

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

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

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HOWMET CORP /NEW/

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file Number 1-6348
HOWMET CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-2838093
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Address of Principal Executive Offices: 475 Steamboat Road, Greenwich, CT
06836-1960

Registrant's telephone number, including area code 203-661-4600

Securities registered pursuant to Section 12(b) of the Act: None

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

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

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. \$0.00

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. COMMON STOCK, \$1.00 PAR VALUE, AS OF MARCH 28, 1997 : 10 SHARES

DOCUMENTS INCORPORATED BY REFERENCE

NONE

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PART I

ITEM 1 -- BUSINESS

Howmet Corporation (the "Company") is a leading manufacturer of investment cast superalloy, titanium and aluminum components for jet aircraft and industrial gas power generation. The Company operates in one business segment, investment castings; it uses investment casting techniques to produce high-performance and high-reliability superalloy and titanium components to the exacting specifications of the major manufacturers. Prior to December 13, 1995, the Company was owned by Pechiney Corporation, a wholly owned subsidiary of Pechiney International, a French corporation. On December 13, 1995 Blade Acquisition Corp. ("Blade"), which is 51% owned by The Carlyle Group and its affiliates ("Carlyle"), and 49% owned by Thiokol Corporation ("Thiokol"), acquired Pechiney Corporation and the capital stock of certain Cercast companies owned by Pechiney International (the "Acquisition"). The Cercast

companies were merged into the Company and Pechiney Corporation's name was changed to Howmet Holdings Corporation ("Holdings"). The Company remains a wholly owned subsidiary of Holdings. Thiokol has the option to purchase Carlyle's interest in the Company after December 13, 1998.

PRODUCTS AND SERVICES

Howmet manufactures superalloy, titanium and aluminum castings for turbine engines and airframe applications for customers worldwide. The table below describes Howmet's major products:

MAJOR PRODUCTS	SUMMARY PRODUCT DESCRIPTION AND APPLICATION
Blades	High temperature superalloy rotating turbine engine components. Blades act as air foils which are driven by the hot gas flow.
Vanes	High temperature superalloy non-rotating turbine engine components. Vanes are the fixed airfoils which direct the gas flow.
IGT shroud blocks	Vane holders that provide a seal to fix each vane in position.
Turbine rotors	Integrated cast rotating wheels of blades primarily for use in smaller engines. Rotors are like blades but are manufactured as a single part instead of being built of separate parts.
Nozzle rings	Integrated cast non-rotating rings of vanes primarily for use in smaller engines. Nozzle rings are like vanes but are manufactured as a single integral component.
Compressor stators	Integrated cast non-rotating rings of compressor vanes for use in both small and large engines. Compressor stators are like vanes but are manufactured as a single component.
Frames	Large diameter thin-wall cases used to support their respective sections of turbine engines such as fans, compressors and turbines.
Bearing housings	Large diameter, heavy structural supports for bearings.
Airframe components	Titanium and aluminum structures for commercial and military aircraft, including door frames, flap tracks, nacelles, longerons, wing tips, nose and tail cones.
Electronics packaging	Aluminum boxes with card slots and cooling fins for electronic avionics packages.
Electro-optical system housings	Heads-up displays, gimbels and other housings.
Engine parts	Gear boxes, front frames, blocker doors for small engines.
Pumps and compressors	Fuel pumps, a/c blowers, oil tanks, fans.

Howmet also operates component repair facilities entirely devoted to the refurbishment of a wide range of components for jet aircraft engines, focusing primarily on turbine hot section components such as blades, vanes, and shrouds. The refurbishment market is highly regulated; FAA and OEM certifications are required for each refurbishment process used for components and for each refurbishment facility. Howmet has provided coating services to aerospace and other industries since the early 1960s. The Company's protective metallic and ceramic coatings

are designed to prolong the life of complex turbine components by improving their resistance to wear, oxidation and corrosion. Howmet provides four different coating processes to customers: diffusion coating, overlay coating, recoating and masking. Howmet also offers customers machining services, develops a variety of alloys to meet customer needs, and provides research and development services on specific customer projects, as discussed below.

JOINT VENTURES

Howmet currently is participating in two joint ventures, one in Japan with Komatsu and the other in the United States with Rolls-Royce, Inc. The Japanese joint venture, Komatsu-Howmet Ltd. ("KHL"), manufactures investment cast components for IGT and aerospace customers, primarily in Japan and other Asian countries. Howmet currently holds an option to purchase Komatsu's interest in this venture. The joint venture with Rolls Royce, R-H Component Technologies L.C. ("RHCT"), was organized to serve the North American refurbishment market for aircraft engine parts (excluding PWA parts). These joint ventures are accounted for by the equity method.

SUPPLY

The Company's raw materials include metals and minerals used to produce the alloys included in its castings, including titanium, hafnium, aluminum, nickel, cobalt and copper, among others. The Company has multiple sources of supply for most of these metals and has not experienced any material supply interruption for more than twenty years. Prices of these materials can be volatile, and the Company engages in forward purchases of some of these materials under certain market conditions, and passes certain price fluctuations through to customers pursuant to its long-term agreements. The Company ordinarily does not, however, otherwise attempt to hedge the price risk of its raw materials.

PATENTS

The Company has obtained numerous patents, licenses, and proprietary information which it believes provide it with a competitive advantage, including proprietary modifications and applications of the directional solidification and single crystal processes. To protect its proprietary information, the Company requires its employees to sign confidentiality agreements, reinforces confidentiality upon an employee's departure from the Company, and builds some of its own specialized equipment, such as casting furnaces, to prevent competitors from learning about Howmet's newly developed processes. Competitors in the Company's business also hold patents and other forms of proprietary information, and there is active technical competition in that business. No assurances can be given that one company or another will not obtain a technological advantage from time to time, in one aspect of the industry's technology or another.

MAJOR CUSTOMERS

Howmet is a leading provider of precision investment casting components to the leading producers of aircraft gas turbine engine components. The Company's top ten customers represented approximately 62% of the Company's net sales in 1996. The Company's principal customers are General Electric ("GE") and Pratt & Whitney Aircraft Division of United Technologies Corporation ("PWA") (including Pratt & Whitney-Canada). Sales to these customers represented 19% and 14%, respectively, of the Company's 1996 net sales. None of the Company's other customers represented more than 10% of 1996 net sales.

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Contractual relationships with the Company's principal customers vary. More than half of the Company's business is derived from multi-year contracts, typically three years in length. Under these contracts, the Company's customers agree to order from the Company, and the Company agrees to supply, specified percentages of specified parts at specified pricing over the life of the contracts. The customers are not required to order fixed numbers of parts, although pricing may be subject to certain threshold quantities. Historically, many customers have chosen to single source components due to the high cost of tooling and process qualification. Some of these contracts include provisions requiring specified price reductions over the term of the contract, based on lower production costs as programs mature, shared benefits from other cost reductions resulting from joint production decisions, and negotiated reductions. One of Howmet's largest customers, GE's Power Systems division ("GEPS"), in response to a corporate policy decision to reduce sole sourcing, has exercised its right to terminate its long-term sole source contract with Howmet effective in February 1997, and has placed orders for certain components with Precision Castparts Corp. ("PCC"). The Company is currently negotiating with GEPS for a new long-term contract. In the interim the parties have agreed to continue their relationship based on the terms set forth in the prior agreement. Based on the negotiations and on the nature of the products currently in production and planned for production for GEPS, the Company expects to continue producing a substantial volume of castings for GEPS. To the extent that multiple sourcing by GEPS reduces the Company's volume in 1997, the Company has other business opportunities with other customers to make use of available capacity based on current market conditions. See "Competition".

The Company's backlog of orders as of December 31, 1996 was \$648 million. Because of the short lead and delivery times often involved and because the Company's orders are often affected by year-end deferrals and from time to time by other deferrals and cancellations, backlog may not be a significant indicator of future performance of the Company.

COMPETITION

The Company believes it has a majority market share in the investment casting market. PCC is the Company's primary competitor. PCC is a public company with calendar year 1996 reported sales of \$843.4 million. The Company competes with PCC and others primarily on technological sophistication, quality, price, service and delivery for orders from large, well-capitalized customers with significant market power.

Superalloy castings represent a substantial cost component of customers' engines, and customers are increasingly focused on reducing costs and responding to increasing competition in their markets. The Company's major customers for these castings are intensely price competitive with each other, and this price competition increases their incentives to reduce costs from their suppliers. Aluminum casting manufacturers also compete on the basis of price, quality and service.

Competition in the component repair market is primarily based on reliability of service, pricing, quality, and turn time. Since most customers desire no more than two or three suppliers, demonstrated experience is very important to maintaining the business. Howmet's principal competitor in the repair market and the largest participant in the market is Chromalloy Gas Turbine ("Chromalloy"), the largest operating unit of Sequa Corporation. SIFCO Industries, Inc. and Indivers N.V. (Interturbine) are the Company's other significant competitors in this market.

Orders for components are primarily awarded through a competitive bidding process. Drawings and specifications for each part bid are sent to the appropriate manufacturing plant for input from engineering, quality and business center managers in the plant as part of the formal bid process.

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RESEARCH AND DEVELOPMENT

Howmet has been a leader over many years in developing new investment casting processes such as the Mono-Shell(TM) process for mold formation, and in putting the directional solidification and single crystal casting processes into commercial production. The Company is also developing and commercializing its Spraycast-X(R) technology, by which atomized alloy is sprayed onto a mandrel to yield a preformed shape such as a ring. Howmet has also been a leader in fine grain casting, hot isostatic pressing (a pressurizing process performed near the melting point of metal to increase its density), and the chemical vapor deposition coating process. The research center staff of 162 includes 69 degreed engineers and scientists. A portion of the Company's total research and development funding comes from Howmet's customers, who regularly retain Howmet for specific projects. Howmet also provides research and development services by contract to governmental agencies. The Company's aggregate research and development expense for the years ended December 31, 1994, 1995 and 1996 were \$19.2 million, \$26.4 million, and \$24.2 million respectively.

