAYMENT (EXCLUDING PREPAYMENTS PURSUANT TO SUBSECTION 4.4(I)) BY EACH BORROWER ON ACCOUNT OF PRINCIPAL OF AND INTEREST ON THE LOANS SHALL BE MADE PRO RATA ACCORDING TO THE RESPECTIVE OUTSTANDING PRINCIPAL AMOUNTS OF THE RELEVANT LOANS THEN HELD BY THE RELEVANT LENDERS. ALL PAYMENTS (INCLUDING PREPAYMENTS) TO BE MADE BY EACH BORROWER HEREUNDER, WHETHER ON ACCOUNT OF PRINCIPAL, INTEREST, FEES OR OTHERWISE, SHALL BE MADE WITHOUT SET OFF OR COUNTERCLAIM AND SHALL BE MADE PRIOR TO 11:00 A.M., LOCAL TIME, ON THE DUE DATE THEREOF TO THE RELEVANT ADMINISTRATIVE AGENT, FOR THE ACCOUNT OF THE LENDERS, AT THE RELEVANT ADMINISTRATIVE OFFICE, IN US\$ OR C\$, AS THE CASE MAY BE, AND IN IMMEDIATELY AVAILABLE FUNDS. THE RELEVANT ADMINISTRATIVE AGENT SHALL DISTRIBUTE SUCH PAYMENTS TO THE RELEVANT LENDERS PROMPTLY UPON RECEIPT IN LIKE FUNDS AS RECEIVED, BUT THE RELEVANT BORROWER SHALL HAVE SATISFIED ITS PAYMENT OBLIGATION HEREUNDER UPON PAYMENT TO THE RELEVANT ADMINISTRATIVE AGENT, REGARDLESS OF WHETHER SUCH ADMINISTRATIVE AGENT DISTRIBUTES SUCH PAYMENTS AS REQUIRED HEREUNDER. IF ANY PAYMENT HEREUNDER BECOMES DUE AND PAYABLE ON A DAY OTHER THAN A BUSINESS DAY, SUCH PAYMENT SHALL BE EXTENDED TO THE NEXT SUCCEEDING BUSINESS DAY, AND, WITH RESPECT TO PAYMENTS OF PRINCIPAL, INTEREST THEREON SHALL BE PAYABLE AT THE THEN APPLICABLE RATE DURING SUCH EXTENSION.

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(B) UNLESS THE RELEVANT ADMINISTRATIVE AGENT SHALL HAVE RECEIVED NOTICE FROM A LENDER PRIOR TO 11:00 A.M., LOCAL TIME, ON ANY BORROWING DATE THAT SUCH LENDER WILL NOT MAKE AVAILABLE TO SUCH ADMINISTRATIVE AGENT SUCH LENDER'S SHARE OF THE BORROWING REQUESTED TO BE MADE ON SUCH BORROWING DATE, SUCH ADMINISTRATIVE AGENT MAY ASSUME THAT SUCH LENDER HAS MADE ITS SHARE OF SUCH BORROWING AVAILABLE TO SUCH ADMINISTRATIVE AGENT ON SUCH BORROWING DATE, AND SUCH ADMINISTRATIVE AGENT MAY, IN RELIANCE UPON SUCH ASSUMPTION, MAKE AVAILABLE

TO THE RELEVANT BORROWER ON SUCH BORROWING DATE A CORRESPONDING AMOUNT. IF SUCH ADMINISTRATIVE AGENT DOES, IN SUCH CIRCUMSTANCES, MAKE AVAILABLE TO SUCH BORROWER SUCH AMOUNT, SUCH LENDER SHALL WITHIN THREE BUSINESS DAYS FOLLOWING SUCH BORROWING DATE MAKE ITS SHARE OF SUCH BORROWING AVAILABLE TO SUCH ADMINISTRATIVE AGENT, TOGETHER WITH INTEREST THEREON FOR EACH DAY FROM AND INCLUDING SUCH BORROWING DATE THAT ITS SHARE OF SUCH BORROWING WAS NOT MADE AVAILABLE, TO BUT EXCLUDING THE DATE SUCH LENDER MAKES ITS SHARE OF SUCH BORROWING AVAILABLE TO SUCH ADMINISTRATIVE AGENT, AT THE FEDERAL FUNDS RATE (IN THE CASE OF US\$ LOANS) OR AT THE THEN EFFECTIVE CDOR RATE (IN THE CASE OF C\$ LOANS). IF SUCH AMOUNT IS SO MADE AVAILABLE, SUCH PAYMENT TO SUCH ADMINISTRATIVE AGENT SHALL CONSTITUTE SUCH LENDER'S LOAN ON SUCH BORROWING DATE FOR ALL PURPOSES OF THIS AGREEMENT. A CERTIFICATE OF SUCH ADMINISTRATIVE AGENT SUBMITTED TO ANY LENDER WITH RESPECT TO ANY AMOUNTS OWING UNDER THIS SUBSECTION SHALL BE PRIMA FACIE EVIDENCE OF SUCH AMOUNTS. IF SUCH AMOUNT IS NOT SO MADE AVAILABLE TO SUCH ADMINISTRATIVE AGENT BY SUCH LENDER WITHIN THREE BUSINESS DAYS OF SUCH BORROWING DATE, SUCH ADMINISTRATIVE AGENT SHALL ALSO BE ENTITLED TO RECOVER SUCH AMOUNT WITH INTEREST THEREON AT THE RATE PER ANNUM APPLICABLE TO BASE RATE LOANS HEREUNDER, ON DEMAND, FROM THE RELEVANT LENDER. NOTHING CONTAINED IN THIS SUBSECTION 4.8(B) SHALL RELIEVE ANY LENDER WHICH HAS FAILED TO MAKE AVAILABLE ITS SHARE OF ANY BORROWING HEREUNDER FROM ITS OBLIGATION TO DO SO IN ACCORDANCE WITH THE TERMS HEREOF OR PREJUDICE ANY RIGHTS WHICH THE RELEVANT BORROWER MAY HAVE AGAINST ANY LENDER AS A RESULT OF ANY DEFAULT BY SUCH LENDER TO MAKE LOANS.

(C) THE FAILURE OF ANY LENDER TO MAKE THE LOAN TO BE MADE BY IT ON ANY BORROWING DATE SHALL NOT RELIEVE ANY OTHER LENDER OF ITS OBLIGATION, IF ANY, HEREUNDER TO MAKE ITS LOAN ON SUCH BORROWING DATE, BUT NO LENDER SHALL BE RESPONSIBLE FOR THE FAILURE OF ANY OTHER LENDER TO MAKE THE LOAN TO BE MADE BY SUCH OTHER LENDER ON SUCH BORROWING DATE.

4.9 ILLEGALITY. NOTWITHSTANDING ANY OTHER PROVISION HEREIN, IF THE

ADOPTION OF OR ANY CHANGE IN ANY REQUIREMENT OF LAW OR IN THE INTERPRETATION OR APPLICATION THEREOF SHALL MAKE IT UNLAWFUL FOR ANY LENDER TO MAKE OR MAINTAIN EURODOLLAR LOANS AS CONTEMPLATED BY THIS AGREEMENT, (A) THE COMMITMENT OF SUCH LENDER HEREUNDER TO MAKE EURODOLLAR LOANS, CONTINUE EURODOLLAR LOANS AS SUCH AND CONVERT BASE RATE LOANS TO EURODOLLAR LOANS SHALL FORTHWITH BE CANCELED AND (B) SUCH LENDER'S LOANS THEN OUTSTANDING AS EURODOLLAR LOANS, IF ANY, SHALL BE CONVERTED AUTOMATICALLY TO BASE RATE LOANS ON THE RESPECTIVE LAST DAYS OF THE THEN CURRENT

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INTEREST PERIODS WITH RESPECT TO SUCH LOANS OR WITHIN SUCH EARLIER PERIOD AS REQUIRED BY LAW. IF ANY SUCH CONVERSION OF A EURODOLLAR LOAN OCCURS ON A DAY WHICH IS NOT THE LAST DAY OF THE THEN CURRENT INTEREST PERIOD WITH RESPECT THERETO, THE COMPANY SHALL PAY TO SUCH LENDER SUCH AMOUNTS, IF ANY, AS MAY BE REQUIRED PURSUANT TO SUBSECTION 4.12.

4.10 REQUIREMENTS OF LAW. (A) IF THE ADOPTION OF OR ANY CHANGE IN

ANY REQUIREMENT OF LAW OR IN THE INTERPRETATION OR APPLICATION THEREOF OR COMPLIANCE BY ANY LENDER WITH ANY REQUEST OR DIRECTIVE (WHETHER OR NOT HAVING THE FORCE OF LAW) FROM ANY CENTRAL BANK OR OTHER GOVERNMENTAL AUTHORITY MADE SUBSEQUENT TO THE DATE HEREOF:

(I) SHALL SUBJECT ANY LENDER TO, OR CAUSE THE WITHDRAWAL OR TERMINATION OF A PREVIOUSLY GRANTED EXEMPTION WITH RESPECT TO, ANY TAX OF ANY KIND WHATSOEVER, OR CHANGE THE BASIS OF TAXATION OF, OR INCREASE ANY EXISTING TAX ON, PAYMENTS OF PRINCIPAL, INTEREST, FEES OR OTHER AMOUNTS PAYABLE BY EITHER BORROWER TO SUCH LENDER UNDER THIS AGREEMENT OR ANY LETTER OF CREDIT (EXCEPT FOR TAXES ON THE OVERALL RECEIPTS OR OVERALL NET INCOME OR CAPITAL OF SUCH LENDER, AND ANY RELATED SURTAXES, OR TAXES FOR WHICH SUCH LENDER IS BEING FULLY COMPENSATED UNDER SUBSECTION 4.11);

(II) SHALL IMPOSE, MODIFY OR HOLD APPLICABLE ANY RESERVE, SPECIAL DEPOSIT, COMPULSORY LOAN OR SIMILAR REQUIREMENT AGAINST ASSETS HELD BY, DEPOSITS OR OTHER LIABILITIES IN OR FOR THE ACCOUNT OF, ADVANCES, LOANS OR OTHER EXTENSIONS OF CREDIT BY, OR ANY OTHER ACQUISITION OF FUNDS BY, ANY OFFICE OF SUCH LENDER WHICH IS NOT OTHERWISE INCLUDED IN THE DETERMINATION OF THE EURODOLLAR RATE HEREUNDER; OR

(III) SHALL IMPOSE ON SUCH LENDER ANY OTHER CONDITION;

AND THE RESULT OF ANY OF THE FOREGOING IS TO INCREASE THE COST TO SUCH LENDER, BY AN AMOUNT WHICH SUCH LENDER DEEMS TO BE MATERIAL, OF MAKING, CONVERTING INTO, CONTINUING OR MAINTAINING EURODOLLAR LOANS OR TO REDUCE ANY AMOUNT RECEIVABLE HEREUNDER OR IN RESPECT THEREOF OR UNDER OR IN RESPECT OF ANY LETTER OF CREDIT, THEN, IN ANY SUCH CASE, THE RELEVANT BORROWER SHALL PROMPTLY PAY SUCH LENDER, UPON WRITTEN DEMAND THEREFOR, SUCH ADDITIONAL AMOUNT OR AMOUNTS AS WILL COMPENSATE SUCH LENDER FOR SUCH INCREASED COST OR REDUCED AMOUNT RECEIVABLE; PROVIDED, THAT SUCH BORROWER SHALL NOT BE REQUIRED TO PAY ANY LENDER ANY SUCH

ADDITIONAL AMOUNT IF SUCH ADDITIONAL AMOUNT ARISES (X) IN THE CASE OF US\$ LOANS MADE TO THE COMPANY, AS A CONSEQUENCE OF SUCH LENDER'S FAILURE TO MEET THE REQUIREMENTS OF SUBSECTION 4.11(B) OR (Y) IN THE CASE OF C\$ LOANS MADE TO THE CANADIAN BORROWER, AS A RESULT OF SUCH LENDER'S FAILURE TO BE A PERSON RESIDENT IN CANADA FOR THE PURPOSES OF THE INCOME TAX ACT (CANADA).

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(B) IF THE ADOPTION OF OR ANY CHANGE IN ANY REQUIREMENT OF LAW REGARDING CAPITAL ADEQUACY OR IN THE INTERPRETATION OR APPLICATION THEREOF BY ANY GOVERNMENTAL AUTHORITY OR COMPLIANCE BY ANY LENDER OR ANY CORPORATION CONTROLLING SUCH LENDER WITH ANY REQUEST OR DIRECTIVE REGARDING CAPITAL ADEQUACY (WHETHER OR NOT HAVING THE FORCE OF LAW) FROM ANY GOVERNMENTAL AUTHORITY MADE SUBSEQUENT TO THE DATE HEREOF SHALL HAVE THE EFFECT OF REDUCING THE RATE OF RETURN ON SUCH LENDER'S OR SUCH CORPORATION'S CAPITAL AS A CONSEQUENCE OF ITS OBLIGATIONS HEREUNDER TO A LEVEL BELOW THAT WHICH SUCH LENDER OR SUCH

CORPORATION COULD HAVE ACHIEVED BUT FOR SUCH ADOPTION, CHANGE OR COMPLIANCE (TAKING INTO CONSIDERATION SUCH LENDER'S OR SUCH CORPORATION'S POLICIES WITH RESPECT TO CAPITAL ADEQUACY) BY AN AMOUNT DEEMED BY SUCH LENDER TO BE MATERIAL, THEN FROM TIME TO TIME, THE BORROWERS SHALL PROMPTLY PAY TO SUCH LENDER, UPON WRITTEN DEMAND THEREFOR, SUCH ADDITIONAL AMOUNT OR AMOUNTS AS WILL COMPENSATE SUCH LENDER FOR SUCH REDUCED RATE OF RETURN. IN DETERMINING SUCH ADDITIONAL AMOUNTS, EACH LENDER WILL ACT REASONABLY AND IN GOOD FAITH AND WILL USE AVERAGING AND ATTRIBUTION METHODS WHICH ARE REASONABLE AND WHICH WILL, TO THE EXTENT THE REDUCED RATE OF RETURN RELATES TO SUCH LENDER'S LOANS OR COMMITMENTS IN GENERAL AND ARE NOT SPECIFICALLY ATTRIBUTABLE TO LOANS OR COMMITMENTS HEREUNDER, BE CALCULATED WITH RESPECT TO ALL LOANS OR COMMITMENTS SIMILAR TO THE LOANS OR COMMITMENTS MADE BY SUCH LENDER HEREUNDER WHETHER OR NOT THE LOAN DOCUMENTATION FOR SUCH OTHER LOANS OR COMMITMENTS PERMITS THE LENDER TO CHARGE THE RESPECTIVE BORROWER ON A BASIS SIMILAR TO THAT PROVIDED IN THIS SUBSECTION 4.10.

(C) IF ANY LENDER BECOMES ENTITLED TO CLAIM ANY ADDITIONAL AMOUNTS PURSUANT TO THIS SUBSECTION, IT SHALL PROMPTLY NOTIFY THE RELEVANT BORROWER (WITH A COPY TO THE RELEVANT ADMINISTRATIVE AGENT) OF THE EVENT BY REASON OF WHICH IT HAS BECOME SO ENTITLED. A CERTIFICATE AS TO ANY ADDITIONAL AMOUNTS PAYABLE PURSUANT TO THIS SUBSECTION SUBMITTED BY SUCH LENDER TO SUCH BORROWER (WITH A COPY TO THE RELEVANT ADMINISTRATIVE AGENT), SHOWING IN REASONABLE DETAIL THE BASIS FOR THE CALCULATION THEREOF, SHALL BE PRIMA FACIE EVIDENCE OF SUCH ADDITIONAL AMOUNTS PAYABLE. THE AGREEMENTS IN THIS SUBSECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

4.11 TAXES. (A) ALL PAYMENTS MADE BY ANY LOAN PARTY UNDER THIS

AGREEMENT AND ANY NOTES SHALL BE MADE FREE AND CLEAR OF, AND WITHOUT DEDUCTION OR WITHHOLDING FOR OR ON ACCOUNT OF, ANY PRESENT OR FUTURE INCOME, STAMP OR OTHER TAXES, LEVIES, IMPOSTS, DUTIES, CHARGES, FEES, DEDUCTIONS OR WITHHOLDINGS, NOW OR HEREAFTER IMPOSED, LEVIED, COLLECTED, WITHHELD OR ASSESSED BY ANY GOVERNMENTAL AUTHORITY, EXCLUDING GROSS OR NET INCOME OR GROSS RECEIPTS TAXES, AD VALOREM TAXES, PERSONAL PROPERTY AND/OR SALES TAXES AND FRANCHISE TAXES (IMPOSED IN LIEU OF NET INCOME TAXES) IMPOSED ON EITHER ADMINISTRATIVE AGENT OR ANY LENDER AS A RESULT OF A PRESENT OR FORMER CONNECTION BETWEEN EITHER ADMINISTRATIVE AGENT OR SUCH LENDER AND THE JURISDICTION OF THE GOVERNMENTAL AUTHORITY IMPOSING SUCH TAX OR ANY POLITICAL SUBDIVISION OR TAXING AUTHORITY THEREOF OR THEREIN (OTHER THAN ANY SUCH CONNECTION ARISING SOLELY FROM SUCH

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ADMINISTRATIVE AGENT OR SUCH LENDER HAVING EXECUTED, DELIVERED OR PERFORMED ITS OBLIGATIONS OR RECEIVED A PAYMENT UNDER, OR ENFORCED, THIS AGREEMENT OR ANY NOTE). IF ANY SUCH NON-EXCLUDED TAXES, LEVIES, IMPOSTS, DUTIES, CHARGES, FEES DEDUCTIONS OR WITHHOLDINGS ("NON-EXCLUDED TAXES") ARE REQUIRED TO BE WITHHELD

FROM ANY AMOUNTS PAYABLE TO EITHER ADMINISTRATIVE AGENT OR ANY LENDER HEREUNDER OR UNDER ANY NOTE, THE AMOUNTS SO PAYABLE TO SUCH ADMINISTRATIVE AGENT OR SUCH

LENDER SHALL BE INCREASED TO THE EXTENT NECESSARY TO YIELD TO SUCH ADMINISTRATIVE AGENT OR SUCH LENDER (AFTER PAYMENT OF ALL NON-EXCLUDED TAXES) INTEREST OR ANY SUCH OTHER AMOUNTS PAYABLE HEREUNDER AT THE RATES OR IN THE AMOUNTS SPECIFIED IN THIS AGREEMENT, PROVIDED, HOWEVER, THAT NO LOAN PARTY SHALL

BE REQUIRED TO INCREASE ANY SUCH AMOUNTS PAYABLE TO EITHER ADMINISTRATIVE AGENT, ANY LENDER OR ANY HOLDER OF BANKERS' ACCEPTANCES IF SUCH INCREASED AMOUNT ARISES AS A RESULT OF (I) IN THE CASE OF AMOUNTS PAYABLE BY THE COMPANY WITH RESPECT TO US\$ LOANS, SUCH LENDER'S FAILURE TO COMPLY WITH ANY APPLICABLE REQUIREMENTS OF SUBSECTION 4.11(B), INCLUDING A MATERIAL FAILURE OF ANY STATEMENT OR CERTIFICATION GIVEN PURSUANT TO SUBSECTION 4.11(B) TO BE TRUE FOR ANY REASON OTHER THAN A CHANGE IN UNITED STATES FEDERAL INCOME TAX LAW OR AN AMENDMENT, MODIFICATION OR REVOCATION OF AN APPLICABLE DOUBLE TAX TREATY OR (II) IN THE CASE OF AMOUNTS PAYABLE BY ANY CANADIAN BORROWER WITH RESPECT TO C\$ LOANS, THE FAILURE OF SUCH C\$ LENDER, THE CANADIAN ADMINISTRATIVE AGENT OR ANY HOLDER OF BANKERS' ACCEPTANCES TO BE A PERSON RESIDENT IN CANADA FOR THE PURPOSES OF THE INCOME TAX ACT (CANADA). EACH LOAN PARTY SHALL ALSO INDEMNIFY EACH

ADMINISTRATIVE AGENT AND EACH LENDER ON AN AFTER-TAX BASIS FOR ANY ADDITIONAL TAXES ON NET INCOME WHICH SUCH ADMINISTRATIVE AGENT OR SUCH LENDER, AS THE CASE MAY BE, MAY BE OBLIGATED TO PAY AS A RESULT OF THE RECEIPT OF ADDITIONAL AMOUNTS UNDER THIS SUBSECTION 4.11(A). WHENEVER ANY NON-EXCLUDED TAXES ARE PAYABLE BY ANY LOAN PARTY, AS PROMPTLY AS POSSIBLE THEREAFTER BUT IN ANY EVENT WITHIN 45 DAYS AFTER THE DATE OF PAYMENT SUCH LOAN PARTY SHALL SEND TO THE RELEVANT ADMINISTRATIVE AGENT FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH LENDER, AS THE CASE MAY BE, A CERTIFIED COPY OF AN ORIGINAL OFFICIAL RECEIPT RECEIVED BY SUCH LOAN PARTY SHOWING PAYMENT THEREOF. IF ANY LOAN PARTY FAILS TO PAY ANY NON-EXCLUDED TAXES WHEN DUE TO THE APPROPRIATE TAXING AUTHORITY OR FAILS TO REMIT TO THE RELEVANT ADMINISTRATIVE AGENT THE REQUIRED RECEIPTS OR OTHER REQUIRED DOCUMENTARY EVIDENCE, SUCH LOAN PARTY SHALL INDEMNIFY SUCH ADMINISTRATIVE AGENT AND THE LENDERS FOR ANY INCREMENTAL TAXES, INTEREST OR PENALTIES THAT MAY BECOME PAYABLE BY SUCH ADMINISTRATIVE AGENT OR ANY LENDER AS A RESULT OF ANY SUCH FAILURE. THE AGREEMENTS IN THIS SUBSECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

(B) EACH LENDER THAT IS NOT INCORPORATED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR A STATE THEREOF SHALL:

(I) DELIVER TO THE COMPANY AND THE US ADMINISTRATIVE AGENT (A) TWO ORIGINAL SIGNED COPIES OF UNITED STATES INTERNAL REVENUE SERVICE FORM 1001 OR 4224, OR SUCCESSOR APPLICABLE FORM, AS THE CASE MAY BE, AND (B) TWO ACCURATE AND COMPLETE

ORIGINAL SIGNED COPIES OF INTERNAL REVENUE SERVICE FORM W-8 OR W-9, OR SUCCESSOR APPLICABLE FORM, AS THE CASE MAY BE;

(II) DELIVER TO THE COMPANY AND THE US ADMINISTRATIVE AGENT TWO

FURTHER COPIES OF ANY SUCH FORM OR CERTIFICATION ON OR BEFORE THE DATE THAT ANY SUCH FORM OR CERTIFICATION EXPIRES OR BECOMES OBSOLETE AND AFTER THE OCCURRENCE OF ANY EVENT REQUIRING A CHANGE IN THE MOST RECENT FORM PREVIOUSLY DELIVERED BY IT TO THE COMPANY; AND

(III) OBTAIN SUCH EXTENSIONS OF TIME FOR FILING AND COMPLETE SUCH FORMS OR CERTIFICATIONS AS MAY REASONABLY BE REQUESTED BY THE COMPANY OR THE US ADMINISTRATIVE AGENT;

UNLESS IN ANY SUCH CASE AN EVENT (INCLUDING, WITHOUT LIMITATION, ANY CHANGE IN TREATY, LAW OR REGULATION) HAS OCCURRED PRIOR TO THE DATE ON WHICH ANY SUCH DELIVERY WOULD OTHERWISE BE REQUIRED WHICH RENDERS ALL SUCH FORMS INAPPLICABLE OR WHICH WOULD PREVENT SUCH LENDER FROM DULY COMPLETING AND DELIVERING ANY SUCH FORM WITH RESPECT TO IT AND SUCH LENDER SO ADVISES THE COMPANY AND THE US ADMINISTRATIVE AGENT. SUCH LENDER SHALL CERTIFY (I) IN THE CASE OF A FORM 1001 OR 4224, THAT IT IS ENTITLED TO RECEIVE PAYMENTS UNDER THIS AGREEMENT WITHOUT DEDUCTION OR WITHHOLDING OF ANY UNITED STATES FEDERAL INCOME TAXES AND (II) IN THE CASE OF A FORM W-8 OR W-9, THAT IT IS ENTITLED TO AN EXEMPTION FROM UNITED STATES BACKUP WITHHOLDING TAX. EACH PERSON THAT SHALL BECOME A LENDER OR A PARTICIPANT PURSUANT TO SUBSECTION 11.6 SHALL, UPON THE EFFECTIVENESS OF THE RELATED TRANSFER, BE REQUIRED TO PROVIDE ALL OF THE FORMS AND STATEMENTS REQUIRED PURSUANT TO THIS SUBSECTION, PROVIDED THAT IN THE CASE OF A PARTICIPANT

SUCH PARTICIPANT SHALL FURNISH ALL SUCH REQUIRED FORMS AND STATEMENTS TO THE LENDER FROM WHICH THE RELATED PARTICIPATION SHALL HAVE BEEN PURCHASED.

4.12 INDEMNITY. EACH BORROWER AGREES TO INDEMNIFY EACH LENDER

AND TO HOLD EACH LENDER HARMLESS FROM ANY LOSS OR EXPENSE WHICH SUCH LENDER MAY SUSTAIN OR INCUR AS A CONSEQUENCE OF (A) DEFAULT BY SUCH BORROWER IN MAKING A BORROWING OF, CONVERSION INTO OR CONTINUATION OF EURODOLLAR LOANS AFTER SUCH BORROWER HAS GIVEN A NOTICE REQUESTING THE SAME IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, (B) DEFAULT BY SUCH BORROWER IN MAKING ANY PREPAYMENT OF EURODOLLAR LOANS AFTER SUCH BORROWER HAS GIVEN A NOTICE THEREOF IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, (C) THE MAKING OF A PREPAYMENT OF EURODOLLAR LOANS ON A DAY WHICH IS NOT THE LAST DAY OF AN INTEREST PERIOD WITH RESPECT THERETO OR (D) REPAYMENT OF ANY BANKERS' ACCEPTANCE PRIOR TO ITS MATURITY DATE. SUCH INDEMNIFICATION MAY INCLUDE AN AMOUNT EQUAL TO THE EXCESS, IF ANY, OF (I) THE AMOUNT OF INTEREST WHICH WOULD HAVE ACCRUED ON THE AMOUNT SO PREPAID, OR NOT SO BORROWED, CONVERTED OR CONTINUED, FOR THE PERIOD FROM THE DATE OF SUCH PREPAYMENT OR OF SUCH FAILURE TO BORROW, CONVERT OR CONTINUE TO THE LAST DAY OF SUCH INTEREST PERIOD (OR, IN THE CASE OF A FAILURE TO BORROW, CONVERT OR CONTINUE, THE INTEREST PERIOD THAT WOULD HAVE COMMENCED ON THE DATE OF SUCH FAILURE) IN EACH CASE AT THE APPLICABLE RATE OF INTEREST FOR SUCH LOANS PROVIDED FOR HEREIN (EXCLUDING, HOWEVER, THE APPLICABLE MARGIN

INCLUDED THEREIN, IF ANY) OVER (II) THE AMOUNT OF INTEREST (AS REASONABLY DETERMINED BY SUCH LENDER) WHICH WOULD HAVE ACCRUED TO SUCH LENDER ON SUCH

AMOUNT BY PLACING SUCH AMOUNT ON DEPOSIT FOR A COMPARABLE PERIOD WITH LEADING BANKS IN THE INTERBANK EURODOLLAR MARKET. THIS COVENANT SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

4.13 CHANGE OF LENDING OFFICE. EACH LENDER AGREES THAT IF IT MAKES

ANY DEMAND FOR PAYMENT UNDER SUBSECTION 4.10 OR 4.11(A), OR IF ANY ADOPTION OR CHANGE OF THE TYPE DESCRIBED IN SUBSECTION 4.9 SHALL OCCUR WITH RESPECT TO IT, IT WILL USE REASONABLE EFFORTS (CONSISTENT WITH ITS INTERNAL POLICY AND LEGAL AND REGULATORY RESTRICTIONS AND SO LONG AS SUCH EFFORTS WOULD NOT BE DISADVANTAGEOUS TO IT, AS DETERMINED IN ITS SOLE DISCRETION) TO DESIGNATE A DIFFERENT LENDING OFFICE IF THE MAKING OF SUCH A DESIGNATION WOULD REDUCE OR OBTIATE THE NEED FOR THE COMPANY TO MAKE PAYMENTS UNDER SUBSECTION 4.10 OR 4.11(A), OR WOULD ELIMINATE OR REDUCE THE EFFECT OF ANY ADOPTION OR CHANGE DESCRIBED IN SUBSECTION 4.9.

SECTION 5. REPRESENTATIONS AND WARRANTIES

TO INDUCE THE ADMINISTRATIVE AGENTS AND THE LENDERS TO ENTER INTO THIS AGREEMENT AND TO MAKE THE LOANS AND ISSUE OR PARTICIPATE IN THE LETTERS OF CREDIT, THE COMPANY HEREBY REPRESENTS AND WARRANTS TO THE ADMINISTRATIVE AGENTS AND EACH LENDER THAT:

5.1 FINANCIAL CONDITION. THE CONSOLIDATED BALANCE SHEET OF THE

COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT DECEMBER 31, 1997 AND THE RELATED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS AND CHANGES IN CASH FLOWS FOR THE FISCAL YEAR ENDED ON SUCH DATE, REPORTED ON BY ARTHUR ANDERSEN LLP, COPIES OF WHICH HAVE HERETOFORE BEEN FURNISHED TO EACH LENDER, ARE COMPLETE AND CORRECT AND PRESENT FAIRLY IN ACCORDANCE WITH GAAP THE CONSOLIDATED FINANCIAL POSITION OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT SUCH DATE, AND THE CONSOLIDATED RESULTS OF THEIR OPERATIONS AND THEIR CONSOLIDATED CASH FLOWS FOR THE FISCAL YEAR THEN ENDED. THE UNAUDITED CONSOLIDATED BALANCE SHEET OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT SEPTEMBER 30, 1998, AND THE RELATED UNAUDITED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS AND CHANGES IN CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED ON SUCH DATE, CERTIFIED BY A RESPONSIBLE OFFICER, COPIES OF WHICH HAVE HERETOFORE BEEN FURNISHED TO EACH LENDER, ARE COMPLETE AND CORRECT AND PRESENT FAIRLY IN ACCORDANCE WITH GAAP THE CONSOLIDATED FINANCIAL POSITION OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT SUCH DATE, AND THE CONSOLIDATED RESULTS OF THEIR OPERATIONS AND THEIR CONSOLIDATED CASH FLOWS FOR THE THREE-MONTH PERIOD THEN ENDED (SUBJECT TO NORMAL YEAR-END AUDIT ADJUSTMENTS). ALL SUCH FINANCIAL STATEMENTS, INCLUDING THE RELATED SCHEDULES AND NOTES THERETO, HAVE BEEN PREPARED IN ACCORDANCE WITH GAAP APPLIED CONSISTENTLY THROUGHOUT THE PERIODS INVOLVED (EXCEPT AS APPROVED BY SUCH ACCOUNTANTS OR RESPONSIBLE OFFICER, AS THE CASE

MAY BE, AND AS DISCLOSED THEREIN). NEITHER THE COMPANY NOR ANY OF ITS CONSOLIDATED SUBSIDIARIES HAD, AT THE DATE OF THE MOST RECENT BALANCE SHEET REFERRED TO ABOVE, ANY MATERIAL GUARANTEE OBLIGATION, CONTINGENT LIABILITY OR LIABILITY FOR TAXES, OR ANY LONG-TERM LEASE OR UNUSUAL FORWARD OR LONG-TERM COMMITMENT, INCLUDING, WITHOUT LIMITATION, ANY INTEREST RATE OR FOREIGN CURRENCY SWAP OR EXCHANGE TRANSACTION, WHICH IS NOT REFLECTED IN THE FOREGOING STATEMENTS OR IN THE NOTES THERETO. EXCEPT AS SET FORTH ON SCHEDULE 5.1, DURING THE PERIOD FROM DECEMBER 31, 1997 TO AND INCLUDING THE DATE HEREOF THERE HAS BEEN NO SALE, TRANSFER OR OTHER DISPOSITION BY THE COMPANY OR ANY OF ITS CONSOLIDATED SUBSIDIARIES OF ANY MATERIAL PART OF ITS BUSINESS OR PROPERTY AND NO PURCHASE OR OTHER ACQUISITION OF ANY BUSINESS OR PROPERTY (INCLUDING ANY CAPITAL STOCK OF ANY OTHER PERSON) MATERIAL IN RELATION TO THE CONSOLIDATED FINANCIAL CONDITION OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AT DECEMBER 31, 1997.

5.2 NO CHANGE. (A) EXCEPT AS SET FORTH ON SCHEDULE 5.2, SINCE

DECEMBER 31, 1997 THERE HAS BEEN NO DEVELOPMENT OR EVENT WHICH HAS HAD OR COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT, AND (B) EXCEPT AS PERMITTED BY THE EXISTING CREDIT AGREEMENT, DURING THE PERIOD FROM DECEMBER 31, 1997 TO AND INCLUDING THE DATE HEREOF NO DIVIDENDS OR OTHER DISTRIBUTIONS HAVE BEEN DECLARED, PAID OR MADE UPON THE CAPITAL STOCK OF THE COMPANY NOR HAS ANY OF THE CAPITAL STOCK OF THE COMPANY BEEN REDEEMED, RETIRED, PURCHASED OR OTHERWISE ACQUIRED FOR VALUE BY THE COMPANY OR ANY OF ITS SUBSIDIARIES OTHER THAN IN CONNECTION WITH THE STOCK RECAPITALIZATION.

