

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 14D1/A

Tender offer statement. [amend]

Filing Date: **1995-05-08**  
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### SUBJECT COMPANY

#### **CLARK EQUIPMENT CO /DE/**

CIK: **109710** | IRS No.: **380425350** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **SC 14D1/A** | Act: **34** | File No.: **005-14164** | Film No.: **95535461**  
SIC: **3537** Industrial trucks, tractors, trailers & stackers

#### Mailing Address

100 N MICHIGAN ST P O BOX  
7008  
100 N MICHIGAN ST P O BOX  
7008  
SOUTH BEND IN 46634

#### Business Address

100 N MICHIGAN ST  
PO BOX 7008  
SOUTH BEND IN 46634  
2192390100

### FILED BY

#### **INGERSOLL RAND CO**

CIK: **50485** | IRS No.: **135156640** | State of Incorpor.: **NJ** | Fiscal Year End: **1231**  
Type: **SC 14D1/A**  
SIC: **3560** General industrial machinery & equipment

#### Mailing Address

200 CHESTNUT RIDGE ROAD  
WOODCLIFF LAKE NJ 07675

#### Business Address

200 CHESTNUT RIDGE RD  
WOODCLIFF LAKE NJ 07675  
2015730123

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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AMENDMENT NO. 6  
TO

SCHEDULE 14D-1  
Tender Offer Statement  
Pursuant to Section 14(d) (1) of the Securities Exchange Act of  
1934

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Clark Equipment Company  
(Name of Subject Company)

CEC Acquisition Corp.

Ingersoll-Rand Company  
(Bidder)

Common Stock, \$7.50 par value per share  
(Title of Class of Securities)

18139610  
(CUSIP Number of Class of Securities)

Patricia Nachtigal, Esq.  
Vice President and General Counsel  
Ingersoll-Rand Company

World Headquarters  
200 Chestnut Ridge Road  
Woodcliff Lake, New Jersey 07675

Telephone: (201) 573-0123  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications on Behalf of Bidder)

Copy to:

Robert L. Friedman, Esq.

425 Lexington Avenue  
New York, New York 10017

Telephone: (212) 455-2000

This Amendment No. 6 amends and supplements the Tender Offer Statement on Schedule 14D-1 filed on April 3, 1995 (as amended and supplemented, the "Schedule 14D-1") relating to the offer by CEC Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Ingersoll-Rand Company, a New Jersey corporation (the "Parent"), to purchase all of the outstanding shares of Common Stock, \$7.50 par value per share (the "Shares"), of Clark Equipment Company, a Delaware corporation (the "Company"), and the associated Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement dated as of March 10, 1987, as amended and restated as of August 14, 1990, and as amended as of April 10, 1995 between the Company and Harris Trust and Savings Bank, as Rights Agent, at a purchase price of \$86.00 per Share (and associated Right), net to the seller in cash without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated April 3, 1995, as amended and supplemented on April 12, 1995 (the "Offer to Purchase"), and in the related Letter of Transmittal. Unless otherwise indicated, all capitalized terms used but not defined herein shall have the meanings assigned to them in the Schedule 14D-1.

Item 4. Source and Amount of Funds or Other Consideration.

Items 4(a) and 4(b) of the Schedule 14D-1 are hereby amended and supplemented as follows:

On May 8, 1995, the Parent issued a press release announcing that on May 5, 1995 the Parent entered into a Credit Agreement, dated as of May 5, 1995 (the "Credit Agreement"), with a syndicate of lenders led by The Chase Manhattan Bank (National Association) ("Chase"), as administrative agent for such lenders, relating to the Facility. The full text of the press release is set forth in Exhibit 11(a)(21) and is incorporated herein by reference. The Credit Agreement is filed as Exhibit 11(b)(3) and is incorporated herein by reference and the following description of such Credit Agreement is qualified in its entirety by such reference.

The Credit Agreement provides for the Facility on substantially the same terms as those described in the Commitment

Letter as supplemented by the Supplemental Commitment Letter, including that the Facility be guaranteed by the Purchaser until the consummation of the Merger and be secured, on an equal and ratable basis, with the Existing Credit Agreement and any other long-term notes or debentures that by their express terms so require, by a pledge of all the capital stock of, and the Parent's advances to, the Purchaser. Such security shall be released on the date on which the Facility has been reduced to \$1.0 billion. The Credit Agreement includes customary conditions to borrowing under the Facility substantially the same as those described in the Commitment Letter as supplemented by the Supplemental Commitment Letter.

As discussed in the Offer to Purchase, the Facility will be required to be reduced to \$1.0 billion on the Initial Facility Reduction Date which repayment the Parent intends to make from certain cash and cash equivalents that it has on hand and/or, if the Merger has been consummated, that the Company will then have on hand. If the Merger has not been consummated, or if it has but the Company's cash and cash equivalents on hand are not sufficient to fund the entire amount of such required repayment not funded out of the Parent's cash and cash equivalents on hand, the Parent intends to obtain the remaining funds necessary to effect such repayment from the proceeds of private placements under a commercial paper program of the Parent or other borrowings by the Parent (other than drawdowns under the Existing Credit Agreement).

Item 11. Material to be Filed as Exhibits.

Item 11 is hereby amended and supplemented to add the following:

- (a) (21) Press release issued by the Parent on May 8, 1995.
- (b) (3) Credit Agreement, dated as of May 5, 1995, among the Parent, the Purchaser, the several banks and other financial institutions from time to time parties thereto and The Chase Manhattan Bank (National Association), as administrative agent for the lenders thereunder.

SIGNATURE

After due inquiry and to the best of my knowledge and

belief, I certify that the information set forth in this Statement is true, complete and correct.

INGERSOLL-RAND COMPANY

By: /s/ James E. Perrella

-----  
Name: James E. Perrella  
Title: Chairman, President and  
Chief Executive Officer

CEC ACQUISITION CORP.

By: /s/ Thomas F. McBride

-----  
Name: Thomas F. McBride  
Title: President

Date: May 8, 1995

EXHIBIT INDEX

Exhibit No. -----	Description -----	Page No. ----
(a) (21)	Press release issued by the Parent on May 8, 1995	
(b) (3)	Credit Agreement, dated as of May 5, 1995, among the Parent, the Purchaser, the several banks and other financial institutions from time to time parties thereto and The Chase Manhattan Bank (National Association), as administrative agent for the lenders thereunder . . . . .	



[I-R Logo]

NEWS

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Corporate Communications  
Woodcliff Lake, New Jersey  
07675

CONTACT:

FOR RELEASE:

---

Thomas F. McBride  
Senior Vice President  
and Chief Financial Officer  
(201) 573-3486

For Immediate Release

INGERSOLL-RAND EXECUTES DEFINITIVE  
FINANCING AGREEMENT FOR \$1.5 BILLION

Woodcliff Lake, New Jersey (May 8, 1995) -- Ingersoll-Rand Company today announced that it has entered into a definitive financing agreement with a syndicate of lenders led by The Chase Manhattan Bank (National Association), as administrative agent, providing for aggregate borrowings of up to \$1.5 billion.

The proceeds of the credit facility may be used by Ingersoll-Rand to provide financing for the tender offer for shares of Clark Equipment Company common stock and subsequent merger and to pay related fees, commissions and expenses.

####

[EXECUTION COUNTERPART]

\$1,500,000,000

CREDIT AGREEMENT

dated as of

May 5, 1995

among

INGERSOLL-RAND COMPANY

The Banks Listed Herein

Morgan Guaranty Trust Company  
of New York,  
as Syndication Agent

and

The Chase Manhattan Bank (National Association),  
as Administrative Agent  
and as Collateral Agent

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CREDIT AGREEMENT

AGREEMENT dated as of May 5, 1995 among INGERSOLL-RAND COMPANY, the BANKS listed on the signature pages hereof and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION) in its capacity as administrative agent for the Banks and as collateral agent for the Banks and certain other parties.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS; ETC.

SECTION 1.01. Definitions. As used herein, the following terms

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shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

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"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

"Acquisition" means (a) the purchase by the Purchaser of Clark Shares (at a price per share not to exceed \$86.00) for cash pursuant to the Tender Offer Documents and (b) the Merger.

"Acquisition Documents" means the Tender Offer Documents, the Additional Tender Offer Documents and any other document or information sent by the Borrower or any of its Subsidiaries to the stockholders of Clark in connection with the Acquisition or filed by the Borrower or any of its Subsidiaries with the Commission in connection with the Acquisition.

"Acquisition Intangibles" means assets arising out of the Acquisition (not including assets on the books of Clark immediately prior to the Tender Offer Closing Date) that should, in accordance with generally accepted accounting principles as applied by the Borrower on the date hereof, be classified as intangibles, including but not limited to goodwill, patents, franchises, trade-marks, tradenames and copyrights.

"Additional Tender Offer Documents" means all amendments and exhibits to, and documents related to, the Tender Offer Documents filed directly or indirectly by the Borrower or any of its Subsidiaries with the

Commission, or distributed by the Borrower or any of its Subsidiaries to the stockholders of Clark, in each case delivered to the Administrative Agent and the Banks on or after the date of this Agreement, including any

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Merger Documents delivered to the Banks after the date of this Agreement.

"Adjusted CD Rate" has the meaning set forth in Section 2.07(b).

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

"Administrative Agent" means Chase in its capacity as administrative agent for the Banks hereunder, and its successors in such capacity.

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Bank.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such other Person. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agents" means the Administrative Agent and the Collateral Agent, and "Agent" means any of the foregoing.

"Anniversary" means each anniversary of the Tender Offer Closing Date; provided that, if any such anniversary shall not be a Euro-Dollar Business Day, the relevant "Anniversary" shall be the next preceding Euro-Dollar Business Day.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Domestic Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Assessment Rate" has the meaning set forth in Section 2.07(b).

"Assignee" has the meaning set forth in Section 9.06(c).

"Attributable Debt" means, at any date, the total net amount of

rent required to be paid under a lease during the remaining term thereof (excluding any renewal term unless such renewal is at the option of the lessor), discounted from the respective due dates thereof to such date at 8 3/8% compounded semi-annually. The net amount of rent required to be paid for

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any such period shall be the aggregate of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of, or measured or determined by, any variable factor, including, without limitation, the cost-of-living index and costs of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and after excluding any portion of rentals based on a percentage of sales made by the lessee. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered so required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Bank" means each bank listed on the signature pages hereof or Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Loan" means a Committed Loan to be made by a Bank as a Base Rate Loan in accordance with the applicable Notice of Committed Borrowing or pursuant to Article VIII.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Borrower" means Ingersoll-Rand Company, a New Jersey corporation, and its successors.

"Borrower's 1994 Form 10-K" means the Borrower's annual report on Form 10-K for 1994, as filed with the Commission pursuant to the Exchange Act.

"Borrowing" has the meaning set forth in Section 1.03.

"Capital Lease Obligations" means, for any Person, all

obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP (including Statement of Financial Accounting Standards No. 13 of the Financial Accounting Standards Board), and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP (including such Statement No. 13).

"CD Base Rate" has the meaning set forth in Section 2.07(b).

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"CD Loan" means a Committed Loan to be made by a Bank as a CD Loan in accordance with the applicable Notice of Committed Borrowing.

"CD Margin" has the meaning set forth in Section 2.07(h).

"CD Reference Banks" means Chase, Morgan Guaranty Trust Company of New York and Union Bank of Switzerland.

"Chase" means The Chase Manhattan Bank (National Association), a national banking association, and its successors.

"Clark" means Clark Equipment Company, a Delaware corporation, and its successors.

"Clark Shares" means the shares of common stock, \$7.50 par value, of Clark, together with the associated preferred stock purchase rights issued pursuant to the Rights Agreement dated as of March 10, 1987, as amended and restated as of August 14, 1990 between Clark and Harris Trust and Savings Bank, as rights agent.

"Closing Date" means the date the initial Loans are made in accordance with the terms hereof by the Banks to the Borrower hereunder.

"Collateral" has the meaning set forth in Section 1 of the Pledge Agreement.

"Collateral Agent" means Chase in its capacity as collateral agent for the Secured Creditors (as defined in the Pledge Agreement) under the Pledge Agreement, and its successors in such capacity.

"Commission" means the U.S. Securities and Exchange Commission, and any successor thereto.

"Commitment" means, with respect to each Bank listed on the signature pages hereof, the amount set forth opposite the name of such Bank on the signature pages hereof, and with respect to any Bank which becomes a party to this Agreement pursuant to Section 9.06(c), the amount of the Commitment thereby assumed by such Bank, in each case as such amount may from time to time be reduced pursuant to Sections 2.09, 2.10 and 9.06(c) or increased pursuant to Section 9.06(c).

"Commitment Reduction Date" has the meaning set forth in Section 2.10(a).

"Committed Loan" means a loan made by a Bank pursuant to Section 2.01.

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"Consolidated Debt" means, at any date, the sum of (i) all amounts which would be set forth opposite the captions "Loans payable" and "Long-term debt" on a balance sheet of the Borrower and its Subsidiaries as of such date prepared in accordance with GAAP, (ii) all Capital Lease Obligations of the Borrower and its Subsidiaries and (iii) the higher of the voluntary or involuntary liquidation value of any preferred stock (other than auction-rate preferred stock the higher of the voluntary or involuntary liquidation value of which does not in the aggregate exceed \$100,000,000) of a Subsidiary held on such date by a Person other than the Borrower or a Wholly-Owned Subsidiary.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Subsidiaries, exclusive of any foreign currency equity adjustment as of such date.

"Credit Documents" means this Agreement, the Notes, the Pledge Agreement and the Purchaser Guarantee.

"Credit Parties" means the Borrower and the Purchaser.

"Cross Default" means a provision governing Debt of the Borrower to the effect that the holder of such Debt (or any representative of such holder) shall have the right, upon the giving of any notice and the lapse of any time specified in the instruments governing such Debt, to accelerate the maturity of such Debt by reason of an event or condition which permits acceleration of the maturity of any other Debt of the Borrower or of a Subsidiary, whether or not upon the giving of notice and the lapse of any time specified in the instruments governing such other Debt.

"Current Board" has the meaning set forth in Section 6.01(j).



"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of Property (and not services), except trade accounts payable arising in the ordinary course of business, (iv) all Capital Lease Obligations of such Person, and (v) all Debt of others secured by a Lien on any Property of such Person, whether or not such Debt is assumed by such Person; provided that "Debt" shall include at any date only such

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obligations and such Debt of others to the extent such obligations and such Debt of others is reflected as a liability in the consolidated balance sheet of the Borrower and its Subsidiaries as of such date (or would be so reflected if such a balance sheet were prepared as of such date).

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"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Documents" means the Acquisition Documents and the Credit Documents.

"Dollars" and "\$" mean lawful money of the United States of America.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent; provided that any Bank may so designate separate Domestic Lending

-----

Offices for its Base Rate Loans, on the one hand, and its CD Loans, on the other hand, in which case all references herein to the Domestic Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.07(b).

"Environmental Laws" means any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"Equity Issuance" means (a) any issuance or sale (including, without limitation, issuance or sale as a result of a conversion or exchange of debt securities) by the Borrower or any of the Subsidiaries of (i) any capital stock or any warrants,

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options or rights exercisable in respect of capital stock, including any capital stock issued upon the exercise of any such warrants, options or rights (other than any capital stock, warrants, options or rights issued to, or for the benefit of, directors, officers or employees of the Borrower or any of the Subsidiaries pursuant to employee benefit plans, stock option plans or long-term incentive plans established in the ordinary course of business and any capital stock of the Borrower issued upon the exercise of such warrants, options or rights) or (ii) any other security or instrument representing an equity interest in the Borrower or any of the Subsidiaries or (b) the receipt by the Borrower or any of the Subsidiaries of any capital contribution (whether or not evidenced by any equity security issued by the recipient of such contribution); provided that the term

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"Equity Issuance" shall not include (x) any such issuance or sale by any Subsidiary to the Borrower or any Wholly-Owned Subsidiary or (y) any capital contribution by the Borrower or any Wholly-Owned Subsidiary to any Subsidiary.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are

treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in Dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

"Euro-Dollar Loan" means a Committed Loan to be made by a Bank as a Euro-Dollar Loan in accordance with the applicable Notice of Committed Borrowing.

"Euro-Dollar Margin" has the meaning set forth in Section 2.07(h).

"Euro-Dollar Reference Banks" means the principal London offices of Chase, Morgan Guaranty Trust Company of New York and Union Bank of Switzerland.

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"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.07(c).

"Event of Default" has the meaning set forth in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and including the rules and regulations of the Commission thereunder.

"Facility Fee Rate" has the meaning set forth in Section 2.07(h).

"Facility Reduction Date" means the date on which the Commitments and the outstanding Loans have been reduced to not more than \$1,000,000,000.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the

Domestic Business Day next succeeding such day, provided that (i) if such

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day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Chase on such day on such transactions as determined by the Administrative Agent.

"Fixed Rate Loans" means CD Loans or Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a)) or any combination of the foregoing.

"GAAP" means generally accepted accounting principles applied on a basis consistent with those that, in accordance with the last sentence of Section 1.02(a) hereof, are to be used in making the calculations for purposes of determining compliance with this Agreement.

"Initial Commitment Reduction Date" means the date that is the earlier of (i) the date 45 days after the Merger Effective Date and (ii) the date 180 days after the Tender Offer Closing Date; provided that, if

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such date is not a Euro-Dollar Business Day, the "Initial Commitment Reduction Date" shall be the next preceding Euro-Dollar Business Day.

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"Interest Period" means: (1) with respect to each Euro-Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six or, with the approval of all of the Banks, nine or twelve months thereafter, or as provided in and subject to clause (e) below, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

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(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar 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, subject to clause (c) in this subsection (1), end on the last Euro-Dollar Business Day of a calendar month;

(c) any Interest Period which would otherwise end after the Termination Date shall not be available hereunder;

(d) no Interest Period may begin before and end after any Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Fixed Rate Loans having Interest Periods that end after such Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Fixed Rate Loans scheduled to be outstanding after giving effect to the payments of principal of Fixed Rate Loans required to be made on such Commitment Reduction Date; and

(e) with respect to any Borrowing on the Closing Date only, the period commencing on the date of such Borrowing and ending seven days thereafter; provided that any such Interest Period which would

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otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day.

(2) with respect to each CD Borrowing, the period commencing on the date of such Borrowing and ending 30, 60, 90 or 180 or, with the approval of all of the Banks, 270 or 360 days thereafter, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

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(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day;

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(b) any Interest Period which would otherwise end after the Termination Date shall not be available hereunder; and

(c) no Interest Period may begin before and end after any Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Fixed Rate Loans having Interest Periods that end after such Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Fixed Rate Loans scheduled to be outstanding after giving effect to the payments of principal of Fixed Rate Loans required to be made on such Commitment Reduction Date.