ENVIRONMENTAL MATTERS

The Company is subject to comprehensive and changing international, federal, state and local laws, regulations and ordinances that (i) govern activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as handling and disposal practices for solid and hazardous wastes, and (ii) impose liability for the costs of cleaning up, and certain damages resulting from, sites of past spills, disposals or other releases of hazardous substances and materials (together, "Environmental Laws"). Management believes that the Company's current operations are in substantial compliance with such Environmental Laws. However, due to the nature of the Company's operations, the Company is involved from time to time in legal proceedings involving remediation of environmental contamination from past or present operations, as well as compliance with environmental requirements applicable to ongoing operations. There can be no assurance that material costs, liabilities, or penalties will not be incurred in connection with any such proceedings, claims or compliance requirements or in connection with currently unknown environmental liabilities.

The Company's facilities have made, and will continue to make, expenditures to comply with current and future environmental laws. The Company anticipates that it will incur additional capital and operating costs in the future to comply with existing environmental laws and new requirements arising from new or amended statutes and regulations. In addition, because the applicable regulatory

agencies have not yet promulgated final standards for some existing environmental programs, the Company cannot at this time reasonably estimate the cost for compliance with these additional requirements. The amount of any such compliance costs could be material.

The Company is subject to liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (the federal "Superfund" statute), and similar state statutes for the investigation and remediation of environmental contamination at properties owned and/or operated by it and at off-site locations where it has arranged for the disposal of hazardous substances. Courts have determined that liability under CERCLA is, in most cases, joint and several, meaning that any responsible party could be held liable for all costs necessary for investigating and remediating a release or threatened release of hazardous substances. As a practical matter, liability at most CERCLA (and similar) sites is shared among all the solvent Potentially Responsible Parties ("PRPs"). The most relevant factors in determining the probable liability of a PRP at a CERCLA site usually are the cost of the

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investigation and remediation, the relative amount of hazardous substances contributed by the PRP to the site, and the number of solvent PRPs.

The Company has received recent test results indicating levels of polychlorinated bi-phenyls ("PCBs") at its Dover, New Jersey facility which will require remediation. These levels have been reported to the New Jersey Department of Environmental Protection ("NJDEP"), and the Company is preparing a work plan to define the risk and to test possible clean-up options. The statement of work must be approved by the NJDEP pursuant to an Administrative Consent Order entered into between the Company and NJDEP on May 20, 1991 regarding clean-up of the site. Various remedies are possible and could involve expenditures ranging from \$2 million to \$22 million or more. The Company has recorded a \$2 million long-term liability as of December 31, 1996 for this matter. Given the uncertainties, it is possible that the estimated range of this cost and the amount accrued will change in the near term. The indemnification discussed below applies to the costs associated with this matter.

The Company is currently investigating possible and known contamination (including soil and groundwater contamination) at the following other North American facilities currently or previously owned and operated by the Company: Whitehall, Michigan; Branford, Connecticut; Farmington, Connecticut; and Hillsboro, Texas. The Company currently estimates that the total investigation and remediation costs at these facilities will be \$1.2 million. The Company is also addressing environmental issues at five European facilities. The Company has conducted an assessment and estimates actual expenditures at these properties to be not more than \$1.3 million.

As a result of off-site waste disposal prior to the acquisition, the Company is subject to liability for, and is currently involved in certain matters relating to the investigation and/or remediation of environmental contamination at properties not owned or operated by the Company. The Company has been or may be named a PRP at the following sites: Metcoa Metals, Pennsylvania; Barkhampstead Landfill, Connecticut; Combe Fill South Landfill, New Jersey; PJP Landfill, New Jersey; Solvent Recovery Service, Connecticut; PCB Treatment Inc. Site, Missouri; and Omega Chemical Corporation Site, California. The Company estimates that its total liability at those sites may range up to \$3.8 million.

In connection with the Acquisition, Pechiney International and Pechiney S.A. are required to indemnify Blade for environmental liabilities and obligations stemming from events occurring or conditions existing prior to the closing of the Acquisition to the extent such liabilities exceed \$6.0 million. Blade assigned its rights to the Company with respect to any such indemnification upon consummation of the Acquisition. The Company has recorded a long-term receivable of \$2 million related to this indemnification. There can be no assurance, however, that Pechiney International and Pechiney S.A. will indemnify the Company for all such environmental matters set forth above when demanded by the Company. If Pechiney International and Pechiney S.A. do not honor their indemnification obligations, the Company likely would be responsible for such matters.

The Company's parent company, Holdings, has contingent liability exposure for environmental contamination and related costs associated with certain discontinued mining operations owned and/or operated until the early 1960s. These liabilities include approximately \$20.7 million in remediation and natural resource damage liabilities at the Blackbird Mine Site in Idaho and at least \$4.0 million in investigation and remediation costs at the Holden Mine Site in Washington. However, the Company has never owned or operated any of these facilities, the Company has been dismissed as a defendant in the Blackbird mine proceedings, Pechiney, S.A. and Holdings are primarily liable with respect to such liabilities, and Pechiney International and Pechiney, S.A. have agreed to indemnify Blade for such environmental liabilities in full. Blade assigned its

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rights to Holdings and the Company with respect to any such indemnification to the extent that either Holdings or the Company incurs liability with respect to such matters.

EMPLOYEES

As of December 31, 1996, the Company had 10,035 employees.

ITEM 2 -- PROPERTIES

Howmet has twenty-two facilities in the United States, four in France, two in Great Britain and two in Canada, all of which are reasonably expected to meet the production needs of the Company. Its KHL joint venture in Japan owns one facility. Except as indicated, the facilities described below are all owned by Howmet, or its subsidiaries:

<TABLE> <CAPTION> <S>		<C>	<C>	<C>
LOCATION (NO. OF FACILITIES)	SIZE (SQ. FT.)	LOCATION	SIZE (SQ. FT.)	
Bethlehem, Pennsylvania	47,200 (leased)	Wichita Falls, Texas (2)	206,300	
Branford, Connecticut	138,420		125,000	
City of Industry, California	50,000 (leased)	Winsted, Connecticut	81,000	
Claremore, Oklahoma	75,000 (a)			
Cleveland, Ohio	100,000	OVERSEAS		
Dover, New Jersey (2)	240,737	Dives, France (capital lease)	255,858	
	115,292	Evron, France	81,000	
Hampton, Virginia	284,800	Exeter, U.K. (2)	184,350	
	4,090 (leased)		65,650	
Hillsboro, Texas	51,000 (leased)	Gennevilliers, France	47,361	
LaPorte, Indiana (2)	186,100	Georgetown, Ontario	37,000	
	132,748 (b)	Le Creusot, France	156,077	
Morristown, Tennessee	85,000	Montreal, Quebec	11,200	
North Haven, Connecticut	65,000		86,194 (leased)	
Whitehall, Michigan (6)	253,018	Terai, Japan	53,000 (c)	
	114,270			
	89,461	(a) Includes 14,000 square feet leased to R-H		
	83,208	Component Technologies		
	57,605	(b) Howmet Transport Services Warehouse		
	43,029	(c) Factory owned by Komatsu-Howmet Ltd.		

</TABLE>

ITEM 3 -- LEGAL MATTERS

The Company is a party to certain pending proceedings regarding environmental matters. See "Environmental Matters." The Company, in its ordinary course of business, is party to various other legal actions. Management believes these are routine in nature and incidental to its operations. Management believes that the outcome of any proceedings to which the Company currently is a party will not have material adverse effects upon its operations, financial condition or liquidity.

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

None.

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PART II

ITEM 5 -- MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is not traded on any organized market. All shares of the Company's common stock are owned by Howmet Holdings Corporation. All of the shares of Howmet Holdings Corporation are owned by Blade Acquisition Corp., which is 51% owned by The Carlyle Group and its affiliates, and 49% owned by Thiokol Holding Company, a wholly owned subsidiary of Thiokol Corporation. No unregistered sales of equity securities occurred in 1996. The Company does not currently pay any dividends on its common stock.

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ITEM 6 -- SELECTED FINANCIAL DATA

The following financial data should be read in conjunction with the financial statements of the Company and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations". The combined operations of Howmet and Cercast prior to the consummation of the Acquisition are referred to as the "Predecessor Company Combined," and Howmet and its subsidiaries after the consummation of the Acquisition are referred to as the "Successor Company Consolidated."

<TABLE>
<CAPTION>

(dollars in millions)	Predecessor Company Combined				Successor Company Consolidated	
	Year Ended December 31,			Period from	Period from	Year ended
	1992	1993	1994	January 1, 1995 to December 13, 1995 (a)	December 14, 1995 to December 31, 1995 (a)	December 31, 1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:						
Net sales	\$ 920.2	\$ 832.7	\$ 858.3	\$ 894.1	\$ 51.4	\$1,106.8
Gross profit	232.2	229.3	211.0	212.7	13.4	303.2
Selling, general and administrative	116.1	104.5	90.9	105.0	4.6	117.3
Depreciation and amortization	30.7	31.0	33.1	32.6	2.8	59.7
Research and development	24.3	23.3	19.2	25.0	1.4	24.2
Restructuring charges (credit)	58.9	-	2.5	(1.6)	-	-
Goodwill write-off	-	-	47.4	-	-	-
Operating income	2.2	70.5	17.9	51.7	4.6	102.0
Interest income-affiliates	4.4	5.3	9.4	8.6	-	-
Interest income-third parties	2.7	0.8	0.6	1.3	-	1.7
Interest expense-affiliates	-	(0.9)	(0.8)	(2.1)	-	-
Interest expense-third parties	(4.9)	(4.8)	(4.0)	(3.7)	(2.9)	(39.3)
Other-net	0.5	(0.1)	(0.1)	(5.8)	(1.0)	(5.9)
Provision for income taxes	3.3	27.8	46.0	23.7	0.5	31.2
Income (loss) before cumulative effect of change in accounting (b)	\$ 1.6	\$ 43.0	\$ (23.0)	\$ 26.3	\$ 0.2	\$27.3

BALANCE SHEET DATA (END OF PERIOD) (c):

Total assets	\$ 594.7	\$ 579.6	\$ 509.9	-	\$1,099.5	\$1,023.9
Total debt	66.3	44.5	42.1	-	463.5	323.0
Stockholders' equity	291.9	239.1	166.3	-	276.3	304.5

</TABLE>

(a) Includes the results of operations of Turbine Components Corporation, acquired in April 1995.