5.3 CORPORATE EXISTENCE; COMPLIANCE WITH LAW. EACH OF THE COMPANY

AND ITS SUBSIDIARIES (A) IS DULY ORGANIZED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS ORGANIZATION OR FORMATION, (B) HAS THE POWER AND AUTHORITY, AND THE LEGAL RIGHT, TO OWN AND OPERATE ITS PROPERTY, TO LEASE THE PROPERTY IT OPERATES AS LESSEE AND TO CONDUCT THE BUSINESS IN WHICH IT IS CURRENTLY ENGAGED, (C) IS DULY QUALIFIED AS A FOREIGN CORPORATION OR AN EXTRAPROVINCIAL CORPORATION AND IN GOOD STANDING UNDER THE LAWS OF EACH JURISDICTION WHERE ITS OWNERSHIP, LEASE OR OPERATION OF PROPERTY OR THE CONDUCT OF ITS BUSINESS REQUIRES SUCH QUALIFICATION (EACH OF WHICH JURISDICTIONS ARE LISTED ON SCHEDULE 5.3), EXCEPT WHERE THE FAILURE TO BE SO QUALIFIED COULD NOT HAVE A MATERIAL ADVERSE EFFECT AND (D) IS IN COMPLIANCE WITH ALL REQUIREMENTS OF LAW EXCEPT TO THE EXTENT THAT THE FAILURE TO COMPLY THEREWITH COULD NOT, IN THE AGGREGATE, REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

5.4 CORPORATE POWER; AUTHORIZATION; ENFORCEABLE OBLIGATIONS. EACH OF

THE COMPANY AND ITS SUBSIDIARIES HAS THE CORPORATE OR PARTNERSHIP POWER AND AUTHORITY, AS APPLICABLE, AND THE LEGAL RIGHT, TO EXECUTE, DELIVER AND PERFORM THE LOAN DOCUMENTS TO WHICH IT IS A PARTY AND, IN THE CASE OF EACH BORROWER, TO BORROW HEREUNDER, AND EACH OF THE COMPANY AND ITS SUBSIDIARIES HAS TAKEN ALL NECESSARY CORPORATE OR PARTNERSHIP ACTION, AS APPLICABLE, TO AUTHORIZE THE BORROWINGS ON THE TERMS AND CONDITIONS OF THIS

AGREEMENT AND ANY NOTES AND TO AUTHORIZE THE EXECUTION, DELIVERY AND PERFORMANCE OF THE LOAN DOCUMENTS TO WHICH IT IS A PARTY. NO CONSENT OR AUTHORIZATION OF, FILING WITH, NOTICE TO OR OTHER ACT BY OR IN RESPECT OF, ANY GOVERNMENTAL AUTHORITY OR ANY OTHER PERSON IS REQUIRED IN CONNECTION WITH THE BORROWINGS HEREUNDER OR WITH THE EXECUTION, DELIVERY, PERFORMANCE, VALIDITY OR ENFORCEABILITY OF THE LOAN DOCUMENTS TO WHICH THE COMPANY OR ANY OF ITS SUBSIDIARIES IS A PARTY. THIS AGREEMENT HAS BEEN, AND EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY WILL BE, DULY EXECUTED AND DELIVERED ON BEHALF OF EACH LOAN PARTY. THIS AGREEMENT CONSTITUTES, AND EACH OTHER LOAN DOCUMENT WHEN EXECUTED AND DELIVERED WILL CONSTITUTE, A LEGAL, VALID AND BINDING OBLIGATION OF EACH LOAN PARTY WHICH IS A PARTY THERETO ENFORCEABLE AGAINST SUCH LOAN PARTY IN ACCORDANCE WITH ITS TERMS, EXCEPT TO THE EXTENT THAT ENFORCEABILITY THEREOF MAY BE LIMITED BY BANKRUPTCY, INSOLVENCY, FRAUDULENT CONVEYANCE, REORGANIZATION, MORATORIUM AND OTHER SIMILAR LAWS RELATING TO OR AFFECTING CREDITORS' RIGHTS GENERALLY, GENERAL EQUITABLE PRINCIPLES (WHETHER CONSIDERED IN A PROCEEDING IN EQUITY OR AT LAW) AND AN IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING.

5.5 NO LEGAL BAR. THE EXECUTION, DELIVERY AND PERFORMANCE OF THE

LOAN DOCUMENTS TO WHICH EACH LOAN PARTY IS A PARTY, THE ISSUANCE OF LETTERS OF CREDIT, THE BORROWINGS HEREUNDER AND THE USE OF THE PROCEEDS THEREOF WILL NOT VIOLATE ANY REQUIREMENT OF LAW OR CONTRACTUAL OBLIGATION OF SUCH LOAN PARTY OR OF ANY OF ITS SUBSIDIARIES AND WILL NOT RESULT IN, OR REQUIRE, THE CREATION OR IMPOSITION OF ANY LIEN (EXCEPT PURSUANT TO THE LOAN DOCUMENTS TO WHICH IT IS A PARTY) ON ANY OF ITS OR THEIR RESPECTIVE PROPERTIES OR REVENUES PURSUANT TO ANY SUCH REQUIREMENT OF LAW OR CONTRACTUAL OBLIGATION.

5.6 NO MATERIAL LITIGATION. NO LITIGATION, INVESTIGATION OR

PROCEEDING OF OR BEFORE ANY ARBITRATOR OR GOVERNMENTAL AUTHORITY IS PENDING OR, TO THE KNOWLEDGE OF THE BORROWERS, THREATENED BY OR AGAINST EITHER BORROWER OR ANY OF ITS SUBSIDIARIES OR AGAINST ANY OF ITS OR THEIR RESPECTIVE PROPERTIES OR REVENUES (A) WITH RESPECT TO ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR (B) WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

5.7 NO DEFAULT. NEITHER BORROWER NOR ANY OF ITS SUBSIDIARIES IS IN

DEFAULT UNDER OR WITH RESPECT TO ANY OF ITS CONTRACTUAL OBLIGATIONS IN ANY RESPECT WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT. NO DEFAULT OR EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING.

5.8 OWNERSHIP OF PROPERTY; LIENS. ALL REAL PROPERTY OWNED OR LEASED

BY EITHER BORROWER OR ANY OF ITS SUBSIDIARIES AND THE NATURE OF THE INTEREST THEREIN, IS CORRECTLY SET FORTH ON SCHEDULE 5.8. THE COMPANY AND ITS SUBSIDIARIES HAVE GOOD AND VALID TITLE TO ALL REAL PROPERTY OWNED BY THEM AND GOOD AND MERCHANTABLE TITLE TO ALL OTHER PROPERTIES OWNED BY THEM, IN EACH CASE,

BY THIS AGREEMENT), FREE AND CLEAR OF ALL LIENS, OTHER THAN (I) AS REFERRED TO IN SUCH BALANCE SHEETS OR IN THE NOTES THERETO OR (II) AS OTHERWISE PERMITTED BY SUBSECTION 8.1.

5.9 INTELLECTUAL PROPERTY. THE COMPANY AND EACH OF ITS SUBSIDIARIES

OWNS, OR IS LICENSED TO USE, ALL TRADEMARKS, TRADENAMES, COPYRIGHTS, TECHNOLOGY, KNOW-HOW AND PROCESSES NECESSARY FOR THE CONDUCT OF ITS BUSINESS AS CURRENTLY CONDUCTED EXCEPT FOR THOSE THE FAILURE TO OWN OR LICENSE WHICH COULD NOT REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT (THE "INTELLECTUAL

PROPERTY"). NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES HAS ANY KNOWLEDGE

THAT ANY CLAIM HAS BEEN ASSERTED AND IS PENDING BY ANY PERSON CHALLENGING OR QUESTIONING THE USE OF ANY SUCH INTELLECTUAL PROPERTY OR THE VALIDITY OR EFFECTIVENESS OF ANY SUCH INTELLECTUAL PROPERTY, NOR DOES THE COMPANY KNOW OF ANY VALID BASIS FOR ANY SUCH CLAIM. THE USE OF SUCH INTELLECTUAL PROPERTY BY THE COMPANY AND ITS SUBSIDIARIES DOES NOT INFRINGE ON THE RIGHTS OF ANY PERSON, EXCEPT FOR SUCH CLAIMS AND INFRINGEMENTS THAT, IN THE AGGREGATE, COULD NOT REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

5.10 NO BURDENSOME RESTRICTIONS. NO REQUIREMENT OF LAW OR

CONTRACTUAL OBLIGATION OF EITHER BORROWER OR ANY OF ITS SUBSIDIARIES COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

5.11 TAXES. EACH OF THE COMPANY AND ITS SUBSIDIARIES HAS FILED OR

CAUSED TO BE FILED ALL TAX RETURNS WHICH, TO THE KNOWLEDGE OF THE COMPANY, ARE REQUIRED TO BE FILED AND HAS PAID ALL TAXES SHOWN TO BE DUE AND PAYABLE ON SAID RETURNS OR ON ANY ASSESSMENTS MADE AGAINST IT OR ANY OF ITS PROPERTY AND ALL OTHER TAXES, FEES OR OTHER CHARGES IMPOSED ON IT OR ANY OF ITS PROPERTY BY ANY GOVERNMENTAL AUTHORITY (OTHER THAN AS SET FORTH ON SCHEDULE 5.11 AND ANY THE AMOUNT OR VALIDITY OF WHICH ARE CURRENTLY BEING CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS AND WITH RESPECT TO WHICH RESERVES IN CONFORMITY WITH GAAP HAVE BEEN PROVIDED ON THE BOOKS OF THE COMPANY OR ITS SUBSIDIARIES, AS THE CASE MAY BE); NO TAX LIEN HAS BEEN FILED, AND, TO THE KNOWLEDGE OF THE COMPANY, NO CLAIM IS BEING ASSERTED, WITH RESPECT TO ANY SUCH TAX, FEE OR OTHER CHARGE.

5.12 MARGIN REGULATIONS. NO PART OF THE PROCEEDS OF ANY LOANS WILL

BE USED TO PURCHASE OR CARRY ANY MARGIN STOCK (AS DEFINED IN REGULATION G, T, U OR X) OR TO EXTEND CREDIT FOR THE PURPOSE OF PURCHASING OR CARRYING ANY MARGIN STOCK. NEITHER THE MAKING OF ANY LOAN, THE CREATION OF ANY BANKERS ACCEPTANCE OR THE PURCHASE OF ANY DRAFT NOR THE USE OF THE PROCEEDS THEREOF WILL VIOLATE OR

BE INCONSISTENT WITH THE PROVISIONS OF REGULATION G, T, U OR X OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

5.13 ERISA; CANADIAN PENSION PLANS. (A) NEITHER A REPORTABLE EVENT

NOR AN "ACCUMULATED FUNDING DEFICIENCY" (WITHIN THE MEANING OF SECTION 412 OF THE CODE OR SECTION 302 OF ERISA) HAS OCCURRED DURING THE FIVE-YEAR PERIOD PRIOR TO THE DATE ON WHICH THIS REPRESENTATION IS MADE OR DEEMED MADE WITH RESPECT TO ANY PLAN, AND EACH PLAN HAS COMPLIED IN ALL MATERIAL RESPECTS WITH THE APPLICABLE

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PROVISIONS OF ERISA AND THE CODE. NO TERMINATION OF A SINGLE EMPLOYER PLAN HAS OCCURRED, AND NO LIEN IN FAVOR OF THE PBGC OR A PLAN HAS ARISEN, DURING SUCH FIVE-YEAR PERIOD. THE PRESENT VALUE OF ALL ACCRUED BENEFITS UNDER EACH SINGLE EMPLOYER PLAN (BASED ON THOSE ASSUMPTIONS USED TO FUND SUCH PLANS) DID NOT, AS OF THE LAST ANNUAL VALUATION DATE PRIOR TO THE DATE ON WHICH THIS REPRESENTATION IS MADE OR DEEMED MADE, EXCEED THE VALUE OF THE ASSETS OF SUCH PLAN ALLOCABLE TO SUCH ACCRUED BENEFITS. NEITHER THE COMPANY NOR ANY COMMONLY CONTROLLED ENTITY HAS HAD A COMPLETE OR PARTIAL WITHDRAWAL FROM ANY MULTIEMPLOYER PLAN, AND NEITHER THE COMPANY NOR ANY COMMONLY CONTROLLED ENTITY WOULD BECOME SUBJECT TO ANY LIABILITY UNDER ERISA IF THE COMPANY OR ANY SUCH COMMONLY CONTROLLED ENTITY WERE TO WITHDRAW COMPLETELY FROM ALL MULTIEMPLOYER PLANS IN WHICH IT PARTICIPATES AS OF THE VALUATION DATE MOST CLOSELY PRECEDING THE DATE ON WHICH THIS REPRESENTATION IS MADE OR DEEMED MADE. NO SUCH MULTIEMPLOYER PLAN IS IN REORGANIZATION OR INSOLVENT.

(B) EACH CANADIAN PENSION PLAN IS IN SUBSTANTIAL COMPLIANCE WITH ALL APPLICABLE PENSION BENEFITS AND TAX LAWS; NO CANADIAN PENSION PLAN HAS ANY UNFUNDED LIABILITIES (EITHER ON A "GOING CONCERN" OR ON A "WINDING UP" BASIS AND DETERMINED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND USING ASSUMPTIONS AND METHODS THAT ARE APPROPRIATE IN THE CIRCUMSTANCES AND IN ACCORDANCE WITH GENERALLY ACCEPTED ACTUARIAL PRINCIPLES AND PRACTICES IN CANADA), ALL CONTRIBUTIONS (INCLUDING ANY SPECIAL PAYMENTS TO AMORTIZE ANY UNFUNDED LIABILITIES) REQUIRED TO BE MADE IN ACCORDANCE WITH ALL APPLICABLE LAWS AND THE TERMS OF EACH CANADIAN PENSION PLAN HAVE BEEN MADE; NO EVENT HAS OCCURRED AND NO CONDITION EXISTS WITH RESPECT TO ANY CANADIAN PENSION PLAN THAT HAS RESULTED OR COULD RESULT IN ANY CANADIAN PENSION PLAN BEING ORDERED OR REQUIRED TO BE WOUND UP IN WHOLE OR IN PART PURSUANT TO ANY APPLICABLE PENSION BENEFITS LAWS OR HAVING ITS REGISTRATION REVOKED OR REFUSED FOR THE PURPOSES OF ANY APPLICABLE PENSION BENEFITS OR TAX LAWS OR BEING PLACED UNDER THE ADMINISTRATION OF ANY RELEVANT PENSION BENEFITS REGULATORY AUTHORITY OR BEING REQUIRED TO PAY ANY TAXES OR PENALTIES UNDER ANY APPLICABLE PENSION BENEFITS OR TAX LAWS, OTHER THAN EVENTS OR CONDITIONS THAT, INDIVIDUALLY OR IN THE AGGREGATE, COULD NOT

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REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT; NO ORDER HAS BEEN MADE AND NO NOTICE HAS BEEN GIVEN PURSUANT TO ANY APPLICABLE PENSION BENEFITS OR TAX

LAWS IN RESPECT OF ANY CANADIAN PENSION PLAN REQUIRING (OR PROPOSING TO REQUIRE) ANY PERSON TO TAKE OR TO REFRAIN FROM TAKING ANY ACTION IN RESPECT THEREOF OR THAT THERE HAS (OR THERE ARE CIRCUMSTANCES THAT INDICATE THAT THERE HAS) BEEN A CONTRAVENTION OF ANY SUCH APPLICABLE LAWS, OTHER THAN IN RESPECT OF MATTERS THAT, INDIVIDUALLY OR IN THE AGGREGATE, COULD NOT REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT; NO EVENT HAS OCCURRED AND NO CONDITION EXISTS WHICH HAS RESULTED OR COULD RESULT IN THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY BEING REQUIRED TO PAY, REPAY OR REFUND ANY AMOUNT (OTHER THAN CONTRIBUTIONS REQUIRED TO BE MADE OR EXPENSES REQUIRED TO BE PAID IN THE ORDINARY COURSE) TO OR ON ACCOUNT OF ANY CANADIAN PENSION PLAN OR A CURRENT OR FORMER MEMBER THEREOF, OTHER THAN EVENTS OR CONDITIONS THAT, INDIVIDUALLY OR IN THE AGGREGATE, COULD NOT REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT; AND NO EVENT HAS OCCURRED AND NO CONDITION EXISTS THAT HAS RESULTED OR COULD RESULT IN A PAYMENT BEING MADE OUT OF A GUARANTEE FUND ESTABLISHED UNDER ANY APPLICABLE PENSION BENEFITS LAWS IN RESPECT OF A CANADIAN PENSION PLAN.

(C) WITH RESPECT TO ANY PENSION, RETIREMENT OR OTHER DEFERRED COMPENSATION PLAN MAINTAINED BY THE CANADIAN BORROWER OR ANY OF ITS SUBSIDIARIES WHICH IS NOT A CANADIAN PENSION PLAN, ALL REQUIRED CONTRIBUTIONS HAVE BEEN MADE, AND THERE ARE NO UNFUNDED LIABILITIES IN RESPECT OF SUCH PLANS (EITHER ON A "GOING CONCERN" OR ON A "WINDING UP" BASIS AND DETERMINED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND USING ASSUMPTIONS AND METHODS THAT ARE APPROPRIATE IN THE CIRCUMSTANCES AND IN ACCORDANCE WITH GENERALLY ACCEPTED ACTUARIAL PRINCIPLES AND PRACTICES IN CANADA).

5.14 INVESTMENT COMPANY ACT; OTHER REGULATIONS. NO LOAN PARTY IS AN

"INVESTMENT COMPANY", OR A COMPANY "CONTROLLED" BY AN "INVESTMENT COMPANY", WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. NO LOAN PARTY IS SUBJECT TO REGULATION UNDER ANY FEDERAL OR STATE STATUTE OR REGULATION (OTHER THAN REGULATION X OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM) WHICH LIMITS ITS ABILITY TO INCUR INDEBTEDNESS.

5.15 ENVIRONMENTAL MATTERS. (A) EXCEPT AS SET FORTH ON SCHEDULE

5.15: THE COMPANY AND ITS SUBSIDIARIES ARE IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH, AND ON THE CLOSING DATE AND ON THE DATE OF EACH LOAN WILL BE IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH, ALL APPLICABLE ENVIRONMENTAL LAWS; TO THE BEST KNOWLEDGE OF THE COMPANY, THERE ARE NO PAST, PENDING OR THREATENED ENVIRONMENTAL CLAIMS AGAINST THE COMPANY OR ANY OF ITS SUBSIDIARIES OR ANY REAL PROPERTY OWNED OR OPERATED BY SUCH PERSONS; THERE ARE NO FACTS, CIRCUMSTANCES, CONDITIONS OR OCCURRENCES ON ANY REAL PROPERTY OWNED OR OPERATED AT ANY TIME BY THE COMPANY OR ANY OF ITS SUBSIDIARIES THAT COULD REASONABLY BE EXPECTED (I) TO FORM THE BASIS OF AN ENVIRONMENTAL CLAIM AGAINST THE COMPANY OR ANY OF ITS SUBSIDIARIES WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT, OR (II) IN THE CASE OF REAL PROPERTY OWNED OR OPERATED BY THE COMPANY OR ANY OF ITS SUBSIDIARIES, TO CAUSE SUCH REAL PROPERTY TO BE SUBJECT TO ANY MATERIAL RESTRICTIONS ON THE OWNERSHIP, OCCUPANCY, USE OR TRANSFERABILITY OF SUCH REAL PROPERTY UNDER ANY ENVIRONMENTAL LAW.

(B) THE COMPANY AND ITS SUBSIDIARIES HAVE NOT AT ANY TIME GENERATED,

USED, TREATED OR STORED HAZARDOUS MATERIALS ON, OR TRANSPORTED HAZARDOUS MATERIALS TO OR FROM, ANY REAL PROPERTY OWNED OR OPERATED AT ANY TIME BY THE COMPANY OR ANY OF ITS SUBSIDIARIES, EXCEPT FOR (I) HAZARDOUS MATERIALS USED IN THE ORDINARY COURSE OF SUCH PERSON'S BUSINESS AND (II) PETROLEUM PRODUCTS CONTAINED IN UNDERGROUND STORAGE TANKS AT THE CANADIAN BORROWER'S FACILITY IN SAINT LAMBERT, QUEBEC, IN EACH CASE, IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH ALL ENVIRONMENTAL LAWS. THE COMPANY AND ITS SUBSIDIARIES HAVE NOT AT ANY

TIME RELEASED OR DISPOSED OF HAZARDOUS MATERIALS ON OR FROM ANY REAL PROPERTY OWNED OR OPERATED AT ANY TIME BY THE COMPANY OR ANY OF ITS SUBSIDIARIES, EXCEPT IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH ENVIRONMENTAL LAWS.

(C) EXCEPT AS SET FORTH ON SCHEDULE 5.15, THERE ARE NO UNDERGROUND STORAGE TANKS LOCATED ON ANY REAL PROPERTY OWNED OR OPERATED BY THE COMPANY OR ANY OF ITS SUBSIDIARIES.

(D) EXCEPT FOR ASBESTOS AND ASBESTOS-CONTAINING MATERIALS LOCATED AT THE TEXAS AVENUE PROPERTY AND ALSO IN MURRAY ST., MONTREAL, VILLE MARIE, MONTREAL, ST. HELENE, ST. LAMBERT, SUMMERLEA ROAD, BRAMPTON, WOLFDAL ROAD, MISSISSAUGA, CORONATION DRIVE, SCARBOROUGH, 27TH ST. N.E., CALGARY, ALL OF WHICH ARE IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH ALL ENVIRONMENTAL LAWS, TO THE BEST OF THE COMPANY'S KNOWLEDGE THERE IS NO FRIABLE ASBESTOS IN ANY FORM PRESENT OR SUSPECTED TO BE PRESENT AT ANY REAL PROPERTY OWNED OR OPERATED BY THE COMPANY OR ANY OF ITS SUBSIDIARIES.

5.16 REGULATION H. NO MORTGAGE ENCUMBERS IMPROVED REAL PROPERTY

WHICH IS LOCATED IN AN AREA THAT HAS BEEN IDENTIFIED BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT AS AN AREA HAVING SPECIAL FLOOD HAZARDS AND IN WHICH FLOOD INSURANCE HAS BEEN MADE AVAILABLE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

5.17 CAPITALIZATION. ON THE CLOSING DATE, THE AUTHORIZED CAPITAL

STOCK OF THE COMPANY WILL CONSIST OF (I) 80,000,000 SHARES OF COMMON STOCK, US\$.01 PAR VALUE PER SHARE, OF WHICH APPROXIMATELY 17,050,000 SHARES WILL BE OUTSTANDING, AND (II) 10,000,000 SHARES OF PREFERRED STOCK, US\$.01 PAR VALUE PER SHARE (THE "PREFERRED STOCK"), NONE OF WHICH SHARES WILL BE OUTSTANDING OTHER

THAN PERMITTED PREFERRED STOCK. ON THE CLOSING DATE, THE AUTHORIZED CAPITAL STOCK OF THE CANADIAN BORROWER WILL CONSIST OF 10,000 COMMON SHARES, WITHOUT NOMINAL OR PAR VALUE, OF WHICH 1,000 WILL BE ISSUED AND OUTSTANDING. ALL OF SUCH OUTSTANDING SHARES WILL HAVE BEEN DULY AND VALIDLY ISSUED, WILL BE FULLY PAID AND NONASSESSABLE AND WILL BE FREE OF PREEMPTIVE RIGHTS.

5.18 SUBSIDIARIES. SCHEDULE 5.18 CORRECTLY SETS FORTH, AS OF THE

ORIGINAL CLOSING DATE, THE PERCENTAGE OWNERSHIP (DIRECT AND INDIRECT) OF THE

COMPANY IN EACH CLASS OF CAPITAL STOCK OR PARTNERSHIP INTEREST, AS THE CASE MAY BE, OF EACH OF ITS SUBSIDIARIES AND ALSO IDENTIFIES THE DIRECT OWNER THEREOF.

5.19 RESTRICTIONS ON OR RELATING TO SUBSIDIARIES. THERE DOES NOT

EXIST ANY ENCUMBRANCE OR RESTRICTION ON THE ABILITY OF (I) ANY SUBSIDIARY OF THE COMPANY TO PAY DIVIDENDS OR MAKE ANY OTHER DISTRIBUTIONS ON ITS CAPITAL STOCK OR ANY OTHER INTEREST OR PARTICIPATION IN ITS PROFITS OWNED BY THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY, OR TO PAY ANY INDEBTEDNESS OWED TO THE COMPANY OR A SUBSIDIARY OF THE COMPANY, (II) ANY SUBSIDIARY OF THE COMPANY TO MAKE LOANS OR ADVANCES TO THE COMPANY OR ANY OF ITS SUBSIDIARIES OR (III) THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY TO TRANSFER ANY OF ITS PROPERTIES OR ASSETS TO THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY, EXCEPT, IN EACH CASE, FOR SUCH ENCUMBRANCES OR RESTRICTIONS EXISTING UNDER OR BY REASON OF (W) APPLICABLE LAW, (X) THIS AGREEMENT

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OR THE OTHER LOAN DOCUMENTS, (Y) CUSTOMARY PROVISIONS RESTRICTING SUBLETTING OR ASSIGNMENT OF ANY LEASE GOVERNING A LEASEHOLD INTEREST OR LEASES OF EQUIPMENT OF THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY AND (Z) THE 1996 SENIOR SUBORDINATED NOTES, THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, THE 1997 SENIOR SUBORDINATED NOTES AND THE 1997 SENIOR SUBORDINATED NOTES INDENTURE.

5.20 SUBCHAPTER S STATUS. FROM ITS INCORPORATION IN 1990 UNTIL JUNE

29, 1997, THE COMPANY HAD VALIDLY ELECTED TO BE TREATED AS A SUBCHAPTER S CORPORATION WITHIN THE MEANING OF SECTION 1361 OF THE CODE. THE COMPANY WAS AT ALL TIMES FROM MARCH 1, 1990 UNTIL JUNE 29, 1997 QUALIFIED TO BE TREATED AS A SUBCHAPTER S CORPORATION WITHIN THE MEANING OF SECTION 1361 OF THE CODE.

5.21 LEASES. WITH RESPECT TO ANY LEASE OR RENTAL AGREEMENT REGARDING

ANY REAL PROPERTY TO WHICH THE COMPANY OR ANY OF ITS SUBSIDIARIES IS A PARTY, (I) SUCH LEASE OR RENTAL AGREEMENT IS IN FULL FORCE AND EFFECT, (II) THE COMPANY AND ITS SUBSIDIARIES HAVE COMPLIED IN ALL MATERIAL RESPECTS WITH ALL OF THE TERMS OF SUCH LEASE OR RENTAL AGREEMENT, (III) THERE EXISTS NO EVENT OF DEFAULT OR TO THE BEST OF THE COMPANY'S KNOWLEDGE, ANY EVENT, ACT OR CONDITION WHICH WITH NOTICE OR LAPSE OF TIME, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT THEREUNDER BY THE COMPANY OR ANY OF ITS SUBSIDIARIES, OR TO THE BEST KNOWLEDGE OF THE COMPANY, THE LANDLORD THEREUNDER AND (IV) THE COMPANY OR ITS SUBSIDIARIES AS THE CASE MAY BE, IS IN POSSESSION OF THE PREMISES DEMISED UNDER ALL SUCH LEASES AND RENTAL AGREEMENTS AND IS CONDUCTING BUSINESS ON SUCH PREMISES.

5.22 RELATED AGREEMENTS. THE COMPANY HAS DELIVERED TO THE US

ADMINISTRATIVE AGENT TRUE AND CORRECT COPIES OF:

(A) ANY AGREEMENT EVIDENCING OR RELATING TO MATERIAL INDEBTEDNESS OF THE COMPANY OR ANY OF ITS SUBSIDIARIES (EXCLUDING THE LOANS) WHICH SHALL

REMAIN OUTSTANDING ON AND AFTER THE CLOSING DATE, INCLUDING THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, THE 1997 SENIOR SUBORDINATED NOTES INDENTURE AND THE 1998 SENIOR NOTES INDENTURE;

- (B) ANY TAX SHARING AGREEMENTS;
- (C) THE AFFILIATE CONTRACTS; AND
- (D) THE TAX INDEMNITY AGREEMENT.

SECTION 6. CONDITIONS PRECEDENT

6.1 CONDITIONS TO EFFECTIVENESS. THIS AGREEMENT AND THE AGREEMENT OF

EACH LENDER TO MAKE EXTENSIONS OF CREDIT HEREUNDER SHALL NOT BECOME EFFECTIVE UNTIL THE FOLLOWING CONDITIONS PRECEDENT SHALL HAVE BEEN SATISFIED ON OR BEFORE FEBRUARY 26, 1999:

(A) LOAN DOCUMENTS. THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED

(I) THIS AGREEMENT, EXECUTED AND DELIVERED BY A

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DULY AUTHORIZED OFFICER OF EACH BORROWER, WITH A COUNTERPART FOR EACH LENDER, AND BY A DULY AUTHORIZED OFFICER OF EACH OF THE REQUIRED LENDERS (INCLUDING, WITHOUT LIMITATION, CIBC), (II) ANY NOTES REQUESTED BY THE LENDERS, EACH EXECUTED AND DELIVERED BY A DULY AUTHORIZED OFFICER OF THE RELEVANT BORROWER AND (III) A CONSENT TO THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT, EXECUTED AND DELIVERED BY A DULY AUTHORIZED OFFICER OF EACH PARTY TO THE US GLOBAL GUARANTEE AND SECURITY AGREEMENT (OTHER THAN THE US ADMINISTRATIVE AGENT), WITH A COUNTERPART OR A CONFORMED COPY FOR EACH LENDER. EACH NOTE WHICH SHALL BE DELIVERED HEREUNDER AT THE REQUEST OF A LENDER WHICH IS THE HOLDER OF A NOTE ISSUED PURSUANT TO THE EXISTING CREDIT AGREEMENT SHALL BE DEEMED ISSUED IN REPLACEMENT OF AND SUBSTITUTION FOR, AND NOT AS PAYMENT FOR, SUCH LATTER NOTE.

(B) EXISTING CREDIT AGREEMENT. ALL LOANS, ALL INTEREST THEREON AND

ALL COMMITMENT AND OTHER FEES PAYABLE UNDER, AND IN RESPECT OF, THE EXISTING CREDIT AGREEMENT SHALL HAVE BEEN REPAID OR PAID, AS THE CASE MAY BE, IN FULL.

(C) CORPORATE PROCEEDINGS OF THE LOAN PARTIES. THE US ADMINISTRATIVE

AGENT SHALL HAVE RECEIVED, WITH A COUNTERPART FOR EACH LENDER, A COPY OF THE RESOLUTIONS, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE US ADMINISTRATIVE AGENT, OF THE BOARDS OF DIRECTORS OF EACH OF THE LOAN PARTIES AUTHORIZING (I) THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY AND (II) THE

BORROWINGS CONTEMPLATED HEREUNDER, CERTIFIED BY ITS RESPECTIVE SECRETARY OR AN ASSISTANT SECRETARY AS OF THE CLOSING DATE, EACH OF WHICH CERTIFICATES SHALL BE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE US ADMINISTRATIVE AGENT AND SHALL STATE THAT THE RESOLUTIONS THEREBY CERTIFIED HAVE NOT BEEN AMENDED, MODIFIED, REVOKED OR RESCINDED.

(D) AMENDMENT FEE. THE ADMINISTRATIVE AGENTS SHALL HAVE RECEIVED

FROM THE BORROWERS AMENDMENT FEES PAYABLE FOR THE ACCOUNT OF THE US LENDERS IN THE AMOUNT OF 1/4TH OF 1% OF THE AGGREGATE AMOUNT OF THE US COMMITMENT AND AMENDMENT FEES PAYABLE FOR THE ACCOUNT OF THE CANADIAN LENDERS IN THE AMOUNT OF 1/4TH OF 1% OF THE AGGREGATE AMOUNT OF THE CANADIAN COMMITMENT.

6.2 CONDITIONS TO INITIAL EXTENSION OF CREDIT. THE AGREEMENT OF EACH

LENDER TO MAKE THE INITIAL EXTENSION OF CREDIT REQUESTED TO BE MADE BY IT HEREUNDER IS SUBJECT TO THE SATISFACTION, IMMEDIATELY PRIOR TO OR CONCURRENTLY WITH THE MAKING OF SUCH EXTENSION OF CREDIT ON THE INITIAL BORROWING DATE, OF THE FOLLOWING CONDITIONS PRECEDENT:

(A) LEVERAGE RATIO CERTIFICATE. THE US ADMINISTRATIVE AGENT SHALL

HAVE RECEIVED, WITH A COUNTERPART FOR EACH LENDER, A CERTIFICATE OF THE COMPANY, DATED THE INITIAL BORROWING DATE, STATING THAT AFTER GIVING EFFECT TO ALL TRANSACTIONS AND

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BORROWINGS ON THE INITIAL BORROWING DATE, THE LEVERAGE RATIO ON THE INITIAL BORROWING DATE IS NOT GREATER THAN 6.50 TO 1.00.

(B) BORROWING CERTIFICATE. THE RELEVANT ADMINISTRATIVE AGENT SHALL

HAVE RECEIVED, WITH A COUNTERPART FOR EACH LENDER, A CERTIFICATE OF THE RELEVANT BORROWER, DATED THE INITIAL BORROWING DATE, SUBSTANTIALLY IN THE FORM OF EXHIBIT C-1 AND EXHIBIT C-2, RESPECTIVELY, WITH APPROPRIATE INSERTIONS AND ATTACHMENTS, SATISFACTORY IN FORM AND SUBSTANCE TO THE RELEVANT ADMINISTRATIVE AGENT, EXECUTED BY THE PRESIDENT OR ANY VICE PRESIDENT AND THE SECRETARY OR ANY ASSISTANT SECRETARY OF THE RELEVANT BORROWER.