(3) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 90 days thereafter; provided that:

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(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(4) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending seven days or one, two, three, six, nine or twelve months thereafter, as the Borrower may elect in accordance with Section 2.03; provided that:

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(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless (except in the case of a seven-day Interest Period) such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) except in the case of a seven-day Interest Period, any Interest Period which begins on the last Euro-Dollar 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, subject to clause (c) in this subsection (4), end on the last Euro-Dollar Business Day of a calendar month;

(c) any Interest Period which would otherwise end after the Termination Date shall not be available hereunder; and

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(d) no Interest Period may begin before and end after any Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Fixed Rate Loans having Interest Periods that end after such Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Fixed Rate Loans scheduled to be outstanding after giving effect to the payments of principal of Fixed Rate Loans required to be made on such Commitment Reduction Date.

(5) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days up to 360 days thereafter as the Borrower may elect in accordance with Section 2.03; provided that:

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(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day;

(b) any Interest Period which would otherwise end after the Termination Date shall not be available hereunder; and

(c) no Interest Period may begin before and end after any Commitment Reduction Date unless, after giving effect thereto, the aggregate principal amount of Fixed Rate Loans having Interest Periods that end after such Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Fixed Rate Loans scheduled to be outstanding after giving effect to the payments of principal of Fixed Rate Loans required to be made on such Commitment Reduction Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Level I Status" exists at any date if, at such date, the Borrower's outstanding senior unsecured long-term debt securities are rated A or higher by S&P and A3 or higher by Moody's or A2 or higher by Moody's and A- or higher by S&P.

"Level II Status" exists at any date if (i) Level I Status does not exist on such date and (ii) the Borrower's outstanding senior unsecured long-term debt securities are rated A- or higher by S&P and A3 or higher by Moody's.

"Level III Status" exists at any date if (i) neither Level I Status nor Level II Status exists on such date and (ii) the Borrower's outstanding senior unsecured long-term debt securities are rated BBB+ or higher by S&P and Baal or higher by Moody's.

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"Level IV Status" exists at any date if (i) none of Level I Status, Level II Status and Level III Status exists on such date and (ii) the Borrower's outstanding senior unsecured long-term debt securities are rated BBB or higher by S&P and Baa2 or higher by Moody's.

"Level V Status" exists at any date if (i) none of Level I Status through Level IV Status exists on such date and (ii) the Borrower's outstanding senior unsecured long-term debt securities are rated BBB- or higher by S&P and Baa3 or higher by Moody's.

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"Level VI Status" exists at any date if none of Level I Status through Level V Status exists on such date.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

"Lien" means, with respect to any Property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such Property. For the purposes of any Credit Document, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any Property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such Property.

"Loan" means a Domestic Loan or a Euro-Dollar Loan or a Money Market Loan and "Loans" means Domestic Loans or Euro-Dollar Loans or Money Market Loans or any combination of the foregoing.

"London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

"Margin Stock" means "margin stock" within the meaning of Regulations U and X.

"Material Debt" means (i) any Public Debt and (ii) any Debt of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions after the date hereof, in an aggregate principal amount exceeding \$25,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of \$80,000,000.

"Material Subsidiary" means (i) The Torrington Company, a Delaware corporation, Schlage Lock Company, a California corporation, and their respective successors and assigns and (ii) at any date, any other Restricted Subsidiary which on such date is encompassed by the definition of a "significant subsidiary"



contained as of the date hereof in Regulation S-X of the Commission.

"Merger" means the merger of the Purchaser with and into Clark in accordance with the terms of the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Merger dated as of April 9, 1995 between the Borrower, the Purchaser and Clark providing for the Merger, together with such amendments, modifications and supplements prior to the Merger Effective Date as are satisfactory in form and substance to the Required Banks in their reasonable determination.

"Merger Documents" means all agreements and instruments, including the Merger Agreement, the certificate of Merger and any other document or information sent by the Borrower or any of its Subsidiaries to Clark's stockholders generally or filed by the Borrower or any of its Subsidiaries with the Commission under the Exchange Act in respect of the Merger, effecting, evidencing or governing the Merger, in the form delivered to the Banks pursuant to Section 3.01(a) (vi) and as the same may be subsequently amended, modified or supplemented in accordance with the provisions thereof and hereof.

"Merger Effective Date" means the date on which the Merger becomes effective.

"Money Market Absolute Rate" has the meaning set forth in Section 2.03 (d).

"Money Market Absolute Rate Loan" means a loan to be made by a Bank pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Administrative Agent; provided that any Bank

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may from time to time by notice to the Borrower and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.01(a)).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.03(d).

"Money Market Quote" means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

"Moody's" means Moody's Investors Service, Inc., and its successors.

"Mortgage" means, on any specified Property, any Lien of any kind in respect of such Property.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Net Cash Proceeds" means the aggregate amount of all cash received by the Borrower and/or any of its Subsidiaries directly or indirectly in respect of any Equity Issuance or any issuance of debt securities, net of reasonable expenses (including legal fees and brokers' and underwriters' commissions, lenders' fees or credit enhancement fees, in any case, paid to third parties or, to the extent not in excess of what would have been paid to third parties on an arm's length basis, Affiliates of the Borrower) incurred by the Borrower and/or any of its Subsidiaries in connection therewith.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Committed Borrowing (as defined in Section 2.02) or a Notice of Money Market Borrowing (as defined in Section 2.03(f)).

"Offer to Purchase" means the Offer to Purchase for Cash dated April 3, 1995 issued by the Purchaser in connection with the Acquisition, as amended and supplemented prior to the date of this Agreement and as further amended, supplemented and otherwise modified as provided in Section 3.01(a)(vi) or otherwise with the consent of all of the Banks.

"Parent" means, with respect to any Bank, any Person controlling such Bank.

"Participant" has the meaning set forth in Section 9.06(b).

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"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Pledge Agreement" means the Pledge and Security Agreement dated as of the date hereof between the Borrower and the Collateral Agent, substantially in the form of Exhibit H hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Prime Rate" means that rate of interest from time to time announced by Chase at its principal office, located at 1 Chase Manhattan Plaza, New York, New York 10081, as its prime commercial lending rate.

"Principal Property" means any manufacturing plant or other manufacturing facility of the Borrower or any Restricted Subsidiary, as the case may be, which plant or facility is located within the United States of America, except any such plant or facility which the Borrower's Board of Directors by resolution declares is not of material importance to the total business conducted by the Borrower and its Restricted Subsidiaries.

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Public Debt" means (i) the Borrower's 8 1/4% Notes due 1996, (ii) the Borrower's 9.00% Debentures due 2021 and (iii) the Borrower's 6.875% Notes due 2003.

"Purchaser" means CEC Acquisition Corp., a Delaware corporation

and a Wholly-Owned Subsidiary of the Borrower, and its successors.

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"Purchaser Guarantee" means the Purchaser Guarantee Agreement dated as of the date hereof between the Purchaser and the Administrative Agent, substantially in the form of Exhibit I hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Reference Banks" means the CD Reference Banks or the Euro-Dollar Reference Banks, as the context may require, and "Reference Bank" means any one of such Reference Banks.

"Refunding Borrowing" means a Committed Borrowing which, after application of the proceeds thereof, results in no net increase in the outstanding principal amount of Committed Loans made by any Bank.

"Regulations G, T, U and X" mean, respectively, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means, at any time, Banks having at least 66 2/3% of the aggregate amount of the Commitments at such time or, if the Commitments shall have been terminated, holding at least 66 2/3% of the aggregate unpaid principal amount of the Loans at such time.

"Restricted Subsidiary" means any Subsidiary, excluding any Subsidiary the greater part of the operating assets of which are located or the principal business of which is carried on outside of the United States of America.

"Reuters Screen LIBO Page" has the meaning set forth in Section 2.07(c).

"Revolving Credit Period" means the period from and including the Tender Offer Closing Date to but excluding the Termination Date.

"Sale and Leaseback Transaction" means an arrangement with any Person for the leasing by the Borrower or a Restricted Subsidiary (except for temporary leases for a term of not more than three years and, in the case of a Restricted Subsidiary, a lease to the Borrower or another Restricted Subsidiary) of any Principal Property (whether now owned or hereafter acquired), which Principal Property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person.

"S&P" means Standard & Poor's Ratings Group, and its successors.

"Subsidiary" means any corporation or other entity (a) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or

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other persons performing similar functions are at the time directly or indirectly owned by the Borrower or (b) whose financial results are consolidated with those of the Borrower in its consolidated financial statements. "Wholly-Owned Subsidiary" means any such corporation or other

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entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are so owned or controlled.

"Tender Offer" means the offer by the Purchaser to purchase for cash all of the outstanding Clark Shares pursuant to the Tender Offer Documents.

"Tender Offer Closing Date" means the date of the initial purchase by the Purchaser of Clark Shares tendered pursuant to the Tender Offer.

"Tender Offer Documents" means the Offer to Purchase and the Tender Offer Statement on Schedule 14D-1 filed by the Purchaser with the Commission and all amendments, exhibits and schedules thereto and related documents distributed by the Borrower or any of its Subsidiaries to the shareholders of Clark or filed by the Borrower or any of its Subsidiaries with the Commission in connection with the Acquisition, in each case prior to the date of this Agreement, including any Merger Documents delivered to the Banks prior to the date of this Agreement.

"Tender Offer Expiration Date" means May 5, 1995, unless and until the Purchaser shall have extended the period of time for which the Tender Offer is open, in which event "Tender Offer Expiration Date" shall mean the latest date on which the Tender Offer, as so extended by the Purchaser, shall expire.

"Termination Date" means the fifth Anniversary.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all accrued benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a current member of the ERISA Group to the PBGC

under Title IV of ERISA.

"Wholly-Owned Subsidiary" has the meaning set forth in the definition of the term "Subsidiary".

SECTION 1.02. Accounting Terms and Determinations. (a) Except

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as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial

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matters required to be delivered to the Banks hereunder shall (unless otherwise disclosed to the Banks in writing at the time of delivery thereof in the manner described in subsection (b) of this Section 1.02) be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the Banks hereunder (which, prior to the delivery of the first financial statements under Section 5.01, means the audited financial statements as at December 31, 1994 referred to in Section 4.04(a)). All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest annual or quarterly financial statements furnished to the Banks pursuant to Section 5.01 (or, prior to the delivery of the first financial statements under Section 4.04(a), used in the preparation of the audited financial statements as at December 31, 1994 referred to in Section 4.04(a)) unless (i) the Borrower shall have objected to determining such compliance on such basis at the time of delivery of such financial statements or (ii) the Required Banks shall so object in writing within 30 days after delivery of such financial statements, in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if objection is made in respect of the first financial statements delivered under Section 5.01, means the financial statements referred to in Section 4.04(a)).

(b) The Borrower shall deliver to the Banks at the same time as the delivery of any annual or quarterly financial statement under Section 5.01 hereof (i) to the extent not disclosed in the notes to such statement, a description in reasonable detail of any material variation between the application of accounting principles employed in the preparation of such statement and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance

with the last sentence of subsection (a) of this Section 1.02 and (ii) reasonable estimates of the effect of such variation on the calculations necessary to determine compliance with the provisions of Sections 5.05 and 5.06 hereof.

SECTION 1.03. Types of Borrowings. The term "Borrowing" denotes

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the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article II on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (e.g., a "Euro-Dollar Borrowing" is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article II under which

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participation therein is determined (i.e., a "Committed Borrowing" is a Borrowing under Section 2.01 in which all Banks participate in proportion to their Commitments, while a "Money Market Borrowing" is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith).

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments to Lend. During the Revolving Credit

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Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the aggregate principal amount of Committed Loans by such Bank at any one time outstanding shall not exceed the amount of its Commitment; provided that in no event shall the aggregate

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principal amount of all Committed Loans, together with the aggregate principal amount of all Money Market Loans, at any one time outstanding exceed the aggregate amount of the Commitments in effect at such time. Each Borrowing under this Section shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$5,000,000 (or any larger multiple of \$1,000,000 in the case of a Base Rate Borrowing) (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.02(b)) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay, or to the extent permitted by Section 2.11, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section.

SECTION 2.02. Notice of Committed Borrowings. The Borrower shall

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give the Administrative Agent notice (a "Notice of Committed Borrowing") not later than 10:00 A.M. (New York City time) on (x) the date of each Base Rate Borrowing, (y) the second Domestic Business Day before each CD Borrowing and (z) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing (or, in the case of any Euro-Dollar Borrowing on the Closing Date only, one Business Day before such Euro-Dollar Borrowing), specifying:

(a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(b) the aggregate amount of such Borrowing,

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(c) whether the Loans comprising such Borrowing are to be CD Loans, Base Rate Loans or Euro-Dollar Loans, and

(d) in the case of a Fixed Rate Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

SECTION 2.03. Money Market Borrowings.

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(a) The Money Market Option. In addition to Committed

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Borrowings pursuant to Section 2.01, the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower; provided that the

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aggregate principal amount of all Money Market Loans, together with the aggregate principal amount of all Committed Loans, at any one time outstanding shall not exceed the aggregate amount of the Commitments in effect at such time. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to

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request offers to make Money Market Loans under this Section, it shall transmit to the Administrative Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit B hereto so



as to be received no later than 10:00 A.M. (New York City time) on (x) the fourth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be \$10,000,000 or a larger multiple of \$5,000,000,

(iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

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The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within five Euro-Dollar Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt

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of a Money Market Quote Request, the Administrative Agent shall send to the Banks by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each

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Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by telex

or facsimile transmission at its offices specified in or pursuant to Section 9.01 not later than (x) 2:00 P.M. (New York City time) on the fourth Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:00 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Administrative Agent (or

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any affiliate of the Administrative Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Administrative Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than 15 minutes prior to the deadline for the other Banks. Subject to Articles III and VI, any Money Market Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be \$5,000,000 or a larger multiple of

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\$1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit D hereto or does not specify all of the information required by subsection (d) (ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d) (i).

(e) Notice to Borrower. The Administrative Agent shall promptly

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notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which

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offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:00

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A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the

Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

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(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) the principal amount of each Money Market Borrowing must be \$10,000,000 or a larger multiple of \$5,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by

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two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as nearly as possible (in multiples of \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Administrative Agent of the amounts of

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Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.04. Notice to Banks; Funding of Loans.

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(a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such

Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 12:00 Noon (New York City time) on the date of each Borrowing, each Bank participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article III has not been satisfied, the Administrative Agent will make the funds so received from the Banks available in like funds to the Borrower at the Administrative Agent's aforesaid address.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in subsection (b), or remitted by the Borrower to the Administrative Agent as provided in Section 2.12, as the case may be.

(d) Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Administrative Agent such Bank's share of such Borrowing, the Administrative Agent may assume that such Bank has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section 2.04 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Administrative Agent, such Bank and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at a rate per annum equal to the Federal Funds Rate. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so

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repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.05. Notes. (a) The Loans of each Bank shall be  
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evidenced by a single Note payable to the order of such Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans.

(b) Each Bank may, by notice to the Borrower and the Administrative Agent, request that its Loans of a particular type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans of the relevant type. Each reference in the Credit Documents to the "Note" of such Bank shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt of each Bank's Note pursuant to Section 3.01(b), the Administrative Agent shall forward such Note to such Bank. Each Bank shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank to make any such recordation or  
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endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.06. Maturity of Loans. Each Loan included in any  
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Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing.

SECTION 2.07. Interest Rates. (a) Each Base Rate Loan shall  
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bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each CD Loan shall bear interest on the outstanding

principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the CD Margin plus the applicable Adjusted CD Rate; provided that if any CD Loan or any portion thereof

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shall, as a result of clause (2)(b) of the definition of Interest Period, have an Interest Period of less than 30 days, such portion shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of or interest on any CD Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus the rate applicable to Base Rate Loans for such day (provided that if the amount so overdue is principal of a CD Loan and the

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due date thereof is a day other than the last day of the Interest Period therefor, the rate per annum shall be, for the period from and including such due date to but excluding the last day of such Interest Period, the sum of 2% plus the sum of the CD Margin plus the Adjusted CD Rate applicable to such Loan).

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$ACDR = \frac{[ CDBR ]^*}{[ 1.00 - DRP ]} + AR$$

- ACDR = Adjusted CD Rate
- CDBR = CD Base Rate
- DRP = Domestic Reserve Percentage
- AR = Assessment Rate

\* The amount in brackets being rounded upward, if necessary, to the next higher 1/100 of 1%

The "CD Base Rate" applicable to any Interest Period is the rate of interest determined by the Administrative Agent to be the rate on the first day of such Interest Period set forth in H.15(519) published by the Federal Reserve Board for that day opposite the period (the "Relevant Period") approximately equal to such Interest Period under the caption "CDs (Secondary Market)"; provided that if on any such day such rate is not yet

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published in H.15(519) or if H.15(519) does not show rates for the Relevant Period, the "CD Base Rate" for such Interest period shall be the rate of interest determined by the Administrative

Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the prevailing rates per annum bid at 10:00 A.M. (New York City time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized standing for the purchase at face value from each CD Reference Bank of its certificates of deposit in an amount comparable to the principal amount of the CD Loan of such CD Reference Bank to which such Interest Period applies and having a maturity comparable to such Interest Period; provided that if such bids from such dealers are not available to

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such CD Reference Bank, such Bank shall notify the Administrative Agent of a reasonable equivalent rate determined on the basis of another source or sources selected by it.

"Domestic Reserve Percentage" means, for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion Dollars in respect of new non-personal time deposits in Dollars in New York City having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage. The Banks acknowledge and agree that the Domestic Reserve Percentage on the date hereof is 0%.

"Assessment Rate" means for any day the annual assessment rate in effect on such day which is payable by a member of the Bank Insurance Fund classified as adequately capitalized and within supervisory subgroup "A" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. 327.3(e) (or any successor provision) to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of such institution in the United States. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Assessment Rate.

(c) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.



The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period means the arithmetic mean, as calculated by the Administrative Agent, of the respective rates per annum (rounded upward, if necessary, to the next higher 1/16 of 1%) of the offered rates (if there are at least two such rates on the Reuters Screen LIBO Page) for deposits in Dollars for a period (the "Relevant Period") approximately equal to such Interest Period that appears on the Reuters Screen LIBO Page at approximately 11:00 A.M., London time, on the Euro-Dollar Business Day that is two Euro-Dollar Business Days before the first day of such Interest Period; provided that

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if fewer than two such rates appear for the Relevant Period or if the Reuters Screen LIBO Page is not publicly available, the "London Interbank Offered Rate" applicable to such Interest Period shall be the arithmetic mean, as calculated by the Administrative Agent, of the respective rates per annum (rounded upward, if necessary, to the next higher 1/16 of 1%) quoted at approximately 11:00 A.M. (London time) by the principal London branch of each of the Euro-Dollar Reference Banks two Euro-Dollar Business Days before the first day of such Interest Period for the offering to leading banks in the London interbank market of Dollar deposits in immediately available funds in an amount comparable to the principal amount of the Euro-Dollar Loan of such Euro-Dollar Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

The "Reuters Screen LIBO Page" means the display designated as Page "LIBO" on the Reuters Monitor Money Rates Service or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks.

"Euro-Dollar Reserve Percentage" means, for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion Dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the

effective date of any change in the Euro-Dollar Reserve Percentage. The Banks acknowledge and agree that the Euro-Dollar Reserve Percentage on the date hereof is 0%.