(b) In 1993, a \$49.3 million charge (net of tax benefits of \$31.5 million) was recorded as a cumulative effect of a change in accounting. Effective January 1, 1993, the Predecessor Company adopted Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" which requires that the estimated future cost of providing postretirement benefits such as health care be recognized as an expense when employees render services instead of when the benefits are paid. If SFAS No. 106 were in effect for 1992, net income would have been reduced by approximately \$2 million.

(c) Excludes the effects of advances to Pechiney Corporation, dividends to Pechiney Corporation, and notes payable to Pechiney or its affiliates as set forth below:

<TABLE>
<CAPTION>

	Year ended December 31,		
	1992	1993	1994
	(dollars in millions)		
<S>	<C>	<C>	<C>
BALANCE SHEET DATA (END OF PERIOD):			
Advances to Pechiney Corporation	\$160.7	\$203.7	\$238.7
Dividends payable	-	7.6	-
Notes payable	-	12.9	20.0

</TABLE>

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

GENERAL

The combined operations of Howmet and Cercast prior to the consummation of the December 13, 1995 acquisition are referred to as "Predecessor Company Combined," and Howmet and its subsidiaries after the consummation of the December 13, 1995 acquisition are referred to as the "Successor Company Consolidated." See Note 1 of Notes to Financial Statements.

The Company operates predominantly in a single industry as a manufacturer of investment cast components for the aerospace and industrial gas turbine industries through operating companies located in the United States, France, the United Kingdom and Canada. See Note 12 of Notes to Financial Statements.

The Company's operating performance is affected by general economic trends and by the following key factors:

Industry Trends. The Company manufactures superalloy, titanium and aluminum castings for turbine engines and airframe applications for customers worldwide in the commercial aviation, military aviation and industrial gas turbine markets. The commercial aviation market, after a deep decline in the first half of the present decade, has begun a period of upturn which is expected by industry experts to last for much of the remainder of the decade. Worldwide output of large commercial aviation engines, for which the Company makes the majority share of airfoils, increased from 1995 to 1996 by 15%, and is expected to increase in 1997 over 1996. Because of the lead time necessary to finish, assemble and test these engines, the Company produced a portion of the airfoil requirements for 1997 engines in 1996. Spare parts for engines in service are an important part of the business, and have seen increases in 1996. This comes about as a result of increased flight hours as well as actions by the now profitable airlines to replenish their stocks of such components needed at the time of engine overhaul. Military engine component production was approximately constant, driven more by overhaul programs of the large existing fleet rather than new aircraft builds. The military market is not expected to be robust in the foreseeable future. Demand for components for large industrial gas turbines grew in 1996. Driven by single digit increases in power consumption worldwide, production of electricity by gas turbines holds a stable share among the options for power generation. The Company is the majority supplier of airfoils for such turbines and expects that such business will remain an important part of its product line for the foreseeable future. In fact, the Company has and continues to participate in a large number of IGT development programs for new generation, high technology turbines, which assures an important continued presence in this field.

Pricing. The Company has experienced pressure from all of its major customers to assure price reductions as part of multi-year contracts. This is a result of the competitive environment which the Company's OEM customers are facing in the selling of their products in the worldwide market. Since winning an initial order assures a long term profitable market for spare parts, fierce competition exists and has successfully reduced the prices which OEMs receive in the market. Pressure for reduced prices is then exerted by the OEM on the suppliers.

Cost Reduction. In order to assure continued competitiveness and to counterbalance the pricing pressures, the Company has a vigorous cost reduction program. There are many elements of this program, all seeking to reduce cycle times (and thus inventory), improve quality or reduce operating costs. Improvement efforts are in place at all operating units, and are expected to continue to yield results in the future.

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RESULTS OF OPERATIONS

Results of operations for the full year ended December 31, 1995 are compared to the full years ended December 31, 1996 and 1994 even though the acquisition was effected on December 13, 1995. (See Note 1 of Notes to Financial Statements.) Management believes that full year comparisons are more meaningful than comparisons involving the separate January 1 to December 13, 1995 and December 14 to December 31, 1995 periods.

YEAR ENDED DECEMBER 31, 1996 COMPARED TO YEAR ENDED DECEMBER 31, 1995

Net sales increased by \$161.3 million (17.1%) to \$1,106.8 million for 1996 from \$945.5 million for 1995. The increase was primarily due to volume increases resulting from increased demand for aerospace and industrial gas turbine

airfoils, aluminum castings, and component repairs.

Gross profit increased by \$77.1 million (34.1%) to \$303.2 million for 1996 from \$226.1 million for 1995. The principal reasons for the improvement were the effects of volume increases and, to a lesser extent, operational improvements, partially offset by price reductions. Other contributing factors include a \$2.6 million lower LIFO charge in 1996 and a 1995 \$5.4 million workers' compensation charge for incurred but not reported claims (see 1995 versus 1994 comparison).

Selling, general and administrative expense increased \$7.8 million (7.1%) to \$117.3 million for 1996. The increase was due primarily to performance-based incentive costs.

Depreciation and amortization expense increased \$24.3 million (68.4%) to \$59.7 million for 1996 from \$35.4 million for 1995. Most of the increase relates to the December 13, 1995 acquisition asset additions and revaluations including goodwill, patents, non-compete agreement, and step-up of property, plant and equipment.

Research and development expense decreased \$2.2 million to \$24.2 million for 1996 from \$26.4 million for 1995. Although still very active, a slight decline in the level of new part development work was the principal reason for the decrease.

Net interest expense (interest expense less interest income) amounted to \$37.6 million for 1996, and net interest income (interest income less interest expense) amounted to \$1.2 million for 1995. The expense in 1996 resulted principally from the December 13, 1995 acquisition financing-related debt. In 1995, the Company recorded net interest income on loans to/from its former owner, which are no longer outstanding. The 1995 interest income was partially offset by \$2.9 million third party interest expense recorded in the December 14 to 31, 1995 period, which was related primarily to acquisition financing.

Equity in loss of unconsolidated affiliates declined to a \$1.4 million loss in 1996 versus a \$4.5 million loss in 1995. The decline is due to improved results for the Japanese joint venture.

Losses on sales of receivables increased to \$4.5 million in 1996 compared to \$0.7 million in 1995. The increased loss is due to a full year of sales activity in 1996 versus 1995 sales activity for only the December 14 to 31, 1995 period, since sales of receivables did not begin until after the acquisition.

The effective tax rate for 1996 was 53.3%, compared to an effective tax rate of 47.7% for 1995. The higher rate in the current period reflects certain losses and expenses for which there were no associated tax benefits, principally goodwill amortization.

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As a result of the foregoing, net income was \$27.3 million in 1996, compared to \$26.4 million in 1995.

The impact of inflation on net sales and earnings from operations was not significant.

YEAR ENDED DECEMBER 31, 1995 COMPARED TO YEAR ENDED DECEMBER 31, 1994

Net sales increased by \$87.2 million (10.2%) to \$945.5 million for 1995 from \$858.3 million for 1994. The increase was primarily due to increased demand for aerospace airfoils, aluminum castings, and component repairs, offset in part by selling price reductions of \$4.8 million. Approximately \$13.5 million of the increase resulted from the Company's acquisition of TCC in April, 1995.

Gross profit increased by \$15.1 million (7.2%) to \$226.1 million for 1995 from \$211.0 million for 1994, primarily due to the income effect of volume increases aggregating \$26.6 million, of which approximately \$2.5 million resulted from the acquisition of TCC. The favorable volume effect was partially offset by price reductions aggregating \$4.8 million. 1995 also included a \$5.4 million charge for workers' compensation claims incurred but not reported (incurred during the period due to the cessation of future insurance underwriting by a self-insurance subsidiary of Holdings, and an evaluation of such entity's remaining obligations). The Company's aggregate gross margin declined slightly to 23.9% for 1995 from 24.6% for 1994 due primarily to these charges.

Selling, general and administrative expense increased \$18.7 million (20.6%) to \$109.6 million for 1995. The increase was due primarily to expenses associated with the Company's promotion of new products and applications of casting technology consistent with its strategy, and increased consulting and employee benefit and compensation costs. In addition, credits, representing adjustments of prior years' accruals (primarily for employee benefit programs), were recorded in 1994.

Depreciation and amortization expense increased \$2.3 million (6.9%) to \$35.4 million for 1995 from \$33.1 million for 1994. \$1.3 million of the increase results from the acquisition of TCC in April 1995. The balance of the increase is attributable to depreciation resulting from the step up of value of fixed assets in the Acquisition, amortization of goodwill and other intangibles such as patents and non-compete agreements in the period from December 14 to 31, 1995.

Research and development expense increased \$7.2 million (37.5%) to \$26.4 million for 1995 from \$19.2 million for 1994. The increase is largely attributable to additional development work on new IGT products in response to customer development schedules.