(C) LEGAL OPINIONS. THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED,

WITH A COUNTERPART FOR EACH LENDER, THE FOLLOWING EXECUTED LEGAL OPINIONS:

(I) THE EXECUTED LEGAL OPINION OF COZEN AND O'CONNOR, COUNSEL TO THE BORROWERS, SUBSTANTIALLY IN THE FORM OF EXHIBIT F-1; AND

(II) THE EXECUTED LEGAL OPINION OF BLAKE, CASSELS &

GRAYDON, CANADIAN COUNSEL TO THE CANADIAN BORROWER, SUBSTANTIALLY IN THE FORM OF EXHIBIT F-2.

(D) ACTIONS TO PERFECT LIENS. THE US ADMINISTRATIVE AGENT SHALL HAVE

RECEIVED EVIDENCE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO IT THAT ALL FILINGS, RECORDINGS, REGISTRATIONS AND OTHER ACTIONS, INCLUDING, WITHOUT LIMITATION, THE FILING OF DULY EXECUTED FINANCING STATEMENTS ON FORM UCC-1, PPSA FORM 1-C OR THE APPROPRIATE EQUIVALENT THEREOF, NECESSARY OR, IN THE OPINION OF THE US ADMINISTRATIVE AGENT, DESIRABLE TO PERFECT THE LIENS CREATED BY THE SECURITY DOCUMENTS SHALL HAVE BEEN COMPLETED OR THAT ALL SUCH FINANCING STATEMENTS AND OTHER DOCUMENTS WITH RESPECT TO SUCH FILINGS, RECORDINGS, REGISTRATIONS AND OTHER ACTIONS SHALL HAVE BEEN DELIVERED TO THE APPLICABLE ADMINISTRATIVE AGENT.

6.3 ADDITIONAL CONDITIONS FOR ACQUISITION LOANS. THE AGREEMENT OF

EACH LENDER TO MAKE ANY ACQUISITION LOAN REQUESTED TO BE MADE BY IT ON ANY BORROWING DATE IS SUBJECT TO THE SATISFACTION OF THE FOLLOWING CONDITIONS PRECEDENT:

(A) ACQUISITION DOCUMENTS. THE US ADMINISTRATIVE AGENT SHALL HAVE

RECEIVED, PRIOR TO THE PROPOSED BORROWING DATE FOR SUCH ACQUISITION LOAN, TRUE AND CORRECT COPIES, CERTIFIED AS TO AUTHENTICITY BY THE RELEVANT BORROWER, OF EACH ACQUISITION DOCUMENT (UNLESS REQUESTED BY THE US ADMINISTRATIVE AGENT, WITHOUT EXHIBITS) (OR THE MOST RECENT FORM THEREOF) PURSUANT TO WHICH THE PERMITTED ACQUISITION FINANCED WITH SUCH ACQUISITION LOAN (THE "RELEVANT PERMITTED ACQUISITION") IS TO BE CONSUMMATED, AND SUCH

OTHER DOCUMENTS OR INSTRUMENTS AS MAY BE REASONABLY REQUESTED BY THE US ADMINISTRATIVE AGENT, INCLUDING, WITHOUT LIMITATION, A COPY OF ANY DEBT, INSTRUMENT,

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SECURITY AGREEMENT OR OTHER MATERIAL CONTRACT TO WHICH SUCH BORROWER OR ITS SUBSIDIARIES MAY BE A PARTY UPON THE CONSUMMATION OF SUCH RELEVANT PERMITTED ACQUISITION. THE RELEVANT PERMITTED ACQUISITION SHALL HAVE BEEN (OR SHALL CONCURRENTLY BE) CONSUMMATED IN ACCORDANCE WITH SUCH AGREEMENTS OR AN AGREEMENT SUBSTANTIALLY SIMILAR TO THE FORM PRESENTED TO THE US ADMINISTRATIVE AGENT.

(B) PRO FORMA COMPLIANCE. THE COMPANY SHALL BE IN COMPLIANCE, ON A

PRO FORMA BASIS AFTER GIVING EFFECT TO THE RELEVANT PERMITTED ACQUISITION, WITH THE COVENANTS CONTAINED IN SUBSECTION 8.10 RECOMPUTED AS AT THE LAST DAY OF THE MOST RECENTLY ENDED CALENDAR MONTH OF THE COMPANY FOR WHICH FINANCIAL STATEMENTS SHALL HAVE BEEN DELIVERED TO THE LENDERS PURSUANT TO SUBSECTION 7.1(A) OR (B) AS IF SUCH RELEVANT PERMITTED ACQUISITION HAD

OCCURRED ON THE FIRST DAY OF EACH RELEVANT PERIOD FOR TESTING SUCH COMPLIANCE, AND THE BORROWER SHALL HAVE DELIVERED TO THE US ADMINISTRATIVE AGENT A CERTIFICATE OF A RESPONSIBLE OFFICER TO SUCH EFFECT, TOGETHER WITH ALL RELEVANT FINANCIAL INFORMATION FOR SUCH SUBSIDIARY OR ASSETS, AND, AFTER GIVING EFFECT TO SUCH TRANSACTION, ANY ACQUIRED OR NEWLY FORMED SUBSIDIARY SHALL NOT BE LIABLE FOR ANY INDEBTEDNESS (EXCEPT FOR INDEBTEDNESS PERMITTED BY SUBSECTION 8.4).

(C) CORPORATE DOCUMENTS. THE US ADMINISTRATIVE AGENT SHALL HAVE

RECEIVED TRUE AND COMPLETE COPIES OF THE CERTIFICATE OF INCORPORATION AND BY-LAWS OF ANY NEW SUBSIDIARY EXECUTING ANY LOAN DOCUMENT TO BE DELIVERED ON SUCH BORROWING DATE, CERTIFIED AS OF SUCH BORROWING DATE AS COMPLETE AND CORRECT COPIES THEREOF BY THE SECRETARY OR AN ASSISTANT SECRETARY OF SUCH NEW SUBSIDIARY.

(D) LITIGATION. NO LITIGATION, INVESTIGATION, INJUNCTION OR

RESTRAINING ORDER SHALL BE PENDING, ENTERED OR THREATENED (INCLUDING ANY PROPOSED STATUTE, RULE OR REGULATION) IN RESPECT OF THE RELEVANT PERMITTED ACQUISITION WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

(E) FILINGS. ALL FILINGS AND OTHER ACTIONS REQUIRED TO CREATE AND

PERFECT A LIEN IN FAVOR OF THE RELEVANT ADMINISTRATIVE AGENT FOR THE BENEFIT OF THE RELEVANT LENDERS IN ALL PROPERTY TO BE ACQUIRED PURSUANT TO THE RELEVANT PERMITTED ACQUISITION SHALL HAVE BEEN DULY MADE OR TAKEN OR ALL NECESSARY FINANCING STATEMENTS AND OTHER DOCUMENTS WITH RESPECT TO SUCH FILING AND OTHER ACTIONS SHALL HAVE BEEN DELIVERED TO THE RELEVANT ADMINISTRATIVE AGENT, AND ALL SUCH PROPERTY SHALL BE FREE AND CLEAR OF OTHER LIENS EXCEPT LIENS PERMITTED UNDER THE LOAN DOCUMENTS; PROVIDED,

HOWEVER, THAT NO SUCH LIENS SHALL BE GRANTED WITH RESPECT TO ANY REAL

PROPERTY ACQUIRED IN A PERMITTED ACQUISITION WITH RESPECT TO WHICH A LIEN PERMITTED BY SUBSECTION 8.1(L) EXISTS AND NO MORTGAGES NEED TO BE FILED EXCEPT AS REQUIRED BY SUBSECTION 7.14.

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(F) LIEN SEARCHES. THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED

COPIES OF THE RESULTS OF ANY SEARCH CONDUCTED IN CONNECTION WITH THE RELEVANT PERMITTED ACQUISITION ON BEHALF OF OR AT THE REQUEST OF ANY LOAN PARTY FOR ANY UNIFORM COMMERCIAL CODE, JUDGMENT, TAX LIEN OR PPSA FILINGS, WHICH MAY HAVE BEEN FILED WITH RESPECT TO PERSONAL PROPERTY WHICH IS TO BE ACQUIRED (OR WHICH IS OWNED BY ANY PERSON TO BE ACQUIRED) IN CONNECTION WITH SUCH PERMITTED ACQUISITION.

(G) PLEDGED STOCK; STOCK POWERS. THE RELEVANT ADMINISTRATIVE AGENT

SHALL HAVE RECEIVED THE CERTIFICATES REPRESENTING ANY ADDITIONAL SHARES OF CAPITAL STOCK TO BE PLEDGED PURSUANT TO THE SECURITY DOCUMENTS IN CONNECTION WITH THE RELEVANT PERMITTED ACQUISITION, TOGETHER WITH AN UNDATED STOCK POWER FOR EACH SUCH CERTIFICATE EXECUTED IN BLANK BY A DULY AUTHORIZED OFFICER OF THE PLEDGOR THEREOF AND EACH ADDENDUM OR SUPPLEMENT AS REQUIRED UNDER SUBSECTIONS 7.15 AND 7.16.

(H) LEGAL OPINIONS. THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED,

WITH A COUNTERPART FOR EACH LENDER, SUCH EXECUTED LEGAL OPINIONS OF COUNSEL TO THE LOAN PARTIES, COVERING SUBSTANTIALLY THE SAME MATTERS AS THE OPINION DELIVERED PURSUANT TO SUBSECTION 6.2(C) (I) OR (II), AS THE CASE MAY BE, WITH RESPECT TO ANY PERSON ACQUIRED IN CONNECTION WITH THE RELEVANT PERMITTED ACQUISITION WHICH SHALL BECOME A PARTY TO A LOAN DOCUMENT.

(I) ENVIRONMENTAL ASSESSMENT. THE US ADMINISTRATIVE AGENT SHALL HAVE

RECEIVED TO THE EXTENT AVAILABLE OR PREPARED ON BEHALF OF THE COMPANY ONE OR MORE ENVIRONMENTAL ASSESSMENTS WITH RESPECT TO THE RELEVANT PERMITTED ACQUISITION, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO IT, CONCERNING ENVIRONMENTAL COMPLIANCE AND LIABILITY ISSUES AFFECTING EITHER BORROWER AND THE OTHER LOAN PARTIES.

6.4 CONDITIONS TO EACH EXTENSION OF CREDIT. THE AGREEMENT OF EACH

LENDER TO MAKE ANY LOAN OR ISSUE OR PARTICIPATE IN ANY LETTER OF CREDIT REQUESTED TO BE MADE OR ISSUED BY IT ON ANY DATE (INCLUDING, WITHOUT LIMITATION, ITS INITIAL LOAN) IS SUBJECT TO THE SATISFACTION OF THE FOLLOWING CONDITIONS PRECEDENT:

(A) REPRESENTATIONS AND WARRANTIES. EACH OF THE REPRESENTATIONS AND

WARRANTIES MADE BY EITHER BORROWER AND ANY OTHER LOAN PARTY IN OR PURSUANT TO THE LOAN DOCUMENTS SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH DATE AS IF MADE ON AND AS OF SUCH DATE, EXCEPT FOR REPRESENTATIONS AND WARRANTIES STATED TO RELATE TO A SPECIFIC EARLIER DATE, IN WHICH CASE SUCH REPRESENTATIONS AND WARRANTIES SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH EARLIER DATE.

(B) NO DEFAULT. NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED

AND BE CONTINUING ON SUCH DATE OR AFTER GIVING

EFFECT TO THE LOANS OR LETTER OF CREDIT REQUESTED TO BE MADE OR ISSUED ON SUCH DATE.

(C) ADDITIONAL MATTERS. ALL CORPORATE AND OTHER PROCEEDINGS, AND ALL

DOCUMENTS, INSTRUMENTS AND OTHER LEGAL MATTERS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE REASONABLY SATISFACTORY IN FORM AND SUBSTANCE TO THE US ADMINISTRATIVE AGENT, AND THE US ADMINISTRATIVE AGENT SHALL HAVE RECEIVED SUCH OTHER DOCUMENTS AND LEGAL OPINIONS IN RESPECT OF ANY ASPECT OR CONSEQUENCE OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY AS THEY SHALL REASONABLY REQUEST.

EACH BORROWING BY AND ISSUANCE OF A LETTER OF CREDIT ON BEHALF OF EITHER BORROWER HEREUNDER SHALL CONSTITUTE A REPRESENTATION AND WARRANTY BY THE BORROWERS AS OF THE DATE THEREOF THAT THE CONDITIONS CONTAINED IN THIS SUBSECTION HAVE BEEN SATISFIED.

SECTION 7. AFFIRMATIVE COVENANTS

THE COMPANY HEREBY AGREES THAT, SO LONG AS THE COMMITMENTS OR ANY LETTER OF CREDIT REMAIN OR REMAINS IN EFFECT OR ANY AMOUNT IS OWING TO ANY LENDER OR ANY ADMINISTRATIVE AGENT HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT, THE COMPANY SHALL AND (EXCEPT IN THE CASE OF DELIVERY OF FINANCIAL INFORMATION, REPORTS AND NOTICES) SHALL CAUSE EACH OF ITS SUBSIDIARIES TO:

7.1 FINANCIAL STATEMENTS, ETC. FURNISH TO THE US ADMINISTRATIVE

AGENT FOR DISTRIBUTION TO EACH LENDER:

(A) AS SOON AS AVAILABLE, BUT IN ANY EVENT WITHIN 120 DAYS AFTER THE END OF EACH FISCAL YEAR OF THE COMPANY, A COPY OF THE CONSOLIDATED AND CONSOLIDATING BALANCE SHEETS OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT THE END OF SUCH YEAR AND THE RELATED CONSOLIDATED AND CONSOLIDATING STATEMENT OF INCOME AND THE RELATED CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND CASH FLOWS FOR SUCH FISCAL YEAR AND SETTING FORTH COMPARATIVE FIGURES FOR THE PRECEDING FISCAL YEAR AND, IN THE CASE OF THE CONSOLIDATED STATEMENTS, CERTIFIED BY ARTHUR ANDERSEN LLP OR OTHER INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS OF RECOGNIZED NATIONAL STANDING REASONABLY ACCEPTABLE TO THE REQUIRED LENDERS, TOGETHER WITH COMPARATIVE FIGURES FOR THE PRECEDING FISCAL YEAR PREPARED BY THE COMPANY AND AN UNAUDITED SCHEDULE PREPARED BY THE COMPANY CONTAINING COMPARABLE BUDGETED FIGURES FOR SUCH PERIOD; AND

(B) AS SOON AS AVAILABLE, BUT IN ANY EVENT WITHIN 45 DAYS AFTER THE END OF EACH OF THE FIRST THREE QUARTERLY PERIODS OF EACH FISCAL YEAR OF THE COMPANY, THE UNAUDITED CONSOLIDATED BALANCE SHEETS OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES AS AT THE END OF SUCH QUARTER AND THE RELATED UNAUDITED CONSOLIDATED STATEMENTS OF INCOME, RETAINED

EARNINGS AND OF CASH FLOWS OF THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES

FOR SUCH QUARTER AND THE PORTION OF THE FISCAL YEAR THROUGH THE END OF SUCH QUARTER, SETTING FORTH (I) IN THE CASE OF SUCH CONSOLIDATED BALANCE SHEET, IN COMPARATIVE FORM THE FIGURES AS AT THE END OF THE PREVIOUS FISCAL YEAR AND (II) IN THE CASE OF SUCH CONSOLIDATED STATEMENTS OF INCOME AND OF CASH FLOWS, IN COMPARATIVE FORM THE BUDGETED FIGURES FOR SUCH QUARTER AND THE FIGURES FOR THE CORRESPONDING QUARTER OF THE PREVIOUS FISCAL YEAR, CERTIFIED BY A RESPONSIBLE OFFICER AS BEING FAIRLY STATED IN ACCORDANCE WITH GAAP IN ALL MATERIAL RESPECTS (SUBJECT TO NORMAL YEAR-END AUDIT ADJUSTMENTS);

ALL SUCH FINANCIAL STATEMENTS SHALL BE COMPLETE AND CORRECT IN ALL MATERIAL RESPECTS AND SHALL BE PREPARED IN REASONABLE DETAIL AND IN ACCORDANCE WITH GAAP APPLIED CONSISTENTLY THROUGHOUT THE PERIODS REFLECTED THEREIN AND WITH PRIOR PERIODS (EXCEPT AS APPROVED BY SUCH ACCOUNTANTS OR RESPONSIBLE OFFICER, AS THE CASE MAY BE, AND DISCLOSED THEREIN).

7.2 CERTIFICATES; OTHER INFORMATION. FURNISH TO THE US

ADMINISTRATIVE AGENT FOR DISTRIBUTION TO EACH LENDER:

(A) CONCURRENTLY WITH THE DELIVERY OF THE FINANCIAL STATEMENTS REFERRED TO IN SUBSECTION 7.1(A), A CERTIFICATE OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REPORTING ON SUCH FINANCIAL STATEMENTS STATING THAT IN CONNECTION WITH THEIR AUDIT NOTHING HAS COME TO THEIR ATTENTION TO CAUSE THEM TO BELIEVE THAT THE COMPANY OR ANY OF ITS SUBSIDIARIES FAILED TO COMPLY WITH THE COVENANTS CONTAINED IN SECTIONS 7 AND 8; PROVIDED, HOWEVER,

THAT SUCH AUDIT SHALL NOT HAVE BEEN DIRECTED PRIMARILY TOWARD OBTAINING KNOWLEDGE OF SUCH NONCOMPLIANCE, EXCEPT AS SPECIFIED IN SUCH CERTIFICATE;

(B) CONCURRENTLY WITH THE DELIVERY OF THE FINANCIAL STATEMENTS REFERRED TO IN SUBSECTIONS 7.1(A) AND (B), A CERTIFICATE OF A RESPONSIBLE OFFICER ("COMPLIANCE CERTIFICATE") STATING THAT, TO THE BEST OF SUCH

RESPONSIBLE OFFICER'S KNOWLEDGE, DURING SUCH PERIOD (I) NO SUBSIDIARY HAS BEEN FORMED OR ACQUIRED (OR, IF ANY SUCH SUBSIDIARY HAS BEEN FORMED OR ACQUIRED, THE COMPANY HAS COMPLIED WITH THE REQUIREMENTS OF SUBSECTIONS 7.15 AND 7.16 WITH RESPECT THERETO), (II) NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES HAS CHANGED ITS NAME, ITS PRINCIPAL PLACE OF BUSINESS, ITS CHIEF EXECUTIVE OFFICE OR THE LOCATION OF ANY MATERIAL ITEM OF TANGIBLE COLLATERAL WITHOUT COMPLYING WITH THE REQUIREMENTS OF THIS AGREEMENT AND THE SECURITY DOCUMENTS WITH RESPECT THERETO, (III) THE COMPANY IN ALL MATERIAL RESPECTS HAS OBSERVED OR PERFORMED ALL OF ITS COVENANTS AND OTHER AGREEMENTS, AND SATISFIED EVERY CONDITION, CONTAINED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO BE OBSERVED, PERFORMED OR SATISFIED BY IT, EXCEPT AS SPECIFIED IN SUCH CERTIFICATE, AND (IV) THE COMPANY HAS SET FORTH IN REASONABLE DETAIL ANY AND ALL CALCULATIONS NECESSARY TO SHOW COMPLIANCE WITH ALL OF THE FINANCIAL CONDITION COVENANTS SET FORTH IN SUBSECTIONS 8.3 THROUGH 8.5 INCLUSIVE, AND 8.7 THROUGH

8.10 INCLUSIVE, INCLUDING, WITHOUT LIMITATION, CALCULATIONS AND RECONCILIATIONS, IF ANY, NECESSARY TO SHOW COMPLIANCE WITH SUCH FINANCIAL CONDITION COVENANTS ON THE BASIS OF GAAP CONSISTENT WITH THOSE UTILIZED IN PREPARING THE AUDITED FINANCIAL STATEMENTS REFERRED TO IN SUBSECTION 5.1, AND SUCH RESPONSIBLE OFFICER HAS OBTAINED NO KNOWLEDGE OF ANY DEFAULT OR EVENT OF DEFAULT EXCEPT AS SPECIFIED IN SUCH CERTIFICATE;

(C) NO LATER THAN 30 DAYS AFTER THE FIRST DAY OF EACH FISCAL YEAR OF THE COMPANY, A BUDGET FOR THE COMPANY AND ITS SUBSIDIARIES USING A FORMAT REASONABLY SATISFACTORY TO THE ADMINISTRATIVE AGENTS AND THE REQUIRED LENDERS (INCLUDING BUDGETED STATEMENTS OF INCOME AND SOURCES AND USES OF CASH AND BALANCE SHEETS) PREPARED BY THE COMPANY FOR EACH FISCAL QUARTER OF SUCH FISCAL YEAR, PREPARED IN REASONABLE DETAIL WITH APPROPRIATE PRESENTATION AND DISCUSSION OF THE PRINCIPAL ASSUMPTIONS UPON WHICH SUCH BUDGETS ARE BASED, ACCOMPANIED BY THE STATEMENT OF A RESPONSIBLE OFFICER OF THE COMPANY TO THE EFFECT THAT, TO THE BEST OF HIS KNOWLEDGE, THE BUDGET IS A REASONABLE ESTIMATE FOR THE PERIOD COVERED THEREBY;

(D) WITHIN FIVE DAYS AFTER THE SAME ARE FILED, COPIES OF ALL FINANCIAL STATEMENTS AND REPORTS WHICH EITHER BORROWER MAY MAKE TO, OR FILE WITH, THE SECURITIES AND EXCHANGE COMMISSION OR ANY SUCCESSOR OR ANALOGOUS GOVERNMENTAL AUTHORITY; AND

(E) PROMPTLY, SUCH ADDITIONAL FINANCIAL AND OTHER INFORMATION AS ANY LENDER MAY FROM TIME TO TIME REASONABLY REQUEST.

7.3 BOOKS, RECORDS AND INSPECTIONS. THE COMPANY AND ITS SUBSIDIARIES

WILL KEEP PROPER BOOKS OF RECORD AND ACCOUNT IN WHICH FULL, TRUE AND CORRECT ENTRIES IN CONFORMITY WITH GAAP AND ALL REQUIREMENTS OF LAW SHALL BE MADE OF ALL DEALINGS AND TRANSACTIONS IN RELATION TO ITS BUSINESS AND ACTIVITIES. THE COMPANY AND ITS SUBSIDIARIES WILL PERMIT OFFICERS AND DESIGNATED REPRESENTATIVES OF EITHER ADMINISTRATIVE AGENT OR ANY LENDER TO VISIT AND INSPECT, UNDER GUIDANCE OF OFFICERS OF THE COMPANY OR SUCH SUBSIDIARIES, ANY OF THE PROPERTIES OF THE COMPANY AND ITS SUBSIDIARIES, AND TO EXAMINE THE BOOKS OF ACCOUNT OF THE COMPANY AND ITS SUBSIDIARIES AND DISCUSS THE AFFAIRS, FINANCES AND ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES WITH, AND BE ADVISED AS TO THE SAME BY, ITS AND THEIR RESPECTIVE OFFICERS, ALL AT SUCH REASONABLE TIMES AND INTERVALS AND TO SUCH REASONABLE EXTENT AS EITHER ADMINISTRATIVE AGENT OR SUCH LENDER MAY REQUEST.

7.4 MAINTENANCE OF PROPERTY, INSURANCE. (A) SCHEDULE 7.4 SETS FORTH

A TRUE AND COMPLETE LISTING OF ALL INSURANCE MAINTAINED BY THE COMPANY AND ITS SUBSIDIARIES WITH RESPECT TO ITS PROPERTY AS OF THE CLOSING DATE. THE COMPANY AND ITS SUBSIDIARIES WILL (I) KEEP ALL PROPERTY NECESSARY IN ITS BUSINESS IN GOOD WORKING ORDER AND CONDITION (ORDINARY WEAR AND TEAR EXCEPTED), (II)

MAINTAIN WITH FINANCIALLY SOUND AND REPUTABLE INSURANCE COMPANIES INSURANCE ON ALL ITS PROPERTY IN AT LEAST SUCH AMOUNTS AND AGAINST AT LEAST SUCH

RISKS AS IS CONSISTENT AND IN ACCORDANCE WITH INDUSTRY PRACTICE FOR COMPANIES SIMILARLY SITUATED AND (III) FURNISH TO EACH LENDER, UPON WRITTEN REQUEST, FULL INFORMATION AS TO THE INSURANCE CARRIED.

(B) THE COMPANY WILL (I) MAINTAIN WITH A FINANCIALLY SOUND AND REPUTABLE INSURANCE COMPANY KEY-MAN INSURANCE ON J. PETER PIERCE OF AT LEAST US\$1,000,000 AND (II) FURNISH TO EACH LENDER, UPON WRITTEN REQUEST, FULL INFORMATION AS TO THE INSURANCE CARRIED.

(C) AT ANY TIME THAT INSURANCE AT LEVELS DESCRIBED IN SCHEDULE 7.4 OR AT THE LEVEL DESCRIBED IN SUBSECTION 7.4(B) IS NOT BEING MAINTAINED BY THE COMPANY, THE COMPANY WILL NOTIFY THE LENDERS IN WRITING WITHIN TWO BUSINESS DAYS THEREOF. THE PROVISIONS OF THIS SUBSECTION 7.4 SHALL BE DEEMED TO BE SUPPLEMENTAL TO, BUT NOT DUPLICATIVE OF, THE PROVISIONS OF ANY SECURITY DOCUMENT THAT REQUIRE THE MAINTENANCE OF INSURANCE.

7.5 CORPORATE FRANCHISES. THE COMPANY AND ITS SUBSIDIARIES WILL DO

ALL THINGS NECESSARY TO PRESERVE AND KEEP IN FULL FORCE AND EFFECT ITS EXISTENCE AND ALL OF ITS RIGHTS, FRANCHISES, LICENSES AND PATENTS, EXCEPT WHERE THE FAILURE TO DO SO COULD NOT HAVE BEEN REASONABLY EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT; PROVIDED, HOWEVER, NOTHING IN THIS SUBSECTION 7.5 SHALL PREVENT

THE WITHDRAWAL BY THE COMPANY OR ANY OF ITS SUBSIDIARIES OF ITS QUALIFICATION AS A FOREIGN CORPORATION IN A JURISDICTION IN WHICH SUCH WITHDRAWAL COULD NOT BE REASONABLY EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

7.6 COMPLIANCE WITH STATUTES, ETC. THE COMPANY AND ITS SUBSIDIARIES

WILL COMPLY WITH ALL APPLICABLE STATUTES, REGULATIONS AND ORDERS OF, AND ALL APPLICABLE RESTRICTIONS IMPOSED BY, ALL GOVERNMENTAL AUTHORITIES, DOMESTIC OR FOREIGN, IN RESPECT OF THE CONDUCT OF ITS BUSINESS AND THE OWNERSHIP OF ITS PROPERTY EXCEPT SUCH NONCOMPLIANCES AS COULD NOT, INDIVIDUALLY OR IN THE AGGREGATE, REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

7.7 COMPLIANCE WITH ENVIRONMENTAL LAWS. (A) THE COMPANY AND ITS

SUBSIDIARIES WILL COMPLY IN ALL MATERIAL RESPECTS WITH ALL ENVIRONMENTAL LAWS APPLICABLE TO OWNERSHIP OR USE OF THEIR REAL PROPERTY (INCLUDING, WITHOUT LIMITATION, STATE LAWS APPLICABLE TO UNDERGROUND STORAGE TANKS), WILL PROMPTLY PAY OR CAUSE TO BE PAID BY OTHER RESPONSIBLE PARTIES ALL COSTS AND EXPENSES INCURRED IN SUCH COMPLIANCE, AND WILL KEEP OR CAUSE TO BE KEPT ALL SUCH REAL PROPERTIES FREE AND CLEAR OF ANY LIENS OR ANY RESTRICTIONS ON THE OWNERSHIP, OCCUPANCY, USE OR TRANSFERABILITY OF SUCH REAL PROPERTY IMPOSED PURSUANT TO SUCH ENVIRONMENTAL LAWS, EXCEPT WHERE THE FAILURE TO DO SO COULD NOT HAVE BEEN

REASONABLY EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT. NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES WILL USE OR STORE OR KNOWINGLY PERMIT THE USE OR STORAGE OF HAZARDOUS MATERIALS ON ANY OF ITS RESPECTIVE REAL PROPERTY, OR TRANSPORT OR KNOWINGLY PERMIT THE TRANSPORTATION OF HAZARDOUS MATERIALS TO OR FROM ANY OF ITS RESPECTIVE REAL PROPERTY EXCEPT IN MATERIAL COMPLIANCE WITH ENVIRONMENTAL LAWS. NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES WILL GENERATE, TREAT, RELEASE OR DISPOSE

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OF, OR PERMIT THE GENERATION, TREATMENT, RELEASE OR DISPOSAL OF, HAZARDOUS MATERIALS ON ANY OF ITS RESPECTIVE REAL PROPERTY EXCEPT IN MATERIAL COMPLIANCE WITH ENVIRONMENTAL LAWS.

(B) AT THE REASONABLE REQUEST OF EITHER ADMINISTRATIVE AGENT OR THE REQUIRED LENDERS THAT AT ANY TIME THERE EXISTS A CONDITION OR SET OF CIRCUMSTANCES OR FACTS WHICH HAS GIVEN RISE TO A MATERIAL ENVIRONMENTAL CLAIM, MATERIAL NONCOMPLIANCE WITH AN ENVIRONMENTAL LAW OR AN EVENT OF DEFAULT EXISTS WITH RESPECT TO THIS SECTION 7.7, THE COMPANY WILL PROVIDE, AT ITS SOLE COST AND EXPENSE, AN ENVIRONMENTAL SITE ASSESSMENT REPORT CONCERNING SUCH REAL PROPERTY OF THE COMPANY OR ITS SUBSIDIARIES WHICH IS AFFECTED BY ANY ENVIRONMENTAL CLAIM, OR NONCOMPLIANCE WITH AN ENVIRONMENTAL LAW OR MATERIAL EVENT OF DEFAULT, PREPARED BY AN ENVIRONMENTAL CONSULTING FIRM APPROVED BY THE US ADMINISTRATIVE AGENT OR THE REQUIRED LENDERS, INDICATING THE PRESENCE OR RELEASE OR ABSENCE OF HAZARDOUS MATERIALS AND THE POTENTIAL COST OF ANY REQUIRED REMOVAL OR REMEDIAL ACTION IN CONNECTION WITH ANY HAZARDOUS MATERIALS ON SUCH REAL PROPERTY. IF THE COMPANY FAILS TO PROVIDE THE SAME WITHIN SIXTY (60) DAYS AFTER SUCH REQUEST IS MADE OR WITHIN A REASONABLE TIME THEREAFTER, THE US ADMINISTRATIVE AGENT OR THE REQUIRED LENDERS MAY UPON TEN (10) DAYS' PRIOR NOTICE ORDER THE SAME OR UNDERTAKE SUCH AN ASSESSMENT ALL AT THE EXPENSE OF THE COMPANY, AND THE COMPANY OR ITS SUBSIDIARY SHALL GRANT AND HEREBY GRANTS TO THE US ADMINISTRATIVE AGENT AND THE LENDERS AND THEIR AGENTS ACCESS TO SUCH REAL PROPERTY.

7.8 ERISA; CANADIAN PENSION PLANS. (A) AS SOON AS POSSIBLE AND, IN

ANY EVENT, WITHIN 10 DAYS AFTER THE COMPANY OR ANY ERISA AFFILIATE KNOWS OR HAS REASON TO KNOW OF THE OCCURRENCE OF ANY OF THE FOLLOWING, THE COMPANY WILL DELIVER TO EACH OF THE LENDERS A CERTIFICATE OF A RESPONSIBLE OFFICER OF THE COMPANY SETTING FORTH DETAILS AS TO SUCH OCCURRENCE AND THE ACTION, IF ANY, WHICH THE COMPANY OR SUCH ERISA AFFILIATE IS REQUIRED OR PROPOSES TO TAKE, TOGETHER WITH ANY NOTICES REQUIRED OR PROPOSED TO BE GIVEN TO OR FILED WITH OR BY THE COMPANY, THE ERISA AFFILIATE, THE PBGC, A PLAN PARTICIPANT OR THE PLAN ADMINISTRATOR WITH RESPECT THERETO: THAT A REPORTABLE EVENT HAS OCCURRED; THAT AN ACCUMULATED FUNDING DEFICIENCY HAS BEEN INCURRED OR AN APPLICATION MAY BE OR HAS BEEN MADE TO THE SECRETARY OF THE TREASURY FOR A WAIVER OR MODIFICATION OF THE MINIMUM FUNDING STANDARD (INCLUDING ANY REQUIRED INSTALLMENT PAYMENTS) OR AN EXTENSION OF ANY AMORTIZATION PERIOD UNDER SECTION 412 OF THE CODE WITH RESPECT TO A PLAN; THAT A PLAN HAS BEEN OR MAY BE TERMINATED, REORGANIZED, PARTITIONED OR DECLARED INSOLVENT UNDER TITLE IV OF ERISA; THAT A PLAN HAS AN UNFUNDED CURRENT LIABILITY GIVING RISE TO A LIEN UNDER ERISA OR THE CODE; THAT

PROCEEDINGS MAY BE OR HAVE BEEN INSTITUTED TO TERMINATE A PLAN; THAT A PROCEEDING HAS BEEN INSTITUTED PURSUANT TO SECTION 515 OF ERISA TO COLLECT A DELINQUENT CONTRIBUTION TO A PLAN; OR THAT THE COMPANY OR ANY ERISA AFFILIATE WILL OR MAY INCUR ANY LIABILITY (INCLUDING ANY CONTINGENT OR SECONDARY LIABILITY) TO OR ON ACCOUNT OF THE TERMINATION OF OR WITHDRAWAL FROM A PLAN UNDER SECTION 4062, 4063, 4064, 4069, 4201 OR 4204 OF ERISA OR WITH RESPECT TO A PLAN UNDER SECTION 4971 OR 4975 OF THE CODE OR SECTION 409 OR 502(I) OR 502(1) OF ERISA. THE COMPANY

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WILL DELIVER TO EACH OF THE LENDERS A COMPLETE COPY OF THE ANNUAL REPORT (FORM 5500) OF EACH PLAN REQUIRED TO BE FILED WITH THE INTERNAL REVENUE SERVICE. IN ADDITION TO ANY CERTIFICATES OR NOTICES DELIVERED TO THE LENDERS PURSUANT TO THE FIRST SENTENCE HEREOF, COPIES OF ANNUAL REPORTS AND ANY NOTICES RECEIVED BY THE COMPANY OR ANY ERISA AFFILIATE WITH RESPECT TO ANY PLAN SHALL BE DELIVERED TO THE LENDERS NO LATER THAN 10 DAYS AFTER THE LATER OF THE DATE SUCH REPORT OR NOTICE HAS BEEN FILED WITH THE INTERNAL REVENUE SERVICE OR RECEIVED BY THE COMPANY OR THE ERISA AFFILIATE.