(d) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus the rate applicable to Base Rate Loans for such day (provided that if the amount so overdue is

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principal of a Euro-Dollar Loan and the due date thereof is a day other than the last day of the Interest Period therefor, the rate per annum shall be, for the period from and including such due date to but excluding the last day of such Interest Period, the sum of 2% plus the sum of the Euro-Dollar Margin plus the Adjusted London Interbank Offered Rate applicable to such Loan).

(e) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07(c) as if the related Money Market LIBOR Borrowing were a Committed Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Prime Rate for such day.

(f) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(g) Each Reference Bank agrees to use its best efforts to furnish quotations to the Administrative Agent as contemplated by this Section. If any Reference Bank does not furnish a timely quotation, the

Administrative Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

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(h) Each of "CD Margin", "Euro-Dollar Margin" and "Facility Fee Rate" means, for any day, the percentage set forth below in the row opposite such term and in the column corresponding to the "Level" status in existence on such day:

	Level I Status	Level II Status	Level III Status	Level IV Status	Level V Status	Level VI Status
CD Margin	.295%	.325%	.365%	.40%	.45%	.475%
Euro-Dollar Margin	.17%	.20%	.24%	.275%	.325%	.35%
Facility Fee Rate	.08%	.10%	.135%	.17%	.20%	.275%

provided that each of "CD Margin", "Euro-Dollar Margin" and "Facility Fee  
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Rate" shall be:

(i) at Level VI Status to but not including the Facility Reduction Date; and

(ii) from and after the Facility Reduction Date, determined under the foregoing pricing grid; provided that, if on the Facility  
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Reduction Date either Moody's or S&P has not yet announced revised senior unsecured long-term debt ratings of the Borrower from those in effect, or reaffirmed senior unsecured long-term debt ratings of the Borrower as in effect, prior to the Offer to Purchase, then pricing will be at Level IV Status until both Moody's and S&P have first so announced after the Facility Reduction Date, whereupon the pricing grid will govern pricing; provided further that if the rating level as first so announced by Moody's and S&P after the Facility Reduction Date is lower than Level IV Status (for which purpose the term "lower" shall be determined on the basis that the highest rating level is Level I Status and the lowest rating level is Level VI Status), such lower rating level will apply retroactively from the Facility

Reduction Date, and any shortfall as a result of such retroactive rating level adjustment in interest and fees previously paid will be paid by the Borrower to the Administrative Agent for account of the Banks within five Euro-Dollar Business Days of such first announcement.

SECTION 2.08. Facility Fee. The Borrower shall pay to the

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Administrative Agent for the account of the Banks ratably in proportion to their Commitments a facility fee at the Facility Fee Rate. Such facility fee shall accrue (i) from and including the date this Agreement is signed and exchanged by all of the parties hereto to but excluding the Termination Date (or earlier date of termination of the Commitments in their entirety), on the daily aggregate amount of the Commitments (whether used or unused) and (ii) from and including the Termination Date or such

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earlier date of termination to but excluding the date the Loans shall be repaid in their entirety, on the daily aggregate outstanding principal amount of the Loans. Accrued fees under this Section shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31, and upon the date of termination of the Commitments in their entirety (and, if later, the date the Loans shall be repaid in their entirety).

SECTION 2.09. Optional Termination or Reduction of Commitments.

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During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days' notice to the Administrative Agent, (i) terminate the Commitments at any time, if no Loans are outstanding at such time or (ii) ratably reduce from time to time by an aggregate amount of \$25,000,000 or a larger multiple of \$5,000,000, the aggregate amount of the Commitments in excess of the aggregate outstanding principal amount of the Loans.

SECTION 2.10. Mandatory Reduction or Termination of Commitments;

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Mandatory Prepayments. (a) Unless theretofore already so reduced, the

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Commitments shall reduce to \$1,000,000,000 on the Initial Commitment Reduction Date, and any Loans then outstanding in excess of such amount (together with accrued interest thereon) shall be due and payable on such date. Thereafter, the Commitments shall reduce annually on each Anniversary starting with the second Anniversary as follows: by \$100,000,000 on the second Anniversary, by \$200,000,000 on the third Anniversary and by \$300,000,000 on the fourth Anniversary, and any Loans then outstanding in excess of the Commitments as so reduced (together with accrued interest thereon) shall be due and payable on each such date (each

such date, together with the Initial Commitment Reduction Date, being referred to herein as a "Commitment Reduction Date").

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(b) The Commitments shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

(c) On the date of (1) any issuance by the Borrower or any Subsidiary for cash of any Debt maturing on or after the Termination Date (other than (i) Debt the proceeds of which refinance (w) Debt existing on the date hereof of foreign Subsidiaries, (x) Debt of foreign Subsidiaries owing to the Borrower or any of its Subsidiaries, (y) Capital Lease Obligations of the Borrower or any of its Subsidiaries or (z) the Borrower's \$75,000,000 8 1/4% Notes due 1996, (ii) Debt the proceeds of which finance up to \$25,000,000 of domestic economic development financing, (iii) Debt of the Borrower the proceeds of which are used to refinance Debt of Clark existing on the Merger Effective Date and (iv) any such issuance (A) by any Subsidiary to the Borrower or any Wholly-Owned Subsidiary or (B) by the Borrower to any Wholly-Owned Subsidiary) or (2) any Equity

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Issuance, the Commitments shall be reduced on such date by an amount equal to the Net Cash Proceeds thereof, and any Loans then outstanding in excess of the Commitments as so reduced (together with accrued interest thereon) shall be due and payable on such date.

(d) If the Merger Effective Date shall not have occurred on or before the first Anniversary, then, unless theretofore already so reduced, the Commitments shall, on the first Anniversary reduce to \$500,000,000, and any Loans then outstanding in excess of such amount (together with accrued interest thereon) shall be due and payable on such date.

(e) Prepayments of Loans described in Section 2.10(c) or 2.10(d) shall be effected first, to outstanding Base Rate Loans and Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a); second, if none of the foregoing Loans are then outstanding, to outstanding Fixed Rate Loans (other than Money Market Loans) beginning with such Loans having the shortest remaining Interest Period; and finally, if none of the foregoing Loans are then outstanding, to outstanding Money Market Loans beginning with such Loans having the shortest remaining Interest Period. Notwithstanding the foregoing, in the event that any such prepayment of Fixed Rate Loans would result in the Borrower becoming obligated to pay any amounts to the Banks under Section 2.13 hereof, the Borrower may elect to deposit such amounts to be prepaid in the Collateral Account (as defined in the Pledge Agreement), or in a comparable collateral account in the event

that the Pledge Agreement has been terminated, to be held until the last day(s) of the Interest Period(s) for such Fixed Rate Loans, whereupon such amounts shall be applied to the repayment of such Fixed Rate Loans, with any amounts so deposited remaining after such application being paid to the Borrower.

(f) The Borrower shall not use the proceeds of Other Loans (as defined in the Pledge Agreement) under the Other Credit Agreement (as defined in the Pledge Agreement) to make any prepayment required by the first sentence of paragraph (a), or by paragraph (d), of this Section 2.10.

(g) Until the Facility Reduction Date, all voluntary and mandatory Commitment reductions will reduce the amount by which the Commitments are scheduled to be reduced on the Initial Commitment Reduction Date by the same amount. Thereafter, the amount of any voluntary or mandatory Commitment reduction will reduce the remaining regularly scheduled reductions in an aggregate amount equal to the amount of any such Commitment reduction, such aggregate reduction to be applied ratably to such remaining reductions.

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(h) Each mandatory reduction of the Commitments under this Section 2.10 shall be applied to the respective Commitments of the Banks pro rata according to the amounts of their respective Commitments.

SECTION 2.11. Optional Prepayments. (a) The Borrower may (i)

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upon at least one Domestic Business Day's notice to the Administrative Agent, prepay any Base Rate Borrowing (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)) or, subject to Section 2.13, any CD Borrowing and (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent, subject to Section 2.13, prepay any Euro-Dollar Borrowing, in whole at any time, or from time to time in part in an aggregate amount of \$25,000,000 or a larger multiple of \$5,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(b) Except as provided in clause (i) of Section 2.11(a), the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Bank of the

contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

SECTION 2.12. General Provisions as to Payments. (a) The  
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Borrower shall make each payment of principal of, and interest on, the Loans and of fees and other amounts payable hereunder, not later than 12:00 Noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01. The Administrative Agent will promptly distribute to each Bank its ratable share of each such payment received by the Administrative Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Domestic Loans, of other amounts payable with respect thereto or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans or of other amounts payable with respect thereto shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of

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principal of, or interest on, the Money Market Loans or of other amounts payable with respect thereto shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment, each Bank shall repay to the Administrative Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.13. Funding Losses. If the Borrower makes any payment

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of principal with respect to any Fixed Rate Loan (pursuant to Section 2.11, Article VI or VIII or otherwise, but not pursuant to Section 8.02) on any day other than the last day of the Interest Period applicable thereto, if the Borrower fails to borrow any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.04(a) or if the Borrower fails to prepay any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.11(c), the Borrower shall reimburse each Bank within 30 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or failure to borrow or prepay, provided

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that such Bank shall have delivered to the Borrower a certificate setting forth the calculation of the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.14. Computation of Interest and Fees. Interest based

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on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

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SECTION 2.15. Withholding Tax Exemption. On or prior to the

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Closing Date, each Bank that is not incorporated under the laws of the United States of America or a state thereof agrees that it will deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, certifying in either case that such Bank is entitled to receive payments under the Credit Documents without deduction or withholding of any United States Federal income taxes. Each Bank which so delivers a Form 1001 or 4224 further undertakes to deliver to each of the Borrower and the Administrative Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent, in each



case certifying that such Bank is entitled to receive payments under the Credit Documents without deduction or withholding of any United States Federal income taxes, unless 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 Bank from duly completing and delivering any such form with respect to it and such Bank advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States Federal income tax.

ARTICLE III

CONDITIONS

SECTION 3.01. Conditions Precedent to Initial Loans. The

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obligation of any Bank to make its initial Loan hereunder is subject to:

(a) the receipt by the Administrative Agent of the following documents, each of which shall be satisfactory to the Administrative Agent in its reasonable determination (and to the extent specified below, to each Bank in its reasonable determination) in form and substance:

(i) counterparts hereof signed by each of the parties hereto and counterparts of the Purchaser Guarantee and the Pledge Agreement signed by each of the parties thereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it in its reasonable determination of facsimile or other written confirmation from such party of execution and delivery of a counterpart hereof or

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thereof by such party), together with (x) certificates representing all of the capital stock of the Purchaser accompanied by an undated stock power duly executed by the Borrower in blank and (y) Uniform Commercial Code financing statements in the form of Annex I to Exhibit E-2 hereto duly executed for filing in the office of the Secretary of State of the State of New Jersey;

(ii) for account of each Bank, a duly executed Note dated on or before the Closing Date complying with the provisions of

(iii) a certificate of the chief financial officer or the treasurer of the Borrower stating that the representations and warranties of the Borrower set forth in Article IV hereof (except the representations and warranties of the Borrower set forth in Section 4.04(b) and 4.11(b)) and Section 2 of the Pledge Agreement and of the Purchaser set forth in Section 3 of the Purchaser Guarantee, respectively, are true in all material respects as of the date of such certificate, that the tendered Clark Shares have been accepted for payment pursuant to the Tender Offer in accordance with the terms of the Tender Offer and that there have been accepted for payment pursuant to the Tender Offer sufficient Clark Shares for the Purchaser to be able to approve the consummation of the Merger without the affirmative vote of any other shareholder(s) of Clark;

(iv) an opinion of Simpson Thacher & Bartlett, special New York counsel to the Borrower and the Purchaser, substantially in the form of Exhibit E-1 hereto, and an opinion of Patricia Nachtigal, Esq., Vice President and General Counsel of the Borrower, substantially in the form of Exhibit E-2 hereto, and in each case covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(v) an opinion of Milbank, Tweed, Hadley & McCloy, special New York counsel to the Agents, substantially in the form of Exhibit F hereto, and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(vi) true and correct copies of the Tender Offer Documents and any Additional Tender Offer Documents (which Additional Tender Offer Documents, other than any Additional Tender Offer Document consisting solely

of an amendment extending the Tender Offer Expiration Date, shall be satisfactory to the Administrative Agent in its reasonable determination); provided that any Additional Tender Offer

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Document amending the terms or conditions of the Tender Offer in any material respect, other than any amendment consisting solely of an extension of the Tender Offer Expiration Date, shall be satisfactory to each of the Banks in their reasonable

determination); and

(vii) all documents it may reasonably request relating to the existence of the Borrower and the Purchaser, the corporate authority for and the validity of the Credit Documents, and any other matters relevant thereto, all in form and substance satisfactory to the Administrative Agent in its reasonable determination; and

(b) the conditions precedent that:

(i) such Loan is made on or before August 31, 1995;

(ii) the principal conditions to the consummation of the Tender Offer shall have been satisfied and shall not have been waived (for which purpose conditions that must be fulfilled to the satisfaction of the Purchaser must also be fulfilled to the satisfaction of the Banks in their reasonable determination);

(iii) the tendered Clark Shares shall have been accepted for payment pursuant to the Tender Offer in accordance with the terms of the Tender Offer;

(iv) there shall have been accepted for payment pursuant to the Tender Offer sufficient Clark Shares for the Purchaser to be able to approve the consummation of the Merger without the affirmative vote of any other shareholder(s) of Clark;

(v) the Banks shall be satisfied in their reasonable determination that all necessary licenses, permits and governmental and third-party filings, consents and approvals for the Acquisition shall have been obtained and remain in full force and effect;

(vi) the Tender Offer and the financing thereof shall be in compliance with all laws and regulations (including, without limitation, Regulation U); and

(vii) all costs, fees and expenses, and all other compensation contemplated by the Credit Documents due

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from the Borrower to the Agents or the Banks (including, without limitation, legal fees and expenses of Milbank, Tweed, Hadley & McCloy, special New York counsel to the Agents) shall have been paid by the Borrower to the extent due.

SECTION 3.02. Borrowings. The obligation of any Bank to make a

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Loan on the occasion of any Borrowing (including the initial Borrowing) is subject to the satisfaction of the following conditions:

(a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(b) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

(c) the fact that, immediately before and after such Borrowing, no Default shall have occurred and be continuing;

(d) the fact that, immediately before and after such Borrowing (except in the case of a Refunding Borrowing), no event or condition shall have occurred and be continuing which permits any holder of any Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof; and

(e) except to the extent any representation or warranty expressly relates only to an earlier date, the fact that the representations and warranties of the Borrower and the Purchaser contained in the Credit Documents (except the representations and warranties of the Borrower set forth in Sections 4.04(b), 4.11(b) and, in the case of a Refunding Borrowing, 4.05) shall be true in all material respects on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c), (d) and (e) of this Section.

#### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Corporate Existence and Power. The Borrower is a

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corporation duly incorporated, validly existing and

in good standing under the laws of New Jersey, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Corporate and Governmental Authorization; No  
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Contravention. The execution, delivery and performance by the Credit  
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Parties of the Credit Documents to which they are party are within the Credit Parties' corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (except for the filing of Uniform Commercial Code financing statements as contemplated by Section 3.01(a)(i) hereof) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of either Credit Party or of any Document or of any judgment, injunction, order or decree binding upon either Credit Party or of any limitation on borrowing or the granting of Liens imposed by any agreement or other instrument (including, without limitation, the Indenture (as defined in the Pledge Agreement)) binding upon either Credit Party or, except as contemplated by the Pledge Agreement, result in the creation or imposition of any Lien upon any revenue or Property of either Credit Party or any Material Subsidiary pursuant to the terms of any such agreement or other instrument.

SECTION 4.03. Binding Effect. This Agreement constitutes a  
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valid and binding agreement of the Borrower and the other Credit Documents, when executed and delivered in accordance with this Agreement, will constitute valid and binding obligations of the Credit Party that is party thereto, in each case enforceable in accordance with their respective terms subject to the effects of 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.

SECTION 4.04. Financial Information.  
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(a) The consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 1994 and the related consolidated statements of income, shareowners' equity and cash flows for the fiscal year then ended, reported on by Price Waterhouse LLP and set forth in the Borrower's 1994 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) Since December 31, 1994, there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Subsidiaries, considered as a whole.

SECTION 4.05. Litigation. There is no action, suit or

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proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Subsidiaries or which in any manner draws into question the validity of any Credit Document.

SECTION 4.06. Compliance with ERISA. Each current member of the

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ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No current member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code, (iii) incurred any liability to the PBGC under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA or (iv) incurred any liability in excess of \$80,000,000 under Section 4201 of ERISA.

SECTION 4.07. Environmental Matters. In the ordinary course of

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its business, the Borrower conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees,

and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that Environmental Laws are unlikely to have a material adverse effect

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on the business, financial condition or results of operations of the Borrower and its Subsidiaries considered as a whole.

SECTION 4.08. Taxes. United States Federal income tax returns

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of the Borrower and its Subsidiaries have been examined and closed through the fiscal year ended December 31, 1980. The Borrower and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes shown to be due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith by the Borrower or such Subsidiary as of the date this representation is made. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.09. Subsidiaries. Each of the Borrower's Material

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Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.10. Not an Investment Company. The Borrower is not

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an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.11. Full Disclosure. (a) All information heretofore

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furnished by or on behalf of either Credit Party to any Agent or any Bank for purposes of or in connection with any Document or any transaction contemplated thereby is, and any such information hereafter furnished by or on behalf of either Credit Party to any Agent or any Bank will be, true and accurate in all material respects, or (in the case of projections) based on reasonable assumptions, on the date as of which such information is stated or certified.

(b) The Borrower has disclosed to the Banks in writing any and

all facts which materially and adversely affect or may affect (to the extent the Borrower can now reasonably foresee), the business, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, or the ability of either Credit Party to perform its obligations under the Documents to which it is party.

SECTION 4.12. Margin Stock. Not more than 25% of the value (as

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determined by any reasonable method) of the Property of the Borrower that is subject to any of the restrictions contained in Sections 5.07 or 5.08 hereof is represented by Margin Stock.

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SECTION 4.13. Offer to Purchase. (a) All necessary material

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governmental and third party approvals in connection with the purchase of Clark Shares pursuant to the Offer to Purchase and the Merger, the transactions contemplated thereby and otherwise referred to therein have been or, prior to the time when required, will have been, obtained and remain in effect, and all applicable waiting periods have or, prior to the time when required, will have, expired without, in all such cases, any action being taken by any competent authority which restrains, prevents, imposes materially adverse conditions upon or unduly hinders, the consummation of the purchase of Clark Shares pursuant to the Offer to Purchase or the Merger. Additionally, except to the extent consented to by the Required Banks there does not exist any judgment, order, injunction or other restraint that could reasonably be expected to prevent or materially delay the Borrower or the Purchaser from purchasing Clark Shares pursuant to the Offer to Purchase, consummating the Merger, borrowing Loans or performing its obligations under the Documents. At the time of their dissemination to the public, the Offer to Purchase and any amendments or supplements thereto and all documents required to be filed by the Borrower or any of its Subsidiaries pursuant to the Exchange Act, copies of which documents have been or will be delivered to each Bank (other than exhibits to such filings, which have been made available to each Bank upon request therefor), do not and will not, as the case may be, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The consummation of the transactions contemplated by the Tender Offer Documents and the Merger Documents is within the Credit Parties' corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of applicable law or regulation binding upon, or of the certificate of incorporation or by-laws of, either Credit Party or of any



material agreement or other material instrument binding upon either Credit Party.