During 1995, the Company canceled its plan for the closure of its Dover alloy airmelt operation, and accordingly, reversed the related restructuring reserve of \$1.0 million previously provided. The Company also reduced a reserve for moving administrative services to a central location for its operations in France by \$0.6 million. In 1994 the Company took a \$1.0 million charge for the Dover alloy airmelt operation and a \$1.5 million charge for closure of the Morristown, Tennessee wax manufacturing facility. See Note 16 of Notes to Financial Statements.

Interest expense--affiliates for 1995 increased to \$2.1 million, \$1.3 million higher than the \$0.8 million of expense incurred for 1994. The increase was due to higher borrowings by the Company's casting operations in France from Pechiney S.A. The borrowings were used to finance working capital additions and capital expenditures.

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Interest expense--third parties increased to \$6.6 million for 1995 from \$4.0 million for 1994. The increase of \$2.6 million is primarily attributable to the \$425.0 million of senior debt and other borrowings incurred in the Acquisition.

Equity in loss of unconsolidated subsidiaries increased by \$3.0 million. The higher losses are attributable to worse results for the Japanese joint venture.

The effective tax rate for 1995 was 47.7%. This compares to an effective tax rate of 200% for 1994. The lower rate in the current period reflects non-recurrence of certain losses from 1994 for which there were no associated tax benefits. In 1994 the Company recorded write-downs of goodwill totaling \$47.4 million that were not tax deductible.

As a result of the foregoing, net income was \$26.5 million in 1995, compared to a \$23.0 million loss for 1994.

The impact of inflation on net sales and earnings from operations was not significant.

LIQUIDITY AND CAPITAL RESOURCES

Since the consummation of the December 13, 1995 acquisition, the Company's principal sources of liquidity are cash flow from operations and borrowings under its revolving credit facility. The Company's principal requirements for cash are to provide working capital, service debt and finance capital expenditures. Cash available after satisfaction of these requirements is currently being used to voluntarily repay debt prior to mandatory due dates.

In 1996 the Company generated \$184.5 million in cash from operating activities. This amount includes (i) increased accounts payables, (ii) pension plan contributions that were approximately \$6 million less than normal, and (iii) \$28.1 million that resulted from cost recoveries under, and modifications of, certain customer agreements. These three substantial positive effects on cash flow are not expected to repeat in 1997.

The Company has a five year revolving credit facility that provides \$75 million of revolving credit borrowing and letter of credit capacity. At the Company's option, in 1996 such capacity was reduced from \$125 million. At December 31, 1996, borrowings under this facility were \$12 million, and \$9.7 million of standby letters of credit were outstanding.

In 1996 the Company repaid \$140.9 million of debt, including a \$14 million reduction in revolving credit borrowings and \$98.4 million of voluntary senior term facility repayments prior to mandatory due dates. In December 1996, the senior term facility and senior revolving credit facility were amended to reflect more favorable terms and conditions, including an approximate 150 basis point reduction in interest rates. In February 1997, an additional 25 basis point reduction occurred based on achieving certain financial milestones.

Capital expenditures in 1996 were \$33.7 million. In 1997 capital expenditures are expected to be approximately \$55 million. The 1997 increase is attributable to capacity expansion resulting from increased demand and to a return to more normal levels of spending.

As part of the December 13, 1995 acquisition purchase price allocation, a \$21.0 million restructuring reserve was established for Howmet S.A. The extent of the restructuring was less than initially anticipated; consequently, \$19.1 million of the accrual was reversed. In 1996 \$1.0 million was spent on this restructuring effort and an additional \$.9 million is expected to be spent in 1997.

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The Company has re-initiated a process that may result in the sale of its refurbishment business, although no agreement has been reached. If the refurbishment business is sold, proceeds will be used to reduce indebtedness or invest in available opportunities in its existing businesses. The Company will retain its Thermatech coating operations in any disposition of its refurbishment business. Net sales of the refurbishment business that may be sold were \$76.0 million in 1996 and \$63.0 million in 1995. Earnings from operations of this business were immaterial in both periods. Apart from the benefits of proceeds if the business is sold, the impact of the sale will not have a material effect on liquidity.

Based upon the current level of operations, management believes that cash flow from operations, together with available borrowings under the revolving credit facility, will be adequate to meet the Company's anticipated requirements for working capital, capital expenditures, interest payments and scheduled principal payments under the senior credit facilities prior to final maturity.

The Company guarantees certain indebtedness of its two joint ventures. As of December 31, 1996 these joint ventures had outstanding indebtedness of approximately \$23.1 million, of which the Company has guaranteed approximately \$11.5 million. It is anticipated that such joint ventures may continue to incur indebtedness. As part of the December 13, 1995 acquisition, Pechiney S.A. has indemnified the Company, through its parent, Howmet Holdings Company, for a limited amount of these guarantees. The indemnification is limited to \$5.9 million and applies only to payments in excess of \$6.0 million.

ENVIRONMENTAL MATTERS

See "Business - Environmental Matters", Note 15 of Notes to Financial Statements, and Exhibit 99.1 for discussions of environmental matters.

IMPENDING ACCOUNTING CHANGE

In January 1997, the Company adopted SFAS No. 125 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". The standard establishes accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities, including the sale of receivables. Adoption is not anticipated to have a material effect on the results of operations or financial position of the Company.

* * * * *

The statements made herein that are not historical facts may be forward looking statements. In connection with the "Safe Harbor" provision of the Private Securities Litigation Reform Act of 1995, the Company hereby cautions readers that the forward looking statements are subject to certain risks and uncertainties, including without limitation those identified in Exhibit 99.1 hereto, which could cause actual results to differ materially from historical results or those anticipated, and urges readers to review Exhibit 99.1 carefully. Factors discussed in Exhibit 99.1 include, among others, substantial leverage and debt service, the effects of aerospace industry economic conditions and cyclicality, reduced government sales, concentrated customer base, competition, concentration of ownership and environmental matters.

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ITEM 8 -- FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the Financial Statements and Schedules attached hereto and listed in Item 14(a)(1) and (a)(2) hereof.

ITEM 9 -- CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10 -- DIRECTORS AND OFFICERS OF THE COMPANY

The following table sets forth certain information with respect to the members of the Board of Directors and the executive officers of the Company.

NAME	TITLE	AGE
<S>	<C>	<C>
William E. Conway	Director	46
David L. Squier	Director; President and Chief Executive Officer	51
James R. Wilson	Director	55
B. Dennis Albrechtsen	General Manager of Whitehall Castings	52
Allan Bergquist	Vice President, Sales and Marketing	54
John Corrigan	Vice President, Engineering	55
Henri Fine	President, Cercast Group	52
Jack Lambert	Vice President, Human Resources	50
Marklin Lasker	Senior Vice President, International Operations	59
John Parkinson	Vice President, Howmet Refurbishment, Inc.	47
Neil Paton	Vice President, Technology	58
Roland Paul	Vice President, General Counsel and Secretary	60
John C. Ritter	Vice President, Finance; Chief Financial Officer	49
James R. Stanley	Senior Vice President, United States Operations	55
Paul C. Wilson	Vice President, Corporate Planning	49

All directors of the Company hold office until the election and qualification of their successors. Each director has held his position since consummation of the Acquisition in 1995, except Mr. Squier who has been a director of Howmet since September 1987. Certain executive officers of the Company are elected by the Board of Directors and others are appointed by the President. They serve at the Board's discretion, subject to the terms of certain employment agreements described below. The Company does not pay any fees or remuneration to its directors for service on the board or any board committee, but reimburses directors for their ordinary out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors.

William E. Conway, Jr. was elected as a Director of Howmet and Blade upon consummation of the Acquisition. He has been a Managing Director of The Carlyle Group, a Washington, D.C.-based private merchant bank, since 1987. Mr. Conway was Senior Vice President and Chief Financial Officer of MCI Communications Corporation from 1984 until 1987, and was a Vice President and Treasurer of MCI from 1981 to 1984. Mr. Conway presently serves on the Board of Directors of BDM International, Inc., GTS Duratek, Inc., Tracor Inc., Nextel Communications, Inc., and several privately held companies.

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David L. Squier has been President and Chief Executive Officer of the Company since 1992. Mr. Squier began his association with Howmet when he joined the Corporate Planning department of its predecessor in December 1971. He was involved in manufacturing management from 1976 to 1978, became General Manager of Wichita Falls Casting in 1979, and was promoted to Vice President of Operations in 1983. He was elected a Director of Howmet in 1987. He was elected as a Director of Blade and Holdings upon consummation of the Acquisition.

James R. Wilson was elected as a Director of Blade and the Company upon consummation of the Acquisition. He became Chairman of the Board of Thiokol Corporation in October 1995 and has served as a Director, President and Chief Executive Officer of Thiokol Corporation since 1993. He was Chief Financial Officer from 1989 through 1993, Senior Vice President from 1989 to 1992, and Executive Vice President from 1992 to 1993. Mr. Wilson is also a director of Rohr, Inc. and First Security Corporation.

B. Dennis Albrechtsen has held the position of General Manager of Howmet Whitehall Castings since 1994. Prior to this, he served Howmet as Vice President, Airfoil Operations since October 1988. He has also held positions of responsibility at the Whitehall-Michigan, Dover-New Jersey and Wichita Falls-Texas casting plants.

Allan Bergquist has been Vice President, Sales and Marketing of Howmet Corporation since March, 1996. Prior thereto he served at Allied Signal as Director, Marketing, Fluid Systems Division of Allied Signal and previously as Corporate Director, Aircraft Systems Strategy, General Sales Manager, Allied Signal Garrett, and Vice President, Marketing and Sales.