(B) AS SOON AS POSSIBLE AND, IN ANY EVENT, WITHIN 10 DAYS AFTER THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY KNOWS OF ANY OF THE FOLLOWING, THE COMPANY WILL DELIVER TO THE US ADMINISTRATIVE AGENT A CERTIFICATE SETTING FORTH THE DETAILS OF ANY SUCH OCCURRENCE OR CONDITION AND SUCH ACTION, IF ANY, WHICH IS REQUIRED OR PROPOSED TO BE TAKEN, TOGETHER WITH ANY NOTICES REQUIRED OR PROPOSED TO BE GIVEN TO OR FILED WITH OR BY THE COMPANY OR SUCH SUBSIDIARY, THE RELEVANT PENSION OR TAX REGULATORY AUTHORITY, A CURRENT OR FORMER MEMBER OF A CANADIAN PENSION PLAN, AN ADMINISTRATOR OR MEMBER OF AN ADVISORY COMMITTEE OF A CANADIAN PENSION PLAN OR A UNION REPRESENTING CURRENT OR FORMER MEMBERS OF A CANADIAN PENSION PLAN WITH RESPECT THERETO: THAT A CANADIAN PENSION PLAN IS NOT IN SUBSTANTIAL COMPLIANCE WITH ANY APPLICABLE PENSION BENEFITS AND TAX LAWS; THAT A CANADIAN PENSION PLAN HAS AN UNFUNDED LIABILITY (EITHER ON A "GOING CONCERN" OR ON A "WINDING UP" BASIS AND DETERMINED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND USING ASSUMPTIONS AND METHODS THAT ARE APPROPRIATE IN THE CIRCUMSTANCES AND IN ACCORDANCE WITH GENERALLY ACCEPTED ACTUARIAL PRINCIPLES AND PRACTICES IN CANADA); THAT ANY CONTRIBUTION (INCLUDING ANY SPECIAL PAYMENT TO AMORTIZE ANY UNFUNDED LIABILITY) REQUIRED TO BE MADE IN ACCORDANCE WITH ANY APPLICABLE LAW OR THE TERMS OF A CANADIAN PENSION PLAN HAS NOT BEEN MADE; THAT AN EVENT HAS OCCURRED OR A CONDITION EXISTS WITH RESPECT TO A CANADIAN PENSION PLAN THAT HAS RESULTED OR COULD RESULT IN THE CANADIAN PENSION PLAN BEING ORDERED OR REQUIRED TO BE WOUND UP IN WHOLE OR IN PART PURSUANT TO ANY APPLICABLE PENSION BENEFITS LAWS OR HAVING ITS REGISTRATION REVOKED OR REFUSED FOR THE PURPOSES OF ANY APPLICABLE PENSION BENEFITS AND TAX LAWS OR BEING PLACED UNDER THE ADMINISTRATION OF ANY RELEVANT PENSION BENEFITS REGULATORY AUTHORITY OR BEING REQUIRED TO PAY ANY TAXES OR PENALTIES UNDER ANY APPLICABLE PENSION BENEFITS AND TAX LAWS; THAT AN ORDER HAS BEEN MADE OR NOTICE HAS BEEN GIVEN PURSUANT TO ANY APPLICABLE PENSION BENEFITS AND TAX LAWS IN RESPECT OF ANY CANADIAN PENSION PLAN REQUIRING (OR PROPOSING TO REQUIRE) ANY PERSON TO TAKE OR REFRAIN FROM TAKING ANY ACTION IN RESPECT THEREOF OR THAT THERE HAS (OR THERE ARE CIRCUMSTANCES THAT INDICATE THAT THERE HAS) BEEN A CONTRAVENTION OF ANY SUCH

APPLICABLE LAWS; OR THAT AN EVENT HAS OCCURRED OR A CONDITION EXISTS THAT HAS RESULTED OR COULD RESULT IN THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY BEING REQUIRED TO PAY, REPAY OR REFUND ANY AMOUNT (OTHER THAN CONTRIBUTIONS REQUIRED TO BE MADE OR EXPENSES REQUIRED TO BE PAID IN THE ORDINARY COURSE) TO OR ON ACCOUNT OF ANY CANADIAN PENSION PLAN OR A CURRENT OR FORMER MEMBER THEREOF; OR THAT AN EVENT HAS OCCURRED OR A CONDITION EXISTS THAT HAS RESULTED OR COULD RESULT IN A PAYMENT BEING MADE OUT OF A GUARANTEE

FUND ESTABLISHED UNDER THE APPLICABLE PENSION BENEFITS LAWS IN RESPECT OF A CANADIAN PENSION PLAN.

(C) THE COMPANY WILL, AND WILL CAUSE EACH OF ITS SUBSIDIARIES, TO MAKE ALL CONTRIBUTIONS (INCLUDING ANY SPECIAL PAYMENTS TO AMORTIZE ANY UNFUNDED LIABILITIES) REQUIRED TO BE MADE IN ACCORDANCE WITH ALL APPLICABLE LAWS AND THE TERMS OF EACH CANADIAN PENSION PLAN IN A TIMELY MANNER.

7.9 END OF FISCAL YEARS; FISCAL QUARTERS. THE COMPANY WILL CAUSE ITS

AND EACH OF ITS SUBSIDIARIES' FISCAL YEARS TO END ON DECEMBER 31, AND EACH OF ITS AND ITS SUBSIDIARIES' FIRST THREE FISCAL QUARTERS TO END ON MARCH 31, JUNE 30 AND SEPTEMBER 30.

7.10 PERFORMANCE OF OBLIGATIONS. THE COMPANY WILL, AND WILL CAUSE

EACH OF ITS SUBSIDIARIES TO, PERFORM ALL OF ITS OBLIGATIONS UNDER THE TERMS OF EACH MORTGAGE, INDENTURE, SECURITY AGREEMENT AND OTHER DEBT INSTRUMENT BY WHICH IT IS BOUND AND EACH OTHER AGREEMENT OR CONTRACT TO WHICH IT IS A PARTY, EXCEPT SUCH NON-PERFORMANCES AS COULD NOT REASONABLY BE EXPECTED TO INDIVIDUALLY OR IN THE AGGREGATE HAVE A MATERIAL ADVERSE EFFECT.

7.11 PAYMENT OF TAXES. EACH OF THE COMPANY AND ITS SUBSIDIARIES WILL

PAY AND DISCHARGE ALL TAXES, ASSESSMENTS AND GOVERNMENTAL CHARGES OR LEVIES IMPOSED UPON IT OR UPON ITS INCOME OR PROFITS, OR UPON ANY PROPERTIES BELONGING TO IT, PRIOR TO THE DATE ON WHICH PENALTIES ATTACH THERETO, AND ALL LAWFUL CLAIMS WHICH, IF UNPAID, MIGHT BECOME A LIEN UPON ANY PROPERTIES OF SUCH PERSON; PROVIDED, THAT SUCH PERSON SHALL NOT BE REQUIRED TO PAY ANY SUCH TAX,

ASSESSMENT, CHARGE, LEVY OR CLAIM WHICH IS BEING CONTESTED IN GOOD FAITH AND BY PROPER PROCEEDINGS IF IT HAS MAINTAINED ADEQUATE RESERVES WITH RESPECT THERETO IN ACCORDANCE WITH GAAP.

7.12 USE OF PROCEEDS. THE PROCEEDS OF LOANS SHALL BE USED BY THE

BORROWERS (I) TO FUND PERMITTED ACQUISITIONS, (II) PROVIDED THAT NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING, TO PROVIDE FUNDS IN AN AGGREGATE AMOUNT NOT TO EXCEED US\$5,000,000 PER ANNUM, THROUGH DECEMBER 31, 2000, FOR THE PURCHASE, REPURCHASE, REDEMPTION OR OTHER PAYMENT IN RESPECT OF

SHARES OF THE COMMON STOCK OF THE COMPANY, (III) PROVIDED THAT NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING, TO PROVIDE FUNDS IN AN AGGREGATE AMOUNT NOT TO EXCEED US\$50,000,000 FOR THE PURCHASE, REPURCHASE, REDEMPTION OR OTHER PAYMENT IN RESPECT OF THE 1996 SENIOR SUBORDINATED NOTES, THE 1997 SENIOR SUBORDINATED NOTES OR THE 1998 SENIOR NOTES AND (IV) FOR GENERAL CORPORATE PURPOSES, INCLUDING TO FINANCE THE WORKING CAPITAL NEEDS OF THE BORROWERS. THE LETTERS OF CREDIT SHALL BE USED FOR GENERAL CORPORATE PURPOSES OF THE US BORROWER.

7.13 NOTICES. PROMPTLY GIVE NOTICE TO THE US ADMINISTRATIVE AGENT

AND EACH LENDER OF:

(A) THE OCCURRENCE OF ANY DEFAULT OR EVENT OF DEFAULT;

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(B) ANY (I) DEFAULT OR EVENT OF DEFAULT UNDER ANY CONTRACTUAL OBLIGATION OF THE COMPANY OR ANY OF ITS SUBSIDIARIES, INCLUDING, WITHOUT LIMITATION, UNDER THE 1996 SENIOR SUBORDINATED NOTES, THE 1997 SENIOR SUBORDINATED NOTES AND THE 1998 SENIOR NOTES OR (II) LITIGATION, INVESTIGATION OR PROCEEDING WHICH MAY EXIST AT ANY TIME BETWEEN THE COMPANY OR ANY OF ITS SUBSIDIARIES AND ANY GOVERNMENTAL AUTHORITY, WHICH IN EITHER CASE, IF NOT CURED OR IF ADVERSELY DETERMINED, AS THE CASE MAY BE, COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT;

(C) ANY LITIGATION OR PROCEEDING AFFECTING THE COMPANY OR ANY OF ITS SUBSIDIARIES (I) IN WHICH THE AMOUNT INVOLVED IS US\$3,000,000 OR MORE AND NOT COVERED BY INSURANCE OR (II) IN WHICH INJUNCTIVE OR SIMILAR RELIEF IS SOUGHT WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT;

(D) ANY MATERIAL ADVERSE CHANGE IN THE BUSINESS, OPERATIONS, PROPERTY, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF THE BORROWER AND ITS SUBSIDIARIES TAKEN AS A WHOLE; AND

(E) AS SOON AS POSSIBLE AFTER A RESPONSIBLE OFFICER OF THE COMPANY KNOWS OR REASONABLY SHOULD KNOW THEREOF, (I) ANY RELEASE BY THE COMPANY OR ANY OF ITS SUBSIDIARIES OF ANY HAZARDOUS MATERIALS REQUIRED TO BE REPORTED UNDER APPLICABLE ENVIRONMENTAL LAWS TO ANY GOVERNMENTAL AUTHORITY, UNLESS THE COMPANY REASONABLY DETERMINES THAT THE TOTAL ENVIRONMENTAL COSTS ARISING OUT OF SUCH RELEASE OR DISCHARGE ARE UNLIKELY TO EXCEED US\$1,000,000 OR TO HAVE A MATERIAL ADVERSE EFFECT; (II) ANY CONDITION, CIRCUMSTANCE, OCCURRENCE OR EVENT NOT PREVIOUSLY DISCLOSED IN WRITING TO THE US ADMINISTRATIVE AGENT THAT COULD RESULT IN LIABILITY UNDER APPLICABLE ENVIRONMENTAL LAWS UNLESS THE COMPANY REASONABLY DETERMINES THAT THE TOTAL ENVIRONMENTAL COSTS ARISING OUT OF SUCH CONDITION, CIRCUMSTANCE, OCCURRENCE OR EVENT ARE UNLIKELY TO EXCEED US\$1,000,000 OR TO HAVE A MATERIAL ADVERSE EFFECT, OR COULD RESULT IN THE IMPOSITION OF ANY LIEN OR OTHER RESTRICTION ON THE TITLE, OWNERSHIP OR TRANSFERABILITY OF ANY FACILITIES AND PROPERTIES

OWNED, LEASED OR OPERATED BY THE COMPANY OR ANY OF ITS SUBSIDIARIES THAT COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT; AND (III) ANY PROPOSED ACTION TO BE TAKEN BY THE COMPANY OR ANY OF ITS SUBSIDIARIES THAT WOULD REASONABLY BE EXPECTED TO SUBJECT THE COMPANY OR ANY OF ITS SUBSIDIARIES TO ANY MATERIAL ADDITIONAL OR DIFFERENT REQUIREMENTS OR LIABILITIES UNDER ENVIRONMENTAL LAWS, UNLESS THE COMPANY DETERMINES THAT THE TOTAL ENVIRONMENTAL COSTS ARISING OUT OF SUCH PROPOSED ACTION ARE UNLIKELY TO EXCEED US\$1,000,000 OR TO HAVE A MATERIAL ADVERSE EFFECT.

EACH NOTICE PURSUANT TO THIS SUBSECTION SHALL BE ACCOMPANIED BY A STATEMENT OF A RESPONSIBLE OFFICER SETTING FORTH DETAILS OF THE OCCURRENCE REFERRED TO THEREIN AND STATING WHAT ACTION THE BORROWER PROPOSES TO TAKE WITH RESPECT THERETO.

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7.14 ADDITIONAL MORTGAGES. (A) THE COMPANY SHALL GRANT, AND SHALL

CAUSE ITS CANADIAN SUBSIDIARIES AND DOMESTIC SUBSIDIARIES TO GRANT, TO THE RELEVANT ADMINISTRATIVE AGENT, FOR THE BENEFIT OF THE RELEVANT LENDERS A LIEN AND SECURITY INTEREST IN ANY REAL PROPERTY OF SUCH PERSON NOT COVERED BY A MORTGAGE (INCLUDING, WITHOUT LIMITATION, ANY REAL PROPERTY ACQUIRED BY SUCH LOAN PARTY PURSUANT TO A PERMITTED ACQUISITION, BUT EXCLUDING ANY PROPERTY THAT HAS A LIEN THEREON PERMITTED BY SUBSECTION 8.1(L)) SO LONG AS THE FAIR MARKET VALUE OF SUCH PROPERTY EXCEEDS US\$5,000,000 (OR THE C\$ EQUIVALENT THEREOF) AN "ADDITIONAL

MORTGAGED PROPERTY"), AND SHALL TAKE ALL ACTIONS REASONABLY REQUESTED BY THE US

ADMINISTRATIVE AGENT (INCLUDING, WITHOUT LIMITATION, THE OBTAINING OF TITLE INSURANCE POLICIES AND TITLE SURVEYS) IN CONNECTION WITH THE GRANTING OF SUCH SECURITY INTEREST, PROVIDED, HOWEVER, THAT NO SUCH MORTGAGE SHALL BE REQUIRED TO

BE CREATED WITH RESPECT TO ANY REAL PROPERTY THAT IS SUBJECT TO A LIEN PERMITTED BY SUBSECTION 8.1(L).

(B) THE LIENS AND SECURITY INTERESTS REQUIRED TO BE GRANTED PURSUANT TO CLAUSE (A) ABOVE SHALL BE GRANTED PURSUANT TO SECURITY DOCUMENTATION (WHICH SHALL BE SUBSTANTIALLY SIMILAR TO THE SECURITY DOCUMENTS) REASONABLY SATISFACTORY IN FORM AND SUBSTANCE TO THE US ADMINISTRATIVE AGENT AND SHALL CONSTITUTE VALID AND ENFORCEABLE PERFECTED SECURITY INTERESTS PRIOR TO THE RIGHTS OF ALL THIRD PERSONS AND SUBJECT TO NO OTHER LIENS EXCEPT SUCH LIENS AS ARE PERMITTED BY SUBSECTION 8.1. THE MORTGAGES AND OTHER INSTRUMENTS RELATED THERETO SHALL BE DULY RECORDED OR FILED IN SUCH MANNER AND IN SUCH PLACES AND AT SUCH TIMES AS ARE REQUIRED BY LAW TO ESTABLISH, PERFECT, PRESERVE AND PROTECT THE LIENS, IN FAVOR OF THE RELEVANT ADMINISTRATIVE AGENT FOR THE BENEFIT OF THE RELEVANT LENDERS, REQUIRED TO BE GRANTED PURSUANT TO THE MORTGAGES, AS THE CASE MAY BE, AND, ALL TAXES, FEES AND OTHER CHARGES PAYABLE IN CONNECTION THEREWITH SHALL BE PAID IN FULL BY THE RESPECTIVE BORROWER. AT THE TIME OF THE EXECUTION AND DELIVERY OF THE MORTGAGES, SUCH BORROWER SHALL CAUSE TO BE DELIVERED TO THE RELEVANT ADMINISTRATIVE AGENT SUCH OPINIONS OF COUNSEL, TITLE INSURANCE, TITLE SURVEYS AND OTHER RELATED DOCUMENTS OTHER THAN REAL ESTATE APPRAISALS AS MAY BE

REASONABLY REQUESTED BY SUCH ADMINISTRATIVE AGENT OR THE RELEVANT REQUIRED LENDERS TO ASSURE THEMSELVES THAT THIS SUBSECTION HAS BEEN COMPLIED WITH.

(C) EACH BORROWER AGREES THAT EACH ACTION REQUIRED BY SUBSECTIONS (A) OR (B) WITH RESPECT TO ANY MORTGAGES, AS THE CASE MAY BE, SHALL BE COMPLETED WITHIN 60 DAYS OF THE LATER OF (I) THE DATE SUCH ACTION IS REQUESTED TO BE TAKEN AND (II) THE DATE OF THE RELEVANT PERMITTED ACQUISITION.

7.15 ADDITIONAL STOCK PLEDGES. (A) THE COMPANY WILL, AND WILL CAUSE

EACH OF ITS SUBSIDIARIES TO, PLEDGE TO THE US ADMINISTRATIVE AGENT 100% OF THE ISSUED AND OUTSTANDING CAPITAL STOCK (OTHER THAN DIRECTORS' QUALIFYING SHARES) WHICH IT OR SUCH SUBSIDIARY HOLDS OF EACH DOMESTIC SUBSIDIARY OF THE COMPANY WHICH HAS NOT PREVIOUSLY BEEN PLEDGED HEREUNDER. SUCH PLEDGE SHALL BE

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GRANTED PURSUANT TO AN ADDENDUM TO THE US GLOBAL GUARANTEE AND SECURITY AGREEMENT SUBSTANTIALLY IN THE FORM OF ANNEX 1 THERETO.

(B) THE COMPANY WILL, AND WILL CAUSE EACH OF ITS US SUBSIDIARIES TO, PLEDGE (OR GRANT ANALOGOUS SECURITY INTERESTS) TO THE US ADMINISTRATIVE AGENT IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION OF ORGANIZATION OF THE ISSUER THEREOF 65% (ROUNDED DOWNWARD TO ELIMINATE ANY FRACTION OF A SHARE) OF THE ISSUED AND OUTSTANDING SHARES OF EACH CLASS OF CAPITAL STOCK ENTITLED TO VOTE (WITHIN THE MEANING OF TREASURY REGULATIONS (S)1.956-2(C)(2)) ("VOTING STOCK")

AND 100% OF THE ISSUED AND OUTSTANDING SHARES OF EACH CLASS OF CAPITAL STOCK NOT ENTITLED TO VOTE (WITHIN THE MEANING OF SUCH REGULATION) ("NON-VOTING STOCK") OF

EACH FIRST-TIER FOREIGN SUBSIDIARY FROM TIME TO TIME OF THE COMPANY WHICH (IN EACH CASE) IS OWNED OF RECORD BY THE COMPANY OR ANY DOMESTIC SUBSIDIARY OF THE COMPANY AND WHICH HAS NOT PREVIOUSLY BEEN PLEDGED HEREUNDER. EACH SUCH PLEDGE SHALL, UNLESS OTHERWISE AGREED TO BY THE US ADMINISTRATIVE AGENT, BE GRANTED PURSUANT TO AN ADDENDUM TO THE US GLOBAL GUARANTEE AND SECURITY AGREEMENT IN SUCH FORM AS (X) MAY BE REASONABLY REQUIRED IN ORDER TO PERFECT A SECURITY INTEREST IN THE PLEDGED STOCK DELIVERED THERETO AS DEFINED THEREIN UNDER THE LAWS OF THE JURISDICTION IN WHICH THE ISSUER OF SUCH PLEDGED STOCK IS ORGANIZED AND (Y) IS IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE US ADMINISTRATIVE AGENT.

(C) THE COMPANY WILL, AND WILL CAUSE EACH OF THE US SUBSIDIARIES TO, EXECUTE AND DELIVER EACH ADDENDUM REQUIRED TO BE EXECUTED AND DELIVERED PURSUANT TO THIS SUBSECTION 7.15 PROMPTLY FOLLOWING THE ORGANIZATION, ACQUISITION OR IDENTIFICATION OF ANY SUCH SUBSIDIARY OR FIRST-TIER FOREIGN SUBSIDIARY. EACH SUCH ADDENDUM SHALL BE ACCOMPANIED BY (I) SHARE CERTIFICATES EVIDENCING THE PLEDGED STOCK THEREUNDER (TO THE EXTENT THAT SUCH PLEDGED STOCK IS CERTIFICATED) AS DEFINED THEREIN, TOGETHER WITH AN UNDATED STOCK POWER FOR EACH SUCH SHARE CERTIFICATE (DULY EXECUTED IN BLANK AND DELIVERED BY A DULY AUTHORIZED OFFICER

OF THE PLEDGOR OF THE PLEDGED STOCK REPRESENTED BY SUCH CERTIFICATE), (II) IN THE CASE OF THE PLEDGE OF CAPITAL STOCK OF ANY FOREIGN SUBSIDIARY, EVIDENCE OF THE TAKING OF ALL SUCH OTHER ACTIONS AS MAY BE NECESSARY OR APPROPRIATE FOR THE PERFECTION AND FIRST PRIORITY OF SUCH PLEDGE AND (III) IN THE CASE OF ANY SUBSIDIARY, SUCH RESOLUTIONS, INCUMBENCY CERTIFICATES AND LEGAL OPINIONS AS ARE REASONABLY REQUESTED BY THE US ADMINISTRATIVE AGENT AND SHALL OTHERWISE BE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE US ADMINISTRATIVE AGENT.

(D) THE CANADIAN BORROWER WILL, AND WILL CAUSE EACH OF ITS SUBSIDIARIES TO, PLEDGE TO THE CANADIAN ADMINISTRATIVE AGENT 100% OF THE ISSUED AND OUTSTANDING CAPITAL STOCK OR OTHER EQUITY INTERESTS (OTHER THAN DIRECTORS' QUALIFYING SHARES) WHICH IT OR SUCH SUBSIDIARY HOLDS OF EACH OF ITS SUBSIDIARIES WHICH HAS NOT PREVIOUSLY BEEN PLEDGED HEREUNDER. SUCH PLEDGE SHALL, UNLESS OTHERWISE AGREED TO BY THE CANADIAN ADMINISTRATIVE AGENT, BE GRANTED PURSUANT TO AN ADDENDUM TO THE CANADIAN SECURITY AGREEMENT SUBSTANTIALLY IN THE FORM OF EXHIBIT A THERETO.

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(E) THE CANADIAN BORROWER WILL, AND WILL CAUSE EACH OF ITS SUBSIDIARIES TO, EXECUTE AND DELIVER EACH ADDENDUM REQUIRED TO BE EXECUTED AND DELIVERED PURSUANT TO THIS SUBSECTION 7.15 PROMPTLY FOLLOWING THE ORGANIZATION, ACQUISITION OR IDENTIFICATION OF ANY SUCH SUBSIDIARY. EACH SUCH ADDENDUM SHALL BE ACCOMPANIED BY (I) SHARE CERTIFICATES, IF ANY, EVIDENCING THE PLEDGED STOCK THEREUNDER (TO THE EXTENT THAT SUCH PLEDGED STOCK IS CERTIFICATED) AS DEFINED THEREIN, TOGETHER WITH AN UNDATED STOCK POWER FOR EACH SUCH SHARE CERTIFICATE (DULY EXECUTED IN BLANK AND DELIVERED BY A DULY AUTHORIZED OFFICER OF THE PLEDGOR OF THE PLEDGED STOCK REPRESENTED BY SUCH CERTIFICATE), (II) IN THE CASE OF THE PLEDGE OF CAPITAL STOCK OF ANY FOREIGN SUBSIDIARY, EVIDENCE OF THE TAKING OF ALL SUCH OTHER ACTIONS AS MAY BE NECESSARY OR APPROPRIATE FOR THE PERFECTION AND FIRST PRIORITY OF SUCH PLEDGE AND (III) IN THE CASE OF ANY SUBSIDIARY, SUCH RESOLUTIONS, INCUMBENCY CERTIFICATES AND LEGAL OPINIONS AS ARE REASONABLY REQUESTED BY THE CANADIAN ADMINISTRATIVE AGENT AND SHALL OTHERWISE BE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CANADIAN ADMINISTRATIVE AGENT.

7.16 ADDITIONAL GUARANTEE AND SECURITY AGREEMENTS. EACH BORROWER

WILL CAUSE EACH OF ITS RESPECTIVE SUBSIDIARIES WHICH HAS NOT PREVIOUSLY DONE SO TO EXECUTE AND DELIVER TO THE RELEVANT ADMINISTRATIVE AGENT AN ADDENDUM TO, AND THEREBY BECOME A PARTY TO, THE RESPECTIVE US GLOBAL GUARANTEE AND SECURITY AGREEMENT OR CANADIAN SECURITY AGREEMENT AND TO TAKE SUCH OTHER ACTION AS REASONABLY SHALL BE NECESSARY OR AS THE RELEVANT ADMINISTRATIVE AGENT REASONABLY SHALL REQUEST TO GRANT TO SUCH ADMINISTRATIVE AGENT A PERFECTED (TO THE EXTENT REQUIRED IN THE US GLOBAL GUARANTEE AND SECURITY AGREEMENT OR CANADIAN SECURITY AGREEMENT) SECURITY INTEREST IN ALL COLLATERAL DESCRIBED IN THE US GLOBAL GUARANTEE AND SECURITY AGREEMENT OR CANADIAN SECURITY AGREEMENT (SUBJECT TO ANY LIENS PERMITTED TO ENCUMBER SUCH COLLATERAL PURSUANT TO SUBSECTION 8.1). EACH SUCH ADDENDUM TO THE RELEVANT US GLOBAL GUARANTEE AND SECURITY AGREEMENT OR CANADIAN SECURITY AGREEMENT SHALL BE ACCOMPANIED BY SUCH EVIDENCE OF THE TAKING OF ALL ACTIONS AS MAY BE NECESSARY OR APPROPRIATE FOR THE PERFECTION (TO THE

EXTENT REQUIRED IN SUCH US GLOBAL GUARANTEE AND SECURITY AGREEMENT OR CANADIAN SECURITY AGREEMENT) OF SUCH SECURITY INTEREST (INCLUDING, WITHOUT LIMITATION, THE FILING OF ANY NECESSARY UNIFORM COMMERCIAL CODE OR PPSA FINANCING STATEMENTS) AND SUCH RESOLUTIONS, INCUMBENCY CERTIFICATES AND LEGAL OPINIONS AS ARE REASONABLY REQUESTED BY SUCH ADMINISTRATIVE AGENT, ALL OF WHICH SHALL BE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO SUCH ADMINISTRATIVE AGENT.

SECTION 8. NEGATIVE COVENANTS

EACH BORROWER COVENANTS AND AGREES WITH THE LENDERS AND THE ADMINISTRATIVE AGENTS THAT, SO LONG AS ANY COMMITMENT, LOAN OR LETTER OF CREDIT IS OUTSTANDING AND UNTIL PAYMENT IN FULL OF ALL AMOUNTS PAYABLE BY SUCH BORROWER HEREUNDER:

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8.1 LIENS. SUCH BORROWER WILL NOT, AND WILL NOT PERMIT ANY OF ITS

SUBSIDIARIES TO, CREATE, INCUR, ASSUME OR SUFFER TO EXIST ANY LIEN UPON OR WITH RESPECT TO ANY OF ITS PROPERTY OR ASSETS (REAL OR PERSONAL, TANGIBLE OR INTANGIBLE), WHETHER NOW OWNED OR HEREAFTER ACQUIRED, EXCEPT:

(A) INCHOATE LIENS FOR TAXES NOT YET DUE OR LIENS FOR TAXES BEING CONTESTED IN GOOD FAITH AND BY APPROPRIATE PROCEEDINGS FOR WHICH ADEQUATE RESERVES HAVE BEEN ESTABLISHED IN ACCORDANCE WITH GAAP;

(B) LIENS IMPOSED BY LAW, WHICH WERE INCURRED IN THE ORDINARY COURSE OF BUSINESS AND DO NOT SECURE INDEBTEDNESS, SUCH AS CARRIERS', WAREHOUSEMEN'S, MATERIALMEN'S, MECHANICS' AND SIMILAR LIENS ARISING IN THE ORDINARY COURSE OF BUSINESS, AND (X) WHICH DO NOT IN THE AGGREGATE MATERIALLY DETRACT FROM THE VALUE OF SUCH PERSON'S PROPERTY OR ASSETS OR MATERIALLY IMPAIR THE USE THEREOF IN THE OPERATION OF THE BUSINESS OF SUCH PERSON OR (Y) WHICH ARE BEING CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS, WHICH PROCEEDINGS HAVE THE EFFECT OF PREVENTING THE FORFEITURE OR SALE OF THE PROPERTY OR ASSETS SUBJECT TO ANY SUCH LIEN;

(C) LIENS IN EXISTENCE ON THE CLOSING DATE AND LISTED ON SCHEDULE 8.1;

(D) LIENS CREATED PURSUANT TO THE SECURITY DOCUMENTS;

(E) EASEMENTS, RIGHTS-OF-WAY, RESTRICTIONS, ENCROACHMENTS AND OTHER SIMILAR CHARGES, ENCUMBRANCES OR DEFECTS OR IRREGULATIONS OF TITLE NOT MATERIALLY INTERFERING WITH THE CONDUCT OF THE BUSINESS OF SUCH BORROWER OR SUCH SUBSIDIARY;

(F) ANY ATTACHMENT OR JUDGMENT LIEN SO LONG AS NO EVENT OF DEFAULT SHALL HAVE ARISEN UNDER SUBSECTION 9(H) IN CONNECTION THEREWITH;

(G) LIENS (OTHER THAN ANY LIEN IMPOSED BY ERISA) INCURRED OR DEPOSITS

MADE IN THE ORDINARY COURSE OF BUSINESS IN CONNECTION WITH WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE AND OTHER TYPES OF SOCIAL SECURITY BENEFITS AS REQUIRED BY LAW, OR SECURING LEASES INCURRED IN THE ORDINARY COURSE OF BUSINESS;

(H) LIENS CREATED BY LEASES OR SUBLEASES GRANTED TO OTHERS NOT INTERFERING IN ANY MATERIAL RESPECT WITH THE BUSINESS OF SUCH BORROWER OR SUCH SUBSIDIARY;

(I) LIENS ON PROPERTY OF SUCH BORROWER OR ANY OF ITS SUBSIDIARIES SECURING CAPITALIZED LEASE OBLIGATIONS PERMITTED BY SUBSECTION 8.4(F), PROVIDED THAT SUCH LIENS ONLY SECURE THE PAYMENT OF SUCH CAPITALIZED LEASE -----
OBLIGATION AND ENCUMBER ONLY THE ASSET GIVING RISE TO THE CAPITALIZED LEASE OBLIGATION;

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(J) LIENS PLACED UPON EQUIPMENT OR MACHINERY USED IN THE ORDINARY COURSE OF BUSINESS OF SUCH BORROWER OR SUCH SUBSIDIARY AT THE TIME OF THE ACQUISITION THEREOF TO SECURE INDEBTEDNESS INCURRED TO PAY ALL OR A PORTION OF THE PURCHASE PRICE THEREOF; PROVIDED THAT THE INDEBTEDNESS SECURED BY -----
LIENS PERMITTED BY THIS CLAUSE IS PERMITTED PURSUANT TO SUBSECTION 8.4(F) AND THAT SUCH LIENS DO NOT ENCUMBER ANY OTHER ASSET OR PROPERTY OF SUCH BORROWER OR ANY OF ITS SUBSIDIARIES;

(K) LIENS ON REAL PROPERTY ACQUIRED IN CONNECTION WITH A PERMITTED ACQUISITION, OR WHICH IS OWNED BY A PERSON ACQUIRED IN CONNECTION WITH A PERMITTED ACQUISITION WHICH BECOMES A SUBSIDIARY AFTER THE DATE HEREOF, IN EITHER CASE, SECURING INDEBTEDNESS PERMITTED BY SUBSECTION 8.4(F), PROVIDED -----
THAT (I) SUCH LIENS EXISTED AT THE TIME OF SUCH PERMITTED ACQUISITION AND WERE NOT CREATED IN ANTICIPATION THEREOF, (II) ANY SUCH LIEN IS NOT SPREAD TO COVER ANY OTHER PROPERTY OR ASSETS AFTER THE DATE OF SUCH PERMITTED ACQUISITION AND (III) THE AMOUNT OF INDEBTEDNESS SECURED THEREBY IS NOT INCREASED;

(L) LIENS ARISING PURSUANT TO PURCHASE MONEY MORTGAGES SECURING INDEBTEDNESS REPRESENTING A PORTION OF THE PURCHASE PRICE OF REAL PROPERTY ACQUIRED BY SUCH BORROWER OR SUCH SUBSIDIARY IN ACCORDANCE WITH SUBSECTION 8.2(D) OR (E), PROVIDED, THAT (I) ANY SUCH LIENS ATTACH ONLY TO THE REAL -----
PROPERTY SO PURCHASED, (II) THE INDEBTEDNESS SECURED BY ANY SUCH LIEN DOES NOT EXCEED 100% OF THE LESSER OF THE FAIR MARKET VALUE OR THE PURCHASE PRICE OF SUCH REAL PROPERTY AT THE TIME OF THE INCURRENCE OF SUCH INDEBTEDNESS AND (III) THE INDEBTEDNESS SECURED BY LIENS PERMITTED BY THIS CLAUSE IS PERMITTED PURSUANT TO SUBSECTION 8.4(F);

(M) LIENS CREATED BY APPLICABLE BY-LAWS AND OTHER GOVERNMENTAL

REGULATIONS AND RESTRICTIONS PROVIDED THAT THE SAME DO NOT MATERIALLY INTERFERE WITH THE CONDUCT OF THE BUSINESS OF THE OWNER OF THE PROPERTY SUBJECT THERETO; AND

(N) RESERVATIONS, LIMITATIONS AND CONDITIONS EXPRESSED IN ANY ORIGINAL GRANTS FROM THE CROWN.