SECTION 4.14. Merger. On and as of the Merger Effective Date,  
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all material consents and approvals of, and filings and registrations with, and all other actions in respect of, all governmental agencies, authorities or instrumentalities required in order to make or consummate the Merger, or otherwise required in connection with the Merger will have been obtained, given, filed or taken and will be in full force and effect (or effective judicial relief with respect thereto shall have been obtained). All actions pursuant to or in furtherance of the Merger have been and will be taken in compliance with all applicable laws, except to the extent that failure to comply therewith could not reasonably be expected to prevent or materially delay the consummation of the Merger.

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SECTION 4.15. Acquisition Intangibles. On the Tender Offer  
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Closing Date, Acquisition Intangibles will not exceed \$1,000,000,000.

## ARTICLE V

### COVENANTS

The Borrower agrees that, so long as any Bank has any Commitment hereunder or any amount payable under any Note remains unpaid:

SECTION 5.01. Information. The Borrower will deliver to each of  
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the Banks:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, shareowners' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in a manner acceptable to the Commission by Price Waterhouse LLP or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the

Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and as of the end of the preceding fiscal year, condensed consolidated statements of income for such quarter, for the portion of the Borrower's fiscal year ended at the end of such quarter and for the corresponding portion of the Borrower's previous fiscal year and condensed consolidated statements of cash flows for the portion of the Borrower's fiscal year ended at the end of such quarter and for the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by the chief financial officer or the treasurer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the treasurer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.05 to 5.07, inclusive, on the date of such financial statements and (ii) stating whether any Default exists on

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the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within five Domestic Business Days after the chief financial officer, chief accounting officer, treasurer or chief legal officer of the Borrower obtains knowledge of any Default, if such Default is then continuing, a certificate of the chief financial officer or the treasurer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Commission; provided that, unless the Administrative

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Agent notifies the Borrower in writing to the contrary, satisfaction of the provisions of this subsection (f) shall satisfy as well the

provisions of subsections (a) and (b);

(g) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA, other than those events as to which the 30 day notice requirement has been waived by the PBGC) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA which, together with any other such liability incurred since the date hereof, exceeds in the aggregate \$80,000,000 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any

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Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement, which in any event has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the treasurer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(h) immediately after the chief financial officer or the treasurer of the Borrower obtains knowledge of a change or a proposed change in the rating of the Borrower's outstanding senior unsecured long-term debt securities by Moody's or S&P, a certificate of the chief financial officer or the treasurer setting forth the details thereof; and

(i) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as

the Administrative Agent, at the request of any Bank, may reasonably request.

SECTION 5.02. Maintenance of Property; Insurance. (a) The  
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Borrower will keep, and will cause each Subsidiary to keep, all Property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, unless the failure to do so would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Subsidiaries, considered as a whole.

(b) The Borrower will maintain, and will cause each Material Subsidiary to maintain (either in the name of the Borrower or in such Material Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective Properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against in the same general area by companies of established repute engaged in the same or a similar business.

SECTION 5.03. Conduct of Business and Maintenance of Existence.  
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The Borrower will continue, and will cause each Material Subsidiary to continue, to engage in business of the same general type as now conducted by the Borrower and its Material Subsidiaries, and will preserve, renew and keep in full force and effect, and will cause each Material Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights, privileges and franchises necessary or desirable in the normal

conduct of business; provided that nothing in this Section 5.03 shall  
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prohibit (i) the merger of a Material Subsidiary into the Borrower or the merger or consolidation of a Material Subsidiary with or into another Person if the corporation surviving such consolidation or merger is a Material Subsidiary and if, in each case, after giving effect thereto, no Default shall have occurred and be continuing, (ii) the termination of the corporate existence of any Material Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and is not materially disadvantageous to the Banks or (iii) the Merger.

SECTION 5.04. Compliance with Laws. The Borrower will comply,  
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and cause each Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of

governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except (i) where the necessity of compliance therewith is contested in good faith by appropriate proceedings and (ii) where the failure so to comply would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Subsidiaries, considered as a whole.

SECTION 5.05. Debt. (a) Consolidated Debt will at no time

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exceed 65% of the sum of Consolidated Debt plus Consolidated Net Worth. For purposes of this Section any preferred stock, except for auction-rate preferred stock the higher of the voluntary or involuntary liquidation value of which does not in the aggregate exceed \$100,000,000, of a Subsidiary held by a Person other than the Borrower or a Wholly-Owned Subsidiary shall be included, at the higher of its voluntary or involuntary liquidation value, in "Consolidated Debt."

(b) At any time that the Borrower's senior unsecured long-term debt is rated below BBB- by S&P or below Baa3 by Moody's, Debt of the Subsidiaries (other than Debt owing to the Borrower or a Wholly-Owned Subsidiary) shall not exceed \$600,000,000 in the aggregate.

(c) Until the Facility Reduction Date, total Debt of the Borrower, the Subsidiaries and, prior to the Tender Offer Closing Date, Clark and its subsidiaries will not exceed \$2,500,000,000.

SECTION 5.06. Minimum Consolidated Net Worth. Consolidated Net

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Worth will at no time be less than the sum of (i) \$1,100,000,000 plus (ii) 40% of cumulative quarterly consolidated net earnings since December 31, 1994 (for which purpose any quarterly consolidated net loss shall be deemed to be consolidated net earnings of zero) plus (iii) 75% of the cumulative additions to Consolidated Net Worth resulting from

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Equity Issuances after December 31, 1994. In calculating Consolidated Net Worth for purposes of this Section 5.06, Consolidated Net Worth will be adjusted to eliminate the effect of one time pre-tax non-cash special charges to income during the period of 18 months after the Tender Offer Closing Date of up to \$50,000,000 in connection with the Acquisition or transactions related thereto.

SECTION 5.07. Negative Pledge. (a) The Borrower will not, and

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will not permit any Restricted Subsidiary to, create, assume or guarantee any indebtedness for money borrowed secured by a Mortgage on any Principal

Property of the Borrower or a Restricted Subsidiary or on any shares or indebtedness of a Restricted Subsidiary (whether such Principal Property, shares or indebtedness are now owned or hereafter acquired) without, in any such case, effectively providing concurrently with the creation, assumption or guaranteeing of such indebtedness that the Loans and the obligations of the Borrower hereunder and under the Notes (together, if the Borrower shall so determine, with any other indebtedness then or thereafter existing created, assumed or guaranteed by the Borrower or such Restricted Subsidiary ranking equally with the Loans and the obligations of the Borrower hereunder and under the Notes) shall be secured equally and ratably with such indebtedness excluding, however, from the foregoing any indebtedness secured by a Mortgage (including any extension, renewal or replacement, or successive extensions, renewals or replacements, of any Mortgage hereinafter specified or any indebtedness secured thereby, without increase of the principal of such indebtedness):

(i) on Property (including, without limitation, any shares or indebtedness) of any corporation which Mortgage exists at the time such corporation becomes a Restricted Subsidiary; or

(ii) on Property existing at the time of acquisition thereof by the Borrower or a Restricted Subsidiary, or to secure any indebtedness incurred by the Borrower or a Restricted Subsidiary prior to, at the time of, or within 180 days after the later of the acquisition, the completion of construction (including any improvements on an existing Property) or the commencement of commercial operation of such Property, which indebtedness is incurred for the purpose of financing all or any part of the purchase price thereof or construction or improvements thereon; provided, however, that in the case of any such

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acquisition, construction or improvement the Mortgage shall not apply to any Property theretofore owned by the Borrower or a Restricted Subsidiary, other than, in the case of any such construction or improvement, any theretofore unimproved real Property on which the Property so constructed, or the improvement, is located; or

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(iii) on Property (including, without limitation, any shares or indebtedness) of a corporation, which Mortgage exists at the time such corporation is merged into or consolidated with the Borrower or a Restricted Subsidiary, or at the time of a sale, lease or other disposition of the Properties of a corporation as an entirety or substantially as an entirety to the Borrower or a Restricted Subsidiary; or

(iv) on Property of a Restricted Subsidiary to secure indebtedness of such Restricted Subsidiary to the Borrower or another Restricted Subsidiary; or

(v) on Property of the Borrower or a Restricted Subsidiary in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the Property subject to such Mortgage; or

(vi) on Property, which Mortgage exists at the date of this Agreement; or

(vii) with the prior written approval of the Required Banks; or

(viii) on the Collateral pursuant to the Pledge Agreement; or

(ix) on the Clark Shares prior to the Merger Effective Date;

provided, however, that any Mortgage permitted by any of the foregoing

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clauses (i), (ii), (iii) and (v) of this Section 5.07 shall not extend to or cover any Property of the Borrower or such Restricted Subsidiary, as the case may be, other than the Property specified in such clauses and improvements thereto.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.07, the Borrower or any Restricted Subsidiary may create, assume or guarantee secured indebtedness for money borrowed which would otherwise be prohibited in subsection (a) in an aggregate amount which, together with all other such indebtedness for money borrowed by the Borrower and its Restricted Subsidiaries and the Attributable Debt in respect of Sale and Leaseback Transactions existing at such time (other than Sale and Leaseback Transactions the proceeds of which have been applied in accordance with Section 5.07(d)(ii)), does not at the

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time of such creation, assumption or guaranteeing exceed 5% of Consolidated Net Worth.

(c) Notwithstanding the foregoing provisions of this Section 5.07, the Borrower will not permit any Subsidiary (other than a Restricted Subsidiary) to which after the date hereof the Borrower or a Restricted

Subsidiary has transferred any Property to create, assume or guarantee any indebtedness for money borrowed secured by a Mortgage on such Property unless such Property could have been so secured in accordance with the provisions of this Agreement by the Borrower or such Restricted Subsidiary making such transfer.

(d) The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction, unless (i) the Borrower or such Restricted Subsidiary would be entitled, pursuant to the foregoing subsections of this Section 5.07, to incur indebtedness secured by a Mortgage on such Principal Property without equally and ratably securing the Loans and the obligations of the Borrower hereunder and under the Notes, or (ii) the Borrower shall (and in any case the Borrower covenants that it will) apply an amount equal to the fair value (as determined by the Borrower's Board of Directors) of such Principal Property so leased to the retirement, within 180 days of the effective date of any such Sale and Leaseback Transaction, of indebtedness of the Borrower for money borrowed which by its terms matures at, or may be extended or renewed at the option of the Borrower to, a date more than 12 months after the date of the creation of such indebtedness.

SECTION 5.08. Consolidations, Mergers and Sales of Property;  
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Etc. (a) The Borrower will not (i) consolidate or merge with or into any  
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other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the Property of the Borrower to any other Person; provided that the Borrower may merge with another Person if

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(A) the Borrower is the corporation surviving such merger and (B) immediately after giving effect to such merger, no Default shall have occurred and be continuing.

(b) If the Purchaser sells, transfers or otherwise disposes of Clark Shares prior to the Merger Effective Date, the Borrower shall cause the proceeds of such sale, transfer or other disposition to be in cash and for fair value and the Borrower shall cause such proceeds forthwith to be deposited in the Collateral Account (as defined in the Pledge Agreement) under the Pledge Agreement.

SECTION 5.09. Use of Proceeds. The proceeds of the Loans made  
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under this Agreement will be used by the Borrower to fund capital contributions and/or advances by the Borrower to the



Purchaser required to consummate the Acquisition and to pay related fees, commissions and expenses and, after the Merger Effective Date, for working capital and other general corporate purposes of the Borrower and the Subsidiaries. None of such proceeds will be used in violation of Regulation G, T, U or X.

SECTION 5.10. Other Cross Defaults or Negative Pledges. The  
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Borrower shall not incur any Material Debt the terms of which include a Cross Default or which include a negative pledge provision more favorable to the holder of such Material Debt (or more restrictive of the actions of the Borrower) than the provisions of Section 5.07 hereof unless, prior to or contemporaneously with such incurrence, the Borrower shall have entered into an amendment to this Agreement, to which the Required Banks shall not unreasonably withhold their consent, providing a Cross Default or negative pledge provision, as the case may be, no less favorable to the Banks than the provisions of the Cross Default or negative pledge governing such other Debt.

SECTION 5.11. Merger, Control, Etc. The Borrower shall (i) use  
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all reasonable efforts to cause the Merger to be consummated as promptly as practical after the Tender Offer Closing Date, (ii) take all actions reasonably available to it so that designees of the Borrower constitute a majority of the Board of Directors of Clark as promptly as reasonably practical after the Tender Offer Closing Date, (iii) cause the Purchaser to comply in all material respects with all of its covenants and agreements contained in the Merger Agreement, (iv) use all reasonable efforts to cause Clark to comply in all material respects with all of Clark's covenants and conditions contained in the Merger Agreement and (v) not waive or agree to amend any covenant binding upon Clark and its subsidiaries that is set forth in Article IV of the Merger Agreement (except to the extent the requested action would not result in a breach of any of the covenants contained in any Credit Document (assuming same were then binding upon Clark and its subsidiaries)). The Borrower will promptly notify the Banks (through the Administrative Agent) when the Merger Effective Date occurs and provide such evidence of the consummation of the Merger as the Administrative Agent may reasonably request.

ARTICLE VI

DEFAULTS

SECTION 6.01. Events of Default. If one or more of the  
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following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due principal of any Loan, or shall fail to pay within five days of the due date thereof any interest, fees or other amount payable hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.05 to 5.10, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 20 days after notice thereof has been given to the Borrower by the Administrative Agent at the request of any Bank;

(d) any representation, warranty, certification or statement made by either Credit Party in any Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Document shall prove to have been incorrect in any material respect when made (or deemed made);

(e) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt;

(f) the Borrower or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its Property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the Borrower or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking

the appointment of a trustee, receiver, liquidator, custodian or other

similar official of it or any substantial part of its Property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Material Subsidiary under the Federal bankruptcy laws as now or hereafter in effect;

(h) any member of the ERISA Group at the time in question shall fail to pay when due an amount or amounts aggregating in excess of \$80,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group at the time in question, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$80,000,000;

(i) a final judgment or order for the payment of money in excess of \$50,000,000 shall be rendered against the Borrower or any Subsidiary and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days or for such longer period of time, not exceeding 90 days, during which, under applicable law, an appeal may be taken from such judgment or order without leave of the relevant court;

(j) any person or group of persons (within the meaning of Section 13 or 14 of the Exchange Act) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of 25% or more of the outstanding shares of common stock of the Borrower; or, during any period of 25 consecutive calendar months, directors of the Borrower on the date hereof (the "Current Board"), or such directors who are recommended or endorsed for election to the board of directors of the Borrower by a majority of the Current Board or their successors so recommended or endorsed, shall cease to constitute a majority of the board of directors of the Borrower;

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(k) except to the extent the Purchaser Guarantee has been terminated pursuant to the terms thereof, the Purchaser Guarantee or

any provision thereof shall cease to be in full force and effect, or the Purchaser or any Person acting by or on behalf of the Purchaser shall deny or disaffirm the Purchaser's obligations under the Purchaser Guarantee or the Purchaser shall default in the due performance or observance of any material term, covenant or agreement on its part to be performed or observed pursuant to the Purchaser Guarantee; or

(1) except to the extent the Pledge Agreement has been terminated pursuant to the terms thereof, the Pledge Agreement shall cease to be in full force and effect or shall fail to give the Collateral Agent the Liens, rights, powers and privileges purported to be created thereunder (as provided therein or herein) or the Borrower shall default in the due performance or observance of any material term, covenant or agreement therein;

then, and in every such event, the Administrative Agent shall (i) if requested by Banks having more than 66 2/3% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by Banks holding Notes evidencing more than 66 2/3% in aggregate principal amount of the Loans, by notice to the Borrower declare the Notes (together with accrued interest thereon) to be, and the Notes shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case

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of any of the Events of Default specified in clause (f) or (g) above with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or any Bank, the Commitments shall thereupon terminate and the Notes (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.02. Notice of Default. The Administrative Agent shall

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give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

## ARTICLE VII

### THE AGENTS

SECTION 7.01. Appointment and Authorization. Each Bank

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irrevocably appoints and authorizes each of the Agents to take such action as agent on its behalf and to exercise such powers

under the Credit Documents as are delegated to such Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.02. Agents and Affiliates. Chase shall have the same

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rights and powers under the Credit Documents as any other Bank and may exercise or refrain from exercising the same as though it were not an Agent, and Chase and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if it were not an Agent hereunder.

SECTION 7.03. Action by Agents. The obligations of each Agent

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hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, an Agent shall not be required to take any action with respect to any Default, except (i) as expressly provided in Article VI, (ii) in the case of the Collateral Agent, in connection with the enforcement of the Pledge Agreement as provided therein and (iii) in the case of the Administrative Agent, in connection with the enforcement of the Purchaser Guarantee as requested by the Required Banks.

SECTION 7.04. Consultation with Experts. Each Agent may consult

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with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05. Liability of Agents. No Agent or any of its

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directors, officers, agents, or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. No Agent or any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Credit Document or any borrowing under this Agreement; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered to it; or (iv) the validity, effectiveness or genuineness of any Document or any other instrument or writing furnished in connection therewith. No Agent shall incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to

be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in

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accordance with its Commitment, indemnify each Agent (to the extent not reimbursed by the Borrower) against any cost,

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expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such Agent's gross negligence or willful misconduct) that such Agent may suffer or incur in connection with any Credit Document or any action taken or omitted by such Agent thereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it

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has, independently and without reliance upon the Administrative Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.08. Successor Agents. Any Agent may resign at any

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time by giving notice thereof to the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor Agent which, unless an Event of Default shall have occurred and be continuing, shall be satisfactory to the Borrower in its reasonable determination. If no successor Agent shall have been so appointed by the Required Banks, and shall have accepted such appointment, within 30 days after the retiring Agent gives notice of resignation, then the retiring Agent may appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as an Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent.

SECTION 7.09. Agents' Fees. The Borrower shall pay to each

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Agent for its own account fees in the amounts and at the times previously  
agreed upon between the Borrower and such Agent.

SECTION 7.10. Consents Under Other Credit Documents. Except as  
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otherwise provided in Section 9.05 with respect to this Agreement and the  
Notes, the Administrative Agent may, with the prior consent of the Required  
Banks (but not otherwise), consent to any amendment or waiver in respect of  
any Credit Document; provided that, without the prior consent of each Bank,  
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no such amendment or waiver shall (i) except as expressly provided in the  
Pledge Agreement, release any or all of the Collateral (as

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defined in the Pledge Agreement) or (ii) release the Purchaser from any of  
its obligations under the Purchaser Guarantee or otherwise amend or waive  
any provision of the Purchaser Guarantee.