John Corrigan is Vice President of Engineering and has held that position since

1984. Since joining the Company in 1967, he has held a number of positions including Chief Metallurgist, Director of Engineering, Plant Manager and General Manager of the Hampton Virginia casting plant.

Henri Fine has been President of the Cercast Group since January 1991. Mr. Fine started his career with Pechiney in France in 1971 and was with that company in the United States and Canada from 1974 until the Acquisition. During his 24 years with Pechiney, he held positions in corporate planning, marketing, operations, general management and corporate development. He joined the Cercast Group in April 1990.

Jack Lambert has been Vice President, Human Resources for Howmet since June 1994. Prior thereto, he served as a Vice President of Human Resources for Rubbermaid, Inc., Home Products Division from March 1990 to June 1994 and Vice President for Human Resources for operating units of United Technologies Corporation from March 1981 to March 1990.

Marklin Lasker has been a Senior Vice President of the Company since February 1992. He is currently in charge of International Operations. Before joining the Company, Mr. Lasker was Vice President and General Manager of North American, Far East and Latin American operations for the AlliedSignal Turbocharger Division from April 1989 to September 1991.

John Parkinson has been Vice President of Howmet Refurbishment, Inc. since June 1989. He began his association with Howmet as an Engineering Manager in March 1984 and has held positions as Plant Manager and General Manager.

Neil Paton has been the Vice President of Technology for the Company since December 1990. Previously, Dr. Paton was a Program Manager and Director of Materials Engineering of the Rocketdyne Division of Rockwell International Corporation.

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Roland Paul has been Vice President, General Counsel and Secretary of the Company since 1976. Mr. Paul was previously in private practice as an attorney at law firms in New York and Paris and served as counsel to the United States Senate Foreign Relations Subcommittee on United States Security Commitments Abroad.

John C. Ritter became Vice President, Finance of both Howmet and Holdings in April 1996 and is Chief Financial Officer of Howmet. Prior to his employment at Howmet, he served as Vice President, Finance and Contracts, for AlliedSignal Government Electronics from 1994-1996, and as Vice President, Finance and Administration of Norden Systems division of United Technologies Corporation ("UTC") from 1991-1994. He has also held the positions of Vice President, Finance and Administration, Chemical Systems Division, and Manager, Business Analysis, Pratt & Whitney Aircraft--Government Products Division of UTC.

James R. Stanley has been Senior Vice President of the Company since 1992. He is currently in charge of United States Operations. Previous to his employment at Howmet, Mr. Stanley was the Vice President and General Manager of Customer Support and Marketing at the Textron Turbine Engine Division of Textron, Inc. from August 1990 to January 1992. He also held the position of Vice President of Operations for Textron Lycoming and held numerous managerial positions for nearly 20 years at General Electric Aircraft Engines.

Paul C. Wilson became Vice President of Corporate Planning in September 1995. Since joining the Company in 1988, Dr. Wilson has held various senior management positions with the Company, including President of Cercast and Business Planning Manager.

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ITEM 11 -- EXECUTIVE COMPENSATION

The following table sets forth information with respect to the compensation paid by the Company for services rendered during the years ended December 31, 1996, December 31, 1995, and December 31, 1994, to the Chief Executive Officer and to each of the five other most highly compensated executive officers of the Company (the "Named Executive Officers").

<TABLE>
<CAPTION>

SUMMARY COMPENSATION TABLE

NAME AND	ANNUAL COMPENSATION	OTHER ANNUAL	LONG-TERM COMPENSATION	
			LTIP	ALL OTHER

PRINCIPAL POSITION	YEAR	SALARY	BONUS (1)	COMPENSATION	PAYOUTS (2)	COMPENSATION (3)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
David L. Squier	1996	\$350,000	\$540,926	\$ 5,902	\$500,179	\$1,178,347
Chief Executive Officer	1995	325,000	352,109	7,971	11,997	175,481
	1994	300,000	268,860	12,425	-0-	24,080
James R. Stanley	1996	215,000	257,674	4,476	252,045	491,031
Senior Vice President,	1995	200,000	186,100	5,722	-0-	18,055
United States Operations	1994	193,000	136,221	6,399	-0-	7,580
Marklin Lasker	1996	200,004	214,686	1,621	237,757	506,115
Senior Vice President,	1995	190,800	150,745	5,006	-0-	19,406
International Operations	1994	184,800	129,746	4,451	-0-	8,106
B. Dennis Albrechtsen	1996	174,390	174,002	5,275	160,322	11,814
General Manager,	1995	173,000	136,213	6,317	-0-	11,286
Whitehall Castings	1994	168,000	98,592	6,065	-0-	7,110
Jack Lambert	1996	153,000	134,086	5,092	54,128	260,651
Vice President	1995	145,833	65,613	7,670	-0-	-0-
Human Resources	1994	81,667	-0-	2,018	-0-	48,319
Ronald L. Wood	1996	135,629	190,829	6,471	158,736	331,701
Vice President, Finance	1995	170,355	123,367	5,746	-0-	20,202
(employment ended 9/96)	1994	166,200	99,855	3,627	-0-	6,121

(1) Includes payments under the Company's Annual Bonus Plan and under its Restructuring Plan, a three year annual incentive plan which began in 1992 and ended in 1995, which allowed for payments to be made to the Named Executive Officers in conjunction with the Company's restructuring efforts.

(2) The Company's Long-Term Incentive Plan allowed for annual payments based on threshold, target and maximum goals tied to the Company's performance with respect to profits and return on net assets over rolling three-year periods, beginning in 1991. The Long-Term Incentive Plan was terminated in connection with the Acquisition, and the listed amounts were determined and paid in 1996 to give effect to that termination.

(3) A one time Sale Bonus was awarded to certain executives, including the Named Executive Officers, upon consummation of the Acquisition (See "Transaction Incentive Payments"). The following amounts were paid to the Named Executive Officers: David L. Squier, \$1,157,813; James Stanley, \$475,000; Marklin Lasker, \$453,625; Jack Lambert, \$249,375; Ronald L. Wood, \$302,813. The Company makes matching contributions dollar for dollar of the first five percent of all employees' compensation deferred in the Company's 401(k) savings plan. The Company maintains excess non-qualified plans that provide for payment of amounts in the form of taxable compensation equal to the amounts that would have been otherwise paid to employees under the 401(k) formula absent the benefit limitations of the Code. These contributions are included. During 1995 the Company made payments in lieu of vacation not taken by certain executive officers due to activities related to the Acquisition. The following amounts were paid to the Named Executive Officers: James Stanley, \$7,692; Marklin Lasker, \$11,008; Jack Lambert, \$5,654; and Ronald Wood, \$7,863. The figures for David Squier also reflect payment, provided by Pechiney, of premiums for a life insurance policy in 1994 of \$10,789 and 1995 of \$153,488; the 1995 payment by Pechiney prepaid all future premiums on the policy. The 1994 figure for Jack Lambert reflects payment of a one time signing bonus of \$44,236 when Mr. Lambert joined the Company. The 1996 figure for Ronald Wood reflects payment for relocation of \$18,218. In 1996, Thiokol granted 230,000 contingent stock options for Thiokol common stock to certain Company employees, including the Named Executive Officers (see "Management Agreements").

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RETIREMENT PLANS

The Company maintains defined benefit pension plans for substantially all its employees. Effective January 2, 1996, the Company adopted the Howmet Corporation Salaried Employees Pension Plan (the "SEPP") a defined benefit plan that covers most salaried employees, and provides for continuing benefits that had been provided under another defined benefit plan (the "Pechiney Plan") prior to the Acquisition. The following table shows the estimated annual pension benefits for salaried employees payable upon retirement (including amounts attributable to the SEPP, the Excess Benefit Plans and the Supplemental Retirement Plans, as described below, and including any benefit payable under the Pechiney Plan) for the specified compensation and years of service.

PENSION PLAN TABLE

REMUNERATION	YEARS OF SERVICE					
	15	20	25	30	35	40
<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$200,000	\$ 43,164	\$ 57,552	\$ 71,940	\$ 86,328	\$100,716	\$111,716
\$400,000	\$ 88,164	\$117,552	\$146,940	\$176,328	\$205,716	\$227,716
\$600,000	\$133,164	\$177,552	\$221,940	\$266,328	\$310,716	\$343,716

As of December 31, 1996, the Named Executive Officers had the following credited service for determining pension benefits: David L. Squier, 25 years; James R. Stanley, 4 years; Marklin F. Lasker, 4 years; B. Dennis Albrechtsen, 21 years; Ronald Wood, 26 years; and Jack Lambert, 2 years.

All employees named in the Summary Compensation Table participate in the SEPP. Before 1997, pension benefits for these employees are based on the average earnings for the highest five consecutive years of the final ten years of service. Compensation included in the final average earnings for the pension benefit computation includes base annual salary and annual bonuses but excludes payments for all other compensation. The SEPP benefit prior to 1997 takes into account the service and compensation earned at Pechiney and will be reduced by any benefit payable under the Pechiney Plan.

Effective January 1, 1997, the SEPP's design was changed to that of a cash balance plan. The cash balance plan maintains hypothetical individual accounts for participants. Amounts credited to the accounts are based on compensation and age. Benefits earned before 1997 under the final average earnings formula are being converted to opening account balances.

As of January 1, 1997, SEPP benefits are payable at retirement or termination. Benefits may be payable as a single life annuity, a joint and survivor annuity, a ten year certain option, a level income option or a lump sum.

Because the SEPP is subject to the benefit and compensation limits under the Internal Revenue Code ("Code"), the Company has established two unfunded Excess Benefit Plans that provide for payment of amounts that would have been paid to employees under the pension formula absent the benefit and compensation limits of the Code.