8.2 CONSOLIDATION, MERGER, PURCHASE OR SALE OF ASSETS, ETC. SUCH

BORROWER WILL NOT, AND WILL NOT PERMIT ANY OF ITS SUBSIDIARIES TO, WIND UP, LIQUIDATE OR DISSOLVE ITS AFFAIRS OR ENTER INTO ANY TRANSACTION OF MERGER, AMALGAMATION OR CONSOLIDATION, NOR CONVEY, SELL, LEASE OR OTHERWISE DISPOSE OF (OR AGREE TO DO ANY OF THE FOREGOING AT ANY FUTURE TIME) ALL OR ANY PART OF ITS PROPERTY OR ASSETS (INCLUDING, WITHOUT LIMITATION, STOCK OF ANY SUBSIDIARY), NOR ENTER INTO ANY PARTNERSHIPS, JOINT VENTURES OR SALE-LEASEBACK TRANSACTIONS, NOR PURCHASE OR OTHERWISE ACQUIRE (IN ONE OR A SERIES OF RELATED TRANSACTIONS) ANY PART OF THE PROPERTY OR ASSETS (OTHER THAN PURCHASES OR OTHER ACQUISITIONS BY SUCH BORROWER OR SUCH SUBSIDIARY OF INVENTORY, MATERIALS AND EQUIPMENT IN THE ORDINARY COURSE OF BUSINESS) OF ANY PERSON, EXCEPT:

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(A) CAPITAL EXPENDITURES PERMITTED BY SUBSECTION 8.7;

(B) SALES OF INVENTORY AND OTHER ASSETS IN THE ORDINARY COURSE OF BUSINESS;

(C) INVESTMENTS PERMITTED BY SUBSECTION 8.5;

(D) PERMITTED ACQUISITIONS;

(E) SO LONG AS PRIOR TO AND AFTER GIVING EFFECT THERETO, THERE SHALL NOT BE A DEFAULT OR EVENT OF DEFAULT IN EXISTENCE, (I) THE PURCHASE OF THE TRAVELERS CORPORATION BUILDING ARCHIVES, PROVIDED THAT THE AGGREGATE

CONSIDERATION PAID IN CONNECTION THEREWITH SHALL NOT EXCEED US\$6,000,000, (II) THE CONSUMMATION OF THE KNOTT TRANSACTION, PROVIDED THAT THE AGGREGATE

CONSIDERATION PAID IN CONNECTION THEREWITH SHALL NOT EXCEED US\$3,000,000 AND (III) OTHER PURCHASES OF REAL PROPERTY IN THE ORDINARY COURSE OF BUSINESS, PROVIDED THAT THE AGGREGATE CONSIDERATION PAID DURING ANY FISCAL

YEAR OF THE COMPANY IN CONNECTION WITH ALL SUCH OTHER PURCHASES (EXCLUDING ANY PURCHASES IN CONNECTION WITH A PERMITTED ACQUISITION) SHALL NOT EXCEED US\$7,500,000;

(F) OTHER DISPOSITIONS OF PROPERTY OR ASSETS (I) WHICH DO NOT EXCEED US\$2,500,000 IN THE AGGREGATE OR (II) WITH RESPECT TO WHICH (X) THE COMPANY OR A SUBSIDIARY, AS THE CASE MAY BE, RECEIVES CONSIDERATION AT THE TIME OF SUCH DISPOSITION AT LEAST EQUAL TO THE FAIR MARKET VALUE THEREOF; (Y) NOT

LESS THAN 85% OF SUCH CONSIDERATION IS IN THE FORM OF CASH; AND (Z) THE NET PROCEEDS THEREOF ARE APPLIED IN ACCORDANCE WITH SUBSECTIONS 4.4(B), (G) AND (H);

(G) LEASES (AS LESSEE) OF REAL OR PERSONAL PROPERTY (SO LONG AS SUCH LEASE DOES NOT CREATE CAPITALIZED LEASE OBLIGATIONS);

(H) MERGERS, CONSOLIDATIONS OR AMALGAMATIONS OF ONE OR MORE SUBSIDIARIES (I) WITH AND INTO THE COMPANY OR ANOTHER SUBSIDIARY OR (II) IN WHICH ANY SUBSIDIARY IS THE SURVIVING OR RESULTING COMPANY; AND

(I) "RESTRICTED PAYMENTS" TO THE EXTENT PERMITTED BY SUBSECTION 8.3.

8.3 LIMITATION ON RESTRICTED PAYMENTS. THE COMPANY WILL NOT MAKE ANY

"RESTRICTED PAYMENTS" (AS DEFINED IN THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, THE 1997 SENIOR SUBORDINATED NOTES INDENTURE AND THE 1998 SENIOR NOTES INDENTURE) OTHER THAN (A) IN ACCORDANCE WITH, RESPECTIVELY, THE PROVISIONS OF SECTION 4.09 OF THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, SECTION 4.9 OF THE 1997 SENIOR SUBORDINATED NOTES INDENTURE AND SECTION 4.9 OF THE 1998 SENIOR NOTES INDENTURE (RELATING TO "LIMITATION ON RESTRICTED PAYMENTS") AS SUCH PROVISIONS ARE IN EFFECT ON THE DATE HEREOF WITHOUT GIVING EFFECT TO ANY AMENDMENTS, SUPPLEMENTS OR OTHER

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MODIFICATIONS THERETO OR ANY TERMINATION THEREOF, WHICH PROVISIONS, TOGETHER WITH RELATED DEFINITIONS, ARE DEEMED INCORPORATED HEREIN BY REFERENCE, AS IF SET FORTH AT LENGTH HEREIN AND (B) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$20,000,000, TO REPURCHASE OR REDEEM PERMITTED PREFERRED STOCK, SO LONG AS NO DEFAULT OR EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING OR WOULD RESULT THEREFROM.

8.4 INDEBTEDNESS. SUCH BORROWER WILL NOT, AND WILL NOT PERMIT ANY OF

ITS SUBSIDIARIES TO, CONTRACT, CREATE, INCUR, ASSUME NOR SUFFER TO EXIST ANY INDEBTEDNESS, EXCEPT:

(A) INDEBTEDNESS IN RESPECT OF THE LOANS, ANY NOTES, THE SECURITY DOCUMENTS AND THE OTHER OBLIGATIONS OF THE LOAN PARTIES UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS;

(B) INDEBTEDNESS OUTSTANDING ON THE CLOSING DATE (INCLUDING INDEBTEDNESS EVIDENCED BY THE 1996 SENIOR SUBORDINATED NOTES AND THE 1997 SENIOR SUBORDINATED NOTES AND GUARANTEES THEREOF) AND LISTED ON SCHEDULE 6.1, AND ANY SUBSEQUENT EXTENSION, RENEWAL OR REFINANCING THEREOF WHICH DOES NOT INCREASE THE AMOUNT THEREOF OR RESULT IN ANY ADVANCEMENT IN THE MATURITY DATE OF ANY PORTION OF THE PRINCIPAL THEREOF;

(C) SO LONG AS PRIOR TO, AND AFTER GIVING EFFECT THERETO, THERE SHALL

NOT BE A DEFAULT OR EVENT OF DEFAULT THEN IN EXISTENCE, INDEBTEDNESS OF THE COMPANY INCURRED TO FINANCE THE PURCHASE BY THE COMPANY OF (I) THE TRAVELERS CORPORATION BUILDING ARCHIVES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED US\$4,250,000, (II) THE KNOTT TRANSACTION, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED US\$3,000,000, AND (III) THE DATAVAULT TRANSACTION, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED (POUNDS)12,000,000;

(D) PERMITTED INTERCOMPANY INDEBTEDNESS;

(E) INDEBTEDNESS UNDER INTEREST RATE PROTECTION AGREEMENTS ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS;

(F) ADDITIONAL INDEBTEDNESS (INCLUDING, WITHOUT LIMITATION, (I) CAPITALIZED LEASE OBLIGATIONS AND OTHER INDEBTEDNESS SECURED BY LIENS PERMITTED UNDER SUBSECTION 8.1(J) OR 8.1(K), (II) INDEBTEDNESS ASSUMED IN CONNECTION WITH ANY PERMITTED ACQUISITION AND (III) INDEBTEDNESS INCURRED TO FINANCE THE ACQUISITION OF ANY REAL PROPERTY IN ACCORDANCE WITH SUBSECTION 8.2(E) (III)) UP TO BUT NOT EXCEEDING US\$40,000,000 AT ANY ONE TIME OUTSTANDING; AND

(G) INDEBTEDNESS EVIDENCED BY THE 1998 SENIOR NOTES AND GUARANTEES THEREOF AND INDEBTEDNESS EVIDENCED BY THE 1999 SENIOR SUBORDINATED NOTES AND GUARANTEES THEREOF, WHICH GUARANTEES SHALL BE IN THE FORM PROVIDED IN THE 1999 SENIOR SUBORDINATED NOTES INDENTURE.

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8.5 ADVANCES, INVESTMENTS AND LOANS. SUCH BORROWER WILL NOT, AND

WILL NOT PERMIT ANY OF ITS SUBSIDIARIES TO, DIRECTLY OR INDIRECTLY LEND MONEY OR CREDIT OR MAKE ADVANCES TO ANY PERSON, NOR PURCHASE OR ACQUIRE ANY STOCK, OBLIGATIONS OR SECURITIES OF, OR ANY OTHER INTEREST IN, NOR MAKE ANY CAPITAL CONTRIBUTION TO, ANY OTHER PERSON, EXCEPT:

(A) RECEIVABLES CREATED OR ACQUIRED IN THE ORDINARY COURSE OF BUSINESS AND PAYABLE OR DISCHARGEABLE IN ACCORDANCE WITH CUSTOMARY TERMS;

(B) PERMITTED ACQUISITIONS;

(C) SUCH BORROWER MAY MAKE AND MAINTAIN TRAVEL, RELOCATION AND OTHER EXPENSE ADVANCES TO EMPLOYEES FOR BUSINESS-RELATED ACTIVITIES IN THE ORDINARY COURSE OF BUSINESS AND CONSISTENT WITH PAST PRACTICE, IN AN AGGREGATE OUTSTANDING PRINCIPAL AMOUNT NOT TO EXCEED US\$500,000 AT ANY TIME;

(D) LOANS AND ADVANCES WHICH CREATE INDEBTEDNESS PERMITTED BY SUBSECTION 8.4(D);

(E) THE COMPANY MAY ENTER INTO INTEREST RATE PROTECTION AGREEMENTS TO

THE EXTENT PERMITTED PURSUANT TO SUBSECTION 8.4 (E);

(F) PERMITTED INTERCOMPANY INDEBTEDNESS;

(G) REASONABLE AND CUSTOMARY LOANS MADE TO EMPLOYEES NOT TO EXCEED \$500,000 IN THE AGGREGATE AT ANY ONE TIME OUTSTANDING, PLUS ANY LOANS WHICH MAY BE REQUIRED TO BE MADE UNDER THE COMPANY'S NONQUALIFIED STOCK OPTION PLAN IN AN AMOUNT NOT TO EXCEED US\$2,000,000; AND

(H) THE PERMITTED INTERCOMPANY INVESTMENT.

8.6 TRANSACTIONS WITH AFFILIATES. SUCH BORROWER WILL NOT, AND WILL

NOT PERMIT ANY OF ITS SUBSIDIARIES TO, ENTER INTO ANY TRANSACTION OR SERIES OF RELATED TRANSACTIONS, WHETHER OR NOT IN THE ORDINARY COURSE OF BUSINESS, WITH ANY AFFILIATE THAT IS NOT A WHOLLY OWNED SUBSIDIARY, EXCEPT THAT:

(A) THE COMPANY MAY ENTER INTO TRANSACTIONS PERMITTED BY SUBSECTION 8.5 (G);

(B) THE COMPANY MAY PAY CUSTOMARY AND REASONABLE FEES TO ANY DIRECTORS OF THE COMPANY WHO WOULD NOT BE AFFILIATES OF THE COMPANY IF THEY WERE NOT DIRECTORS;

(C) THE COMPANY SHALL BE PERMITTED TO PERFORM UNDER ANY TAX INDEMNITY AGREEMENT;

(D) THE COMPANY MAY MAKE ANY "RESTRICTED PAYMENT" THAT IS NOT PROHIBITED BY THE PROVISIONS DESCRIBED UNDER "LIMITATIONS

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ON RESTRICTED PAYMENTS" CONTAINED IN SECTION 4.09 OF THE 1996 SENIOR SUBORDINATED NOTES INDENTURE AND SECTION 4.9 OF THE 1997 SENIOR SUBORDINATED NOTES INDENTURE AND INCORPORATED BY REFERENCE IN SUBSECTION 8.3, INCLUDING, WITHOUT LIMITATION, PAYMENTS MADE TO LEO W. PIERCE, SR. OR HIS SPOUSE PURSUANT TO A PENSION OBLIGATION OF THE COMPANY IN THE ANNUAL AMOUNT OF \$96,000;

(E) THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY MAY PAY CUSTOMARY INVESTMENT BANKING, UNDERWRITING, PLACEMENT AGENT OR FINANCIAL ADVISOR FEES PAID IN CONNECTION WITH SERVICES RENDERED TO THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY;

(F) THE COMPANY MAY ENTER INTO ANY TRANSACTION, APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY IN GOOD FAITH, WITH AN OFFICER, DIRECTOR, EMPLOYEE OR CONSULTANT OF THE COMPANY OR OF ANY SUBSIDIARY IN HIS OR HER CAPACITY AS AN OFFICER, DIRECTOR, EMPLOYEE OR CONSULTANT ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS, INCLUDING COMPENSATION, INDEMNITY AND EMPLOYEE BENEFIT ARRANGEMENTS WITH ANY OFFICER, DIRECTOR, EMPLOYEE OR

CONSULTANT OF THE COMPANY OR OF ANY SUBSIDIARY;

(G) THE COMPANY MAY ENTER INTO TRANSACTIONS CREATING PERMITTED INTERCOMPANY INDEBTEDNESS; AND

(H) THE COMPANY MAY MAKE RENTAL OR LEASE PAYMENTS AND PERFORM ITS OBLIGATIONS UNDER EXISTING LEASES WITH AFFILIATES IN ACCORDANCE WITH THE TERMS THEREOF;

PROVIDED, HOWEVER, THAT THE COMPANY AND ITS SUBSIDIARIES MAY RENEW ANY OF THE

EXISTING AFFILIATE CONTRACTS THROUGH EITHER A RENEWAL OPTION OR UPON EXPIRATION OF AN ARRANGEMENT ON SUBSTANTIALLY SIMILAR TERMS TO THOSE IN EFFECT IMMEDIATELY PRECEDING SUCH EXPIRATION.

8.7 CAPITAL EXPENDITURES. SUCH BORROWER WILL NOT, AND WILL NOT

PERMIT ANY OF ITS SUBSIDIARIES TO, MAKE ANY EXPENDITURE (COLLECTIVELY, "CAPITAL

EXPENDITURES") FOR FIXED OR CAPITAL ASSETS (INCLUDING, WITHOUT LIMITATION,

EXPENDITURES FOR MAINTENANCE AND REPAIRS WHICH SHOULD BE CAPITALIZED IN ACCORDANCE WITH GAAP AND INCLUDING CAPITALIZED LEASE OBLIGATIONS AND EXCLUDING CLIENT ACQUISITION COSTS (WHETHER OR NOT SUCH COSTS WOULD BE CLASSIFIED AS CAPITAL EXPENDITURES IN ACCORDANCE WITH GAAP) BUT EXCLUDING (A) CAPITAL EXPENDITURES RELATED TO A PERMITTED ACQUISITION; (B) INSURANCE PROCEEDS RECEIVED IN CONNECTION WITH ANY CASUALTY EVENT USED AS AND PERMITTED BY SUBSECTION 4.4(D) TO EFFECT THE REPAIR, CONSTRUCTION OR REBUILDING OF THE ASSET WHICH IS THE SUBJECT OF SUCH CASUALTY EVENT; (C) AMOUNTS EXPENDED TO PURCHASE THE TRAVELERS CORPORATION BUILDING ARCHIVES AND CONSUMMATE THE KNOTT TRANSACTION IN ACCORDANCE WITH SUBSECTIONS 8.2(E) (I) AND 8.2(E) (II), RESPECTIVELY; (D) AMOUNTS EXPENDED TO PURCHASE REAL PROPERTY PURSUANT TO SUBSECTION 8.2(E) (III) AND (IV); AND (E) AMOUNTS EXPENDED TO ACQUIRE AND DEVELOP A SITE WITHIN THE PROVIDENCE CORPORATE CENTER IN CONNECTION WITH THE COMPANY'S JOINT VENTURE WITH PROVIDENCE VENTURE I, L.P., PROVIDED THAT THE AGGREGATE AMOUNTS EXPENDED IN

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CONNECTION THEREWITH SHALL NOT EXCEED US\$13,000,000) WHICH SHOULD BE CAPITALIZED IN ACCORDANCE WITH GAAP; PROVIDED THAT THE COMPANY AND ITS SUBSIDIARIES MAY MAKE

CAPITAL EXPENDITURES SO LONG AS THE AGGREGATE AMOUNT THEREOF (OTHER THAN THOSE DESCRIBED IN CLAUSES (A) THROUGH (E) ABOVE) DOES NOT EXCEED, DURING ANY FISCAL YEAR OF THE COMPANY, AN AMOUNT EQUAL TO THE SUM OF (X) 17% OF TOTAL CONSOLIDATED REVENUES OF THE COMPANY AND ITS SUBSIDIARIES DURING THE 12-MONTH PERIOD ENDING ON SEPTEMBER 30 OF SUCH YEAR PLUS (Y) TO THE EXTENT NOT INCLUDED IN CLAUSE (X) ABOVE, 17% OF THE TOTAL REVENUES FOR SUCH 12-MONTH PERIOD OF ALL BUSINESSES ACQUIRED BY THE COMPANY AND ITS SUBSIDIARIES DURING SUCH 12-MONTH PERIOD (INCLUDING THE REVENUES OF EACH SUCH BUSINESS FOR THE PERIOD FROM THE BEGINNING

OF SUCH 12-MONTH PERIOD THROUGH THE DATE OF THE ACQUISITION THEREOF).

8.8 FIXED CHARGE COVERAGE RATIO. COMMENCING ON SEPTEMBER 30, 1997,

THE COMPANY WILL NOT PERMIT ITS FIXED CHARGE COVERAGE RATIO FOR ANY PERIOD OF FOUR CONSECUTIVE FISCAL QUARTERS ENDING ON AND AFTER SUCH DATE, IN EACH CASE TAKEN AS ONE ACCOUNTING PERIOD, TO BE LESS THAN 1.0:1.0.

8.9 INTEREST COVERAGE RATIO. THE COMPANY WILL NOT PERMIT ITS RATIO

OF EBITDA TO INTEREST EXPENSE FOR ANY PERIOD OF FOUR CONSECUTIVE FISCAL QUARTERS ENDING DURING ANY PERIOD SET FORTH BELOW, IN EACH CASE TAKEN AS ONE ACCOUNTING PERIOD, TO BE LESS THAN THE RATIO SET FORTH OPPOSITE SUCH PERIOD BELOW:

PERIOD	RATIO
-----	-----
FROM AND INCLUDING THE CLOSING DATE THROUGH DECEMBER 31, 1997	1.50 TO 1.00
FROM AND INCLUDING JANUARY 1, 1998 THROUGH MARCH 31, 2000	1.75 TO 1.00
FROM AND INCLUDING APRIL 1, 2000 THROUGH DECEMBER 31, 2000	2.00 TO 1.00
FROM AND INCLUDING JANUARY 1, 2001 AND THEREAFTER	2.50 TO 1.00

8.10 LEVERAGE RATIO. (A) THE COMPANY WILL NOT PERMIT THE LEVERAGE

RATIO AT ANY TIME DURING ANY PERIOD SET FORTH BELOW TO EXCEED THE RATIO SET FORTH OPPOSITE SUCH PERIOD BELOW:

PERIOD	RATIO
-----	-----
FROM AND INCLUDING THE CLOSING DATE THROUGH JUNE 11, 1998	6.00 TO 1.00

PERIOD	RATIO
-----	-----
FROM AND INCLUDING JUNE 12, 1998 THROUGH DECEMBER 31, 1999	6.50 TO 1.00
FROM AND INCLUDING JANUARY 1, 2000 THROUGH MARCH 31, 2000	6.25 TO 1.00

FROM AND INCLUDING APRIL 1, 2000 THROUGH DECEMBER 31, 2000	6.00 TO 1.00
FROM AND INCLUDING JANUARY 1, 2001 THROUGH DECEMBER 31, 2001	5.50 TO 1.00
FROM AND INCLUDING JANUARY 1, 2002 THROUGH DECEMBER 31, 2002	4.50 TO 1.00
FROM AND INCLUDING JANUARY 1, 2003 AND THEREAFTER	3.50 TO 1.00

(B) THE COMPANY WILL NOT AT ANY TIME DURING ANY PERIOD SET FORTH BELOW PERMIT THE RATIO OF (I) THE AGGREGATE PRINCIPAL AMOUNT OF LOANS THEN OUTSTANDING, LESS ANY CASH BALANCES IN EXCESS OF US\$500,000 THEN OUTSTANDING TO THE CREDIT OF THE COMPANY AND ITS SUBSIDIARIES IN THEIR OPERATING ACCOUNTS TO (II) ADJUSTED EBITDA OF THE COMPANY FOR THE THEN MOST RECENTLY ENDED PERIOD OF FOUR CONSECUTIVE FISCAL QUARTERS FOR WHICH FINANCIAL STATEMENTS SHALL HAVE BEEN DELIVERED TO THE LENDERS PURSUANT TO SUBSECTION 7.1(A) OR 7.1(B) TO EXCEED THE RATIO SET FORTH OPPOSITE SUCH PERIOD BELOW:

PERIOD -----	RATIO -----
FROM AND INCLUDING THE CLOSING DATE THROUGH JUNE 30, 1998	2.75 TO 1.0
FROM AND INCLUDING JULY 1, 1998 THROUGH DECEMBER 31, 2000	2.50 TO 1.0
FROM AND INCLUDING JANUARY 1, 2001 THROUGH DECEMBER 31, 2002	2.00 TO 1.0
FROM AND INCLUDING JANUARY 1, 2003 AND THEREAFTER	1.50 TO 1.0

8.11 LIMITATION ON VOLUNTARY PAYMENTS AND MODIFICATIONS OF

INDEBTEDNESS AND CERTAIN OTHER AGREEMENTS, ETC. THE COMPANY WILL NOT, AND WILL

NOT PERMIT ANY OF ITS SUBSIDIARIES TO:

(A) MAKE (OR GIVE ANY NOTICE IN RESPECT OF) ANY VOLUNTARY OR OPTIONAL PAYMENT OR PREPAYMENT, DEFEASANCE OR REDEMPTION OR ACQUISITION FOR VALUE OF ANY INDEBTEDNESS (OTHER THAN THE LOANS AND PERMITTED INTERCOMPANY INDEBTEDNESS), PROVIDED THAT THE COMPANY MAY UTILIZE THE PROCEEDS OF ANY

SALE OF SHARES OF ITS CAPITAL STOCK COMPLETED SUBSEQUENT TO THE DATE HEREOF TO (X) REDEEM 1997 SENIOR SUBORDINATED NOTES IN ACCORDANCE WITH SECTION 3.7(B) OF THE 1997 SENIOR SUBORDINATED NOTES INDENTURE, (Y) REDEEM 1998 SENIOR NOTES IN ACCORDANCE WITH SECTION 3.7(B) OF THE 1998 SENIOR NOTES INDENTURE AND/OR (Z) REDEEM 1999 SENIOR SUBORDINATED NOTES IN ACCORDANCE WITH THE TERMS OF THE 1999 SENIOR SUBORDINATED NOTES INDENTURE, SO LONG AS SIMULTANEOUSLY THEREWITH THE BORROWERS SHALL PREPAY THE LOANS AND/OR REDUCE L/C EXPOSURE IN ACCORDANCE WITH SUBSECTION 4.4(A) IN AN AMOUNT AT LEAST EQUAL TO THE AGGREGATE AMOUNT OF SUCH PROCEEDS SO UTILIZED (OR, IF THE AGGREGATE THEN UNPAID PRINCIPAL AMOUNT OF THE LOANS AND L/C OBLIGATIONS IS LESS THAN SUCH AMOUNT, THE BORROWERS SHALL PREPAY THE LOANS IN FULL AND REDUCE L/C EXPOSURE TO ZERO) AND PROVIDED FURTHER THAT THE COMPANY MAY

PURCHASE, REPURCHASE, REDEEM OR MAKE ANY OTHER PAYMENT IN RESPECT OF THE 1996 SENIOR SUBORDINATED NOTES, THE 1997 SENIOR SUBORDINATED NOTES OR THE 1998 SENIOR NOTES TO THE EXTENT PERMITTED BY SUBSECTION 7.12(III);

(B) AMEND OR MODIFY, OR PERMIT THE AMENDMENT OR MODIFICATION OF, OR RELATING TO THE PAYMENT OR PREPAYMENT OF THE PRINCIPAL OF OR INTEREST ON ANY INDEBTEDNESS OTHER THAN PERMITTED INTERCOMPANY INDEBTEDNESS (OTHER THAN ANY SUCH AMENDMENT OR MODIFICATION WHICH WOULD EXTEND THE MATURITY OR REDUCE THE AMOUNT OF ANY PAYMENT OF PRINCIPAL THEREOF OR WHICH WOULD REDUCE THE RATE OR EXTEND THE DATE FOR PAYMENT OF INTEREST THEREON);

(C) AMEND OR MODIFY, OR PERMIT THE AMENDMENT OR MODIFICATION OF, ANY OF THE TERMS AND CONDITIONS OF THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, THE 1997 SENIOR SUBORDINATED NOTES INDENTURE, THE 1998 SENIOR NOTES INDENTURE, THE 1999 SENIOR SUBORDINATED NOTES INDENTURE, THE 1996 SENIOR SUBORDINATED NOTES, THE 1997 SENIOR SUBORDINATED NOTES, THE 1998 SENIOR NOTES OR THE 1999 SENIOR SUBORDINATED NOTES (OTHER THAN (I) AS PERMITTED BY CLAUSE (B) ABOVE AND (II) THOSE THAT WOULD RELAX ANY RESTRICTION ON THE COMPANY OR THE CANADIAN BORROWER, AS THE CASE MAY BE, IMPOSED THEREBY AND WOULD NOT HAVE AN ADVERSE EFFECT UPON THE LENDERS); OR

(D) AMEND, MODIFY OR CHANGE, OR ENTER INTO ANY NEW AFFILIATE CONTRACT, TAX INDEMNITY AGREEMENT OR TAX SHARING AGREEMENT, EXCEPT FOR ANY SUCH AMENDMENT, MODIFICATION OR CHANGE WHICH IS BENEFICIAL TO THE COMPANY AND ITS SUBSIDIARIES.

8.12 LIMITATION ON ISSUANCE OF CAPITAL STOCK. THE COMPANY WILL NOT

PERMIT ANY OF ITS SUBSIDIARIES TO ISSUE ANY CAPITAL STOCK (INCLUDING BY WAY OF SALES OF TREASURY STOCK) OR ANY OPTIONS OR WARRANTS TO PURCHASE, OR SECURITIES CONVERTIBLE INTO, CAPITAL STOCK,

EXCEPT FOR ISSUANCES WHICH DO NOT DECREASE THE PERCENTAGE OF THE OWNERSHIP OF ANY SUBSIDIARY CURRENTLY HELD, DIRECTLY OR INDIRECTLY, BY THE COMPANY.

8.13 BUSINESS. THE COMPANY WILL NOT, AND WILL NOT PERMIT ANY OF ITS

SUBSIDIARIES TO, ENGAGE (DIRECTLY OR INDIRECTLY) IN ANY BUSINESS OTHER THAN THE BUSINESS IN WHICH IT IS ENGAGED ON THE DATE HEREOF AND ANY OTHER REASONABLY RELATED BUSINESSES. THE LIMITED PARTNERSHIPS SHALL ENGAGE IN NO BUSINESS OTHER THAN OWNING THE STOCK OF THE CANADIAN BORROWER.

8.14 DESIGNATION OF "DESIGNATED SENIOR INDEBTEDNESS". THE COMPANY

WILL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE REQUIRED LENDERS, DESIGNATE ANY INDEBTEDNESS AS "DESIGNATED SENIOR INDEBTEDNESS" WITHIN THE MEANING OF SUCH TERM AS USED IN THE 1996 SENIOR SUBORDINATED NOTES INDENTURE, THE 1997 SENIOR SUBORDINATED NOTES INDENTURE AND THE 1999 SENIOR SUBORDINATED NOTES INDENTURE, AND THE CANADIAN BORROWER WILL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE REQUIRED LENDERS, DESIGNATE ANY INDEBTEDNESS AS "DESIGNATED SENIOR INDEBTEDNESS" WITHIN THE MEANING OF SUCH TERM AS USED IN THE 1998 SENIOR NOTES INDENTURE.