SECTION 7.11. Syndication Agent. The Syndication Agent named on  
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the front page of this Agreement or on any amendment hereto shall have no  
duties or responsibilities hereunder other than as a Bank.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Basis for Determining Interest Rate Inadequate or  
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Unfair. If on or prior to the first day of any Interest Period for any  
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Fixed Rate Borrowing:

(a) if the CD Base Rate or the London Interbank Offered Rate is  
determined by reference to quotes from the CD Reference Banks or the  
Euro-Dollar Reference Banks, as the case may be, the Administrative  
Agent is advised by the relevant Reference Banks that deposits in  
Dollars in the applicable amounts) are not being offered to such  
Reference Banks in the relevant market for such Interest Period, or

(b) in the case of a Committed Borrowing, if the CD Base Rate or  
the London Interbank Offered Rate is determined by reference to quotes  
from the CD Reference Banks or the Euro-Dollar Reference Banks, as the  
case may be, Banks having 50% or more of the aggregate amount of the

Commitments advise the Administrative Agent that the Adjusted CD Rate or the Adjusted London Interbank Offered Rate, as the case may be, as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Banks of funding their CD Loans or Euro-Dollar Loans, as the case may be, for such Interest Period,

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make CD Loans or Euro-Dollar Loans, as the case may be, shall be suspended. Unless the Borrower notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Committed Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money

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Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

SECTION 8.02. Illegality. If, on or after the date of this

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Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay



in full the then outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

SECTION 8.03. Increased Cost and Reduced Return. (a) If on or  
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after (x) the date hereof, in the case of any Committed Loan or any obligation to make Committed Loans or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request

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or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject any Bank (or its Applicable Lending Office) to any tax, duty or other charge with respect to its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans, or shall change the basis of taxation of payments to any Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or any other amounts due under this Agreement in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans (except for changes in the rate of tax on the overall net income of such Bank or its Applicable Lending Office imposed by the jurisdiction in which such Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (B) with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment (excluding, with respect to any CD Loan, any such requirement reflected in an applicable Assessment Rate) or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending Office) or shall impose on any Bank (or its Applicable Lending Office) or on the United

States market for certificates of deposit or the London interbank market any other condition affecting its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans;

and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank to be material, then, within 30 days after demand by such Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction. The Banks acknowledge and agree that the foregoing subsection (a) creates no right to demand payment of additional amounts in respect of laws, rules and regulations, as in effect and interpreted and administered on the date hereof.

(b) If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such

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law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 30 days after demand by such Bank (with a copy to the Administrative Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction; provided that the Borrower shall not be obligated to compensate

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such Bank for any reduction incurred more than 60 days prior to the receipt by the Borrower from such Bank of the notice contemplated by subsection (c) below. The Banks acknowledge and agree that the foregoing subsection (b) creates no right to demand payment of additional amounts in respect of laws, rules and regulations regarding capital adequacy as in effect and interpreted and administered on the date hereof.

(c) Each Bank will notify the Borrower and the Administrative

Agent within 90 days of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank; provided that if a Bank shall not

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have so notified the Borrower within 90 days of such event, such Bank may not seek compensation for any period beginning prior to the date upon which the Borrower is notified of such event. A certificate of any Bank claiming compensation under this Section and setting forth the calculation of the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

SECTION 8.04. Base Rate Loans Substituted for Affected Fixed

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Rate Loans. If (i) the obligation of any Bank to make Euro-Dollar Loans

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has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03(a) and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Administrative Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that

the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Bank as CD Loans or Euro-Dollar Loans, as the case may be, shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Banks), and

(b) after each of its CD Loans or Euro-Dollar Loans, as the case may be, has been repaid, all payments of principal which would otherwise be applied to repay such Fixed Rate Loans shall be applied to repay its Base Rate Loans instead.

SECTION 8.05. Substitution of Bank. If (i) the obligation of

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any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03, the Borrower shall have the right, with the assistance of the Administrative

Agent, to seek a mutually satisfactory substitute bank or banks (which may be one or more of the Banks) to purchase the Note and assume the Commitment of such Bank.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other

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communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or any Agent, at its address, facsimile number or telex number set forth on the signature pages hereof, (y) in the case of any Bank, at its address, facsimile number or telex number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address, facsimile number or telex number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iv) if given by any other means, when delivered at the address specified in this Section; provided

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that notices to the Administrative Agent under Article II or Article VIII or to the

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Borrower under Section 6.01(c) shall not be effective until received.

SECTION 9.02. No Waivers. No failure or delay by any Agent or

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any Bank in exercising any right, power or privilege hereunder or under any Note or other Credit Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Documentary Taxes; Indemnification.

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(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Agents, including reasonable fees and disbursements of Milbank, Tweed, Hadley & McCloy, special New York counsel to the Agents, in connection with the preparation of the Credit Documents, any waiver or consent thereunder or any amendment thereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by each Agent and Bank, including reasonable fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Borrower shall indemnify each Agent and each Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement, any Note or any other Credit Document. To the extent practicable, the affected Agent or Bank, as the case may be, shall give the Borrower prior notice of the incurrence of any expenses described in this subsection (a); provided, however, that the failure to give such notice

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shall not affect the obligation of the Borrower to pay such Agent or Bank the amount or amounts due pursuant to subsection (a) with respect to such expenses.

(b) The Borrower agrees to indemnify each Bank and hold each Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by any Bank (or by any Agent in connection with its actions as Agent hereunder) in connection with any investigative, administrative or judicial proceeding (whether or not such Bank shall be designated a party thereto) relating to or arising out of any Document or any actual or proposed use of proceeds of Loans hereunder; provided that no Bank shall have the right to be

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indemnified hereunder in respect of any such liabilities, losses, damages, costs and expenses arising from its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

SECTION 9.04. Sharing of Set-Offs. Each Bank agrees that if it

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shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Note held by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Note held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Notes held by the other Banks, and such other adjustments shall be made, as may be required so that all such

payments of principal and interest with respect to the Notes held by the Banks shall be shared by the Banks pro rata; provided that nothing in this

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Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Notes. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any Bank acquiring a participation in a Note pursuant to the foregoing arrangements may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 9.05. Amendments and Waivers. Any provision of this

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Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of any Agent are affected thereby, by such Agent); provided that no such amendment or waiver shall,

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unless signed by each Bank, (i) increase or decrease the Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation, (ii) reduce the principal of or rate of interest on any Loan or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or any fees hereunder or for any reduction or termination of any Commitment, (iv) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement or any other Credit Document, or (v) amend or waive any of the provisions of Section 3.01 hereof.

SECTION 9.06. Successors and Assigns. (a) The provisions of

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this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

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(b) Any Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the

Borrower and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement and the other Credit Documents. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Credit Parties under the Credit Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision of any Credit Document; provided that such participation agreement may provide that such Bank will

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not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii) or (iii) of Section 9.05 without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article VIII with respect to its participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the other Credit Documents, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto executed by such Assignee and such transferor Bank, with (and subject to) the subscribed consent of the Borrower and the Administrative Agent, the latter of which such consent shall not be unreasonably withheld by the Administrative Agent; provided

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that if an Assignee is an Affiliate of such transferor Bank, no such consent shall be required; and provided further that such assignment may,

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but need not, include rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank,

the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of \$2,500. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States Federal income taxes in accordance with Section 2.15.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement and the other Credit Documents to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.02 or 8.03 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 9.07. Collateral. Each of the Banks represents to each  
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of the Agents and the other Banks that it in good faith is not relying upon any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.08. Governing Law; Submission to Jurisdiction. This  
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Agreement and each Note shall be governed by and construed in accordance with the laws of the State of New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.09. Counterparts; Integration. This Agreement may be  
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signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.



This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE

-----  
AGENTS AND THE BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[THE REMAINDER OF THIS PAGE HAS  
BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

INGERSOLL-RAND COMPANY

By /s/ William J. Armstrong

-----  
Title: Vice President

200 Chestnut Ridge Road  
Woodcliff Lake, NJ 07675  
Facsimile Number: 201-573-3295  
Telephone Number: 201-573-3081

Commitment

THE CHASE MANHATTAN BANK

-----  
\$150,000,000

(NATIONAL ASSOCIATION)

By /s/ Patricia B. Brill

-----  
Title: Managing Director

- 68 -

Commitment

-----  
\$150,000,000

MORGAN GUARANTY TRUST COMPANY  
  
OF NEW YORK

By /s/ Mathias Blumschein

-----  
Title: Associate

- 69 -

Commitment

-----  
\$120,000,000

THE BANK OF NEW YORK

By /s/ Nancy McEwen

-----  
Title: Vice President

- 70 -

Commitment

-----  
\$120,000,000

THE BANK OF NOVA SCOTIA

By /s/ J.W. Campbell

-----  
Title: Unit Head

- 71 -

Commitment  
-----  
\$120,000,000

CITIBANK, N.A.

By /s/ Anita J. Brickell  
-----  
Title: Vice President

- 72 -

Commitment  
-----  
\$120,000,000

UNION BANK OF SWITZERLAND

By /s/ Paul R. Morrison  
-----  
Title: Assistant Vice President

By /s/ Robert A. High  
-----  
Title: Assistant Treasurer

- 73 -

Commitment  
-----  
\$120,000,000

WACHOVIA BANK OF GEORGIA, N.A.

By /s/ Forrest C. Childers  
-----  
Title: Senior Vice President

Commitment  
-----  
\$75,000,000

THE BANK OF TOKYO TRUST COMPANY

By /s/ Jeffrey Millar  
-----  
Title: Vice President

Commitment  
-----  
\$75,000,000

COMMERZBANK AKTIENGESELLSCHAFT -

NEW YORK BRANCH

By /s/ Juergen Boysen  
-----  
Title: Senior Vice President

By /s/ Michael D. Hintz  
-----  
Title: Vice President

Commitment  
-----  
\$75,000,000

DEUTSCHE BANK AG NEW YORK BRANCH

AND/OR CAYMAN ISLANDS BRANCH

By /s/ Ross A. Howard  
-----  
Title: Vice President

By /s/ Elizabeth Hope Tallmadge  
-----  
Title: Vice President

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Commitment  
-----  
\$75,000,000

THE FUJI BANK, LIMITED,  
  
NEW YORK BRANCH

By /s/ Gina M. Kearns  
-----  
Title: Vice President & Manager

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Commitment  
-----  
\$50,000,000

CORESTATES BANK, N.A.

By /s/ Thomas J. McDonnell  
-----  
Title: Vice President

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Commitment  
-----  
\$50,000,000

MELLON BANK N.A.

By /s/ Joseph F. Bond, Jr.  
-----  
Title: Vice President

- 80 -

Commitment  
-----  
\$50,000,000

NBD BANK

By /s/ Carolyn J. Parks

-----  
Title: Vice President

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Commitment

-----  
\$50,000,000

NORWEST BANK MINNESOTA,

NATIONAL ASSOCIATION

By /s/ Scott D. Bjelde

-----  
Title: Assistant Vice President

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Commitment

-----  
\$50,000,000

STANDARD CHARTERED BANK

By /s/ Paul B. Spooner

-----  
Title: Vice President

By /s/ N/A

-----  
Name:  
Title:

- 83 -

Commitment

-----  
\$50,000,000

UNITED JERSEY BANK

By /s/ Lawrence F. Zema

-----  
Title: Vice President &

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THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION),  
as Administrative Agent and  
Collateral Agent

By /s/ Patricia B. Brill

-----  
Title: Managing Director

4 Chase Metrotech Center  
13th Floor  
Brooklyn, New York 11245  
Facsimile Number: 718-242-6910  
Telephone Number: 718-242-7979

EXHIBIT A

NOTE

New York, New York  
May 5, 1995

For value received, Ingersoll-Rand Company, a New Jersey corporation (the "Borrower"), promises to pay to the order of \_\_\_\_\_ (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of The Chase Manhattan Bank (National Association), 1 Chase Manhattan Plaza, New York, New York.

All Loans made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, if the Bank so elects in connection with any transfer or

enforcement hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Bank in the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of

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the Bank to make any such recordation or endorsement shall not affect the obligation of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the \$1,500,000,000 Credit Agreement dated as of May 5, 1995 among the Borrower, the banks listed on the signature pages thereof and The Chase Manhattan Bank (National Association), as Administrative Agent and as Collateral Agent (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement provisions for the prepayment hereof and the acceleration of the maturity hereof.

INGERSOLL-RAND COMPANY

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By





Date of Borrowing: \_\_\_\_\_

Principal Amount<sup>1</sup>

Interest Period<sup>2</sup>

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Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Terms used herein have the meanings assigned to them in the Credit Agreement.

INGERSOLL-RAND COMPANY

By \_\_\_\_\_

Title:

- -----  
1 Amount must be \$10,000,000 or a larger multiple of \$5,000,000.

2 Seven days or one, two, three, six, nine or twelve months, subject to the provisions of the definition of Interest Period.

EXHIBIT C

Form of Invitation for Money Market Quotes  
-----

To: [Name of Bank]

Re: Invitation for Money Market Quotes  
to Ingersoll-Rand Company (the  
"Borrower")

Pursuant to Section 2.03 of the \$1,500,000,000 Credit Agreement dated as of May 5, 1995 among the Borrower, the Banks party thereto and the Agents, we are pleased on behalf of the Borrower to invite you to submit Money Market Quotes to the Borrower for the following proposed Money Market Borrowing(s):

Date of Borrowing: \_\_\_\_\_

Principal Amount  
- - - - -

Interest Period  
- - - - -

\$

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than [2:00 P.M.] [9:00 A.M.] (New York City time) on [date].

THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION)

By \_\_\_\_\_  
Authorized Officer

EXHIBIT D

Form of Money Market Quote  
- - - - -

To: The Chase Manhattan Bank (National Association),  
as Administrative Agent

Re: Money Market Quote to  
Ingersoll-Rand Company (the "Borrower")

In response to your invitation on behalf of the Borrower dated \_\_\_\_\_, 19\_\_, we hereby make the following Money Market Quote on the following terms:

1. Quoting Bank: \_\_\_\_\_

2. Person to contact at Quoting Bank: \_\_\_\_\_

3. Date of Borrowing: \_\_\_\_\_ \*

4. We hereby offer to make Money Market Loan(s) in the following

principal amounts, for the following Interest Periods and at the following rates:

Principal Amount**	Interest Period***	Money Market [Margin]****	[AbsoluteRate]*****
-	-	-	-
\$			
\$			

\* As specified in the related Invitation.

\*\* Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the amount the Bank is willing to lend. Bids must be made for \$5,000,000 or a larger multiple of \$1,000,000.

\*\*\* Seven days or two, three, six, nine or twelve months, as specified in the related Invitation. No more than five bids are permitted for each Interest Period.

\*\*\*\* Margin over or under the London Interbank Offered Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS".

\*\*\*\*\* Specify rate of interest per annum (to the nearest 1/10,000th of 1%).

- 2 -

[Provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed \$\_\_\_\_\_.]

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the \$1,500,000,000 Credit Agreement dated as of May 5, 1995 among the Borrower, the Banks party thereto and the Agents, irrevocably obligates us to make the Money Market Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,

[NAME OF BANK]

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Authorized Officer

EXHIBIT E-1

[Form of Opinion of Special New York Counsel  
to the Borrower and the Purchaser]  
-----

[Closing Date]

The Chase Manhattan Bank  
(National Association), as Agent  
1 Chase Manhattan Plaza  
New York, New York 10081

And each of the other Agents and the  
Banks named in Annex A attached hereto  
that are parties to the Credit  
Agreement referred to below

Ladies and Gentlemen:

We have acted as special New York counsel to Ingersoll-Rand Company (the "Borrower") and CEC Acquisition Corp. (the "Guarantor" or the "Purchaser" and, together with the Borrower, the "Credit Parties") in connection with (i) the \$1,500,000,000 Credit Agreement (the "Credit Agreement") dated as of May 5, 1995, among the Borrower, the banks named therein (the "Banks"), and The Chase Manhattan Bank (National Association), as administrative agent for the Banks (in such capacity, the "Administrative Agent") and as collateral agent for the Secured Creditors (as defined in the Pledge Agreement) under the Pledge Agreement (in such capacity, the "Collateral Agent"), providing for loans to be made by the Banks for the purpose, inter alia, of financing the Tender Offer referred

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to therein and (ii) the various other agreements and instruments referred to in the next two paragraphs. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined therein. This opinion is being delivered to you pursuant to Section 3.01(a)(iv) of the Credit Agreement.

We also have acted as special counsel for the Borrower and the Purchaser in connection with a Tender Offer by the Purchaser for all outstanding Clark Shares on the terms and subject to the conditions set

forth in the Offer to Purchase, in the form filed as an exhibit to the Schedule 14D-1 (as defined below), and the related Tender Offer Statement (the "Tender Offer Statement") on Schedule 14D-1 (as amended, the "Schedule 14D-1") under the Exchange Act filed by the Purchaser and the Borrower with the Commission pursuant to the Exchange Act.

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In rendering the opinions expressed below, we have examined the following agreements, instruments and other documents:

- (a) the Credit Agreement;
- (b) the Notes;
- (c) the Pledge Agreement;
- (d) the Purchaser Guarantee;
- (e) Schedule 14D-1;
- (f) the Offer to Purchase;
- (g) the Tender Offer Statement;
- (h) the Indenture (as defined in the Pledge Agreement); and
- (i) such corporate records of the Credit Parties and such other documents as we have deemed necessary as a basis for the opinions expressed below.

The agreements, instruments and other documents referred to in the foregoing clauses (a) through (d) are collectively referred to as the "Credit Documents". The agreements, instruments and other documents referred to in the foregoing clauses (e) through (g) are collectively referred to as the "Tender Offer Documents".

In arriving at the opinions expressed below, we have relied upon corporate documents and records of the Credit Parties, certificates of public officials, and certificates and statements of officers and representatives of the Credit Parties and other Persons, and we have made such investigations of law, as we have deemed appropriate as a basis for such opinions.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the

genuineness of all signatures on all documents that we examined and (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies.

In rendering the opinions expressed below, we have also assumed, with respect to all of the documents referred to in this

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opinion letter, that (except, to the extent set forth in the opinions expressed below, as to the Credit Parties):

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and
- (iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and the remaining paragraphs of this opinion letter, we are of the opinion that:

1. The Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The execution, delivery and performance by the Purchaser of the Credit Documents to which it is a party and the Tender Offer Documents to which it is a party, and each of the transactions contemplated thereby, are within the Purchaser's corporate powers and have been duly authorized by all necessary corporate action.

2. Each of the Credit Documents constitutes the legal, valid and binding obligation of each Credit Party thereto, in each case enforceable against such Credit Party in accordance with its terms.

3. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York is required to be obtained or made by either Credit Party in connection with the execution, delivery and performance by such Credit Party, or for the validity or enforceability against such Credit Party, of any of the Credit Documents to which it is a party, or for the borrowings by the Borrower under the Credit Agreement, except for (i) the filing of

financing statements in respect of the Liens created pursuant to the Pledge Agreement in respect of the Collateral (as defined in the Pledge Agreement) (other than the Stock Collateral (as defined in the Pledge Agreement)) and (ii) the consents, approvals,

- 4 -

authorizations, registrations, declarations and filings referred to in paragraph 5 below.