The Company also maintains several Supplemental Executive Retirement Plans ("SERPs") designed to provide unfunded supplemental retirement benefits to certain employees of the Company. The first is designed to provide the selected employees a benefit at retirement equal to that they would have earned under the SEPP and the Excess Benefit Plans, had the SEPP not been converted to a cash balance plan. Benefits under the SERP are offset by benefits received under the SEPP and the Excess Benefit Plans. Currently, Messrs. Squier, Stanley, Lasker, and Albrechtsen participate in this SERP.

The second SERP is designed to provide the selected employees a benefit at retirement equal to 50% of the participant's average three highest consecutive years of compensation during the last ten years. SERP benefits are offset by amounts the participant receives from certain other plans and Social Security. Currently, Mr. Squier is the only employee participating in this SERP.

TRANSACTION INCENTIVE PAYMENTS

The Company instituted an additional incentive plan in 1995 for the Named Executive Officers granting them significant incentive bonuses upon the successful sale of the Company. The incentives provided for a bonus equal to: (i) a payment equal to a multiple (ranging from one-and-one-half times to three times) of the officer's 1995 base salary plus (ii) an additional payment equal to 0.75% of the guaranteed payment for each million dollars by which the final sale price exceeded Pechiney's threshold price. Payments earned and paid under the Transaction Incentive Payments were the obligations of Pechiney pursuant to the terms of the Stock Purchase Agreement and were paid in 1996.

EMPLOYMENT AGREEMENTS

In October, 1995 the Company entered into employment agreements (the "Agreements") with thirteen management employees, including each Named Executive Officer except Mr. Albrechtsen. The Agreements set base salary levels and provide a specified percentage (generally from 30-60%) of base salary as a target annual bonus amount. The Agreements also generally provide each Named Executive Officer (the "Executive") with the use of a Company-owned automobile and participation in benefit plans and programs available to the Company management employees generally. The Agreements generally provide that in the event the Executive's employment is terminated by the Company other than for "cause" or by the Executive with "good reason" (each as defined therein) within 18 months following the Acquisition (or prior to the Executive's 62nd birthday in the case of Mr. Squier), the Executive will be entitled to (i) the amount of the Executive's base pay and target bonus for a specified period ranging from 18 to 36 months, (ii) a prorated portion of the annual bonus and any long-term incentive awards that would have been payable in the year of termination, (iii) Company-paid outplacement services, (iv) transfer to the Executive of the Company-owned car he was using, (v) accelerated vesting under certain of the

Company's retirement plans, (vi) the right to continue to participate in the Company's medical benefits plan for up to two years at the rates in effect for active employees, and the right to be treated as a retiree for purposes of continued coverage thereafter. The severance benefits described above are generally conditioned on the Executive's agreement not to compete with the business of the Company for a period of twelve months following the participant's termination of employment. In the event of the Executive's death or disability, the Agreements generally provide for the payment of prorated annual bonus and long-term incentive plan awards, but not other severance amounts. Mr. Squier's agreement provides that he is entitled to a supplemental annual pension payment equal to the excess of 50% of his average base pay during his final three years of employment over the amounts provided to him under certain of the Company's retirement plans and under social security. Mr. Albrechtsen has an employment agreement that sets a base salary and 35% of that amount as an annual bonus target, and is generally effective until his 62nd birthday. In the event that Mr. Albrechtsen's employment is terminated by the Company without "cause" or by Mr. Albrechtsen with "good reason" (each as defined therein), Mr. Albrechtsen is generally entitled to the amount of his base salary and annual bonus for a period of 24 months; and if such termination occurs after his 55th birthday, he is entitled to such amounts for a period of 36 months.

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STOCK APPRECIATION RIGHTS

In early 1996, Blade introduced a Stock Appreciation Rights ("SARs") plan. Under the plan, SARs representing approximately 5% of Blade's equity value were issued to certain executive officers of the Company. The SARs, similar to phantom stock options, are valued based on appreciation in the value of Blade's common stock, as defined, from the date of adoption of the plan to the earlier of a sale of The Carlyle Group's controlling interest in Blade or five years. The SARs vest over a five-year period based upon the passage of time and the operating performance of the Company, with acceleration in the event of sale of The Carlyle Group's controlling interest in Blade. The following table shows the number and value of SARs granted to the Named Executive Officers during 1996.

STOCK APPRECIATION RIGHT GRANTS IN LAST FISCAL YEAR

<TABLE>
<CAPTION>

NAME AND PRINCIPAL POSITION	NUMBER OF SECURITIES UNDERLYING SARs GRANTED	PERCENT OF TOTAL SARs GRANTED TO EMPLOYEES IN FISCAL YEAR	BASE PRICE (\$/SAR)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
David L. Squier	20,000	19.5	\$100	3/31/01	\$531,890	\$ 1,170,248
James R. Stanley	7,500	7.3	\$100	3/31/01	\$199,459	\$ 438,843
Marklin Lasker	5,000	4.9	\$100	3/31/01	\$132,973	\$ 292,562
B. Dennis Albrechtsen	3,000	2.9	\$100	3/31/01	\$ 79,784	\$ 175,537
Ronald L. Wood	0	0	--	--	0	0
Jack Lambert	3,000	2.9	\$100	3/31/01	\$ 79,784	\$ 175,537

</TABLE>

INSIDER PARTICIPATION

David L. Squier, President and Chief Executive Officer of the Company is a Director of the Company and participates in the decisions of the Board of Directors of the Company concerning officer compensation.

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ITEM 12 -- PRINCIPAL STOCKHOLDERS

All of the capital stock of the Company is owned by Holdings and all of the common stock of Holdings is owned by Blade. The following table sets forth the ownership of common stock of Blade by each person known by Blade to be the owner of 5% or more of Blade's outstanding common stock.

<TABLE>
<CAPTION>

BENEFICIAL OWNER(1)	NUMBER OF SHARES	PERCENTAGE OF ALL OUTSTANDING COMMON STOCK
<S>	<C>	<C>
Carlyle-Blade Acquisition Partners, L.P., a Delaware limited partnership ("CBAP") (2) .. c/o The Carlyle Group	5,100	51

1001 Pennsylvania Avenue, N.W Washington, D.C. 20004		
Thiokol Corporation(3)	4,900	49
2475 Washington Boulevard Ogden, Utah 84401		
William E. Conway, Jr	0	
David L. Squier	0	
James R. Wilson	0	
James R. Stanley	0	
B. Dennis Albrechtsen	0	
Marklin Lasker	0	
Jack Lambert	0	
Ronald Wood	0	
All directors and executive officers as a group (15 persons)(4).....	0	

(1) Except as otherwise indicated, each beneficial owner has the sole power to vote, as applicable, and to dispose of all shares of common stock owned by such beneficial owner. Carlyle and Thiokol are parties to a Stockholders Agreement governing, among other matters, voting of Blade common stock in the election of directors. Because of their rights under the Stockholders Agreement, Carlyle and Thiokol may be deemed beneficial owners of 100% of the Company's outstanding common stock. Each of Carlyle and Thiokol disclaims ownership of all shares it does not own of record, directly or through partnerships.

(2) CBAP is the record owner of the shares beneficially owned by Carlyle. Carlyle Partners II, L.P. and Carlyle Partners III, L.P. (the "General Partners") are the general partners of CBAP. TC Group, L.L.C., a Delaware limited liability company, is the sole general partner of each of the General Partners, and TCG Holdings, L.L.C., a Delaware limited liability company, is the sole managing member of TC Group, L.L.C. The General Partners, TC Group, L.L.C. and TCG Holdings could therefore be deemed to be beneficial owners of the shares owned by CBAP. TC Group, L.L.C. is also the general partner of certain limited partners of CBAP.

Under the terms of the Stockholders Agreement between Thiokol and Carlyle, each of Thiokol and Carlyle nominated an equal number of directors to the Board of Directors of Blade, and one additional director was selected from management to serve on Blade's Board of Directors. See "Directors and Officers of the Company" for the identities and backgrounds of the directors. Blade and its subsidiaries may not take certain actions without the approval of a supermajority of Blade's directors, including but not limited to certain mergers, sale transactions, transactions with affiliates, issuances of capital stock, incurrence of indebtedness and payments of dividends on or repurchases of capital stock. Other than transfers to affiliates made in accordance with the Stockholders Agreement, no transfer of capital stock of Blade may be made by any stockholder without the consent of Carlyle and Thiokol until the sixth anniversary of the Closing Date or the expiration of the Call Option (as defined below), whichever is later. At any time after the third anniversary and before the sixth anniversary of the Closing Date, Thiokol will have the right to purchase all common stock then held by Carlyle at a price equal to the greater of Carlyle's capital contributions compounded at a fixed rate or fair market value (the "Call Option"). In addition, after the expiration of Thiokol's Call Options, Thiokol and Carlyle will have the right to participate, on a pro rata basis, in sales by the

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other of the Blade stock they hold; at any time after the sixth anniversary of the Closing Date, each of Thiokol and Carlyle will have the right to compel the participation of the other in sales of all the outstanding shares of Blade's stock; and each of Thiokol and Carlyle may, with the consent of the other, initiate a public offering. Pursuant to a registration rights agreement entered into in connection with the Stockholders Agreement, Thiokol and Carlyle will have certain "demand" and "piggyback" registration rights with respect to their Blade common stock, which become effective if Thiokol's Call Option lapses. The Stockholders Agreement also provides for an acceleration of Thiokol's Call Option in the event there is a change in control of Carlyle's beneficial ownership. Carlyle is entitled to control the Blade Board of Directors in the event of a change in control of Thiokol.

(3) Thiokol's investment in Blade is owned of record by Thiokol's wholly owned subsidiary, Thiokol Holding Company.

(4) Certain executive officers acquired limited partnership interests in CBAP in 1996. None of such officers have voting or investment discretion with respect to the Company's stock.