SECTION 9. EVENTS OF DEFAULT

IF ANY OF THE FOLLOWING EVENTS SHALL OCCUR AND BE CONTINUING:

(A) EITHER BORROWER SHALL FAIL TO PAY ANY PRINCIPAL OF ANY LOAN OR REIMBURSEMENT OBLIGATION WHEN DUE IN ACCORDANCE WITH THE TERMS THEREOF OR HEREOF; OR EITHER BORROWER SHALL FAIL TO PAY ANY INTEREST ON ANY LOAN OR REIMBURSEMENT OBLIGATION, OR ANY OTHER AMOUNT PAYABLE HEREUNDER, WITHIN FIVE DAYS AFTER ANY SUCH INTEREST OR OTHER AMOUNT BECOMES DUE IN ACCORDANCE WITH THE TERMS THEREOF OR HEREOF; OR

(B) ANY REPRESENTATION OR WARRANTY MADE OR DEEMED MADE BY THE COMPANY OR ANY OTHER LOAN PARTY HEREIN OR IN ANY OTHER LOAN DOCUMENT OR WHICH IS CONTAINED IN ANY CERTIFICATE, DOCUMENT OR FINANCIAL OR OTHER STATEMENT FURNISHED BY IT AT ANY TIME UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY SUCH OTHER LOAN DOCUMENT SHALL PROVE TO HAVE BEEN INCORRECT IN ANY MATERIAL RESPECT ON OR AS OF THE DATE MADE OR DEEMED MADE; OR

(C) THE COMPANY OR ANY OTHER LOAN PARTY SHALL DEFAULT IN THE OBSERVANCE OR DUE PERFORMANCE OF ANY AGREEMENT CONTAINED IN SECTION 8, SECTIONS 6 AND 7 OF THE US MORTGAGE, AND ARTICLE 2 OF THE CANADIAN SECURITY AGREEMENT; OR

(D) THE COMPANY OR ANY OTHER LOAN PARTY SHALL DEFAULT IN THE OBSERVANCE OR PERFORMANCE OF ANY OTHER AGREEMENT CONTAINED IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (OTHER THAN AS PROVIDED IN PARAGRAPHS (A) THROUGH (C) OF THIS SECTION),

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AND SUCH DEFAULT SHALL CONTINUE UNREMEDIED FOR A PERIOD OF 30 DAYS AFTER THE EARLIER OF (I) THE DATE UPON WHICH WRITTEN NOTICE THEREOF IS GIVEN TO

THE COMPANY BY EITHER ADMINISTRATIVE AGENT OR ANY LENDER OR (II) THE DATE UPON WHICH EITHER BORROWER OBTAINS KNOWLEDGE OF SUCH DEFAULT; OR

(E) THE COMPANY OR ANY OF ITS SUBSIDIARIES SHALL (I) DEFAULT (UNLESS SUCH DEFAULT HAS BEEN WAIVED BY THE RELEVANT CREDITOR) IN ANY PAYMENT OF PRINCIPAL OF OR INTEREST ON ANY INDEBTEDNESS (OTHER THAN THE LOANS) OR IN THE PAYMENT OF ANY GUARANTEE OBLIGATION, BEYOND THE PERIOD OF GRACE, IF ANY, PROVIDED IN THE INSTRUMENT OR AGREEMENT UNDER WHICH SUCH INDEBTEDNESS OR GUARANTEE OBLIGATION WAS CREATED; OR (II) DEFAULT IN THE OBSERVANCE OR PERFORMANCE OF ANY OTHER AGREEMENT OR CONDITION RELATING TO ANY SUCH INDEBTEDNESS OR GUARANTEE OBLIGATION OR CONTAINED IN ANY INSTRUMENT OR AGREEMENT EVIDENCING, SECURING OR RELATING THERETO, OR ANY OTHER EVENT SHALL OCCUR OR CONDITION EXIST, THE EFFECT OF WHICH DEFAULT OR OTHER EVENT OR CONDITION IS TO CAUSE, OR TO PERMIT THE HOLDER OR HOLDERS OF SUCH INDEBTEDNESS OR BENEFICIARY OR BENEFICIARIES OF SUCH GUARANTEE OBLIGATION (OR A TRUSTEE OR AGENT ON BEHALF OF SUCH HOLDER OR HOLDERS OR BENEFICIARY OR BENEFICIARIES) TO CAUSE, WITH THE GIVING OF NOTICE IF REQUIRED, SUCH INDEBTEDNESS TO BECOME DUE PRIOR TO ITS STATED MATURITY OR SUCH GUARANTEE OBLIGATION TO BECOME PAYABLE; PROVIDED, HOWEVER, THAT NO

DEFAULT OR EVENT OF DEFAULT SHALL EXIST UNDER THIS PARAGRAPH UNLESS THE AGGREGATE AMOUNT OF INDEBTEDNESS AND/OR GUARANTEE OBLIGATIONS IN RESPECT OF WHICH ANY DEFAULT OR OTHER EVENT OR CONDITION REFERRED TO IN THIS PARAGRAPH SHALL HAVE OCCURRED SHALL BE EQUAL TO AT LEAST US\$1,000,000; OR

(F) (I) THE COMPANY OR ANY OF ITS MATERIAL SUBSIDIARIES SHALL COMMENCE ANY VOLUNTARY CASE, PROCEEDING OR OTHER ACTION (A) UNDER ANY EXISTING OR FUTURE LAW OF ANY JURISDICTION, DOMESTIC OR FOREIGN, RELATING TO BANKRUPTCY, INSOLVENCY, REORGANIZATION OR RELIEF OF DEBTORS, SEEKING TO HAVE AN ORDER FOR RELIEF ENTERED WITH RESPECT TO IT, OR SEEKING TO ADJUDICATE IT A BANKRUPT OR INSOLVENT, OR SEEKING REORGANIZATION, ARRANGEMENT, ADJUSTMENT, WINDING-UP, LIQUIDATION, DISSOLUTION, COMPOSITION OR OTHER RELIEF WITH RESPECT TO IT OR ITS DEBTS, OR (B) SEEKING APPOINTMENT OF A RECEIVER, TRUSTEE, CUSTODIAN, CONSERVATOR OR OTHER SIMILAR OFFICIAL FOR IT OR FOR ALL OR ANY SUBSTANTIAL PART OF ITS ASSETS, OR THE COMPANY OR ANY OF ITS SUBSIDIARIES SHALL MAKE A GENERAL ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS; OR (II) THERE SHALL BE COMMENCED AGAINST THE COMPANY OR ANY OF ITS MATERIAL SUBSIDIARIES ANY CASE, PROCEEDING OR OTHER ACTION OF A NATURE REFERRED TO IN CLAUSE (I) ABOVE WHICH (A) RESULTS IN THE ENTRY OF AN ORDER FOR RELIEF OR ANY SUCH ADJUDICATION OR APPOINTMENT OR (B) REMAINS UNDISMISSED, UNDISCHARGED OR UNBONDED FOR A PERIOD OF 60 DAYS; OR (III) THERE SHALL BE COMMENCED AGAINST THE COMPANY OR ANY OF ITS SUBSIDIARIES ANY CASE, PROCEEDING OR OTHER ACTION SEEKING ISSUANCE OF A WARRANT OF ATTACHMENT, EXECUTION, DISTRRAINT OR SIMILAR PROCESS AGAINST ALL OR ANY SUBSTANTIAL PART OF ITS

ASSETS WHICH RESULTS IN THE ENTRY OF AN ORDER FOR ANY SUCH RELIEF WHICH SHALL NOT HAVE BEEN VACATED, DISCHARGED, OR STAYED OR BONDED PENDING APPEAL

WITHIN 60 DAYS FROM THE ENTRY THEREOF; OR (IV) THE COMPANY OR ANY OF ITS SUBSIDIARIES SHALL TAKE ANY ACTION IN FURTHERANCE OF, OR INDICATING ITS CONSENT TO, APPROVAL OF, OR ACQUIESCENCE IN, ANY OF THE ACTS SET FORTH IN CLAUSE (I), (II), OR (III) ABOVE; OR (V) THE COMPANY OR ANY OF ITS SUBSIDIARIES SHALL GENERALLY NOT, OR SHALL BE UNABLE TO, OR SHALL ADMIT IN WRITING ITS INABILITY TO, PAY ITS DEBTS AS THEY BECOME DUE; OR

(G) (I) ANY PERSON SHALL ENGAGE IN ANY NON-EXEMPT "PROHIBITED TRANSACTION" (AS DEFINED IN SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE) INVOLVING ANY PLAN, (II) ANY "ACCUMULATED FUNDING DEFICIENCY" (AS DEFINED IN SECTION 302 OF ERISA), WHETHER OR NOT WAIVED, SHALL EXIST WITH RESPECT TO ANY PLAN OR ANY LIEN IN FAVOR OF THE PBGC OR A PLAN SHALL ARISE ON THE ASSETS OF THE COMPANY OR ANY COMMONLY CONTROLLED ENTITY, (III) A REPORTABLE EVENT SHALL OCCUR WITH RESPECT TO, OR PROCEEDINGS SHALL COMMENCE TO HAVE A TRUSTEE APPOINTED, OR A TRUSTEE SHALL BE APPOINTED, TO ADMINISTER OR TO TERMINATE, ANY SINGLE EMPLOYER PLAN, WHICH REPORTABLE EVENT OR COMMENCEMENT OF PROCEEDINGS OR APPOINTMENT OF A TRUSTEE IS, IN THE REASONABLE OPINION OF THE REQUIRED LENDERS, LIKELY TO RESULT IN THE TERMINATION OF SUCH PLAN FOR PURPOSES OF TITLE IV OF ERISA, (IV) ANY SINGLE EMPLOYER PLAN SHALL TERMINATE FOR PURPOSES OF TITLE IV OF ERISA, (V) THE COMPANY OR ANY COMMONLY CONTROLLED ENTITY SHALL, OR IN THE REASONABLE OPINION OF THE REQUIRED LENDERS IS LIKELY TO, INCUR ANY LIABILITY IN CONNECTION WITH A WITHDRAWAL FROM, OR THE INSOLVENCY OR REORGANIZATION OF, A MULTIEMPLOYER PLAN OR (VI) ANY OTHER EVENT OR CONDITION SHALL OCCUR OR EXIST WITH RESPECT TO A PLAN; BUT ONLY IF, IN EACH CASE IN CLAUSES (I) THROUGH (VI) ABOVE, SUCH EVENT OR CONDITION, TOGETHER WITH ALL OTHER SUCH EVENTS OR CONDITIONS, IF ANY, INVOLVE AN AGGREGATE AMOUNT IN EXCESS OF US\$3,000,000; OR

(H) ONE OR MORE JUDGMENTS OR DECREES SHALL BE ENTERED AGAINST THE COMPANY OR ANY OF ITS SUBSIDIARIES INVOLVING IN THE AGGREGATE A LIABILITY (NOT PAID OR FULLY COVERED BY INSURANCE) OF US\$3,000,000 OR MORE, AND ALL SUCH JUDGMENTS OR DECREES SHALL NOT HAVE BEEN VACATED, DISCHARGED, STAYED OR BONDED PENDING APPEAL WITHIN 60 DAYS FROM THE ENTRY THEREOF; OR

(I) (I) ANY OF THE SECURITY DOCUMENTS SHALL CEASE, FOR ANY REASON, TO BE IN FULL FORCE AND EFFECT, OR THE COMPANY OR ANY OTHER LOAN PARTY WHICH IS A PARTY TO ANY OF THE SECURITY DOCUMENTS SHALL SO ASSERT; OR (II) THE LIEN CREATED BY ANY OF THE SECURITY DOCUMENTS SHALL CEASE TO BE ENFORCEABLE AND OF THE SAME EFFECT AND PRIORITY PURPORTED TO BE CREATED THEREBY; OR (III) ANY GUARANTEE IN ANY OF THE SECURITY DOCUMENTS SHALL CEASE, FOR ANY REASON, TO BE IN FULL FORCE AND EFFECT OR ANY LOAN PARTY WHICH IS A GUARANTOR THEREUNDER SHALL SO ASSERT; OR

(J) ANY CHANGE OF CONTROL SHALL OCCUR; OR

(K) ANY "DISSOLUTION EVENT," AS DEFINED IN THE ARTICLES OF ASSOCIATION OF THE CANADIAN BORROWER SHALL OCCUR;

THEN, AND IN ANY SUCH EVENT, (A) IF SUCH EVENT IS AN EVENT OF DEFAULT SPECIFIED IN CLAUSE (I) OR (II) OF PARAGRAPH (F) OF THIS SECTION WITH RESPECT TO EITHER BORROWER, AUTOMATICALLY THE COMMITMENTS SHALL IMMEDIATELY TERMINATE AND THE LOANS HEREUNDER (INCLUDING (X) THE FACE AMOUNT OF ALL BANKERS' ACCEPTANCES ACCEPTED BY ANY C\$ LENDER AND (Y) THE DOLLAR EQUIVALENT AMOUNT OF ALL AMOUNTS OF L/C OBLIGATIONS, WHETHER OR NOT THE BENEFICIARIES OF THE THEN OUTSTANDING LETTERS OF CREDIT SHALL HAVE PRESENTED THE DOCUMENTS REQUIRED THEREUNDER), WITH ACCRUED INTEREST THEREON, AND ALL OTHER AMOUNTS OWING UNDER THIS AGREEMENT SHALL IMMEDIATELY BECOME DUE AND PAYABLE, AND (B) IF SUCH EVENT IS ANY OTHER EVENT OF DEFAULT, EITHER OR BOTH OF THE FOLLOWING ACTIONS MAY BE TAKEN:

(I) (X) WITH THE CONSENT OF THE REQUIRED US\$ LENDERS, THE US ADMINISTRATIVE AGENT MAY, OR UPON THE REQUEST OF THE REQUIRED US\$ LENDERS, THE US ADMINISTRATIVE AGENT SHALL, BY NOTICE TO THE COMPANY DECLARE THE US COMMITMENTS TO BE TERMINATED FORTHWITH, WHEREUPON THE US COMMITMENTS SHALL IMMEDIATELY TERMINATE; AND (Y) WITH THE CONSENT OF THE REQUIRED US\$ LENDERS, THE US ADMINISTRATIVE AGENT MAY, OR UPON THE REQUEST OF THE REQUIRED US\$ LENDERS, THE US ADMINISTRATIVE AGENT SHALL, BY NOTICE TO THE COMPANY, DECLARE THE US\$ LOANS HEREUNDER (WITH ACCRUED INTEREST THEREON) AND ALL OTHER AMOUNTS OWING UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (INCLUDING THE DOLLAR EQUIVALENT AMOUNT OF ALL AMOUNTS OF L/C OBLIGATIONS, WHETHER OR NOT THE BENEFICIARIES OF THE THEN OUTSTANDING LETTERS OF CREDIT SHALL HAVE PRESENTED THE DOCUMENTS REQUIRED THEREUNDER) TO THE US\$ LENDERS TO BE DUE AND PAYABLE FORTHWITH, WHEREUPON THE SAME SHALL IMMEDIATELY BECOME DUE AND PAYABLE. WITH RESPECT TO ALL LETTERS OF CREDIT WITH RESPECT TO WHICH PRESENTMENT FOR HONOR SHALL NOT HAVE OCCURRED AT THE TIME OF AN ACCELERATION PURSUANT TO THIS PARAGRAPH, THE COMPANY SHALL AT SUCH TIME DEPOSIT IN A CASH COLLATERAL ACCOUNT OPENED BY THE US ADMINISTRATIVE AGENT AN AMOUNT EQUAL TO THE AGGREGATE THEN UNDRAWN AND UNEXPIRED AMOUNT OF SUCH LETTERS OF CREDIT. AMOUNTS HELD IN SUCH CASH COLLATERAL ACCOUNT SHALL BE APPLIED BY THE US ADMINISTRATIVE AGENT TO THE PAYMENT OF DRAFTS DRAWN UNDER SUCH LETTERS OF CREDIT, AND THE UNUSED PORTION THEREOF AFTER ALL SUCH LETTERS OF CREDIT SHALL HAVE EXPIRED OR BEEN FULLY DRAWN UPON, IF ANY, SHALL BE APPLIED TO REPAY OTHER OBLIGATIONS OF THE COMPANY HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS. AFTER ALL SUCH LETTERS OF CREDIT SHALL HAVE EXPIRED OR BEEN FULLY DRAWN UPON, ALL REIMBURSEMENT OBLIGATIONS SHALL HAVE BEEN SATISFIED AND ALL OTHER OBLIGATIONS OF THE COMPANY HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS SHALL HAVE BEEN PAID IN FULL, THE BALANCE, IF ANY, IN SUCH CASH COLLATERAL ACCOUNT SHALL BE RETURNED TO THE COMPANY (OR SUCH OTHER PERSON AS MAY BE LAWFULLY ENTITLED THERETO); AND

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(II) (X) WITH THE CONSENT OF THE REQUIRED C\$ LENDERS, THE CANADIAN ADMINISTRATIVE AGENT MAY, OR UPON THE REQUEST OF THE REQUIRED C\$ LENDERS, THE CANADIAN ADMINISTRATIVE AGENT SHALL, BY NOTICE TO THE CANADIAN BORROWER DECLARE THE CANADIAN COMMITMENTS TO BE TERMINATED FORTHWITH, WHEREUPON THE CANADIAN COMMITMENTS SHALL IMMEDIATELY TERMINATE; AND (Y)

WITH THE CONSENT OF THE REQUIRED C\$ LENDERS, THE CANADIAN ADMINISTRATIVE AGENT MAY, OR UPON THE REQUEST OF THE REQUIRED C\$ LENDERS, THE CANADIAN ADMINISTRATIVE AGENT SHALL, BY NOTICE TO THE CANADIAN BORROWER DECLARE THE C\$ LOANS HEREUNDER (INCLUDING THE FACE AMOUNT OF ALL BANKERS' ACCEPTANCES ACCEPTED BY ANY C\$ LENDER), WITH ACCRUED INTEREST THEREON, AND ALL OTHER AMOUNTS OWING UNDER THIS AGREEMENT TO THE CANADIAN LENDERS TO BE DUE AND PAYABLE FORTHWITH, WHEREUPON THE SAME SHALL IMMEDIATELY BECOME DUE AND PAYABLE.

EXCEPT AS EXPRESSLY PROVIDED ABOVE IN THIS SECTION, PRESENTMENT, DEMAND, PROTEST AND ALL OTHER NOTICES OF ANY KIND ARE HEREBY EXPRESSLY WAIVED.

SECTION 10. THE ADMINISTRATIVE AGENTS

10.1 APPOINTMENT. EACH LENDER HEREBY IRREVOCABLY DESIGNATES AND

APPOINTS THE ADMINISTRATIVE AGENTS AS THE AGENTS OF SUCH LENDER UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND EACH SUCH LENDER IRREVOCABLY AUTHORIZES THE ADMINISTRATIVE AGENTS, IN SUCH CAPACITIES, TO TAKE SUCH ACTION ON ITS BEHALF UNDER THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND TO EXERCISE SUCH POWERS AND PERFORM SUCH DUTIES AS ARE EXPRESSLY DELEGATED TO THE ADMINISTRATIVE AGENTS BY THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH SUCH OTHER POWERS AS ARE REASONABLY INCIDENTAL THERETO. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY ELSEWHERE IN THIS AGREEMENT, THE ADMINISTRATIVE AGENTS SHALL NOT HAVE ANY DUTIES OR RESPONSIBILITIES, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, OR ANY FIDUCIARY RELATIONSHIP WITH ANY LENDER, AND NO IMPLIED COVENANTS, FUNCTIONS, RESPONSIBILITIES, DUTIES, OBLIGATIONS OR LIABILITIES SHALL BE READ INTO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR OTHERWISE EXIST AGAINST EITHER ADMINISTRATIVE AGENT. THE BORROWERS SHALL BE ENTITLED TO CONCLUSIVELY RELY UPON ANY STATEMENT MADE BY EITHER ADMINISTRATIVE AGENT THAT IT HAS RECEIVED THE APPROVAL OF THE REQUIRED LENDERS, THE REQUIRED US\$ LENDERS, THE REQUIRED C\$ LENDERS, ALL OF THE LENDERS, ALL OF THE US\$ LENDERS OR ALL OF THE C\$ LENDERS.

10.2 DELEGATION OF DUTIES. EACH ADMINISTRATIVE AGENT MAY EXECUTE ANY

OF ITS DUTIES UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY OR THROUGH AGENTS OR ATTORNEYS-IN-FACT AND SHALL BE ENTITLED TO ADVICE OF COUNSEL CONCERNING ALL MATTERS PERTAINING TO SUCH DUTIES. NEITHER ADMINISTRATIVE AGENT SHALL BE RESPONSIBLE TO ANY LENDER FOR THE NEGLIGENCE OR MISCONDUCT OF ANY AGENTS OR ATTORNEYS IN-FACT SELECTED BY IT WITH REASONABLE CARE.

10.3 EXCULPATORY PROVISIONS. NEITHER ADMINISTRATIVE AGENT NOR ANY OF

ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS-IN-FACT OR AFFILIATES SHALL BE (I) LIABLE FOR ANY ACTION LAWFULLY TAKEN OR OMITTED TO BE TAKEN BY IT OR SUCH PERSON UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT FOR ITS OR SUCH PERSON'S OWN GROSS NEGLIGENCE OR WILLFUL

MISCONDUCT) OR (II) RESPONSIBLE IN ANY MANNER TO ANY OF THE LENDERS FOR ANY RECITALS, STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY ANY LOAN PARTY OR ANY OFFICER THEREOF CONTAINED IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR IN ANY CERTIFICATE, REPORT, STATEMENT OR OTHER DOCUMENT REFERRED TO OR PROVIDED FOR IN, OR RECEIVED BY SUCH ADMINISTRATIVE AGENT UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR FOR THE VALUE, VALIDITY, EFFECTIVENESS, GENUINENESS, ENFORCEABILITY OR SUFFICIENCY OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR FOR ANY FAILURE OF ANY LOAN PARTY TO PERFORM ITS OBLIGATIONS HEREUNDER OR THEREUNDER. NEITHER ADMINISTRATIVE AGENT SHALL BE UNDER ANY OBLIGATION TO ANY LENDER TO ASCERTAIN OR TO INQUIRE AS TO THE OBSERVANCE OR PERFORMANCE OF ANY OF THE AGREEMENTS CONTAINED IN, OR CONDITIONS OF, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR TO INSPECT THE PROPERTIES, BOOKS OR RECORDS OF ANY LOAN PARTY.

10.4 RELIANCE BY ADMINISTRATIVE AGENT. EACH ADMINISTRATIVE AGENT

SHALL BE ENTITLED TO RELY, AND SHALL BE FULLY PROTECTED IN RELYING, UPON ANY NOTE, WRITING, RESOLUTION, NOTICE, CONSENT, CERTIFICATE, AFFIDAVIT, LETTER, TELECOPY, TELEX OR TELETYPE MESSAGE, STATEMENT, ORDER OR OTHER DOCUMENT OR CONVERSATION REASONABLY BELIEVED BY IT TO BE GENUINE AND CORRECT AND TO HAVE BEEN SIGNED, SENT OR MADE BY THE PROPER PERSON OR PERSONS AND UPON ADVICE AND STATEMENTS OF LEGAL COUNSEL (INCLUDING, WITHOUT LIMITATION, COUNSEL TO THE BORROWERS), INDEPENDENT ACCOUNTANTS AND OTHER EXPERTS SELECTED BY THE ADMINISTRATIVE AGENT. EACH ADMINISTRATIVE AGENT MAY DEEM AND TREAT THE PAYEE OF ANY NOTE AS THE OWNER THEREOF FOR ALL PURPOSES UNLESS A WRITTEN NOTICE OF ASSIGNMENT, NEGOTIATION OR TRANSFER THEREOF SHALL HAVE BEEN FILED WITH SUCH ADMINISTRATIVE AGENT. EACH ADMINISTRATIVE AGENT SHALL BE FULLY JUSTIFIED IN FAILING OR REFUSING TO TAKE ANY ACTION UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT UNLESS IT SHALL FIRST RECEIVE SUCH ADVICE OR CONCURRENCE OF THE REQUIRED LENDERS AS IT DEEMS APPROPRIATE OR IT SHALL FIRST BE INDEMNIFIED TO ITS SATISFACTION BY THE LENDERS AGAINST ANY AND ALL LIABILITY AND EXPENSE WHICH MAY BE INCURRED BY IT BY REASON OF TAKING OR CONTINUING TO TAKE ANY SUCH ACTION. EACH ADMINISTRATIVE AGENT SHALL IN ALL CASES BE FULLY PROTECTED IN ACTING, OR IN REFRAINING FROM ACTING, UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN ACCORDANCE WITH A REQUEST OF THE REQUIRED LENDERS, AND SUCH REQUEST AND ANY ACTION TAKEN OR FAILURE TO ACT PURSUANT THERETO SHALL BE BINDING UPON ALL THE LENDERS AND ALL FUTURE HOLDERS OF THE LOANS.

10.5 NOTICE OF DEFAULT. NEITHER ADMINISTRATIVE AGENT SHALL BE DEEMED

TO HAVE KNOWLEDGE OR NOTICE OF THE OCCURRENCE OF ANY DEFAULT OR EVENT OF DEFAULT HEREUNDER UNLESS SUCH ADMINISTRATIVE AGENT HAS RECEIVED NOTICE FROM A LENDER OR THE COMPANY REFERRING TO THIS AGREEMENT, DESCRIBING SUCH DEFAULT OR

EVENT OF DEFAULT AND STATING THAT SUCH NOTICE IS A "NOTICE OF DEFAULT." IN THE EVENT THAT EITHER ADMINISTRATIVE AGENT RECEIVES SUCH A NOTICE, SUCH ADMINISTRATIVE AGENT SHALL GIVE NOTICE THEREOF TO THE LENDERS. THE ADMINISTRATIVE AGENTS SHALL TAKE SUCH ACTION WITH RESPECT TO SUCH DEFAULT OR

EVENT OF DEFAULT AS SHALL BE REASONABLY DIRECTED BY THE REQUIRED LENDERS;
PROVIDED THAT UNLESS AND UNTIL THE ADMINISTRATIVE AGENTS SHALL HAVE RECEIVED

SUCH DIRECTIONS, THE ADMINISTRATIVE AGENTS MAY (BUT SHALL NOT BE OBLIGATED TO)
TAKE SUCH ACTION, OR REFRAIN FROM TAKING SUCH ACTION, WITH RESPECT TO SUCH
DEFAULT OR EVENT OF DEFAULT AS THEY SHALL DEEM ADVISABLE AND IN THE BEST
INTERESTS OF THE LENDERS.

10.6 NON-RELIANCE ON ADMINISTRATIVE AGENTS AND OTHER LENDERS. EACH

LENDER EXPRESSLY ACKNOWLEDGES THAT NEITHER ADMINISTRATIVE AGENT NOR ANY OF ITS
OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS-IN-FACT OR AFFILIATES HAS MADE
ANY REPRESENTATIONS OR WARRANTIES TO IT AND THAT NO ACT BY EITHER ADMINISTRATIVE
AGENT HEREINAFTER TAKEN, INCLUDING ANY REVIEW OF THE AFFAIRS OF EITHER BORROWER,
SHALL BE DEEMED TO CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SUCH
ADMINISTRATIVE AGENT TO ANY LENDER. EACH LENDER REPRESENTS TO THE
ADMINISTRATIVE AGENTS THAT IT HAS, INDEPENDENTLY AND WITHOUT RELIANCE UPON
EITHER ADMINISTRATIVE AGENT OR ANY OTHER LENDER, AND BASED ON SUCH DOCUMENTS AND
INFORMATION AS IT HAS DEEMED APPROPRIATE, MADE ITS OWN APPRAISAL OF AND
INVESTIGATION INTO THE BUSINESS, OPERATIONS, PROPERTY, FINANCIAL AND OTHER
CONDITION AND CREDITWORTHINESS OF EITHER BORROWER AND MADE ITS OWN DECISION TO
MAKE ITS LOANS HEREUNDER AND ENTER INTO THIS AGREEMENT. EACH LENDER ALSO
REPRESENTS THAT IT WILL, INDEPENDENTLY AND WITHOUT RELIANCE UPON EITHER
ADMINISTRATIVE AGENT OR ANY OTHER LENDER, AND BASED ON SUCH DOCUMENTS AND
INFORMATION AS IT SHALL DEEM APPROPRIATE AT THE TIME, CONTINUE TO MAKE ITS OWN
CREDIT ANALYSIS, APPRAISALS AND DECISIONS IN TAKING OR NOT TAKING ACTION UNDER
THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND TO MAKE SUCH INVESTIGATION AS
IT DEEMS NECESSARY TO INFORM ITSELF AS TO THE BUSINESS, OPERATIONS, PROPERTY,
FINANCIAL AND OTHER CONDITION AND CREDITWORTHINESS OF ANY LOAN PARTY. EXCEPT
FOR NOTICES, REPORTS AND OTHER DOCUMENTS EXPRESSLY REQUIRED TO BE FURNISHED TO
THE LENDERS BY THE ADMINISTRATIVE AGENTS HEREUNDER, NEITHER ADMINISTRATIVE AGENT
SHALL HAVE ANY DUTY OR RESPONSIBILITY TO PROVIDE ANY LENDER WITH ANY CREDIT OR
OTHER INFORMATION CONCERNING THE BUSINESS, OPERATIONS, PROPERTY, CONDITION
(FINANCIAL OR OTHERWISE), PROSPECTS OR CREDITWORTHINESS OF ANY LOAN PARTY WHICH
MAY COME INTO THE POSSESSION OF SUCH ADMINISTRATIVE AGENT OR ANY OF ITS
OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS-IN-FACT OR AFFILIATES.

10.7 INDEMNIFICATION. THE LENDERS AGREE TO INDEMNIFY THE

ADMINISTRATIVE AGENTS IN THEIR RESPECTIVE CAPACITIES AS SUCH (TO THE EXTENT NOT
REIMBURSED BY THE BORROWERS AND WITHOUT LIMITING THE OBLIGATION OF EITHER
BORROWER TO DO SO), RATABLY ACCORDING TO THEIR RESPECTIVE COMMITMENT PERCENTAGES
IN EFFECT ON THE DATE ON WHICH INDEMNIFICATION IS SOUGHT, FROM AND AGAINST ANY
AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS,
JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND WHATSOEVER WHICH
MAY AT ANY TIME (INCLUDING, WITHOUT LIMITATION, AT ANY TIME FOLLOWING THE

PAYMENT OF THE LOANS) BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST THE

ADMINISTRATIVE AGENTS IN ANY WAY RELATING TO OR ARISING OUT OF, THE COMMITMENTS, THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY DOCUMENTS CONTEMPLATED BY OR REFERRED TO HEREIN OR THEREIN OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR ANY ACTION TAKEN OR OMITTED BY THE ADMINISTRATIVE AGENTS UNDER OR IN CONNECTION WITH ANY OF THE FOREGOING; PROVIDED THAT NO LENDER SHALL BE LIABLE

FOR THE PAYMENT OF ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS RESULTING SOLELY FROM AN ADMINISTRATIVE AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE AGREEMENTS IN THIS SUBSECTION SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

10.8 ADMINISTRATIVE AGENTS IN THEIR INDIVIDUAL CAPACITY. THE

ADMINISTRATIVE AGENTS AND THEIR AFFILIATES MAY MAKE LOANS TO, ACCEPT DEPOSITS FROM AND GENERALLY ENGAGE IN ANY KIND OF BUSINESS WITH EITHER BORROWER AS THOUGH THE ADMINISTRATIVE AGENTS WERE NOT THE ADMINISTRATIVE AGENTS HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS. WITH RESPECT TO THE LOANS MADE BY IT AND WITH RESPECT TO ANY LETTER OF CREDIT ISSUED OR PARTICIPATED IN BY IT, EACH ADMINISTRATIVE AGENT SHALL HAVE THE SAME RIGHTS AND POWERS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AS ANY LENDER AND MAY EXERCISE THE SAME AS THOUGH IT WERE NOT THE ADMINISTRATIVE AGENT, AND THE TERMS "LENDER" AND "LENDERS" SHALL INCLUDE SUCH ADMINISTRATIVE AGENT IN ITS INDIVIDUAL CAPACITY.

10.9 SUCCESSOR ADMINISTRATIVE AGENT. EACH ADMINISTRATIVE AGENT MAY

RESIGN AS ADMINISTRATIVE AGENT UPON 15 BUSINESS DAYS' PRIOR WRITTEN NOTICE TO THE BORROWERS AND THE LENDERS. IF EITHER ADMINISTRATIVE AGENT SHALL RESIGN AS ADMINISTRATIVE AGENT UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, THEN THE REQUIRED LENDERS SHALL APPOINT FROM AMONG THE LENDERS A SUCCESSOR AGENT FOR THE LENDERS, WHICH SUCCESSOR AGENT (PROVIDED THAT IT SHALL HAVE BEEN APPROVED BY THE COMPANY), SHALL SUCCEED TO THE RIGHTS, POWERS AND DUTIES OF SUCH ADMINISTRATIVE AGENT HEREUNDER. SUCH RESIGNATION SHALL TAKE EFFECT UPON THE APPOINTMENT OF A SUCCESSOR AGENT. EFFECTIVE UPON SUCH APPOINTMENT AND APPROVAL, THE TERM "ADMINISTRATIVE AGENT" SHALL MEAN SUCH SUCCESSOR AGENT, AND SUCH FORMER ADMINISTRATIVE AGENT'S RIGHTS, POWERS AND DUTIES AS ADMINISTRATIVE AGENT SHALL BE TERMINATED, WITHOUT ANY OTHER OR FURTHER ACT OR DEED ON THE PART OF SUCH FORMER ADMINISTRATIVE AGENT OR ANY OF THE PARTIES TO THIS AGREEMENT OR ANY HOLDERS OF THE LOANS. AFTER ANY RETIRING ADMINISTRATIVE AGENT'S RESIGNATION AS ADMINISTRATIVE AGENT, THE PROVISIONS OF THIS SECTION 10 SHALL INURE TO ITS BENEFIT AS TO ANY ACTIONS TAKEN OR OMITTED TO BE TAKEN BY IT WHILE IT WAS ADMINISTRATIVE AGENT UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 11. MISCELLANEOUS

11.1 AMENDMENTS AND WAIVERS. (A) NEITHER THIS AGREEMENT NOR ANY

OTHER LOAN DOCUMENT, NOR ANY TERMS HEREOF OR THEREOF MAY BE AMENDED,

SUPPLEMENTED OR MODIFIED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION. THE REQUIRED LENDERS MAY, OR, WITH THE WRITTEN CONSENT OF THE REQUIRED LENDERS, THE US ADMINISTRATIVE AGENT MAY, FROM TIME TO TIME, (1) ENTER INTO WITH THE BORROWERS WRITTEN AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS HERETO AND TO THE OTHER LOAN DOCUMENTS FOR THE PURPOSE OF ADDING ANY PROVISIONS TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR CHANGING IN ANY MANNER THE RIGHTS OF THE LENDERS OR OF THE BORROWERS HEREUNDER OR THEREUNDER OR (2) WAIVE, ON SUCH TERMS AND CONDITIONS AS THE REQUIRED LENDERS OR THE ADMINISTRATIVE AGENTS, AS THE CASE MAY BE, MAY SPECIFY IN SUCH INSTRUMENT, ANY OF THE REQUIREMENTS OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY DEFAULT OR EVENT OF DEFAULT AND ITS CONSEQUENCES; PROVIDED, HOWEVER, THAT NO SUCH WAIVER AND NO SUCH AMENDMENT,

SUPPLEMENT OR MODIFICATION SHALL (I) REDUCE THE AMOUNT OR EXTEND THE SCHEDULED DATE OF MATURITY OF ANY LOAN OR OF ANY INSTALLMENT THEREOF, OR REDUCE THE STATED RATE OF ANY INTEREST OR FEE PAYABLE HEREUNDER OR EXTEND THE SCHEDULED DATE OF ANY PAYMENT THEREOF OR INCREASE THE AMOUNT OR EXTEND THE EXPIRATION DATE OF ANY LENDER'S COMMITMENTS, IN EACH CASE WITHOUT THE CONSENT OF EACH LENDER AFFECTED THEREBY, OR (II) AMEND, MODIFY OR WAIVE ANY PROVISION OF THIS SUBSECTION OR REDUCE THE PERCENTAGE SPECIFIED IN THE DEFINITION OF REQUIRED LENDERS OR CONSENT TO THE ASSIGNMENT OR TRANSFER BY EITHER BORROWER OF ANY OF ITS RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS OR RELEASE ALL OR SUBSTANTIALLY ALL OF THE COLLATERAL, IN EACH CASE WITHOUT THE WRITTEN CONSENT OF ALL THE LENDERS, OR (III) REDUCE THE PERCENTAGE SPECIFIED IN THE DEFINITION OF REQUIRED US\$ LENDERS OR REQUIRED C\$ LENDERS WITHOUT THE WRITTEN CONSENT OF ALL THE US\$ LENDERS OR C\$ LENDERS, RESPECTIVELY, OR (IV) AMEND, MODIFY OR WAIVE ANY PROVISION OF SECTION 10 WITHOUT THE WRITTEN CONSENT OF THE THEN ADMINISTRATIVE AGENTS, OR (V) AMEND, MODIFY OR WAIVE ANY PROVISION OF THIS AGREEMENT REGARDING THE ALLOCATION OF PREPAYMENT AMOUNTS AMONG THE US\$ LOANS AND THE C\$ LOANS OR THE APPLICATION OF SUCH PREPAYMENT AMOUNTS TO THE RESPECTIVE INSTALLMENTS OF PRINCIPAL UNDER THE RESPECTIVE US\$ LOANS AND C\$ LOANS WITHOUT THE WRITTEN CONSENT OF THE REQUIRED US\$ LENDERS AND THE REQUIRED C\$ LENDERS; OR (VI) SUBJECT TO CLAUSE (I) OF THIS PROVISO AS IT RELATES TO REDUCING THE AMOUNT OR EXTENDING THE SCHEDULED DATE OF MATURITY OF ANY LOAN OR ANY INSTALLMENT THEREOF, AMEND, MODIFY OR WAIVE ANY PROVISION OF (X) SECTION 2 WITHOUT THE WRITTEN CONSENT OF THE REQUIRED US\$ LENDERS OR (Y) SECTION 3 WITHOUT THE WRITTEN CONSENT OF THE REQUIRED C\$ LENDERS. ANY SUCH WAIVER AND ANY SUCH AMENDMENT, SUPPLEMENT OR MODIFICATION SHALL APPLY EQUALLY TO EACH OF THE LENDERS AND SHALL BE BINDING UPON THE BORROWERS, THE LENDERS, THE ADMINISTRATIVE AGENTS AND ALL FUTURE HOLDERS OF THE LOANS. IN THE CASE OF ANY WAIVER, THE BORROWERS, THE LENDERS AND THE ADMINISTRATIVE AGENTS SHALL BE RESTORED TO THEIR FORMER POSITIONS AND RIGHTS HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS, AND ANY DEFAULT OR EVENT OF DEFAULT WAIVED SHALL BE DEEMED TO BE CURED AND NOT CONTINUING; NO SUCH WAIVER SHALL EXTEND TO ANY SUBSEQUENT OR OTHER DEFAULT OR EVENT OF DEFAULT OR IMPAIR ANY RIGHT CONSEQUENT THEREON.