4. The execution, delivery and performance by each Credit Party of the Credit Documents to which it is party, the borrowings by the Borrower under the Credit Agreement and the granting of a security interest in the Collateral under the Pledge Agreement do not and will not (a) violate any provision of (i) the charter or by-laws of the Purchaser or (ii) the Indenture, or (b) violate any applicable law, rule or regulation of the United States of America or the State of New York or the General Corporation Law of the State of Delaware (the "Delaware Corporation Law"), including, without limitation, the Exchange Act, the Securities Act of 1933, as amended (together with the rules and regulations thereunder, the "1933 Act") or Regulations U or X.

5. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York is required on the part of any Credit Party for the consummation of the transactions contemplated by the Tender Offer Documents, except for such authorizations, approvals, consents, filings and registrations as are disclosed in the Schedule 14D-1 which have been duly obtained or effected and remain in full force and effect.

6. The consummation of the transactions contemplated by the Tender Offer Documents does not and will not (a) violate any provision of the charter or by-laws of the Purchaser or (b) violate any applicable law, rule or regulation of the United States of America or the State of New York or the Delaware Corporation Law, including, without limitation, the Exchange Act, 1933 Act or Regulations U or X. Our opinion in clause (b) of the foregoing sentence is based upon the assumption that no Tender Offer Document contains any untrue statement of any material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7. The Schedule 14D-1 (except the financial statements and other financial and statistical data included therein, as to which we



express no opinion) appears on its face to be appropriately responsive in all material respects to the applicable provisions of the Exchange Act.

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8. The Pledge Agreement is effective to create, in favor of the Collateral Agent for the benefit of the Secured Creditors, a valid security interest under the Uniform Commercial Code as in effect in the State of New York (the "Uniform Commercial Code") in all of the right, title and interest of the Borrower in, to and under the Collateral as collateral security for the payment of the Secured Obligations (as defined in the Pledge Agreement), except that (a) such security interest will continue in Collateral after its sale, exchange or other disposition only to the extent provided in Section 9-306 of the Uniform Commercial Code and (b) the creation of a security interest in the Pledged Stock (as defined in the Pledge Agreement), and any other portion of the Collateral constituting a "security" (as defined in Section 8-102(1)(c) of the Uniform Commercial Code), requires the transfer thereof to the Collateral Agent pursuant to Section 8-313(1) of the Uniform Commercial Code, which transfer in the case of the Pledged Stock may be effected in the manner contemplated by paragraph 9 below.

9. The Pledge Agreement, together with the delivery of the certificates representing the Pledged Stock to the Collateral Agent in the State of New York, creates in favor of the Collateral Agent a perfected security interest under the Uniform Commercial Code in the Pledged Stock as collateral security for the payment of the Secured Obligations. Assuming the Collateral Agent acquires its interest in the Pledged Stock in good faith and without notice of any adverse claim (as defined in Section 8-302(2) of the Uniform Commercial Code and that each certificate representing shares of the Pledged Stock is either in bearer form or registered form, issued or indorsed in the name of the Collateral Agent or in blank, the Collateral Agent will acquire its security interest in the Pledged Stock free of all such adverse claims.

Our opinions in paragraphs 2 and 3 above are subject to the effects of 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 by an implied covenant of good faith and fair dealing. Our opinion in paragraph 2 above also is subject to the qualification that certain remedial provisions of the Pledge Agreement, in whole or in part, may not be enforceable although the inclusion of such

provisions does not render the Pledge Agreement invalid, and (subject to the limitations and exceptions referred to herein) the Pledge Agreement and the laws of the State of New York contain adequate remedial provisions for the

- 6 -

practical realization of the rights and benefits purported to be afforded thereby.

With your permission, we express no opinion as to (a) any provision of the Pledge Agreement which is intended to establish any standard other than any standard set forth in the Uniform Commercial Code as the measure of the performance by any party thereto of such party's obligations of good faith, diligence, reasonableness or care or the fulfillment of the duties imposed on any secured party with respect to the disposition or redemption of collateral, accounting for surplus proceeds of collateral or accepting collateral in discharge of liabilities; (b) any provision of the Credit Documents which is intended to permit modification thereof only by means of an agreement signed in writing by the parties thereto; (c) except as set forth in paragraph 9 above, the perfection of any liens or security interests purported to be granted under the Credit Documents or the priority of any liens or security interests purported to be granted under the Credit Documents; (d) any provision of the Credit Documents waiving objections based on forum non-conveniens; (e) any provision of the Credit Documents that provides that any guarantor's liability thereunder shall not be affected by actions or failures to act on the part of the recipient of the guarantee that impairs the value of the collateral to the detriment of the guarantor or by amendments or waivers that have a material effect on the provisions of documents governing the guaranteed obligations; (f) the effect of the compliance or noncompliance with any Federal or state laws or regulations applicable to any of the Banks or their affiliates because of their legal or regulatory status or the nature of their businesses; (g) any provision of the Credit Agreement insofar as it provides that any Person purchasing a participation from a Bank or other Person may exercise set-off or similar rights with respect to such participation or that any Bank or other Person may exercise set-off or similar rights other than in accordance with applicable law; and (h) the right, title or interest of any Person in or to, or the condition of title or ownership of, or the existence of, any property purported to be subject to the Credit Documents.

We express no opinion as to the enforceability of any provision of any Credit Document whereby any Person purports to submit to the subject matter jurisdiction of the United States District Court for the Southern District of New York. We note the limitations of 28 U.S.C. Sec. 1332 on federal court jurisdiction where diversity of citizenship is lacking, and

we also note that such submissions cannot supersede that court's discretion in determining whether to transfer an action from one federal court to another under 28 U.S.C. Sec. 1404(a). In addition, we note that the enforceability of Section 9.03(b) of the Credit Agreement

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(and any similar provisions in any of the other Credit Documents) may be limited by laws rendering unenforceable

(a) indemnification contrary to federal or state securities laws and the public policy underlying such laws and (b) the release of a party from, or the indemnification of a party against, liability for its own gross negligence, recklessness, willful misconduct or unlawful conduct under certain circumstances.

We have not been requested to render and, with your permission, we express no opinion as to the applicability to any transfers by, or obligations under the Credit Documents of, the Credit Parties of Section 548 of the United States Bankruptcy Code or Article 10 of the New York Debtor and Creditor Law relating to fraudulent transfers and obligations.

The foregoing opinions are limited to matters involving the Federal laws of the United States of America, the Delaware Corporation Law and the laws of the State of New York, and we do not express any opinion as to the laws of any other jurisdiction.

At the request of our client, this opinion is rendered to you in connection with the transactions contemplated by the Credit Agreement. This opinion may not be relied upon by you for any other purpose, or relied upon by any other Person, without, in each instance, our prior written consent.

Very truly yours,

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ANNEX A

Banks

- - - - -

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION)  
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

THE BANK OF NEW YORK  
THE BANK OF NOVA SCOTIA  
CITIBANK, N.A.  
UNION BANK OF SWITZERLAND  
WACHOVIA BANK OF GEORGIA, N.A.  
THE BANK OF TOKYO TRUST COMPANY  
COMMERZBANK AKTIENGESELLSCHAFT - NEW YORK BRANCH  
DEUTSCHE BANK AG NEW YORK BRANCH  
AND/OR CAYMAN ISLANDS BRANCH  
THE FUJI BANK, LIMITED, NEW YORK BRANCH  
CORESTATES BANK, N.A.  
MELLON BANK N.A.  
NBD BANK  
NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION  
STANDARD CHARTERED BANK  
UNITED JERSEY BANK

Agents

- - - - -

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),  
as Administrative Agent and as Collateral Agent

EXHIBIT E-2

Form of Opinion of the  
General Counsel of the Borrower

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[Closing Date]

To the Banks party to the  
Credit Agreement referred to  
below and to the Agents

Ladies and Gentlemen:

I am General Counsel of Ingersoll-Rand Company (the "Borrower") and am familiar with the \$1,500,000,000 Credit Agreement (the "Credit Agreement") dated as of May 5, 1995 among the Borrower, the banks listed on the signature pages thereof and The Chase Manhattan Bank (National Association), as Administrative Agent and as Collateral Agent. Terms defined in the Credit Agreement are used herein as therein defined. This

opinion is being rendered to you at the request of the Borrower pursuant to Section 3.01(a)(iv) of the Credit Agreement.

I have examined, or supervised the examination of, originals or copies, certified or otherwise identified to my satisfaction, of the Credit Documents, the Tender Offer Documents, the Indenture (as defined in the Pledge Agreement), the form of Uniform Commercial Code financing statement attached hereto as Annex I ("Financing Statement") and such other documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Jersey, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Credit Documents to which it is a party, and the consummation of the transactions contemplated by the Tender Offer Documents are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official of the State of New Jersey and do not contravene, or constitute a default under, any provision of

- 2 -

applicable law or regulation of the State of New Jersey or of the certificate of incorporation or by-laws of the Borrower or, to the best of my knowledge (after due inquiry), of any judgment, injunction, order or decree binding upon the Borrower or of any limitation on borrowing, the granting of Liens or acquisitions or mergers imposed by any agreement or other instrument (including, without limitation, the Indenture) binding upon the Borrower.

3. There is no action, suit or proceeding pending against, or to the best of my knowledge (after due inquiry) threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Subsidiaries, considered as a whole, or which in any manner draws into question the validity of any of the Credit Documents.

4. Any security interest created by the Pledge Agreement in that portion of the Collateral consisting "general intangibles" (as defined in Section 9-106 of the Uniform Commercial Code as in effect in the State of New Jersey (the "NJUCC")), including (without limitation) any Debt of the Purchaser owing to the Borrower that is not evidenced by an "instrument" (as defined in Section 9-105(1)(i) of the NJUCC), will, upon the creation of such security interest, be perfected by the filing of a Financing Statement in the office of the Secretary of State of New Jersey.

I am a member of the Bars of the State of New Jersey and the State of New York, and the foregoing opinion is limited to the laws of the State of New Jersey and the State of New York.

This opinion letter is provided to you by me in my capacity as General Counsel of the Borrower and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Documents without, in each instance, my prior written consent.

Very truly yours,

Patricia Nachtigal  
General Counsel

EXHIBIT F

Form of Opinion of Special New York  
Counsel to the Agents

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[Closing Date]

To the Banks party to the  
Credit Agreement referred to  
below and to the Agents

Ladies and Gentlemen:

We have acted as special New York counsel to the Agents in connection with the \$1,500,000,000 Credit Agreement (the "Credit Agreement") dated as of May 5, 1995 among Ingersoll-Rand Company (the

"Borrower"), the lenders named therein (the "Banks") and The Chase Manhattan Bank (National Association), as administrative agent for the Banks (the "Administrative Agent") and as collateral agent for the Secured Creditors (as defined in the Pledge Agreement) (the "Collateral Agent"), providing for loans to be made by the Banks for the purpose, among other things, of financing the Tender Offer referred to therein. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined therein, except that references to agreements and documents herein mean such agreements and documents as in effect on the date hereof. This opinion is being delivered to you pursuant to Section 3.01(a)(v) of the Credit Agreement.

In rendering the opinions expressed below, we have examined the Credit Documents. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. We have also assumed for all purposes of the opinions expressed below, with respect to all of the documents referred to in this opinion letter, that:

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and (except as expressly provided in paragraph 1 below with respect to the Credit Parties and the Credit Documents to which they are party under the law of the State of New York and the Federal laws of the United States) constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and

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- (iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that:

1. Each of the Credit Documents constitutes the legal, valid and binding obligation of each Credit Party thereto, in each case enforceable against such Credit Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization,

moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability thereof is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

2. The Pledge Agreement is effective to create, in favor of the Collateral Agent for the benefit of the Secured Creditors, a valid security interest under the Uniform Commercial Code as in effect in the State of New York (the "Uniform Commercial Code") in all of the right, title and interest of the Borrower in, to and under the Collateral (as defined in the Pledge Agreement) as collateral security for the payment of the Secured Obligations (as defined in the Pledge Agreement), except that (a) such security interest will continue in Collateral after its sale, exchange or other disposition only to the extent provided in Section 9-306 of the Uniform Commercial Code and (b) the creation of a security interest in the Pledged Stock (as defined in the Pledge Agreement), and any other portion of the Collateral constituting a "security" (as defined in Section 8-102(c) of the Uniform Commercial Code), requires the transfer thereof to the Collateral Agent pursuant to Section 8-313(1) of the Uniform Commercial Code, which transfer in the case of the Pledged Stock may be effected in the manner contemplated by paragraph 3 below.

3. The security interest referred to in paragraph 2 above in that portion of the Collateral consisting of the Pledged Stock will, upon the creation of such security interest, be perfected by the Collateral Agent's taking

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possession, and thereafter retaining possession, of the certificates representing the same in the State of New York.

4. Assuming that the Collateral Agent (or any custodian acting on its behalf) obtains, and thereafter retains, possession of the portion of the Collateral consisting of the certificates representing any Pledged Stock in good faith without notice of any adverse claim (as defined in Section 8-302(2) of the Uniform Commercial Code) and in bearer form or in registered form issued to the Collateral Agent or endorsed to the Collateral Agent or in blank, any perfected security interest therein will have priority over all other security interests theretofore or thereafter created under the Uniform Commercial Code.



The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 9.03(b) of the Credit Agreement (and any similar provisions in any of the other Credit Documents) may be limited by laws rendering unenforceable (i) indemnification contrary to Federal or state securities laws and the public policy underlying such laws and (ii) the release of a party from, or the indemnification of a party against, liability for its own gross negligence, recklessness, willful misconduct or unlawful conduct under certain circumstances.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Bank is located (other than the State of New York) that limit the interest, fees or other charges such Bank may impose, (ii) the second sentence of Section 9.04 of the Credit Agreement, (iii) the second sentence of Section 9.08 of the Credit Agreement (and any similar provisions in any other Credit Document), insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents, and (iv) the waiver of venue or inconvenient forum set forth in the third sentence of Section 9.08 of the Credit Agreement (and any similar provisions in any other Credit Document) with respect to proceedings in the United States District Court for the Southern District of New York.

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(D) We wish to point out that the obligations of the Borrower, and the rights and remedies of the Collateral Agent and the Secured Creditors, under the Pledge Agreement may be subject to possible limitations upon the exercise of remedial or procedural provisions contained in the Pledge Agreement, provided that such limitations do not, in our opinion, make the remedies and procedures that will be afforded to the Collateral Agent and the Secured Creditors inadequate for the practical realization of the substantive benefits purported to be provided to the Collateral Agent and the Secured Creditors by the Pledge Agreement.

(E) We express no opinion as to the existence of, or the right, title or interest of the Borrower in, to or under, any of the Collateral.

(F) Except as expressly provided in paragraphs 2, 3 and 4 above, we express no opinion as to the creation, perfection or priority of any security interest in, or other Lien on, the Collateral.

(G) We express no opinion as to the applicability to the obligations of the Purchaser under the Purchaser Guarantee (or the enforceability of such obligations) of Section 548 of the Bankruptcy Code, Article 10 of the New York Debtor and Creditor Law or any other provision of law relating to fraudulent conveyances, transfers or obligations.

The foregoing opinions are limited to matters involving the Federal laws of the United States of America and the laws of the State New York, and we do not express any opinion as to the laws of any other jurisdiction.

This opinion letter is provided to you by us in our capacity as your special New York counsel and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

CDP/[RMG]

EXHIBIT G

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of \_\_\_\_\_, 19\_\_ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), INGERSOLL-RAND COMPANY (the "Borrower") and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as Administrative Agent (the "Administrative Agent").

W I T N E S S E T H  
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WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the \$1,500,000,000 Credit Agreement dated as of May 5, 1995 among the Borrower, the Assignor and the other Banks party thereto, as Banks, and The Chase Manhattan Bank (National Association), as Administrative Agent and Collateral Agent (the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$\_\_\_\_\_;

WHEREAS, Committed Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of \$\_\_\_\_\_ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$\_\_\_\_\_ (the "Assigned Amount"), together with a corresponding portion of its outstanding Committed Loans, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise  
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defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. Assignment. The Assignor hereby assigns and sells to  
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the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit

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Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower and the Administrative Agent and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the

Assignor.

SECTION 3. Payments. As consideration for the assignment and sale

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contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. It is understood that facility fees in respect of the Assigned Amount accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. Consent of the Borrower and the Administrative Agent.

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This Agreement is conditioned upon the consent of the Borrower and the Administrative Agent pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement by the Borrower and the Administrative Agent is evidence of this consent. Pursuant to Section 9.06(c) the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. Non-Reliance on Assignor. The Assignor makes no

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representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter

into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 6. Governing Law. This Agreement shall be governed by and

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construed in accordance with the laws of the State of New York.

SECTION 7. Counterparts. This Agreement may be signed in any

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number of counterparts, each of which shall be an original, with the same

effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By \_\_\_\_\_  
Title:

[ASSIGNEE]

By \_\_\_\_\_  
Title:

INGERSOLL-RAND COMPANY

By \_\_\_\_\_  
Title:

THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION),  
as Administrative Agent

By \_\_\_\_\_  
Title:

EXHIBIT H

[Form of Pledge Agreement]

PLEDGE AND SECURITY AGREEMENT dated as of May 5, 1995 between INGERSOLL-RAND COMPANY, a corporation duly organized and validly existing under the laws of the State of New Jersey (the "Borrower") and THE CHASE

MANHATTAN BANK (NATIONAL ASSOCIATION), as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent") for the Secured Creditors (as hereinafter defined).

The Borrower, certain banks (the "Banks") and The Chase Manhattan Bank (National Association), as administrative agent and as Collateral Agent, are parties to a Credit Agreement dated as of May 5, 1995 (as modified and supplemented and in effect from time to time, the "Credit Agreement") providing, subject to the terms and conditions thereof, for loans to be made by the Banks to the Borrower in an aggregate principal amount not exceeding \$1,500,000,000 (the "Loans") at any one time outstanding.

The Borrower is also party to (1) a \$400,000,000 Credit Agreement dated as of October 31, 1994 (as modified and supplemented and in effect from time to time, the "Other Credit Agreement") providing, subject to the terms and conditions thereof, for loans to be made by certain banks party thereto to the Borrower in an aggregate principal amount not exceeding \$400,000,000 (the "Other Loans") at any one time outstanding and (2) an Indenture with The Bank of New York, as trustee (the "Indenture Trustee"), dated as of August 1, 1986 (as modified and supplemented and in effect from time to time, the "Indenture"), pursuant to which there has been issued (i) the Borrower's 9.00% Debentures due 2021 (the "Debentures"), (ii) the Borrower's 8-1/4% Notes due 1996 (the "1996 Notes") and (iii) the Borrower's 6.875% Notes due 2003 (the "2003 Notes"), each of which requires that the obligations thereunder shall be secured equally and ratably hereby.