MANAGEMENT AGREEMENTS

Concurrently with the closing of the Acquisition, Howmet entered into management agreements ("Management Agreements") with TCG Holdings, L.L.C. and Thiokol for certain management and financial advisory services to be provided to the Company and its subsidiaries. The Management Agreements provide for the payment to each of TCG Holdings, L.L.C. and Thiokol annual management fees in an amount equal to \$1.0 million. Also concurrently with the closing of the Acquisition, a predecessor to Holdings entered into transaction fee agreements with TCG Holdings, L.L.C. and Thiokol for the provision of advisory services relating to the negotiation, structuring and financing of the Acquisition, for fees of \$2.0 million, which were paid to each of TCG Holdings, L.L.C. and Thiokol.

During 1996, Thiokol granted 230,000 contingent stock options for Thiokol common stock to certain Company employees, including the Named Executive Officers. The options granted to the Named Executive Officers have an exercise price of \$35.50 per option, the market price of Thiokol stock on the date of the grant. The options will vest only if Thiokol acquires the Company. The options vest, and are exercisable, 50% on the date of Thiokol's acquisition of Howmet equity from Carlyle and 25 percent each year thereafter. In the event Thiokol does not acquire 100% of the equity ownership of Blade, the stock options become void. The options expire not later than ten years after the date of the grant.

TAX SHARING AGREEMENT

Blade entered into income tax sharing agreements (the "Tax Sharing Agreements") with each of Holdings and the Company (the "Subsidiaries") on December 13, 1995. The Tax Sharing Agreements provide that in any year in which a Subsidiary is included in any consolidated tax return of Blade, and the Subsidiary has taxable income, the Subsidiary will pay to Blade the amount of the tax liability the Subsidiary would have had if it filed a separate return (the "Separate Income Tax Liability"). In the event that the amount of Separate Income Tax Liability for a Subsidiary in any taxable year in which it is filing a consolidated return with Blade exceeds the amount equal to the product of (a) the income tax liability of the group of corporations filing on a consolidated basis for the taxable year (the "Blade Group Tax Liability") and (b) a fraction, the numerator of which is equal to the Subsidiary's Separate Income Tax Liability and the denominator of which is equal to the aggregate total of the Separate Income Tax Liability of all Subsidiaries which are included in Blade's consolidated tax return, then the Subsidiary will not be obligated to pay Blade the amount of such excess. In the event that the Blade Group Tax Liability exceeds the sum of all Subsidiaries' Separate Income Tax Liability for such year, Blade

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may collect from the Subsidiaries the amount of such excess, provided, however, that no Subsidiary shall be required to pay to Blade an amount that exceeds the excess of (i) the sum of such Subsidiary's Separate Income Tax Liability for the period beginning when such Subsidiary was included in the Blade's Consolidated Return and ending in the tax year at issue over (ii) the sum of amounts paid by such Subsidiary pursuant to this sentence. Adjustments to income arising from events occurring subsequent to the filing of the consolidated return attributable to matters such as amended returns, carrybacks, audit adjustments and refund claims will be given effect between Blade and the Subsidiaries as soon as practicable after determination of such adjustments. The Tax Sharing Agreements provide for a similar allocation between Blade and the Subsidiaries in the event that any state and local income taxes of Blade and the Subsidiaries are determined on a combined, consolidated or unitary basis.

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PART IV

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

(a) (1) -- Financial Statements

The following Consolidated Financial Statements of the Company and its subsidiaries are included in this Report:

<TABLE>
<CAPTION>

<S>
Reports of Independent Auditors

Page No.

<C>
F-1 - F-5

Statements of Operations and Retained Earnings for the Year ended December 31, 1996, the Period from December 14, 1995 to December 31, 1995 (Successor Company Consolidated), the Period from January 1, 1995 to December 31, 1995 (Predecessor Company Combined), and the Year Ended December 31, 1994 (Predecessor Company Combined).

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Statements of Cash Flows for the year ended December 31, 1996, the Period from December 14, 1995 to December 31, 1995 (Successor Company Consolidated), the Period from January 1, 1995 to December 13, 1995 (Predecessor Company Combined), and the Year Ended December 31, 1994 (Predecessor Company Combined).

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Notes to Financial Statements

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(a) (2) -- Financial Statement Schedule

The following schedule to the Financial Statements of the Company and its subsidiaries is included in this Report:

Schedule

II -- Valuation and Qualifying Accounts and reserves

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</TABLE>

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required or are inapplicable, and therefore have been omitted.

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(a) (3) -- Exhibits

Regulation S-K

Exhibit No.:

- 3.1 Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 3.2 By-laws of the Company (incorporated herein by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 4.1 Registration Rights Agreement dated as of December 7, 1995, among the Company, BT Securities Corporation, and Lehman Brothers, Inc. (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 4.2(a) Indenture dated as of December 7, 1995 between the Company and Marine Midland Bank, as Trustee (incorporated herein by reference to Exhibit 4.2(a) to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 4.2(b) Supplemental Indenture dated as of December 13, 1995 between the Company and Marine Midland Bank, as Trustee (incorporated herein by reference to Exhibit 4.2 to Amendment no. 2 to the Company's Registration Statement on Form S-4 filed April 1, 1996 (registration no. 333-00200)).
- 4.3 Credit Agreement dated as of December 13, 1995 among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., Howmet Acquisition Corp., Bankers Trust Company, various banks, Citicorp USA, Inc., and The First National Bank of Chicago as Managing Agents, Bankers Trust Company as Syndication Agent, Citicorp USA, Inc. as Documentation Agent and The First National Bank of Chicago, as Administrative Agent, together with certain collateral documents attached thereto as exhibits, including the Subsidiary Guaranty, Pledge Agreement and Security Agreement among Blade Acquisition Corp., Pechiney Corporation, Howmet Corporation, certain subsidiaries and affiliates of Howmet Corporation and the First National Bank of Chicago (incorporated herein by reference to Exhibit 4.3 to Amendment no. 2 to the Company's Registration Statement on Form S-4 filed April 1, 1996 (registration no. 333-00200)).
- 4.4 Copies of the executed original 10% Senior Subordinated Notes due 2003 of the Company (the "Original Notes"), authenticated and delivered by Marine Midland Bank as Trustee on December 7, 1995 (incorporated herein by reference to Exhibit 4.4 to the Company's

- 4.5 Form of 10% Senior Subordinated Notes due 2003 of the Company offered in exchange for the Original Notes (included in Exhibit 4.2).
- 4.6 Amended and Restated Credit Agreement dated as of December 5, 1996 among Blade Acquisition Corp., Howmet Holdings Corporation., Howmet Corporation, Bankers Trust Company, various banks, Citicorp USA, Inc., and The First National Bank of Chicago as Managing Agents, Bankers Trust Company as Syndication Agent, Citicorp USA, Inc. as Documentation Agent and The First National Bank of Chicago, as

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- 27 Administrative Agent, together with certain collateral documents attached thereto as exhibits, including the Subsidiary Guaranty, Pledge Agreement and Security Agreement among Blade Acquisition Corp., Howmet Holdings Corp., Howmet Corporation, certain subsidiaries and affiliates of Howmet Corporation and the First National Bank of Chicago.
- 4.7 Blade Receivables Master Trust Amended and Restated Pooling and Servicing Agreement dated April 18, 1996 among Blade Receivables Corporation as Transferor, Howmet Corporation as Servicer and Manufacturers and Traders Trust Company as Trustee together with certain collateral documents attached thereto as exhibits, including the Amended and Restated Receivables Purchase Agreement dated as of April 18, 1996 between Howmet Corporation and certain subsidiaries of Howmet Corporation, as Settlers, and Blade Receivables Corporation as Buyer.
- 10.1 Howmet Corporation Annual Bonus Plan (incorporated herein by reference to Exhibit 10.1 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.2 Howmet Restructuring Cash Incentive Plan (incorporated herein by reference to Exhibit 10.2 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.3 Howmet Corporation Excess Benefit Plan (incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.4 Howmet Corporation Transaction Incentive Payments Plan (incorporated herein by reference to Exhibit 10.5 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.5 Howmet Corporation Enhanced Bonus Program for Employees Grade 22 and Above (incorporated herein by reference to Exhibit 10.6 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.6 1986 Howmet Corporation Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.7 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.7 Howmet Corporation 1995 Executive Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.8 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.8 Employment Agreement dated October 4, 1995, between Howmet Corporation and Henri Fine (incorporated herein by reference to Exhibit 10.9 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.9 Employment Agreement dated October 4, 1995, between Howmet Corporation and Jack Lambert (incorporated herein by reference to Exhibit 10.10 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).

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10.10 Employment Agreement dated October 4, 1995, between Howmet

Corporation and Mark Lasker (incorporated herein by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).