(B) IF IN CONNECTION WITH ANY PROPOSED AMENDMENT, SUPPLEMENT, WAIVER OR OTHER MODIFICATION OF ANY OF THE PROVISIONS OF THIS AGREEMENT AS CONTEMPLATED BY SUBSECTION 11.1(A), THE CONSENT OF THE REQUIRED LENDERS OR OF ALL OF THE

LENDERS, AS THE CASE MAY BE, FOR THE RELEVANT LEVEL OF CONSENT REQUIRED, IS NOT OBTAINED, THE BORROWERS SHALL HAVE THE RIGHTS AS FOLLOWS. IN MATTERS REQUIRING THE CONSENT OF ALL LENDERS OR THE CONSENT OF THE REQUIRED LENDERS, THE BORROWERS SHALL HAVE THE RIGHT TO REQUIRE ANY NONCONSENTING LENDER TO TRANSFER OR ASSIGN, IN WHOLE OR IN PART, WITHOUT RECOURSE (IN ACCORDANCE WITH SUBSECTION 11.6) ALL OR PART OF ITS INTEREST, RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT TO ANOTHER PERSON (PROVIDED THAT THE RELEVANT BORROWER WITH THE REASONABLE COOPERATION OF SUCH LENDER IDENTIFIES A PERSON WHICH IS READY, WILLING AND ABLE TO BE AN ASSIGNEE WITH RESPECT TO THERETO WHICH SHALL ASSUME SUCH ASSIGNED OBLIGATIONS (WHICH ASSIGNEE MAY BE ANOTHER LENDER, IF SUCH ASSIGNEE LENDER ACCEPTS SUCH ASSIGNMENT); PROVIDED THAT (A) THE ASSIGNEE SHALL HAVE PAID TO SUCH LENDER IN

IMMEDIATELY AVAILABLE FUNDS AN AMOUNT EQUAL TO THE PRINCIPAL OF AND INTEREST ACCRUED TO THE DATE OF SUCH PAYMENT ON THE LOANS MADE BY IT HEREUNDER AND ALL OTHER AMOUNTS OWED TO IT HEREUNDER, INCLUDING, WITHOUT LIMITATION, ANY AMOUNTS THAT WOULD BE OWING UNDER SUBSECTION 4.12 IF SUCH LOANS WERE PREPAID ON THE DATE OF SUCH ASSIGNMENT, AND (B) SUCH ASSIGNMENT OF THE COMMITMENT OF SUCH LENDER AND PREPAYMENT OF LOANS DOES NOT CONFLICT WITH ANY LAW, RULE OR REGULATION OR ORDER OF ANY GOVERNMENTAL AUTHORITY. IN CASES WHERE THE CONSENT REFERRED TO ABOVE IS ONLY WITH RESPECT TO THE REQUIRED C\$ LENDERS OR REQUIRED US\$ LENDERS, THE FOREGOING PROVISIONS SHALL ONLY APPLY TO THE REQUIRED C\$ LENDERS OR REQUIRED US\$ LENDERS, AS THE CASE MAY BE.

11.2 NOTICES. UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN, ALL

NOTICES, REQUESTS AND DEMANDS TO OR UPON THE RESPECTIVE PARTIES HERETO TO BE EFFECTIVE SHALL BE IN WRITING (INCLUDING BY FACSIMILE TRANSMISSION) AND, UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN, SHALL BE DEEMED TO HAVE BEEN DULY GIVEN OR MADE (A) IN THE CASE OF DELIVERY BY HAND, WHEN DELIVERED, (B) IN THE CASE OF DELIVERY BY MAIL, THREE DAYS AFTER BEING DEPOSITED IN THE MAIls, POSTAGE PREPAID, OR (C) IN THE CASE OF DELIVERY BY FACSIMILE TRANSMISSION, WHEN SENT AND RECEIPT HAS BEEN CONFIRMED, ADDRESSED AS FOLLOWS IN THE CASE OF THE BORROWERS AND THE ADMINISTRATIVE AGENTS, AND AS SET FORTH IN SCHEDULE 1.1 IN THE CASE OF THE OTHER PARTIES HERETO, OR TO SUCH OTHER ADDRESS AS MAY BE HEREAFTER NOTIFIED BY THE RESPECTIVE PARTIES HERETO:

COMPANY:

PIERCE LEAHY CORP.
631 PARK AVENUE
KING OF PRUSSIA, PA 19406
ATTENTION: PRESIDENT
FAX: (610) 992-8394

CANADIAN
BORROWER:

PIERCE LEAHY COMMAND COMPANY
195 SUMMERLEA ROAD
BRAMPTON, CANADA, ONTARIO, L6T 4P6
FAX: (905) 792-2567

WITH A COPY TO:

PIERCE LEAHY CORP.
631 PARK AVENUE
KING OF PRUSSIA, PA 19406
ATTENTION: PRESIDENT
FAX: (610) 992-8394

US ADMINISTRATIVE

AGENT:

CANADIAN IMPERIAL BANK OF COMMERCE,
NEW YORK AGENCY, SYNDICATIONS
425 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
ATTENTION: AIMEE EVANS
FAX: (212) 856-3763

WITH A COPY TO:

CIBC WOOD GUNDY SECURITIES CORP.
425 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
ATTENTION: LORAIN GRANBERG
FAX: (212) 856-3558

CANADIAN
ADMINISTRATIVE
AGENT:

CANADIAN IMPERIAL BANK OF COMMERCE,
COMMERCE COURT WEST 7
TORONTO, ONTARIO, CANADA N5L 1A2
ATTENTION: CINDY GRENOUGH
FAX: 416-980-5855

PROVIDED THAT ANY NOTICE, REQUEST OR DEMAND TO OR UPON THE ADMINISTRATIVE AGENTS

OR THE LENDERS PURSUANT TO SECTION 2, 3 OR 4 SHALL NOT BE EFFECTIVE UNTIL
RECEIVED.

11.3 NO WAIVER; CUMULATIVE REMEDIES. NO FAILURE TO EXERCISE AND NO

DELAY IN EXERCISING, ON THE PART OF EITHER ADMINISTRATIVE AGENT OR ANY LENDER,
ANY RIGHT, REMEDY, POWER OR PRIVILEGE HEREUNDER OR UNDER THE OTHER LOAN
DOCUMENTS SHALL OPERATE AS A WAIVER THEREOF; NOR SHALL ANY SINGLE OR PARTIAL
EXERCISE OF ANY RIGHT, REMEDY, POWER OR PRIVILEGE HEREUNDER PRECLUDE ANY OTHER
OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT, REMEDY, POWER OR
PRIVILEGE. THE RIGHTS, REMEDIES, POWERS AND PRIVILEGES HEREIN PROVIDED ARE
CUMULATIVE AND NOT EXCLUSIVE OF ANY RIGHTS, REMEDIES, POWERS AND PRIVILEGES
PROVIDED BY LAW.

11.4 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. ALL REPRESENTATIONS

AND WARRANTIES MADE HEREUNDER, IN THE OTHER LOAN DOCUMENTS AND IN ANY DOCUMENT, CERTIFICATE OR STATEMENT DELIVERED PURSUANT HERETO OR IN CONNECTION HEREWITH SHALL SURVIVE THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE MAKING OF THE LOANS HEREUNDER.

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11.5 PAYMENT OF EXPENSES AND TAXES. THE COMPANY AGREES (A) TO PAY OR

REIMBURSE EACH ADMINISTRATIVE AGENT FOR ALL ITS REASONABLE OUT-OF-POCKET COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE PREPARATION AND EXECUTION OF, AND ANY AMENDMENT, SUPPLEMENT OR MODIFICATION TO, THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY OTHER DOCUMENTS PREPARED IN CONNECTION HEREWITH OR THEREWITH INCLUDING, WITHOUT LIMITATION, THE REASONABLE FEES AND DISBURSEMENTS OF COUNSEL TO THE ADMINISTRATIVE AGENTS, (B) TO PAY OR REIMBURSE EACH LENDER AND EACH ADMINISTRATIVE AGENT FOR ALL OF ITS COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE ENFORCEMENT OR PRESERVATION OF ANY RIGHTS UNDER THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY SUCH OTHER DOCUMENTS FOLLOWING AN EVENT OF DEFAULT, INCLUDING, WITHOUT LIMITATION, THE FEES AND DISBURSEMENTS OF COUNSEL TO EACH LENDER AND OF COUNSEL TO EACH ADMINISTRATIVE AGENT, (C) TO PAY, INDEMNIFY, AND HOLD EACH LENDER AND EACH ADMINISTRATIVE AGENT HARMLESS FROM, ANY AND ALL RECORDING AND FILING FEES AND ANY AND ALL LIABILITIES WITH RESPECT TO, OR RESULTING FROM ANY DELAY (OTHER THAN DELAY CAUSED BY ANY ADMINISTRATIVE AGENT OR LENDER) IN PAYING, STAMP, EXCISE AND OTHER TAXES, IF ANY, WHICH MAY BE PAYABLE OR DETERMINED TO BE PAYABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF, OR CONSUMMATION OF ANY OF THE TRANSACTIONS CONTEMPLATED BY, OR ANY AMENDMENT, SUPPLEMENT OR MODIFICATION OF, OR ANY WAIVER OR CONSENT UNDER OR IN RESPECT OF, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY OTHER DOCUMENTS PREPARED IN CONNECTION HEREWITH, AND (D) TO PAY, INDEMNIFY, AND HOLD EACH LENDER AND EACH ADMINISTRATIVE AGENT HARMLESS FROM AND AGAINST ANY AND ALL OTHER LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WITH RESPECT TO THE EXECUTION, DELIVERY, ENFORCEMENT, AND PERFORMANCE OF THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY SUCH OTHER DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY OF THE FOREGOING RELATING TO THE VIOLATION OF, NONCOMPLIANCE WITH OR LIABILITY UNDER, ANY ENVIRONMENTAL LAW APPLICABLE TO THE OPERATIONS OF EITHER BORROWER, ANY OF THEIR SUBSIDIARIES OR ANY OF THEIR PROPERTIES (ALL THE FOREGOING IN THIS CLAUSE (D), COLLECTIVELY, THE "INDEMNIFIED LIABILITIES"), PROVIDED THAT NEITHER

BORROWER SHALL HAVE ANY OBLIGATION HEREUNDER TO EITHER ADMINISTRATIVE AGENT OR ANY LENDER WITH RESPECT TO INDEMNIFIED LIABILITIES ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF EITHER ADMINISTRATIVE AGENT OR ANY SUCH LENDER. THE AGREEMENTS IN THIS SUBSECTION SHALL SURVIVE REPAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

11.6 SUCCESSORS AND ASSIGNS; PARTICIPATIONS AND ASSIGNMENTS. (A)

THIS AGREEMENT SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE BORROWERS, THE LENDERS, THE ADMINISTRATIVE AGENTS AND THEIR RESPECTIVE SUCCESSORS AND

ASSIGNS, EXCEPT THAT NEITHER BORROWER MAY ASSIGN OR TRANSFER ANY OF ITS RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT WITHOUT THE PRIOR WRITTEN CONSENT OF EACH LENDER.

(B) ANY LENDER MAY, WITH THE CONSENT OF THE RELEVANT BORROWER AND THE RELEVANT ADMINISTRATIVE AGENT (WHICH IN EACH CASE

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SHALL NOT BE UNREASONABLY WITHHELD), IN THE ORDINARY COURSE OF ITS COMMERCIAL BANKING BUSINESS AND IN ACCORDANCE WITH APPLICABLE LAW, AT ANY TIME SELL TO ONE OR MORE BANKS OR OTHER ENTITIES ("PARTICIPANTS") PARTICIPATING INTERESTS IN ANY

LOAN OWING TO SUCH LENDER, ANY COMMITMENT OF SUCH LENDER OR ANY OTHER INTEREST OF SUCH LENDER HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS. IN THE EVENT OF ANY SUCH SALE BY A LENDER OF A PARTICIPATING INTEREST TO A PARTICIPANT, SUCH LENDER'S OBLIGATIONS UNDER THIS AGREEMENT TO THE OTHER PARTIES TO THIS AGREEMENT SHALL REMAIN UNCHANGED, SUCH LENDER SHALL REMAIN SOLELY RESPONSIBLE FOR THE PERFORMANCE THEREOF, SUCH LENDER SHALL REMAIN THE HOLDER OF ANY SUCH LOAN FOR ALL PURPOSES UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THE BORROWERS AND THE ADMINISTRATIVE AGENTS SHALL CONTINUE TO DEAL SOLELY AND DIRECTLY WITH SUCH LENDER IN CONNECTION WITH SUCH LENDER'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. NO LENDER SHALL BE ENTITLED TO CREATE IN FAVOR OF ANY PARTICIPANT, IN THE PARTICIPATION AGREEMENT PURSUANT TO WHICH SUCH PARTICIPANT'S PARTICIPATING INTEREST SHALL BE CREATED OR OTHERWISE, ANY RIGHT TO VOTE ON, CONSENT TO OR APPROVE ANY MATTER RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT EXCEPT FOR THOSE SPECIFIED IN CLAUSES (I) AND (II) OF THE PROVISIO TO SUBSECTION 11.1(A). EACH BORROWER AGREES THAT IF AMOUNTS OUTSTANDING UNDER THIS AGREEMENT ARE DUE OR UNPAID, OR SHALL HAVE BEEN DECLARED OR SHALL HAVE BECOME DUE AND PAYABLE UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, EACH PARTICIPANT SHALL, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BE DEEMED TO HAVE THE RIGHT OF SETOFF IN RESPECT OF ITS PARTICIPATING INTEREST IN AMOUNTS OWING UNDER THIS AGREEMENT TO THE SAME EXTENT AS IF THE AMOUNT OF ITS PARTICIPATING INTEREST WERE OWING DIRECTLY TO IT AS A LENDER UNDER THIS AGREEMENT, PROVIDED THAT, IN PURCHASING SUCH

PARTICIPATING INTEREST, SUCH PARTICIPANT SHALL BE DEEMED TO HAVE AGREED TO SHARE WITH THE LENDERS THE PROCEEDS THEREOF AS PROVIDED IN SUBSECTION 11.7(A) AS FULLY AS IF IT WERE A LENDER HEREUNDER. THE COMPANY ALSO AGREES THAT EACH PARTICIPANT SHALL BE ENTITLED TO THE BENEFITS OF SUBSECTIONS 4.10, 4.11 AND 4.12 WITH RESPECT TO ITS PARTICIPATION IN THE COMMITMENTS AND THE LOANS OUTSTANDING FROM TIME TO TIME AS IF IT WAS A LENDER; PROVIDED THAT, IN THE CASE OF SUBSECTION

4.11, SUCH PARTICIPANT SHALL HAVE COMPLIED WITH THE REQUIREMENTS OF SAID SUBSECTION AND PROVIDED, FURTHER, THAT NO PARTICIPANT SHALL BE ENTITLED TO

RECEIVE ANY GREATER AMOUNT PURSUANT TO ANY SUCH SUBSECTION THAN THE TRANSFEROR LENDER WOULD HAVE BEEN ENTITLED TO RECEIVE IN RESPECT OF THE AMOUNT OF THE PARTICIPATION TRANSFERRED BY SUCH TRANSFEROR LENDER TO SUCH PARTICIPANT HAD NO SUCH TRANSFER OCCURRED.

(C) ANY LENDER MAY, IN THE ORDINARY COURSE OF ITS BUSINESS AND IN ACCORDANCE WITH APPLICABLE LAW, AT ANY TIME AND FROM TIME TO TIME ASSIGN TO ANY LENDER OR ANY AFFILIATE THEREOF OR, WITH THE CONSENT OF THE RELEVANT BORROWER AND THE RELEVANT ADMINISTRATIVE AGENT (WHICH IN EACH CASE SHALL NOT BE UNREASONABLY WITHHELD), TO AN ADDITIONAL BANK OR FINANCIAL INSTITUTION (AN "ASSIGNEE") ALL OR ANY PART OF ITS RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT

AND THE OTHER LOAN DOCUMENTS PURSUANT TO AN ASSIGNMENT AND ACCEPTANCE (AN "ASSIGNMENT AND ACCEPTANCE"), SUBSTANTIALLY IN THE FORM OF EXHIBIT G, EXECUTED

BY SUCH ASSIGNEE, SUCH ASSIGNING LENDER (AND, IN THE CASE

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OF AN ASSIGNEE THAT IS NOT THEN A LENDER OR AN AFFILIATE THEREOF, BY THE COMPANY, THE ISSUING LENDER AND THE RELEVANT ADMINISTRATIVE AGENT) AND DELIVERED TO THE RELEVANT ADMINISTRATIVE AGENT FOR ITS ACCEPTANCE AND RECORDING IN THE RELEVANT REGISTER, PROVIDED THAT, IN THE CASE OF ANY SUCH ASSIGNMENT TO AN

ADDITIONAL BANK OR FINANCIAL INSTITUTION, THE SUM OF THE AGGREGATE PRINCIPAL AMOUNT OF THE LOANS AND THE AGGREGATE AMOUNT OF THE AVAILABLE US COMMITMENT OR AVAILABLE CANADIAN COMMITMENT, AS THE CASE MAY BE, BEING ASSIGNED IS EQUAL TO AT LEAST US\$10,000,000 AND C\$10,000,000, RESPECTIVELY (OR SUCH LESSER AMOUNT AS MAY BE AGREED TO BY THE RELEVANT BORROWER AND THE RELEVANT ADMINISTRATIVE AGENT). UPON SUCH EXECUTION, DELIVERY, ACCEPTANCE AND RECORDING, FROM AND AFTER THE EFFECTIVE DATE DETERMINED PURSUANT TO SUCH ASSIGNMENT AND ACCEPTANCE, (X) THE ASSIGNEE THEREUNDER SHALL BE A PARTY HERETO AND, TO THE EXTENT PROVIDED IN SUCH ASSIGNMENT AND ACCEPTANCE, HAVE THE RIGHTS AND OBLIGATIONS OF A LENDER HEREUNDER WITH A COMMITMENT AS SET FORTH THEREIN, AND (Y) THE ASSIGNING LENDER THEREUNDER SHALL, TO THE EXTENT PROVIDED IN SUCH ASSIGNMENT AND ACCEPTANCE, BE RELEASED FROM ITS OBLIGATIONS UNDER THIS AGREEMENT (AND, IN THE CASE OF AN ASSIGNMENT AND ACCEPTANCE COVERING ALL OR THE REMAINING PORTION OF AN ASSIGNING LENDER'S RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, SUCH ASSIGNING LENDER SHALL CEASE TO BE A PARTY HERETO). NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (C) AND PARAGRAPH (E) OF THIS SUBSECTION, THE CONSENT OF EITHER BORROWER SHALL NOT BE REQUIRED, AND, UNLESS REQUESTED BY THE ASSIGNEE AND/OR THE ASSIGNING LENDER, NEW NOTES SHALL NOT BE REQUIRED TO BE EXECUTED AND DELIVERED BY THE RELEVANT BORROWER, FOR ANY ASSIGNMENT WHICH OCCURS AT ANY TIME WHEN ANY OF THE EVENTS DESCRIBED IN SUBSECTION 9(F) SHALL HAVE OCCURRED AND BE CONTINUING.

(D) EACH ADMINISTRATIVE AGENT, ON BEHALF OF THE RELEVANT BORROWER SHALL MAINTAIN AT THE ADDRESS OF SUCH ADMINISTRATIVE AGENT REFERRED TO IN SUBSECTION 11.2 A COPY OF EACH ASSIGNMENT AND ACCEPTANCE DELIVERED TO IT AND A REGISTER (EACH A "REGISTER") FOR THE RECORDATION OF THE NAMES AND ADDRESSES OF

THE LENDERS AND THE COMMITMENTS OF, AND PRINCIPAL AMOUNTS OF THE LOANS OWING TO, EACH LENDER FROM TIME TO TIME. THE ENTRIES IN THE REGISTER SHALL BE CONCLUSIVE, IN THE ABSENCE OF MANIFEST ERROR, AND THE BORROWERS, THE ADMINISTRATIVE AGENTS AND THE LENDERS MAY (AND, IN THE CASE OF ANY LOAN OR OTHER OBLIGATION HEREUNDER

NOT EVIDENCED BY A NOTE, SHALL) TREAT EACH PERSON WHOSE NAME IS RECORDED IN THE REGISTERS AS THE OWNER OF A LOAN OR OTHER OBLIGATION HEREUNDER AS THE OWNER THEREOF FOR ALL PURPOSES OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, NOTWITHSTANDING ANY NOTICE TO THE CONTRARY. ANY ASSIGNMENT OF ANY LOAN OR OTHER OBLIGATION HEREUNDER NOT EVIDENCED BY A NOTE SHALL BE EFFECTIVE ONLY UPON APPROPRIATE ENTRIES WITH RESPECT THERETO BEING MADE IN THE RELEVANT REGISTER. THE REGISTERS SHALL BE AVAILABLE FOR INSPECTION BY EITHER BORROWER OR ANY LENDER AT ANY REASONABLE TIME AND FROM TIME TO TIME UPON REASONABLE PRIOR NOTICE.

(E) UPON ITS RECEIPT OF AN ASSIGNMENT AND ACCEPTANCE EXECUTED BY AN ASSIGNING LENDER AND AN ASSIGNEE (AND, IN THE CASE OF AN ASSIGNEE THAT IS NOT THEN A LENDER OR AN AFFILIATE THEREOF, BY THE RELEVANT BORROWER, THE ISSUING LENDER AND THE RELEVANT

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ADMINISTRATIVE AGENT) TOGETHER WITH PAYMENT BY THE ASSIGNEE AND/OR THE ASSIGNING LENDER TO THE US ADMINISTRATIVE AGENT OF A REGISTRATION AND PROCESSING FEE OF US\$3,500, THE US ADMINISTRATIVE AGENT SHALL (I) PROMPTLY ACCEPT SUCH ASSIGNMENT AND ACCEPTANCE AND (II) ON THE EFFECTIVE DATE DETERMINED PURSUANT THERETO RECORD THE INFORMATION CONTAINED THEREIN IN THE REGISTER AND GIVE NOTICE OF SUCH ACCEPTANCE AND RECORDATION TO THE LENDERS AND THE RELEVANT BORROWER.

(F) EACH BORROWER AUTHORIZES EACH LENDER TO DISCLOSE TO ANY PARTICIPANT OR ASSIGNEE (EACH, A "TRANSFEEE") AND ANY PROSPECTIVE TRANSFEEE

APPROVED BY THE COMPANY ANY AND ALL FINANCIAL INFORMATION IN SUCH LENDER'S POSSESSION CONCERNING SUCH BORROWER AND ITS SUBSIDIARIES WHICH HAS BEEN DELIVERED TO SUCH LENDER BY OR ON BEHALF OF SUCH BORROWER PURSUANT TO THIS AGREEMENT OR WHICH HAS BEEN DELIVERED TO SUCH LENDER BY OR ON BEHALF OF SUCH BORROWER IN CONNECTION WITH SUCH LENDER'S CREDIT EVALUATION OF SUCH BORROWER AND ITS SUBSIDIARIES PRIOR TO BECOMING A PARTY TO THIS AGREEMENT; PROVIDED THAT SUCH

TRANSFEEE OR PROSPECTIVE TRANSFEEE AGREES TO BE BOUND BY THE PROVISIONS OF SUBSECTION 11.16.

(G) FOR AVOIDANCE OF DOUBT, THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT THE PROVISIONS OF THIS SUBSECTION CONCERNING ASSIGNMENTS OF LOANS AND NOTES RELATE ONLY TO ABSOLUTE ASSIGNMENTS AND THAT SUCH PROVISIONS DO NOT PROHIBIT ASSIGNMENTS CREATING SECURITY INTERESTS, INCLUDING, WITHOUT LIMITATION, ANY PLEDGE OR ASSIGNMENT BY A LENDER OF ANY LOAN OR NOTE TO ANY FEDERAL RESERVE BANK IN ACCORDANCE WITH APPLICABLE LAW.

11.7 ADJUSTMENTS; SET-OFF. (A) IF ANY LENDER (A "BENEFITTED

LENDER") SHALL AT ANY TIME RECEIVE ANY PAYMENT OF ALL OR PART OF ITS LOANS WHICH

SHALL HAVE BEEN MADE UNDER EITHER COMMITMENT, OR INTEREST THEREON, OR RECEIVE ANY COLLATERAL IN RESPECT THEREOF (WHETHER VOLUNTARILY OR INVOLUNTARILY, BY SET-OFF, PURSUANT TO EVENTS OR PROCEEDINGS OF THE NATURE REFERRED TO IN SUBSECTION

9(F), OR OTHERWISE), IN A GREATER PROPORTION THAN ANY SUCH PAYMENT TO OR COLLATERAL RECEIVED BY ANY OTHER LENDER, IF ANY, IN RESPECT OF SUCH OTHER LENDER'S LOANS MADE UNDER SUCH COMMITMENT, OR INTEREST THEREON, SUCH BENEFITTED LENDER SHALL PURCHASE FOR CASH FROM THE OTHER LENDERS A PARTICIPATING INTEREST IN SUCH PORTION OF EACH SUCH OTHER LENDER'S LOAN, OR SHALL PROVIDE SUCH OTHER LENDERS WITH THE BENEFITS OF ANY SUCH COLLATERAL, OR THE PROCEEDS THEREOF, AS SHALL BE NECESSARY TO CAUSE SUCH BENEFITTED LENDER TO SHARE THE EXCESS PAYMENT OR BENEFITS OF SUCH COLLATERAL OR PROCEEDS RATABLY WITH EACH OF THE LENDERS WHICH HOLD LOANS MADE UNDER SUCH COMMITMENT; PROVIDED, HOWEVER, THAT IF ALL OR

ANY PORTION OF SUCH EXCESS PAYMENT OR BENEFITS IS THEREAFTER RECOVERED FROM SUCH BENEFITTED LENDER, SUCH PURCHASE SHALL BE RESCINDED, AND THE PURCHASE PRICE AND BENEFITS RETURNED, TO THE EXTENT OF SUCH RECOVERY, BUT WITHOUT INTEREST.

(B) IN ADDITION TO ANY RIGHTS AND REMEDIES OF THE LENDERS PROVIDED BY LAW, EACH LENDER SHALL HAVE THE RIGHT, WITHOUT PRIOR NOTICE TO EITHER BORROWER, ANY SUCH NOTICE BEING EXPRESSLY WAIVED BY

SUCH BORROWER TO THE EXTENT PERMITTED BY APPLICABLE LAW, UPON ANY AMOUNT BECOMING DUE AND PAYABLE BY SUCH BORROWER HEREUNDER (WHETHER AT THE STATED MATURITY, BY ACCELERATION OR OTHERWISE) TO SET-OFF AND APPROPRIATE AND APPLY AGAINST SUCH AMOUNT ANY AND ALL DEPOSITS (GENERAL OR SPECIAL, TIME OR DEMAND, PROVISIONAL OR FINAL), IN ANY CURRENCY, AND ANY OTHER CREDITS, INDEBTEDNESS OR CLAIMS, IN ANY CURRENCY, IN EACH CASE WHETHER DIRECT OR INDIRECT, ABSOLUTE OR CONTINGENT, MATURED OR UNMATURED, AT ANY TIME HELD OR OWING BY SUCH LENDER OR ANY BRANCH OR AGENCY THEREOF TO OR FOR THE CREDIT OR THE ACCOUNT OF SUCH BORROWER. EACH LENDER AGREES PROMPTLY TO NOTIFY THE RELEVANT BORROWER AND THE RELEVANT US ADMINISTRATIVE AGENT AFTER ANY SUCH SET-OFF AND APPLICATION MADE BY SUCH LENDER, PROVIDED THAT THE FAILURE TO GIVE SUCH NOTICE SHALL NOT AFFECT THE

VALIDITY OF SUCH SET-OFF AND APPLICATION.

11.8 COUNTERPARTS. THIS AGREEMENT MAY BE EXECUTED BY ONE OR MORE OF

THE PARTIES TO THIS AGREEMENT ON ANY NUMBER OF SEPARATE COUNTERPARTS (INCLUDING BY FACSIMILE TRANSMISSION), AND ALL OF SAID COUNTERPARTS TAKEN TOGETHER SHALL BE DEEMED TO CONSTITUTE ONE AND THE SAME INSTRUMENT. A SET OF THE COPIES OF THIS AGREEMENT SIGNED BY ALL THE PARTIES SHALL BE LODGED WITH EACH BORROWER AND EACH ADMINISTRATIVE AGENT.

11.9 SEVERABILITY. ANY PROVISION OF THIS AGREEMENT 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, AND ANY SUCH PROHIBITION OR UNENFORCEABILITY IN ANY JURISDICTION SHALL NOT INVALIDATE OR RENDER UNENFORCEABLE SUCH PROVISION IN ANY OTHER JURISDICTION.

11.10 INTEGRATION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS

REPRESENT THE AGREEMENT OF THE BORROWERS, THE ADMINISTRATIVE AGENTS AND THE LENDERS WITH RESPECT TO THE SUBJECT MATTER HEREOF, AND THERE ARE NO PROMISES, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES BY EITHER ADMINISTRATIVE AGENT, EITHER BORROWER OR ANY LENDER RELATIVE TO THE SUBJECT MATTER HEREOF NOT EXPRESSLY SET FORTH OR REFERRED TO HEREIN OR IN THE OTHER LOAN DOCUMENTS.

11.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS

OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

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11.12 SUBMISSION TO JURISDICTION; WAIVERS. EACH BORROWER HEREBY

IRREVOCABLY AND UNCONDITIONALLY:

(A) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGEMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(B) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(C) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO SUCH BORROWER AT ITS ADDRESS SET FORTH IN SUBSECTION 11.2 OR AT SUCH OTHER ADDRESS OF WHICH THE ADMINISTRATIVE AGENTS SHALL HAVE BEEN NOTIFIED PURSUANT THERETO;

(D) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; AND

(E) WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SUBSECTION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

11.13 FOREIGN CURRENCY JUDGMENTS. (A) IF, FOR THE PURPOSE OF

OBTAINING JUDGMENT IN ANY COURT, IT IS NECESSARY TO CONVERT A SUM DUE HEREUNDER IN ONE CURRENCY INTO ANOTHER CURRENCY, EACH LOAN PARTY AGREES, TO THE FULLEST EXTENT THAT IT MAY EFFECTIVELY DO SO, THAT THE RATE OF EXCHANGE USED SHALL BE THAT AT WHICH IN ACCORDANCE WITH NORMAL BANKING PROCEDURES IN THE RELEVANT JURISDICTION THE RELEVANT LENDER (OR AGENT ACTING ON ITS BEHALF) OR THE RELEVANT ADMINISTRATIVE AGENT COULD PURCHASE THE FIRST CURRENCY WITH SUCH OTHER CURRENCY FOR THE FIRST CURRENCY ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE DAY ON WHICH FINAL JUDGMENT IS GIVEN.

(B) THE OBLIGATIONS OF EACH LOAN PARTY IN RESPECT OF ANY SUM DUE HEREUNDER SHALL, NOTWITHSTANDING ANY JUDGMENT IN A CURRENCY (THE "JUDGMENT CURRENCY") OTHER THAN THAT IN WHICH SUCH SUM IS DENOMINATED IN ACCORDANCE WITH THIS AGREEMENT (THE "AGREEMENT CURRENCY"), BE DISCHARGED ONLY TO THE EXTENT THAT, ON THE BUSINESS DAY FOLLOWING RECEIPT BY ANY LENDER (OR AGENT ACTING ON ITS BEHALF) (THE "APPLICABLE CREDITOR") OF ANY SUM ADJUDGED TO BE SO

DUE IN THE JUDGMENT CURRENCY, THE APPLICABLE CREDITOR MAY IN ACCORDANCE WITH NORMAL BANKING PROCEDURES IN THE RELEVANT JURISDICTION PURCHASE THE AGREEMENT CURRENCY WITH THE JUDGMENT CURRENCY; IF THE AMOUNT OF THE AGREEMENT CURRENCY SO PURCHASED IS LESS THAN THE SUM ORIGINALLY DUE TO THE APPLICABLE CREDITOR IN THE AGREEMENT CURRENCY, SUCH LOAN PARTY AGREES, AS A SEPARATE OBLIGATION AND NOTWITHSTANDING ANY SUCH JUDGMENT, TO INDEMNIFY THE APPLICABLE CREDITOR AGAINST SUCH LOSS, PROVIDED THAT IF THE AMOUNT OF THE AGREEMENT CURRENCY SO PURCHASED

EXCEEDS THE SUM ORIGINALLY DUE TO THE APPLICABLE CREDITOR, THE APPLICABLE CREDITOR AGREES TO REMIT SUCH EXCESS TO SUCH LOAN PARTY. THE OBLIGATIONS OF EACH LOAN PARTY AND LENDER CONTAINED IN THIS SUBSECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF ALL AMOUNTS OWING HEREUNDER.