To induce the Banks to enter into the Credit Agreement and to make Loans thereunder and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower has agreed to pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined). Accordingly, the parties hereto agree as follows:

Pledge and Security Agreement  
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Section 1. Definitions. Terms defined in the Credit Agreement  
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are used herein as defined therein. In addition, as used herein:

"Collateral" shall have the meaning ascribed thereto in Section 3

hereof.

"Collateral Account" shall have the meaning ascribed thereto in Section 4 hereof.

"Credit Agreement Obligations" shall mean the obligations of the Borrower in respect of the principal of and interest on the Loans made by the Banks to, and the Note(s) held by each Bank of, the Borrower and all other amounts from time to time owing to the Banks or the Agents by the Borrower under the Credit Agreement.

"Debt Securities" shall mean (i) the Debentures, (ii) the 1996 Notes and (iii) the 2003 Notes.

"Other Credit Agreement Obligations" shall mean the obligations of the Borrower in respect of the principal of and interest on the Other Loans made by the banks to, and the note(s) held by each bank of, the Borrower and all other amounts from time to time owing to the banks or the agent by the Borrower under the Other Credit Agreement.

"Indenture Acceleration Event" shall mean the declaration of the principal of any of the Debt Securities to be due and payable in accordance with Section 502 of the Indenture, which declaration shall not have been rescinded or annulled.

"Indenture Obligations" shall mean the obligations of the Borrower to pay the principal of, premium (if any) on and interest on the Debt Securities issued, and all other amounts from time to time payable by the Borrower, under the Indenture.

"Permitted Investments" shall mean: (a) direct obligations of the United States of America, or of any agency thereof, or obligations guaranteed as to principal and interest by the United States of America, or of any agency thereof, in either case maturing not more than 90 days from the date of acquisition thereof; (b) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof the long-term debt of which is rated AA or better or Aa or better by S&P or Moody's, respectively, maturing not more than 90 days from the date of acquisition thereof; and (c) commercial paper rated A-1 or better and P-

Pledge and Security Agreement  
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1 by S&P or Moody's, respectively, maturing not more than 90 days from the date of acquisition thereof.

"Pledged Stock" shall have the meaning ascribed thereto in Section 3(a) hereof.

"Required Secured Creditors" shall mean (i) other than in the case of directing the Collateral Agent to enforce its rights under, or take actions pursuant to, Sections 4.01, 4.02, 5.05(c) or 5.06 hereof, the Required Banks and (ii) in the case of directing the Collateral Agent to enforce its rights under, and to take action pursuant to, Sections 4.01, 4.02, 5.05(c) or 5.06 hereof, Secured Creditors holding at least a majority of the outstanding amount of Secured Obligations (for which purpose calculation of the requisite amount of Secured Obligations shall exclude all Debt Securities owned by the Borrower or any Subsidiary or Affiliate of the Borrower); provided that if (i) an

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Indenture Acceleration Event has occurred and is continuing and (ii) the Borrower shall remain in default in the payment of the principal of or interest on the Debt Securities for more than 180 days after the occurrence of such Indenture Acceleration Event and (iii) the Collateral Agent has not commenced enforcement action under Sections 4.01, 4.02 and 5.05(c) hereof, the Required Secured Creditors for the purpose of directing the Collateral Agent to enforce its rights under, and to take action pursuant to, Sections 4.01, 4.02 and 5.05(c) hereof, shall be Secured Creditors holding at least a majority of the aggregate outstanding amount of (i) Indenture Obligations (for which purpose calculation of the requisite amount of Indenture Obligations shall exclude all Debt Securities owned by the Borrower or any Affiliate or Subsidiary of the Borrower) and (ii) other Secured Obligations (if any) that have been declared to be, or that have otherwise become, due and payable.

"Secured Creditors" shall mean (i) the Banks party to the Credit Agreement, (ii) the banks party to the Other Credit Agreement, (iii) the holders of the Debt Securities and (iv) any other holders of Secured Obligations.

"Secured Obligations" shall mean, collectively, (i) the Credit Agreement Obligations, (ii) the Other Credit Agreement Obligations, (iii) the Indenture Obligations and (iv) all obligations of the Borrower to the Secured Creditors and the Collateral Agent hereunder.

"Stock Collateral" shall mean, collectively, the Collateral described in clauses (a) through (c) of Section 3 hereof and the proceeds of and to any such property and, to the extent related to any such property or such proceeds,



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all books, correspondence, credit files, records, invoices and other papers.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

Section 2. Representations and Warranties. The Borrower  
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represents and warrants to the Banks and the Collateral Agent that:

(a) At the time that any Collateral becomes subject to the Lien of this Agreement, the Borrower will be the sole beneficial owner of such Collateral and no Lien exists or will exist upon such Collateral at any time (and no right or option to acquire the same exists in favor of any other Person), except for the pledge and security interest in favor of the Collateral Agent for the benefit of the Secured Creditors created or provided for herein, which pledge and security interest shall constitute a first priority perfected pledge and security interest in and to (i) the Stock Collateral upon delivery of stock certificates evidencing the Stock Collateral to the Collateral Agent and (ii) the Collateral (other than Stock Collateral) upon completion of the filing of Uniform Commercial Code financing statements in the form of Annex I to Exhibit E-2 to the Credit Agreement in the office of the Secretary of State of New Jersey.

(b) The Pledged Stock represented by the certificates identified in Annex 1 hereto is, and all other Pledged Stock in which the Borrower shall hereafter grant a security interest pursuant to Section 3 hereof will be, duly authorized, validly existing, fully paid and non-assessable and none of such Pledged Stock is or will be subject to any contractual restriction, or any restriction under the charter or by-laws of the Purchaser, upon the transfer of such Pledged Stock (except for any such restriction contained herein or in the Credit Agreement).

(c) The Pledged Stock represented by the certificates identified in Annex 1 hereto constitutes all of the issued and outstanding shares of capital stock of any class of the Purchaser beneficially owned by the Borrower on the date hereof (whether or not registered in the name of the Borrower) and said Annex 1 correctly identifies, as at the date hereof, the respective class and par value of the shares comprising

such Pledged Stock and the respective number of shares (and registered owners thereof) represented by each such certificate.

Pledge and Security Agreement  
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Section 3. Collateral. As collateral security for the prompt  
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payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Borrower hereby pledges and grants to the Collateral Agent, for the benefit of the Secured Creditors as hereinafter provided, a security interest in all of the Borrower's right, title and interest in and to the following Property, whether now owned by the Borrower or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"):

(a) the shares of common stock of the Purchaser represented by the certificates identified in Annex 1 hereto and all other shares of capital stock of whatever class of the Purchaser, now or hereafter owned by the Borrower (including, without limitation, from and after the Merger Effective Date, the shares of common stock of Clark), in each case together with the certificates representing the same (collectively, the "Pledged Stock");

(b) all shares, securities, moneys or other Property representing a dividend on any of the Pledged Stock, or representing a distribution or return of capital upon or in respect of the Pledged Stock, or resulting from a split-up, revision, reclassification or other like change of the Pledged Stock or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Stock;

(c) without affecting the obligations of the Borrower under any provision prohibiting such action hereunder or under the Credit Agreement, in the event of any consolidation or merger in which the Purchaser is not the surviving corporation, all shares of each class of the capital stock of the successor corporation (including, without limitation, from and after the Merger Effective Date, Clark) formed by or resulting from such consolidation or merger (the Pledged Stock, together with all other certificates, shares, securities, moneys and other Property as may from time to time be pledged hereunder pursuant

to clause (a) or (b) above and this clause (c) being herein collectively called the "Stock Collateral");

(d) all Debt of the Purchaser owing to the Borrower;

(e) the balance from time to time standing to the credit of the Collateral Account; and

(f) all proceeds, benefits, substitutions and replacements of and to any of the Property of the Borrower described in the preceding clauses of this Section 3;

Pledge and Security Agreement  
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provided that, upon receipt at any time on or after the Facility Reduction  
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Date, of a true and correct certificate from a senior officer of the Borrower that (i) refers to this Agreement and the Pledged Stock and the other Collateral, (ii) requests the release of the Collateral and (iii) certifies that no Default or Indenture Acceleration Event shall have occurred and be continuing, the Collateral Agent shall release to the Borrower the Collateral and the security interest in the Collateral hereunder shall terminate. Such release shall be without any recourse, warranty or representation whatsoever, whereupon this Agreement shall terminate and the provisions of Section 5.14 hereof shall apply to such release mutatis mutandis.

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Section 4. Cash Proceeds of Collateral.  
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4.01 Collateral Account. The Collateral Agent may establish  
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with Chase a cash collateral account (the "Collateral Account") in the name and under the control of the Collateral Agent into which there shall be deposited from time to time the cash proceeds of any of the Collateral required to be delivered to the Collateral Agent pursuant hereto and into which the Borrower may from time to time deposit any additional amounts that the Borrower wishes, or may be required, to pledge to the Collateral Agent for the benefit of the Secured Creditors as additional collateral security hereunder. The balance from time to time standing to the credit

of the Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. Except with respect to cash deposited pursuant to Section 5.08(b) of the Credit Agreement and except as expressly provided in the next sentence, the Collateral Agent shall remit the collected balance standing to the credit of the Collateral Account to or upon the order of the Borrower as the Borrower shall from time to time instruct. However, at any time following the occurrence and during the continuance of an Event of Default or an Indenture Acceleration Event, the Collateral Agent may (and, if instructed by the Required Secured Creditors, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time standing to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 5.11 hereof. The balance from time to time standing to the credit of the Collateral Account shall be subject to withdrawal only as provided herein. In addition to the foregoing, the Borrower agrees that if the proceeds of any Collateral hereunder shall be received by the Borrower, the Borrower shall, except as otherwise expressly provided in Section 5.04(c) hereof, as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by the Borrower for the Collateral Agent and shall not be commingled with any other funds or Property of the Borrower.

Pledge and Security Agreement

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4.02 Investment of Balance in Collateral Account. Amounts on

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deposit in the Collateral Account shall be invested from time to time in such Permitted Investments as the Borrower (or, after the occurrence and during the continuance of an Event of Default or Indenture Acceleration Event, the Collateral Agent) shall determine, which Permitted Investments shall be held in the name and be under the control of the Collateral Agent, provided that at any time after the occurrence and during the continuance

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of an Event of Default or Indenture Acceleration Event, the Collateral Agent may (and, if instructed by the Required Secured Creditors, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Permitted Investments and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 5.11 hereof.

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grant of the pledge and security interest pursuant to Section 3 hereof, the Borrower hereby agrees with each Bank and the Collateral Agent as follows:

5.01 Delivery and Other Perfection. The Borrower shall:  
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(a) if any of the shares, securities or other Property required to be pledged by the Borrower under clauses (a), (b) and (c) of Section 3 hereof are received by the Borrower, forthwith either (x) transfer and deliver to the Collateral Agent such shares, securities, moneys or other Property so received by the Borrower (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank), all of which thereafter shall be held by the Collateral Agent, pursuant to the terms of this Agreement, as part of the Collateral or (y) take such other action as the Collateral Agent shall deem reasonably necessary or appropriate to duly record the Lien created hereunder in such shares, securities or other Property in said clauses (a), (b) and (c);

(b) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of the Collateral Agent) to create, preserve, perfect or validate the security interest granted pursuant hereto or to enable the Collateral Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest; and

(c) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Collateral Agent may

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reasonably require in order to reflect the security interests granted by this Agreement; and

(d) permit representatives of the Collateral Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the

Collateral, and forward copies of any notices or communications received by the Borrower with respect to the Collateral, all in such manner as the Collateral Agent may require.

5.02 Other Financing Statements and Liens. The Borrower shall  
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not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Collateral Agent is not named as the sole secured party for the benefit of the Banks. The Borrower will not permit any Debt owing by the Purchaser to the Borrower to be evidenced by any instruments (as defined in Section 9-105(1)(i) of the Uniform Commercial Code.

5.03 Preservation of Rights. The Collateral Agent shall not be  
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required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

5.04 Stock Collateral.  
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(a) The Borrower will cause the Stock Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of the Purchaser then outstanding.

(b) So long as no Event of Default or Indenture Acceleration Event shall have occurred and be continuing, the Borrower shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Stock Collateral for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement, the Notes or any other instrument or agreement referred to herein or therein, provided that the  
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Borrower agrees that it will not vote the Stock Collateral in any manner that is inconsistent with the terms of this Agreement, the Credit Agreement, the Notes or any such other instrument or agreement and the Collateral Agent shall execute and deliver to the Borrower or cause to be executed and delivered to the Borrower all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Borrower may reasonably request for the purpose of enabling the Borrower to exercise the rights and powers that it is entitled to exercise pursuant to this Section 5.04(b).

(c) Unless and until an Event of Default or an Indenture Acceleration Event has occurred and is continuing, the

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Borrower shall be entitled to receive and retain any dividends on the Stock Collateral paid in cash out of earned surplus.

(d) If any Event of Default or Indenture Acceleration Event shall have occurred, then so long as such Event of Default or Indenture Acceleration Event shall continue, and whether or not the Collateral Agent or any Secured Creditor exercises any available right to declare any Secured Obligation due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement, the Credit Agreement, the Notes, the Indenture or any other agreement relating to such Secured Obligation, the Collateral Agent shall, if the Required Secured Creditors so elect, and upon the giving of notice to the Borrower of its intention to do so, have the right (i) to exercise all voting and consensual rights pertaining to the Stock Collateral for all purposes and the Borrower shall execute and deliver to the Collateral Agent or cause to be executed and delivered to the Collateral Agent all such proxies, powers of attorney and all such other instruments, without recourse, as the Collateral Agent may reasonably request for the purpose of enabling the Collateral Agent to exercise the rights that it is entitled to exercise pursuant to this Section 5.04(d) and (ii) subject to applicable law or regulation, to cause the Stock Collateral to be registered in the name of the Collateral Agent or its nominee.

(e) If any Event of Default or Indenture Acceleration Event shall have occurred, then so long as such Event of Default or Indenture Acceleration Event shall continue, and whether or not the Collateral Agent or any Secured Creditor exercises any available right to declare any Secured Obligation due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement, the Credit Agreement, the Notes, the Indenture or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Stock Collateral shall be paid directly to the Collateral Agent and retained by it in the Collateral Account as part of the Stock Collateral, subject to the terms of this Agreement, and, if the Collateral Agent shall so request in writing, the Borrower agrees to execute and deliver to the Collateral Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default or

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Indenture Acceleration Event is cured, any such dividend or distribution theretofore paid to the Collateral Agent shall, upon request of the Borrower (except to the extent theretofore applied to the Secured Obligations), be returned by the Collateral Agent to the Borrower.

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5.05 Events of Default, Etc. During the period during which an  
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Event of Default or an Indenture Acceleration Event shall have occurred and be continuing:

(a) the Collateral Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(b) the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Collateral Agent were the sole and absolute owner thereof (and the Borrower agrees to take all such action as may be appropriate to give effect to such right);

(c) the Collateral Agent in its discretion may, in its name or in the name of the Borrower or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(d) the Collateral Agent may, upon ten business days' prior written notice to the Borrower of the time and place, with respect to the Collateral or any part thereof that shall then be or shall thereafter come into the possession, custody or control of the Collateral Agent, the Secured Creditors or any of their respective agents, sell, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Collateral Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Collateral Agent or any Secured Creditor or anyone else may be the purchaser, assignee or recipient of any or all of the Collateral so



disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption

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(statutory or otherwise), of the Borrower, any such demand, notice and right or equity being hereby expressly waived and released. The proceeds of each collection, sale or other disposition under this Section 5.05 shall be applied in accordance with Section 5.11 hereof.

The Borrower recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Stock Collateral, to limit purchasers to those who will agree, among other things, to acquire the Stock Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Borrower acknowledges that any such private sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Stock Collateral for the period of time necessary to permit the Purchaser or issuer thereof to register it for public sale.

5.06 Registration Rights. If an Event of Default or an  
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Indenture Acceleration Event shall have occurred and be continuing, then, upon the written request of the Collateral Agent, the Borrower:

(a) will use its best efforts to cause to become effective under the Securities Act of 1933, as amended and from time to time in effect (the "Securities Act"), a registration statement or registration statements or a qualification or qualifications for exemption from registration relating to any or all of the Stock Collateral, irrespective of the amount thereof then pledged to the Collateral Agent, and will use its best efforts to keep effective each such registration or qualification and cause to be filed such post-effective amendment or amendments to each such registration statement (including any amendment or supplement thereto required by

the Securities Act or necessary in order to make the statements contained in the prospectus not untrue or misleading), as may be appropriate in the opinion of the Collateral Agent to permit the sale or other disposition of any of the Stock Collateral pursuant to this Agreement at such time and on such terms as the Collateral Agent may desire all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission ("SEC") applicable thereto (it being understood, however, that the Borrower shall not be obligated more than once to

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cause a registration statement or statements to become effective under this Section 5.06);

(b) will cause to be furnished to the Collateral Agent such number of copies as the Collateral Agent may request of each preliminary prospectus, prospectus and offering circular, will promptly notify the Collateral Agent of the happening of any event as a result of which any then effective prospectus or circular includes an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in the light of then existing circumstances and will cause the Collateral Agent to be furnished with such number of copies as the Collateral Agent may request of such supplement to or amendment of such prospectus or circular as is necessary to eliminate such untrue statement or supply such omission;

(c) will, to the extent permitted by law, and will use its best efforts to cause the Purchaser, to the extent permitted by law, to indemnify, defend, and hold harmless the Collateral Agent and each Secured Creditor from and against any loss, liability, expense or claim (including the reasonable cost of investigation and reasonable counsel fees incurred in connection therewith) which the Collateral Agent or such Secured Creditor may incur, under the Securities Act or otherwise, insofar as such loss, liability, expense or claim arises out of or is based upon any alleged untrue statement of a material fact contained in such registration statement (or any amendment thereto) or in the preliminary prospectus or prospectus (or any amendment or supplement thereto) or in the notification or offering circular, or arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to

make the statements in any thereof not misleading (such indemnification to remain operative regardless of any investigation made by or on behalf of the Collateral Agent or any person controlling the Collateral Agent), except to the extent that any such loss, liability, expense or claim arises solely out of or is based upon an alleged untrue statement or an alleged omission to state a material fact that was based upon, or in conformity with, information furnished in writing by the Collateral Agent;

(d) will use its best efforts to have qualified, filed or registered any of the Stock Collateral under the "Blue Sky" or other securities laws of such states and to obtain the approval of any governmental authorities all as may be reasonably requested by the Collateral Agent and will cause to be kept effective all such qualifications, filings, registrations and approvals;

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(e) will do any and all other acts and things which may be necessary or advisable to enable the Collateral Agent to consummate any proposed sale or other disposition of any of the Stock Collateral pursuant to this Agreement; and

(f) without limiting its obligations hereunder will bear all costs and expenses of carrying out its obligations under this Agreement.

5.07 Information. If the Collateral Agent determines to  
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exercise its right to sell all or any of the Collateral, upon written request, the Borrower shall from time to time furnish to the Collateral Agent all such information as the Collateral Agent may reasonably request in order to determine the number of shares included in the Collateral which may be sold by the Collateral Agent as exempt transactions under the Securities Act and rules of the SEC thereunder, as the same are from time to time in effect. Without limitation of the foregoing, if the Collateral Agent determines to exercise its right to sell all or any of the Stock Collateral, the Borrower (and the directors and officers thereof) shall upon written request from the Collateral Agent, in order to enable the Collateral Agent to qualify such sales as exempt transactions under Section 4(1) of the Securities Act and Rule 144 of the SEC thereunder (or any statutory provisions or rules in effect in lieu thereof), as the same are

from time to time in effect (i) register the Stock Collateral pursuant to Section 12(g) of the Securities and Exchange Act of 1934 (or any provision in effect in lieu thereof) and (ii) furnish to the Collateral Agent all such information as the Collateral Agent may reasonably request in order to determine the number of shares included in such Stock Collateral, if any, which may be sold under Rule 144(e) (or any provision in effect in lieu thereof).

5.08 Private Sale. The Collateral Agent and the Secured

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Creditors shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 5.05 hereof conducted in a commercially reasonable manner. The Borrower hereby waives any claims against the Collateral Agent or any Secured Creditor arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

5.09 Deficiency. If the proceeds of sale, collection or other

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realization of or upon the Collateral pursuant to Section 5.05 hereof are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Borrower shall remain liable for any deficiency.

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5.10 Removals, Etc. Without at least 30 days' prior written

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notice to the Collateral Agent, the Borrower shall not (i) maintain its chief executive office at any place other than at the address indicated beneath the signature of the Borrower to the Credit Agreement or (ii) change its name, or the name under which it does business, from the name shown on the signature pages hereto.

5.11 Application of Proceeds. Except as otherwise herein

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expressly provided, the proceeds of any collection, sale or other

realization of all or any part of the Collateral pursuant to Section 5.05 hereof, and any other cash at the time held by the Collateral Agent under Section 5 hereof shall be applied by the Collateral Agent:

First, to the payment of the costs and expenses of such

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collection, sale or other realization, including reasonable out-of-pocket costs and expenses of the Collateral Agent and the fees and expenses of its agents and counsel, and all expenses incurred and advances made by the Collateral Agent in connection therewith;

Next, to the payment in full of the Secured Obligations (whether

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or not then due), in each case equally and ratably in accordance with the respective amounts thereof or as all of the Secured Creditors holding the same may otherwise agree; and

Finally, to the payment to the Borrower, or its successors or

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assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

Proceeds of Collateral to be applied by the Collateral Agent to the payment of any of the Indenture Obligations shall be paid to the Indenture Trustee and, to the extent any such Indenture Obligations shall not then be due, such payment shall be applied by the Indenture Trustee as agreed between the Borrower and the Indenture Trustee. As used in this Section 5, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of the Borrower or any issuer of or obligor on any of the Collateral.

5.12 Attorney-in-Fact. Without limiting any rights or powers

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granted by this Agreement to the Collateral Agent, upon the occurrence and during the continuance of any Event of Default or Indenture Acceleration Event the Collateral Agent is hereby appointed the attorney-in-fact of the Borrower for the purpose of carrying out the provisions of this Section 5 and taking any action and executing any instruments that the Collateral Agent may deem necessary or advisable to accomplish the purposes

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hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Collateral Agent shall be entitled under this Section 5 to make collections in respect of the Collateral, the Collateral Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Borrower representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

5.13 Perfection. Prior to or concurrently with the execution  
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and delivery of this Agreement, the Borrower shall (i) file such financing statements and other documents in such filing or recording offices as the Collateral Agent may reasonably request to perfect the security interests granted by Section 3 of this Agreement and (ii) deliver to the Collateral Agent all certificates identified in Annex 1 hereto, accompanied by undated stock powers duly executed in blank.

5.14 Release; Termination.  
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(a) It is expressly acknowledged and agreed that any or all of the Collateral may be released by the Collateral Agent acting (i) so long as no Indenture Acceleration Event shall have occurred and be continuing, at the direction of all of the Banks and (ii) if an Indenture Acceleration Event shall have occurred and be continuing, at the direction of all of the Secured Creditors. Upon any release of any Collateral (including, without limitation, a release pursuant to Section 3 hereof), the Collateral Agent shall, at the request and expense of the Borrower, and without the further consent of, or liability to, any Secured Creditor, release such Collateral and execute and deliver to the Borrower a proper instrument or instruments acknowledging the release of such Collateral from this Agreement, and will duly assign, transfer and deliver to the Borrower against receipt, but without any recourse, warranty or representation whatsoever, the Collateral being released.

(b) Subject to a prior termination of this Agreement pursuant to Section 3 hereof, when all Credit Agreement Obligations shall have been paid in full, and the Commitments of the Banks under the Credit Agreement shall have expired or been terminated, this Agreement shall terminate, and the Collateral Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Borrower; provided, however,  
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that no such termination shall occur in the event that an Indenture Acceleration Event shall have occurred and be continuing unless the Indenture Obligations shall have been paid in full or the holders of the Indenture Obligations shall have consented to such termination. The

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shall also execute and deliver to the Borrower upon such termination (including, without limitation, a termination pursuant to Section 3 hereof) such Uniform Commercial Code termination statements and such other documentation as shall be reasonably requested by the Borrower to effect the termination and release of the Liens on the Collateral.

(c) Upon any release of Collateral pursuant to Section 5.14(a) or (b) above or the proviso at the end of Section 3 hereof, none of the Secured Creditors shall have any continuing right or interest in such Collateral or any proceeds thereof.

5.15 Further Assurances. The Borrower agrees that, from time to  
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time upon the written request of the Collateral Agent, the Borrower will execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order fully to effect the purposes of this Agreement.

Section 6. Miscellaneous.  
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6.01 No Waiver. No failure on the part of the Collateral Agent  
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or any Secured Creditor to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any Secured Creditor of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

6.02 Notices. All notices, requests, consents and demands  
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hereunder shall be in writing and telecopied or delivered to the intended recipient at its "Address for Notices" specified pursuant to Section 9.01 of the Credit Agreement and shall be deemed to have been given at the times specified in said Section 9.01.

6.03 Expenses. The Borrower agrees to reimburse each of the

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Secured Creditors and the Collateral Agent for all reasonable costs and expenses of the Secured Creditors and the Collateral Agent (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceeding resulting therefrom, including, without limitation, all manner of participation in or other involvement with (w) performance by the Collateral Agent of any obligations of the Borrower in respect of the Collateral that the Borrower has failed or refused to perform, (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or

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settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Collateral Agent in respect thereof, by litigation or otherwise, including expenses of insurance, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 6.03, and all such costs and expenses shall be Secured Obligations entitled to the benefits of the collateral security provided pursuant to Section 3 hereof.

6.04 Amendments, Etc. The terms of this Agreement may be

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waived, altered or amended only by an instrument in writing duly executed by the Borrower and the Collateral Agent (with the consent of the Banks as specified in Section 7.10 of the Credit Agreement); provided that no such

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supplemental agreement shall amend, modify or waive any provision of this Section 6.04, Section 5.11 or Section 5.14 hereof, the definitions of "Required Secured Creditors" or "Secured Obligation" or any other provision hereof without the consent of the Indenture Trustee on behalf of the holders of the Debt Securities whose rights to equal and ratable security would be adversely affected thereby. Any such amendment or waiver shall be binding upon the Collateral Agent and each Secured Creditor, each holder of any of the Secured Obligations and the Borrower.

6.05 Successors and Assigns. This Agreement shall be binding



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upon and inure to the benefit of the respective successors and assigns of the Borrower, the Collateral Agent, the Secured Creditors and each other holder of any of the Secured Obligations (provided, however, that the

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Borrower shall not assign or transfer its rights hereunder without the prior written consent of the Collateral Agent and the Required Banks).

6.06 Captions. The captions and section headings appearing  
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herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

6.07 Counterparts. This Agreement may be executed in any number  
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of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

6.08 Governing Law; Submission to Jurisdiction. This Agreement  
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shall be governed by, and construed in accordance with, the law of the State of New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State Court sitting in New York County for the purposes of all legal

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proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

6.09 WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY  
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IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.10 Agents and Attorneys-in-Fact. The Collateral Agent may  
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employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

6.11 Severability. If any provision hereof is invalid and  
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unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

6.12 The Collateral Agent.  
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(a) The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and shall have no liability to any Secured Creditor in so acting.

(b) No single Secured Creditor shall have the right to cause the Collateral Agent to take any action with respect to the Collateral and, except as otherwise expressly provided herein, only the Required Secured Creditors shall have the right to direct the Collateral Agent to take any such action. If the Collateral Agent shall request instructions from the Required Secured Creditors with respect to any act or action (including failure to act) in connection with this Agreement, the Collateral

Pledge and Security Agreement  
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Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Secured Creditors, and to the extent requested, appropriate indemnification in respect of actions to be taken; and the Collateral Agent shall not incur

liability to any Person by reason of so refraining. Without limiting the foregoing, no Secured Creditor shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or refraining from action hereunder in accordance with the instructions of the Required Secured Creditors as aforesaid.

(c) The Collateral Agent has been appointed as agent hereunder by the Banks and shall be entitled to the benefits of Article VII of the Credit Agreement.

(d) Following the payment in full of all Credit Agreement Obligations and the termination or expiration of the Commitments thereunder, the provisions of Article VII of the Credit Agreement shall be deemed to continue in full force and effect for the benefit of the Collateral Agent under this Agreement. In that connection, following such payment in full and expiration and termination of the Commitments, the term "Required Banks" (as used in said Article VII) shall be deemed to refer to Persons holding Secured Obligations representing more than 50% of the aggregate Secured Obligations.

(e) Each of the holders of the Indenture Obligations and each of the holders of the Other Credit Agreement Obligations (collectively, the "Holders"), by accepting, seeking to accept, or otherwise acknowledging any of the benefits granted to it by this Agreement: (i) appoints and authorizes Chase, in its capacity as Collateral Agent hereunder, together with its successors in such capacity, to act as agent for the Holders under this Agreement subject to and upon the terms and conditions herein set forth; (ii) agrees that the Collateral Agent shall have no obligations or responsibilities to any of the Holders except those expressly set forth herein; (iii) without limiting the generality of the foregoing clause (ii), accepts and agrees to be bound by the provisions of Article VII of the Credit Agreement limiting the obligations and responsibilities of the Collateral Agent as fully as if such provisions were set forth herein in full; and (iv) agrees that, except as otherwise provided herein, this Agreement may be amended, supplemented or modified, or any provision hereof waived, and that this Agreement may be terminated, the Collateral or any part thereof may be released, and any other action contemplated hereby may be taken or not taken as provided herein or in the Credit Agreement without the consent or agreement of any of the Holders.

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

INGERSOLL-RAND COMPANY

By

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Title: Vice President  
and Treasurer

THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION),  
as Collateral Agent

By

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Title:

Pledge and Security Agreement  
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ANNEX 1

PLEDGED STOCK  
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[See Section 2(b) and (c)]

Issuer -----	Certificate Nos. -----	Registered Owner -----	Number of Shares -----
CEC Acquisition, Corp.	1	Ingersoll- Rand Company	100 shares of capital stock, (common stock, \$.01 par value)

Annex 1 to Pledge and Security Agreement

[Form of Purchaser Guarantee]

PURCHASER GUARANTEE AGREEMENT dated as of May 5, 1995 between CEC ACQUISITION CORP., a Wholly-Owned Subsidiary of the Borrower referred to below, duly organized and validly existing under the laws of Delaware (together with its successors and assigns, the "Guarantor"); and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as administrative agent for the banks party to the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

Ingersoll-Rand Company, a New Jersey corporation (the "Borrower"), certain banks (the "Banks") and The Chase Manhattan Bank (National Association), as collateral agent thereunder and as Administrative Agent, are parties to a Credit Agreement, dated as of May 5, 1995 (as modified and supplemented and in effect from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for loans to be made by the Banks to the Borrower in an aggregate principal amount not exceeding \$1,500,000,000.

To induce the Banks to enter into the Credit Agreement and to extend credit thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor has agreed to guarantee the Guaranteed Obligations (as hereinafter defined). Accordingly, the parties hereto agree as follows:

Section 1. Definitions. Terms defined in the Credit Agreement  
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are used herein as defined therein.

Section 2. The Guarantee.  
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2.01 The Guarantee. The Guarantor hereby guarantees to each  
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Bank and the Administrative Agent and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans made by the Banks to, and the Note(s) held by each Bank of, the Borrower and all other amounts from time to time owing to the Banks or the Agents by

the Borrower under the Credit Agreement and under the Notes, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). In addition, the Guarantor hereby further agrees that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the

Purchaser Guarantee Agreement  
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Guaranteed Obligations, the Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2.02 Obligations Unconditional. The obligations of the  
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Guarantor under Section 2.01 hereof are absolute and unconditional irrespective of the value, genuineness, validity, regularity or enforceability of the Credit Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 2.02 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantor hereunder which shall remain absolute and unconditional as described above:

(i) at any time or from time to time, without notice to the Guarantor, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of the Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under the Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(iv) any lien or security interest granted to, or in favor of, any Agent or any Bank or Banks as security for any of the Guaranteed Obligations shall fail to be perfected.

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The Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Agent or Bank exhaust any right, power or remedy or proceed against the Borrower under the Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

2.03 Reinstatement. The obligations of the Guarantor under this  
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Section 2 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantor agrees that it will indemnify each Agent and Bank on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by such Agent or Bank in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

2.04 Remedies. The Guarantor agrees that, as between the  
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Guarantor and the Banks, the obligations of the Borrower under the Credit Agreement and the Notes may be declared to be forthwith due and payable as provided in Article VI of the Credit Agreement (and shall be deemed to have become automatically due and payable in the circumstances provided in said Article VI) for purposes of Section 2.01 hereof notwithstanding any stay,

injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantor for purposes of said Section 2.01.

2.05 Continuing Guarantee. The guarantee in this Section 2 is a  
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continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

2.06 General Limitation on Guaranteed Obligations. In any  
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action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of the Guarantor under Section 2.01 hereof would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under said Section 2.01, then, notwithstanding any other provision hereof to

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the contrary, the amount of such liability shall, without any further action by the Guarantor, the Agents, the Banks or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

2.07 Subrogation. Until payment in full of the Guaranteed  
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Obligations and termination of the Commitments, the Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under the Federal Bankruptcy Code) or otherwise by reason of any payment by it pursuant to the provisions of this Section 2.

Section 3. Representations and Warranties. The Guarantor  
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represents and warrants to the Banks and the Agents that:



3.01 Corporate Existence. The Guarantor: (a) is a corporation  
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duly organized and validly existing under the laws of the jurisdiction of its incorporation; (b) has all requisite corporate power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a material adverse effect on the business, financial condition or results of operations of the Guarantor and its Subsidiaries considered as a whole.

3.02 Litigation. There are no legal or arbitral proceedings or  
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any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of the Guarantor) threatened against the Guarantor that, if adversely determined, could have a material adverse effect on the business, financial condition or results of operations of the Guarantor and its Subsidiaries considered as a whole.

3.03 No Breach. None of the execution and delivery of this  
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Agreement, the consummation of the transactions herein contemplated or compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or by-laws of the Guarantor, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Guarantor is a party or by which it is bound or to which it is subject, or constitute a default under any such agreement or instrument.

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3.04 Corporate Action. The Guarantor has all necessary  
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corporate power and authority to execute and deliver, and to incur, assume and perform its obligations under, this Agreement; the execution and delivery, and the incurrence, assumption and performance of its obligations under, this Agreement by the Guarantor have been duly authorized by all necessary corporate action on its part; and this Agreement has been duly and validly executed and delivered, and the obligations hereunder have been duly and validly incurred and assumed, by the Guarantor; and this Agreement constitutes the legal, valid and binding obligation of the Guarantor,

enforceable in accordance with its terms, subject to the effects of 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.

3.05 Approvals. No authorizations, approvals or consents of,  
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and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Guarantor of this Agreement or for the validity or enforceability hereof.

3.06 Investment Company Act. The Guarantor is not an  
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"investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 4. Miscellaneous.  
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4.01 No Waiver. No failure on the part of the Administrative  
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Agent or any Bank to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Administrative Agent or any Bank of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

4.02 Notices. All notices, requests, consents and demands  
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hereunder shall be in writing and telecopied or delivered to the intended recipient at the "Address for Notices" specified beneath its name on the signature pages hereof or, as to either party, at such other address as shall be designated by such party in a notice to the other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally

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delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

4.03 Termination. Upon the consummation of the Merger, the  
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obligations of the Guarantor under this Agreement shall automatically terminate.

4.04 Expenses. The Guarantor agrees to reimburse each of the  
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Banks and the Agents for all reasonable costs and expenses of the Banks and the Agents (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceeding resulting therefrom, including, without limitation, all manner of participation in or other involvement with (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 4.04.

4.05 Amendments, Etc. The terms of this Agreement may be  
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waived, altered or amended only by an instrument in writing duly executed by the Guarantor and the Administrative Agent (with the consent of the Banks as specified in Section 7.10 of the Credit Agreement). Any such amendment or waiver shall be binding upon the Agents and each Bank, each holder of any of the Guaranteed Obligations and the Guarantor.

4.06 Successors and Assigns. This Agreement shall be binding  
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upon and inure to the benefit of the respective successors and assigns of the Guarantor, the Administrative Agent, the Banks and each holder of any of the Guaranteed Obligations (provided, however, that the Guarantor shall

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not assign or transfer its rights hereunder without the prior written consent of the Administrative Agent and all of the Banks).

4.07 Captions. The captions and section headings appearing  
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herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

4.08 Counterparts. This Agreement may be executed in any number  
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of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

4.09 Severability. If any provision hereof is invalid and

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unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall

Purchaser Guarantee Agreement  
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remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Administrative Agent and the Banks in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

4.10 Governing Law; Submission to Jurisdiction. This Agreement  
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shall be governed by, and construed in accordance with, the law of the State of New York. The Guarantor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State Court sitting in New York County for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Guarantor irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

4.11 WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY  
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IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.12 Agents. The Administrative Agent may employ agents and  
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attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

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

CEC ACQUISITION CORP.

By \_\_\_\_\_  
Title:

Address for Notices:

c/o Ingersoll-Rand Company  
200 Chestnut Ridge Road  
Woodcliff Lake, NJ 07675

Attention: William J. Armstrong  
Vice President

Telecopier No.: 201-573-3295  
Telephone No. : 201-573-3082

THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION),  
as Administrative Agent

By \_\_\_\_\_  
Title: Managing Director

Address for Notices:

The Chase Manhattan Bank  
(National Association),  
as Administrative Agent

4 Chase Metrotech Center  
13th Floor  
Brooklyn, New York 11245

Attention: New York Agency

Telecopier No.: 718-242-6910

Telephone No.: 718-242-7979

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