11.14 ACKNOWLEDGEMENTS. EACH BORROWER HEREBY ACKNOWLEDGES THAT:

(A) IT HAS BEEN ADVISED BY COUNSEL IN THE NEGOTIATION, EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS;

(B) NONE OF EITHER ADMINISTRATIVE AGENT NOR ANY LENDER HAS ANY FIDUCIARY RELATIONSHIP WITH OR DUTY TO THE BORROWERS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND THE RELATIONSHIP BETWEEN ADMINISTRATIVE AGENT AND LENDERS, ON ONE HAND, AND THE BORROWERS, ON THE OTHER HAND, IN CONNECTION HERewith OR THEREWITH IS SOLELY THAT OF DEBTOR AND CREDITOR; AND

(C) NO JOINT VENTURE IS CREATED HEREBY OR BY THE OTHER LOAN DOCUMENTS OR OTHERWISE EXISTS BY VIRTUE OF THE TRANSACTIONS CONTEMPLATED

HEREBY AMONG THE LENDERS OR AMONG THE BORROWERS AND THE LENDERS.

11.15 WAIVERS OF JURY TRIAL. THE BORROWERS, THE ADMINISTRATIVE

AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

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11.16 CONFIDENTIALITY. EACH LENDER AGREES TO KEEP CONFIDENTIAL ALL

NON-PUBLIC INFORMATION PROVIDED TO IT BY THE COMPANY OR ANY OF ITS SUBSIDIARIES PURSUANT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND TO USE SUCH INFORMATION SOLELY FOR THE PURPOSES CONTEMPLATED BY THIS AGREEMENT; PROVIDED

THAT NOTHING HEREIN SHALL PREVENT ANY LENDER FROM DISCLOSING ANY SUCH INFORMATION (I) TO EITHER ADMINISTRATIVE AGENT OR ANY OTHER LENDER, (II) TO ANY TRANSFEREE WHICH RECEIVES SUCH INFORMATION HAVING BEEN MADE AWARE OF THE CONFIDENTIAL NATURE THEREOF AND WHICH AGREES TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION, (III) TO ITS EMPLOYEES, DIRECTORS, AGENTS, ATTORNEYS, ACCOUNTANTS AND OTHER PROFESSIONAL ADVISORS WHO ARE ADVISED OF THE CONFIDENTIAL NATURE OF SUCH INFORMATION, (IV) UPON THE REQUEST OR DEMAND OF ANY GOVERNMENTAL AUTHORITY HAVING JURISDICTION OVER SUCH LENDER, (V) IN RESPONSE TO ANY ORDER OF ANY COURT OR OTHER GOVERNMENTAL AUTHORITY OR AS MAY OTHERWISE BE REQUIRED PURSUANT TO ANY REQUIREMENT OF LAW, (VI) WHICH HAS BEEN PUBLICLY DISCLOSED OTHER THAN IN BREACH OF THIS AGREEMENT, OR (VII) IN CONNECTION WITH THE EXERCISE OF ANY REMEDY HEREUNDER.

11.17 CONFLICTS. IN CASE OF ANY CONFLICT OR INCONSISTENCY BETWEEN

THE PROVISIONS OF THIS AGREEMENT AND THE PROVISIONS OF ANY OTHER LOAN DOCUMENT, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL.

11.18 REFERENCE TO AND EFFECT ON THE EXISTING CREDIT AGREEMENT. ON

AND AFTER THE DATE HEREOF, EACH REFERENCE TO THE "CREDIT AGREEMENT" IN ANY OF THE SECURITY DOCUMENTS, THE OTHER LOAN DOCUMENTS AND ALL OTHER AGREEMENTS, DOCUMENTS AND INSTRUMENTS DELIVERED BY ALL OR ANY ONE OR MORE OF THE BORROWERS, THE LENDERS, THE ADMINISTRATIVE AGENTS AND ANY OTHER PERSON SHALL MEAN AND BE A REFERENCE TO THIS AGREEMENT. EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE EXISTING CREDIT AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT IN THE FORM OF THIS AGREEMENT, AND IS HEREBY RATIFIED AND CONFIRMED IN SUCH FORM.

11.19 AUTHORIZATION FOR QUEBEC SECURITY. FOR GREATER CERTAINTY, AND

WITHOUT LIMITING THE POWERS OF THE CANADIAN ADMINISTRATIVE AGENT HEREUNDER OR UNDER ANY OF THE CANADIAN SECURITY DOCUMENTS, EACH CANADIAN SUBSIDIARY OF THE BORROWER HEREBY ACKNOWLEDGES THAT THE CANADIAN ADMINISTRATIVE AGENT SHALL, FOR PURPOSES OF HOLDING ANY SECURITY GRANTED BY SUCH CANADIAN SUBSIDIARY OF THE

BORROWER ON ITS PROPERTY PURSUANT TO THE LAWS OF THE PROVINCE OF QUEBEC, BE THE HOLDER OF AN IRREVOCABLE POWER OF ATTORNEY (WITHIN THE MEANING OF THE CIVIL CODE OF QUEBEC) FOR ALL PRESENT AND FUTURE C\$ LENDERS, AND IN PARTICULAR FOR ALL PRESENT AND FUTURE HOLDERS OF ANY DEBENTURE EXECUTED AND DELIVERED BY ANY CANADIAN SUBSIDIARY OF THE BORROWER. EACH OF THE C\$ LENDERS HEREBY IRREVOCABLY CONSTITUTES, TO THE EXTENT NECESSARY, THE CANADIAN ADMINISTRATIVE AGENT AS THE HOLDER OF AN IRREVOCABLE POWER OF ATTORNEY (WITHIN THE MEANING OF THE CIVIL CODE OF QUEBEC) IN ORDER TO HOLD SECURITY GRANTED BY ANY CANADIAN SUBSIDIARY OF THE BORROWER IN THE PROVINCE OF QUEBEC. ANY ASSIGNEE OF C\$ LOANS SHALL BE DEEMED TO HAVE CONFIRMED AND RATIFIED THE CONSTITUTION OF THE CANADIAN ADMINISTRATIVE AGENT AS THE HOLDER OF SUCH IRREVOCABLE POWER OF

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ATTORNEY BY EXECUTION OF THE RELEVANT ASSIGNMENT AND ACCEPTANCE SUBSTANTIALLY IN THE FORM OF EXHIBIT G. NOTWITHSTANDING THE PROVISIONS OF SECTION 32 OF THE SPECIAL CORPORATE POWERS ACT (QUEBEC), THE CANADIAN ADMINISTRATIVE AGENT MAY ACQUIRE AND BE THE HOLDER OF ANY DEBENTURE ISSUED BY ANY CANADIAN SUBSIDIARY OF THE BORROWER AS CONTEMPLATED UNDER ANY OF THE CANADIAN SECURITY DOCUMENTS AT ANY TIME AND FROM TIME TO TIME. EACH CANADIAN SUBSIDIARY OF THE BORROWER HEREBY ACKNOWLEDGES THAT ANY SUCH DEBENTURE CONSTITUTES A TITLE OF INDEBTEDNESS, AS SUCH TERM IS USED IN ARTICLE 2692 OF THE CIVIL CODE OF QUEBEC.

11.20 AMENDMENT OF SCHEDULES. IT IS UNDERSTOOD THAT THE SCHEDULES

ATTACHED TO THIS AGREEMENT ON THE CLOSING DATE ARE IN THE FORM ATTACHED TO THE EXISTING CREDIT AGREEMENT ON THE CLOSING DATE THEREUNDER AND THAT SUCH SCHEDULES MAY NOT REFLECT CERTAIN EVENTS THAT HAVE OCCURRED AFTER SUCH CLOSING DATE ("SUBSEQUENT EVENTS"). THE COMPANY REPRESENTS AND WARRANTS THAT THE SUBSEQUENT

EVENTS, INDIVIDUALLY AND IN THE AGGREGATE, WOULD NOT RESULT IN A MATERIAL ADVERSE EFFECT. THE COMPANY MAY, ON OR BEFORE MARCH 31, 1999, SUBMIT TO THE US ADMINISTRATIVE AGENT REVISED SCHEDULES WHICH, IF APPROVED BY THE US ADMINISTRATIVE AGENT (ACTING REASONABLY), WILL BE SUBSTITUTED FOR THE SCHEDULES ATTACHED TO THIS AGREEMENT ON THE CLOSING DATE.

SECTION 12. LETTERS OF CREDIT

12.1 L/C COMMITMENT. (A) SUBJECT TO THE TERMS AND CONDITIONS

HEREOF, THE ISSUING LENDER, IN RELIANCE ON THE AGREEMENTS OF THE OTHER US\$ LENDERS SET FORTH IN SUBSECTION 12.4(A), AGREES TO ISSUE LETTERS OF CREDIT ("LETTERS OF CREDIT") DENOMINATED IN US DOLLARS OR BRITISH POUNDS AS REQUESTED

BY THE COMPANY FOR THE ACCOUNT OF THE COMPANY ON ANY BUSINESS DAY DURING THE COMMITMENT PERIOD IN SUCH FORM AS MAY BE APPROVED FROM TIME TO TIME BY THE ISSUING LENDER; PROVIDED THAT THE ISSUING LENDER SHALL HAVE NO OBLIGATION TO

ISSUE ANY LETTER OF CREDIT IF, AFTER GIVING EFFECT TO SUCH ISSUANCE, (I) THE DOLLAR EQUIVALENT AMOUNT OF THE AGGREGATE L/C OBLIGATIONS WOULD EXCEED THE L/C

COMMITMENT OR (II) THE AGGREGATE AMOUNT OF THE AVAILABLE US COMMITMENTS WOULD BE LESS THAN ZERO. EACH LETTER OF CREDIT SHALL (I) BE DENOMINATED IN US DOLLARS OR BRITISH POUNDS AND (II) EXPIRE NO LATER THAN THE EARLIER OF (X) THE FIRST ANNIVERSARY OF ITS DATE OF ISSUANCE (OR, IN THE CASE OF LETTERS OF CREDIT IN THE AGGREGATE AMOUNT NOT TO EXCEED (POUNDS)12,000,000 ISSUED IN CONNECTION WITH THE DATAVAULT TRANSACTION, THE FIFTH ANNIVERSARY OF THEIR DATE OF ISSUANCE) AND (Y) THE DATE THAT IS FIVE BUSINESS DAYS PRIOR TO THE TERMINATION DATE, PROVIDED THAT

ANY LETTER OF CREDIT WITH A ONE-YEAR TERM MAY PROVIDE FOR THE RENEWAL THEREOF FOR ADDITIONAL ONE-YEAR PERIODS (WHICH SHALL IN NO EVENT EXTEND BEYOND THE DATE REFERRED TO IN CLAUSE (Y) ABOVE).

(B) THE ISSUING LENDER SHALL NOT AT ANY TIME BE OBLIGATED TO ISSUE ANY LETTER OF CREDIT HEREUNDER IF SUCH ISSUANCE WOULD CONFLICT WITH, OR CAUSE THE ISSUING LENDER OR ANY L/C PARTICIPANT TO EXCEED ANY LIMITS IMPOSED BY, ANY APPLICABLE REQUIREMENT OF LAW.

12.2 PROCEDURE FOR ISSUANCE OF LETTER OF CREDIT. THE COMPANY MAY

FROM TIME TO TIME REQUEST THAT THE ISSUING LENDER ISSUE A LETTER OF CREDIT BY DELIVERING TO THE ISSUING LENDER AT ITS ADDRESS FOR NOTICES SPECIFIED HEREIN AN APPLICATION THEREFOR, COMPLETED TO THE SATISFACTION OF THE ISSUING LENDER, AND SUCH OTHER CERTIFICATES, DOCUMENTS AND OTHER PAPERS AND INFORMATION AS THE ISSUING LENDER MAY REQUEST. UPON RECEIPT OF ANY APPLICATION, THE ISSUING LENDER WILL PROCESS SUCH APPLICATION AND THE CERTIFICATES, DOCUMENTS AND OTHER PAPERS AND INFORMATION DELIVERED TO IT IN CONNECTION THEREWITH IN ACCORDANCE WITH ITS CUSTOMARY PROCEDURES AND SHALL PROMPTLY ISSUE THE LETTER OF CREDIT REQUESTED THEREBY (BUT IN NO EVENT SHALL THE ISSUING LENDER BE REQUIRED TO ISSUE ANY LETTER OF CREDIT EARLIER THAN THREE BUSINESS DAYS AFTER ITS RECEIPT OF THE APPLICATION THEREFOR AND ALL SUCH OTHER CERTIFICATES, DOCUMENTS AND OTHER PAPERS AND INFORMATION RELATING THERETO) BY ISSUING THE ORIGINAL OF SUCH LETTER OF CREDIT TO THE BENEFICIARY THEREOF OR AS OTHERWISE MAY BE AGREED TO BY THE ISSUING LENDER AND THE COMPANY. THE ISSUING LENDER SHALL FURNISH A COPY OF SUCH LETTER OF CREDIT TO THE COMPANY PROMPTLY FOLLOWING THE ISSUANCE THEREOF. THE ISSUING LENDER SHALL PROMPTLY FURNISH TO THE ADMINISTRATIVE AGENT, WHICH SHALL IN TURN PROMPTLY FURNISH TO THE LENDERS, NOTICE OF THE ISSUANCE OF EACH LETTER OF CREDIT (INCLUDING THE AMOUNT THEREOF).

12.3 FEES AND OTHER CHARGES. (A) THE COMPANY WILL PAY A FEE IN US

DOLLARS ON THE DOLLAR EQUIVALENT AMOUNT OF ALL LETTERS OF CREDIT OUTSTANDING FROM TIME TO TIME CALCULATED AT A PER ANNUM RATE EQUAL TO THE APPLICABLE MARGIN THEN IN EFFECT WITH RESPECT TO EURODOLLAR LOANS, SHARED RATABLY AMONG THE US\$ LENDERS AND PAYABLE QUARTERLY IN ARREARS ON EACH L/C FEE PAYMENT DATE AFTER THE ISSUANCE DATE. IN ADDITION, THE COMPANY SHALL PAY TO THE ISSUING LENDER FOR ITS OWN ACCOUNT A FRONTING FEE IN US DOLLARS IN THE DOLLAR EQUIVALENT AMOUNT OF SUCH FEE CALCULATED AT A RATE OF 1/4 OF 1% PER ANNUM ON THE UNDRAWN AND UNEXPIRED AMOUNT OF EACH LETTER OF CREDIT, PAYABLE QUARTERLY IN ARREARS ON EACH L/C FEE

PAYMENT DATE AFTER THE ISSUANCE DATE.

(B) IN ADDITION TO THE FOREGOING FEES, THE COMPANY SHALL PAY OR REIMBURSE THE ISSUING LENDER FOR SUCH NORMAL AND CUSTOMARY COSTS AND EXPENSES AS ARE INCURRED OR CHARGED BY THE ISSUING LENDER IN ISSUING, NEGOTIATING, EFFECTING PAYMENT UNDER, AMENDING OR OTHERWISE ADMINISTERING ANY LETTER OF CREDIT.

12.4 L/C PARTICIPATIONS. (A) THE ISSUING LENDER IRREVOCABLY AGREES

TO GRANT AND HEREBY GRANTS TO EACH L/C PARTICIPANT, AND, TO INDUCE THE ISSUING LENDER TO ISSUE LETTERS OF CREDIT HEREUNDER, EACH L/C PARTICIPANT IRREVOCABLY AGREES TO ACCEPT AND PURCHASE AND HEREBY ACCEPTS AND PURCHASES FROM THE ISSUING LENDER, ON THE TERMS AND CONDITIONS HEREINAFTER STATED, FOR SUCH L/C PARTICIPANT'S OWN ACCOUNT AND RISK AN UNDIVIDED INTEREST EQUAL TO SUCH L/C PARTICIPANT'S US COMMITMENT PERCENTAGE IN THE ISSUING LENDER'S OBLIGATIONS AND RIGHTS UNDER EACH LETTER OF CREDIT ISSUED HEREUNDER AND THE AMOUNT OF EACH DRAFT PAID BY THE ISSUING LENDER THEREUNDER. EACH L/C PARTICIPANT UNCONDITIONALLY AND IRREVOCABLY AGREES WITH THE ISSUING LENDER THAT, IF A DRAFT IS PAID UNDER ANY

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LETTER OF CREDIT FOR WHICH THE ISSUING LENDER IS NOT REIMBURSED IN FULL BY THE COMPANY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, SUCH L/C PARTICIPANT SHALL PAY TO THE ISSUING LENDER UPON DEMAND AT THE ISSUING LENDER'S ADDRESS FOR NOTICES SPECIFIED HEREIN AN AMOUNT EQUAL TO SUCH L/C PARTICIPANT'S US COMMITMENT PERCENTAGE OF THE AMOUNT OF SUCH DRAFT, OR ANY PART THEREOF, THAT IS NOT SO REIMBURSED.

(B) IF ANY AMOUNT REQUIRED TO BE PAID BY ANY L/C PARTICIPANT TO THE ISSUING LENDER PURSUANT TO SUBSECTION 12.4(A) IN RESPECT OF ANY UNREIMBURSED PORTION OF ANY PAYMENT MADE BY THE ISSUING LENDER UNDER ANY LETTER OF CREDIT IS PAID TO THE ISSUING LENDER WITHIN THREE BUSINESS DAYS AFTER THE DATE SUCH PAYMENT IS DUE, SUCH L/C PARTICIPANT SHALL PAY TO THE ISSUING LENDER ON DEMAND AN AMOUNT EQUAL TO THE DOLLAR EQUIVALENT AMOUNT OF THE PRODUCT OF (I) SUCH AMOUNT, TIMES (II) THE DAILY AVERAGE FEDERAL FUNDS RATE DURING THE PERIOD FROM AND INCLUDING THE DATE SUCH PAYMENT IS REQUIRED TO THE DATE ON WHICH SUCH PAYMENT IS IMMEDIATELY AVAILABLE TO THE ISSUING LENDER, TIMES (III) A FRACTION THE NUMERATOR OF WHICH IS THE NUMBER OF DAYS THAT ELAPSE DURING SUCH PERIOD AND THE DENOMINATOR OF WHICH IS 360. IF ANY SUCH AMOUNT REQUIRED TO BE PAID BY ANY L/C PARTICIPANT PURSUANT TO SUBSECTION 12.4(A) IS NOT MADE AVAILABLE TO THE ISSUING LENDER BY SUCH L/C PARTICIPANT WITHIN THREE BUSINESS DAYS AFTER THE DATE SUCH PAYMENT IS DUE, THE ISSUING LENDER SHALL BE ENTITLED TO RECOVER FROM SUCH L/C PARTICIPANT, ON DEMAND, THE DOLLAR EQUIVALENT AMOUNT OF SUCH AMOUNT WITH INTEREST THEREON CALCULATED FROM SUCH DUE DATE AT THE RATE PER ANNUM APPLICABLE TO BASE RATE LOANS. A CERTIFICATE OF THE ISSUING LENDER SUBMITTED TO ANY L/C PARTICIPANT WITH RESPECT TO ANY AMOUNTS OWING UNDER THIS SECTION 12 SHALL BE CONCLUSIVE IN THE ABSENCE OF MANIFEST ERROR.

(C) WHENEVER, AT ANY TIME AFTER THE ISSUING LENDER HAS MADE PAYMENT UNDER ANY LETTER OF CREDIT AND HAS RECEIVED FROM ANY L/C PARTICIPANT ITS PRO

RATA SHARE OF SUCH PAYMENT IN ACCORDANCE WITH SUBSECTION 12.4(A), THE ISSUING

LENDER RECEIVES ANY PAYMENT RELATED TO SUCH LETTER OF CREDIT (WHETHER DIRECTLY FROM THE COMPANY OR OTHERWISE, INCLUDING PROCEEDS OF COLLATERAL APPLIED THERETO BY THE ISSUING LENDER), OR ANY PAYMENT OF INTEREST ON ACCOUNT THEREOF, THE ISSUING LENDER WILL DISTRIBUTE TO SUCH L/C PARTICIPANT ITS PRO RATA SHARE

THEREOF; PROVIDED, HOWEVER, THAT IN THE EVENT THAT ANY SUCH PAYMENT RECEIVED BY

THE ISSUING LENDER SHALL BE REQUIRED TO BE RETURNED BY THE ISSUING LENDER, SUCH L/C PARTICIPANT SHALL RETURN TO THE ISSUING LENDER THE PORTION THEREOF PREVIOUSLY DISTRIBUTED BY THE ISSUING LENDER TO IT.

12.5 REIMBURSEMENT OBLIGATION OF THE COMPANY. THE COMPANY AGREES TO

REIMBURSE THE ISSUING LENDER ON EACH DATE ON WHICH THE ISSUING LENDER NOTIFIES THE COMPANY OF THE DATE AND AMOUNT OF A DRAFT PRESENTED UNDER ANY LETTER OF CREDIT AND PAID BY THE ISSUING LENDER FOR THE DOLLAR EQUIVALENT AMOUNT OF THE AMOUNT OF (A) SUCH DRAFT SO PAID AND (B) ANY TAXES, FEES, CHARGES OR OTHER COSTS OR EXPENSES INCURRED BY THE ISSUING LENDER IN CONNECTION WITH SUCH PAYMENT. EACH SUCH PAYMENT SHALL BE MADE TO THE ISSUING LENDER AT ITS ADDRESS FOR NOTICES SPECIFIED HEREIN IN LAWFUL MONEY OF THE UNITED STATES AND IN IMMEDIATELY AVAILABLE FUNDS. INTEREST SHALL

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BE PAYABLE ON ANY AND ALL AMOUNTS REMAINING UNPAID BY THE COMPANY UNDER THIS SECTION 12 FROM THE DATE SUCH AMOUNTS BECOME PAYABLE (WHETHER AT STATED MATURITY, BY ACCELERATION OR OTHERWISE) UNTIL PAYMENT IN FULL AT THE RATE SET FORTH IN (I) UNTIL THE SECOND BUSINESS DAY FOLLOWING THE DATE OF THE APPLICABLE DRAWING, SUBSECTION 4.5(B) AND (II) THEREAFTER, SUBSECTION 4.5(D).

12.6 OBLIGATIONS ABSOLUTE. THE COMPANY'S OBLIGATIONS UNDER THIS

SECTION 12 SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ANY AND ALL CIRCUMSTANCES AND IRRESPECTIVE OF ANY SETOFF, COUNTERCLAIM OR DEFENSE TO PAYMENT THAT THE COMPANY MAY HAVE OR HAVE HAD AGAINST THE ISSUING LENDER, ANY BENEFICIARY OF A LETTER OF CREDIT OR ANY OTHER PERSON. THE COMPANY ALSO AGREES WITH THE ISSUING LENDER THAT THE ISSUING LENDER SHALL NOT BE RESPONSIBLE FOR, AND THE COMPANY'S REIMBURSEMENT OBLIGATIONS UNDER SUBSECTION 12.5 SHALL NOT BE AFFECTED BY, AMONG OTHER THINGS, THE VALIDITY OR GENUINENESS OF DOCUMENTS OR OF ANY ENDORSEMENTS THEREON, EVEN THOUGH SUCH DOCUMENTS SHALL IN FACT PROVE TO BE INVALID, FRAUDULENT OR FORGED, OR ANY DISPUTE BETWEEN OR AMONG THE COMPANY AND ANY BENEFICIARY OF ANY LETTER OF CREDIT OR ANY OTHER PARTY TO WHICH SUCH LETTER OF CREDIT MAY BE TRANSFERRED OR ANY CLAIMS WHATSOEVER OF THE COMPANY AGAINST ANY BENEFICIARY OF SUCH LETTER OF CREDIT OR ANY SUCH TRANSFEREE. THE ISSUING LENDER SHALL NOT BE LIABLE FOR ANY ERROR, OMISSION, INTERRUPTION OR DELAY IN TRANSMISSION, DISPATCH OR DELIVERY OF ANY MESSAGE OR ADVICE, HOWEVER TRANSMITTED, IN CONNECTION WITH ANY LETTER OF CREDIT, EXCEPT FOR ERRORS OR

OMISSIONS FOUND BY A FINAL AND NONAPPEALABLE DECISION OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE ISSUING LENDER. THE COMPANY AGREES THAT ANY ACTION TAKEN OR OMITTED BY THE ISSUING LENDER UNDER OR IN CONNECTION WITH ANY LETTER OF CREDIT OR THE RELATED DRAFTS OR DOCUMENTS, IF DONE IN THE ABSENCE OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND IN ACCORDANCE WITH THE STANDARDS OF CARE SPECIFIED IN THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK, SHALL BE BINDING ON THE COMPANY AND SHALL NOT RESULT IN ANY LIABILITY OF THE ISSUING LENDER TO THE COMPANY.

12.7 LETTER OF CREDIT PAYMENTS. IF ANY DRAFT SHALL BE PRESENTED FOR

PAYMENT UNDER ANY LETTER OF CREDIT, THE ISSUING LENDER SHALL PROMPTLY NOTIFY THE COMPANY OF THE DATE AND AMOUNT THEREOF. THE RESPONSIBILITY OF THE ISSUING LENDER TO THE COMPANY IN CONNECTION WITH ANY DRAFT PRESENTED FOR PAYMENT UNDER ANY LETTER OF CREDIT SHALL, IN ADDITION TO ANY PAYMENT OBLIGATION EXPRESSLY PROVIDED FOR IN SUCH LETTER OF CREDIT, BE LIMITED TO DETERMINING THAT THE DOCUMENTS (INCLUDING EACH DRAFT) DELIVERED UNDER SUCH LETTER OF CREDIT IN CONNECTION WITH SUCH PRESENTMENT ARE SUBSTANTIALLY IN CONFORMITY WITH SUCH LETTER OF CREDIT.

12.8 APPLICATIONS. TO THE EXTENT THAT ANY PROVISION OF ANY

APPLICATION RELATED TO ANY LETTER OF CREDIT IS INCONSISTENT WITH THE PROVISIONS OF THIS SECTION 12, THE PROVISIONS OF THIS SECTION 12 SHALL APPLY.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AND DELIVERED BY THEIR PROPER AND DULY AUTHORIZED OFFICERS AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

PIERCE LEAHY CORP.

BY: /S/ JOSEPH P. LINAUGH

TITLE: VP, TREASURER

PIERCE LEAHY COMMAND COMPANY

BY: /S/ JOSEPH P. LINAUGH

TITLE: VP, TREASURER

CANADIAN IMPERIAL BANK OF COMMERCE, NEW
YORK AGENCY
AS US ADMINISTRATIVE AGENT AND AS A US\$
LENDER

BY: /S/ HAROLD BIRK

TITLE: EXECUTIVE DIRECTOR

CANADIAN IMPERIAL BANK OF COMMERCE
AS CANADIAN ADMINISTRATIVE AGENT AND AS A
C\$ LENDER

BY: /S/ HAROLD BIRK

TITLE: EXECUTIVE DIRECTOR

FIRST UNION NATIONAL BANK, AS SUCCESSOR TO
CORESTATES BANK, N.A. AS A LENDER

BY: /S/ JANE GREENFIELD

TITLE: VICE PRESIDENT

CREDIT LYONNAIS NEW YORK BRANCH
AS A LENDER

BY: /S/ VLADIMIR LABUN

TITLE: FIRST VICE PRESIDENT-MANAGER

FLEET NATIONAL BANK
AS DOCUMENTATION AGENT AND AS A LENDER

BY: /S/ JAMES C. SILVA

TITLE: VICE PRESIDENT

THE FIRST NATIONAL BANK OF MARYLAND
A DIVISION OF FMB BANK AS A LENDER

BY: /S/ JOHN ACKER

TITLE: VICE PRESIDENT

HELLER FINANCIAL, INC.
AS A LENDER

BY: /S/ L. W. WOLF

TITLE: SENIOR VICE PRESIDENT

STATE STREET BANK AND TRUST COMPANY
AS A LENDER

BY: /S/ H. A. WOOD

TITLE: VICE PRESIDENT

THE BANK OF NEW YORK
AS A LENDER

BY: /S/ PETER ABDILL

TITLE: VICE PRESIDENT

CREDIT LYONNAIS CANADA
AS A LENDER

BY: /S/ ROBERT DYCK

TITLE: MANAGER

BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION
AS A LENDER

BY: /S/ PATRICIA WILLIAMS

TITLE: VICE PRESIDENT

BANK OF AMERICA CANADA
AS A LENDER

BY: /S/ RICHARD J. HALL

TITLE: VICE PRESIDENT

SCHEDULE 1.1

ADDRESSES FOR NOTICES; COMMITMENTS

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY
SYNDICATIONS

ADDRESS FOR NOTICE:
425 LEXINGTON AVENUE

NEW YORK, NEW YORK 10017
ATTENTION: AIMEE EVANS
TELECOPY: (212) 856-3763

COMMITMENT: US\$36,000,000

CANADIAN IMPERIAL BANK OF COMMERCE

ADDRESS FOR NOTICE:
COMMERCE COURT WEST 7
TORONTO, ONTARIO, CANADA N5L 1A2
ATTENTION: DAVID EVELYN
TELECOPY: (416) 980-5151

COMMITMENT: C\$20,000,000

BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION

ADDRESS FOR NOTICE:
MIDWEST BANKING DIVISION
231 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60697
ATTENTION: PATRICIA WILLIAMS
TELECOPY: (312) 828-1974

COMMITMENT: US\$10,000,000

BANK OF AMERICA CANADA

ADDRESS FOR NOTICE:
200 FRONT STREET WEST
SUITE 2700
TORONTO, ONTARIO, CANADA M5V 3L2
ATTENTION: NELSON LAM
TELECOPY: (416) 349-4282

COMMITMENT: C\$5,000,000

FIRST UNION NATIONAL BANK, AS SUCCESSOR TO
CORESTATES BANK, N.A.

ADDRESS FOR NOTICE:
2240 BUTLER PIKE
SUITE 200
PLYMOUTH MEETING, PA 19462

ATTENTION: JANE GREENFIELD
TELECOPY: (610) 941-3158

COMMITMENT: US\$10,000,000

CREDIT LYONNAIS NEW YORK BRANCH

ADDRESS FOR NOTICE:
1301 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019
ATTENTION: MICHAEL REGAN
TELECOPY: (212) 459-3176

COMMITMENT: US\$20,000,000

CREDIT LYONNAIS CANADA

ADDRESS FOR NOTICE:
ONE FINANCIAL PLACE
ONE ADELAIDE STREET
SUITE 2505
TORONTO, ONTARIO M5C 2V9
ATTENTION: ROB DYCK
TELECOPY: (416) 202-6525

COMMITMENT: C\$10,000,000

FLEET NATIONAL BANK

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ADDRESS FOR NOTICE:
ONE FEDERAL STREET
MAILSTOP MA0FD03C
BOSTON, MASSACHUSETTS 02110
ATTENTION: JAMES SILVA
TELECOPY: (617) 346-4806

COMMITMENT: US\$30,000,000

THE FIRST NATIONAL BANK OF MARYLAND,
A DIVISION OF FMB BANK

ADDRESS FOR NOTICE:
25 SOUTH CHARLES STREET

BALTIMORE, MARYLAND 21201
ATTENTION: JOHN C. ACKER
TELECOPY: (410) 244-4295

COMMITMENT: US\$15,000,000

HELLER FINANCIAL, INC.

ADDRESS FOR NOTICE:
500 WEST MONROE
CHICAGO, ILLINOIS 60661
ATTENTION: PATRICK HAYES
TELECOPY: (312) 441-7357

COMMITMENT: US\$14,000,000

STATE STREET BANK AND TRUST COMPANY

ADDRESS FOR NOTICE:
225 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110
ATTENTION: HAMILTON H. WOOD
TELECOPY: (617) 654-3708

COMMITMENT: US\$20,000,000

THE BANK OF NEW YORK

ADDRESS FOR NOTICE:
ONE WALL STREET, 21ST FLOOR
NEW YORK, NEW YORK 10286

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ATTENTION: PETER H. ABDILL
TELECOPY: (212) 635-7970/7978

COMMITMENT: US\$20,000,000

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EXHIBIT 12
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<TABLE> <CAPTION>	1998	1997	1996	1995	1994
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Fixed charges:					
Rent expense	\$ 31,077	\$ 21,657	\$ 17,007	\$ 14,111	\$ 12,261
Portion of rent representative of an interest factor (1/3)	\$ 10,359	\$ 7,219	\$ 5,669	\$ 4,699	\$ 4,087
Interest expense	42,864	29,262	17,225	9,622	7,216
Total fixed charges	53,223	36,481	22,894	14,321	11,303
Income (loss) before income taxes and extraordinary items	(7,672)	(1,737)	2,523	5,347	1,200
Earnings before fixed charges	\$ 45,551	\$ 34,744	\$ 25,417	\$ 19,668	\$ 12,503
Ratio of earnings to fixed charges	(7,672) (1)	(1,737) (1)	1.11 x	1.37 x	1.11

(1) Earnings were inadequate to cover fixed charges by the amount indicated.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Archivex, Ltd., a Nova Scotia Company.

Pierce Leahy Command Company, a Nova Scotia Unlimited Liability Company

Monarch Box, Inc., a Delaware Corporation

Advanced Box, Inc., a Delaware Corporation

Pierce Leahy Europe, a Private Limited Company

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into the Company's previously filed Registration Statements on Form S-8 (File Nos. 333-43787 and 333-69859).

ARTHUR ANDERSEN LLP

Philadelphia, Pa.,
March 22, 1999

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