- 10.11 Employment Agreement dated October 4, 1995, between Howmet Corporation and Neil Paton (incorporated herein by reference to Exhibit 10.12 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.12 Employment Agreement dated October 4, 1995, between Howmet Corporation and James Stanley (incorporated herein by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.13 Employment Agreement dated October 4, 1995, between Howmet Corporation and Paul Wilson (incorporated herein by reference to Exhibit 10.14 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.14 Employment Agreement dated October 4, 1995, between Howmet Corporation and Roland Paul (incorporated herein by reference to Exhibit 10.16 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.15 Employment Agreement dated October 4, 1995, between Howmet Corporation and David Squier (incorporated herein by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.16 Employment Agreement dated October 4, 1995, between Howmet Turbine Components Corporation and B. Dennis Albrechtsen (incorporated herein by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.17 Letter Agreement regarding payment of life insurance between Howmet Corporation and David L. Squier (incorporated herein by reference to Exhibit 10.19 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).
- 10.18(a) Tax Sharing Agreement among Howmet Corporation, Howmet Management Services, Inc., Howmet-Tempcraft, Inc., Howmet Thermatech Canada, Inc., Howmet Transport Services, Inc., Howmet Sales, Inc., Howmet Refurbishment, Inc., Turbine Components Corporation, Blade Receivables Corporation, a Nevada corporation, and Howmet Cercast (USA), Inc., dated as of December 13, 1995 (incorporated herein by reference to Exhibit 10.20(a) to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.18(b) Tax Sharing Agreement among Blade Acquisition Corp., Pechiney Corporation, Howmet Insurance Co., Inc., Howmet Corporation and all of its directly and indirectly owned subsidiaries, dated as of December 13, 1995 (incorporated herein by reference to Exhibit 10.20(b) to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.19 Management Agreement between Howmet Corporation and Thiokol Holding Company dated as of December 13, 1995 (incorporated herein by reference to Exhibit 10.21 to the

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- 29 Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.20 Management Agreement between Howmet Corporation and TCG Holdings, L.L.C., dated as of December 13, 1995 (incorporated herein by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-4 filed January 9, 1996 (registration no. 333-00200)).
- 10.21 Assignment and Assumption Agreement between Howmet Holdings Acquisition Corp. and Howmet Acquisition Corp., dated as of December 6, 1995 and Indemnification Provisions of the Stock Purchase Agreement among Pechiney, Pechiney International S.A., Howmet Cercast S.A. and Blade Acquisition Corp., dated as of October 12, 1995 (incorporated herein by reference to Exhibit 10.23 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed January 17, 1996 (registration no. 333-00200)).

- 10.22 Revised Employment Letter dated February 13, 1996, between Howmet Corporation and John C. Ritter (incorporated herein by reference to Exhibit 10.24 to Amendment No. 3 to the Company's Registration Statement on Form S-4 filed June 11, 1996 (registration no. 333-00200)).
- 10.23 Stock Appreciation Right Agreement between Howmet Corporation and David L. Squier dated May 17, 1996 (incorporated herein by reference to Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996.)
- 10.24 Stock Appreciation Right Agreement between Howmet Corporation and James Stanley dated May 17, 1996 (incorporated herein by reference to Exhibit 10.25 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996.)
- 10.25 Stock Appreciation Right Agreement between Howmet Corporation and Mark Lasker dated May 17, 1996 (incorporated herein by reference to Exhibit 10.26 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996.)
- 10.26 Stock Appreciation Right Agreement between Howmet Corporation and John C. Ritter dated May 17, 1996 (incorporated herein by reference to Exhibit 10.27 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996).
- 10.27 Stock Appreciation Right Agreement between Howmet Corporation and Allan Bergquist dated May 17, 1996 (incorporated herein by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996).
- 10.28 Stock Appreciation Right Agreement between Howmet Corporation and B. Dennis Albrechtsen dated May 17, 1996 (incorporated herein by reference to Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996).
- 10.29 Howmet Corporation Amended and Restated Special 1995 Executive Deferred Compensation Plan effective as of November 1, 1995 (incorporated herein by reference

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- 30 to Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996).
- 10.30 The Howmet Corporation Nonqualified Deferred Compensation Trust dated April 29, 1996 (incorporated herein by reference to Exhibit 10.31 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1996, filed August 28, 1996).
- 21.1 List of Significant Subsidiaries
- 27.1 Financial Data Schedule
- (b) No reports on Form 8-K were filed by the Company during the last quarter of 1996.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this to be signed on its behalf by the undersigned thereunto duly authorized.

HOWMET CORPORATION

Dated: March 31, 1997

By: John C. Ritter

 John C. Ritter
 Vice President and Chief
 Financial Officer

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

<TABLE>

<CAPTION>
<S>
Dated: March 31, 1997

<C>
David L. Squier

David L. Squier
President and Chief Executive Officer and
Director (Principal Executive Officer)

Dated: March 31, 1997

William E. Conway

William E. Conway
Director

Dated: March 31, 1997

James R. Wilson

James R. Wilson
Director

Dated: March 31, 1997

John C. Ritter

John C. Ritter
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

</TABLE>

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(D) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT.

No annual report or proxy material has been sent to security holders by Registrant.

Report of Independent Auditors

The Board of Directors and Shareholders
Howmet Corporation

We have audited the accompanying consolidated balance sheets of Howmet Corporation and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of operations and retained earnings, and cash flows for the year ended December 31, 1996, and for the periods from January 1, 1995 to December 13, 1995 (Predecessor Company) and December 14, 1995 to December 31, 1995 (Successor Company). Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits. We did not audit the 1995 financial statements of Howmet SA, CIRAL SNC and Howmet Limited (UK), wholly-owned subsidiaries, which statements reflect total assets of \$201 million as of December 31, 1995, and total revenues of \$221 million for the year ended December 31, 1995. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to data included for Howmet SA, CIRAL SNC and Howmet Limited (UK), is based solely on the reports of other auditors. The combined financial statements of Howmet Corporation and Howmet Cercast Group for the year ended December 31, 1994 were audited by other auditors whose report dated October 27, 1995 expressed an unqualified opinion on those statements.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts (including the allocation of the results of operations of Howmet SA, CIRAL SNC and Howmet Limited (UK) between the period from December 14, 1995 to December 31, 1995) and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and, for 1995, the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Howmet Corporation and subsidiaries as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for the year ended

December 31, 1996, for the periods from January 1, 1995 to December 13, 1995 and December 14, 1995 to December 31, 1995, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

Stamford, Connecticut
January 27, 1997

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REPORT OF INDEPENDENT ACCOUNTANTS

11 July 1996

To the Board of Directors of Howmet Limited

We have audited the balance sheet of Howmet Limited ("the Company") as of 31 December 1995, and the related profit and loss account and statements of changes in cash flows and changes in shareholders' equity for the year ended 31 December 1995, all expressed in pounds sterling and prepared on the basis set forth in the financial statements (not separately presented herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United Kingdom generally accepted auditing standards which do not differ in any material respect from auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at 31 December 1995 and the results of the Company's operations and its cash flows for the year ended 31 December 1995 in conformity with generally accepted accounting principles in the United Kingdom.

Price Waterhouse
Bristol, England

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AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

(YEAR ENDED DECEMBER 31, 1995)

To the Stockholders
Howmet SA
68 Rue du Moulin du Cage
92230 Gennevilliers

The following report is a free translation of the statutory auditor's report issued in France except with respect to the reference to generally accepted auditing standards in the United States (see paragraph 1, below).

In accordance with the terms of our appointment by the General Meeting, we hereby present our report for the year ended December 31, 1995 on:

- the audit of the annual accounts (balance sheet and income statement) of Howmet SA (not separately presented herein);
- the specific procedures and disclosures required by law.

The Board of Directors is responsible for the preparation of the annual accounts. Our responsibility is to express an opinion on these accounts based on our audit.

1. OPINION ON THE ANNUAL ACCOUNTS

We conducted our audit in accordance with generally accepted auditing standards (GAAS) in France (which are substantially similar to generally accepted auditing standards in the United States). These standards require the auditor to perform such tests and procedures as give reasonable assurance that the annual accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the information contained in these accounts. It also includes an assessment of the accounting policies used and of significant estimates made by the Board of Directors in the preparation of the annual accounts, and an evaluation of the overall adequacy of the presentation of these accounts. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the annual accounts have been properly prepared and present fairly the company's results for the year ended December 31, 1995, and its assets, liabilities and financial position as at that date in accordance with accounting principles generally accepted in France.

2. SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the specific procedures required by the law, in accordance with auditing standards.

We have no comments to make on the fair presentation or on the consistency with the annual accounts of the information given in the Management Report of the Board of Directors or in documents sent to the stockholders on the company's financial position and annual accounts.

In accordance with the law, we have ensured that the necessary disclosures on acquisitions of participating and controlling interests and on the identity of stockholders have been provided in the Management Report.

Signed in Paris on May 23, 1996

The Auditor
/s/ Befec-Price Waterhouse

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AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

(YEAR ENDED DECEMBER 31, 1995)

To the Stockholders
CIRAL SNC
ZAC de la Presaie
53600 Evron

The following report is a free translation of the statutory auditor's report issued in France except with respect to the reference to generally accepted auditing standards in the United States (see paragraph 1, below).

In accordance with the terms of our appointment by the General Meeting, we hereby present our report for the year ended December 31, 1995 on:

- the audit of the annual accounts (balance sheet and income statement) of Ciral SNC (not separately presented herein);
- the specific procedures and disclosures required by law.

The manager is responsible for the preparation of the annual accounts. Our responsibility is to express an opinion on these accounts based on our audit.

1. OPINION ON THE ANNUAL ACCOUNTS

We conducted our audit in accordance with generally accepted auditing standards (GAAS) in France (which are substantially similar to generally accepted auditing standards in the United States). These standards require the auditor to perform such tests and procedures as give reasonable assurance that the annual accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the information contained in these accounts. It also includes an assessment of the accounting policies used and of significant estimates made by the manager in the preparation of the annual accounts, and an evaluation of the overall adequacy of the presentation of these accounts. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the annual accounts have been properly prepared and present fairly the company's results for the year ended December 31, 1995, and its assets, liabilities and financial position as at that date in accordance with accounting principles generally accepted in France.

2. SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the specific procedures required by the law, in accordance with auditing standards.

We have no comments to make on the fair presentation or on the consistency with the annual accounts of the information given in the Management Report of the manager or in documents sent to the stockholders on the company's financial position and annual accounts.

Signed in Paris on May 15, 1996

The Auditor
/s/ Befec-Price Waterhouse

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Boards of Directors of
Howmet Corporation and Howmet Cercast Group

In our opinion, the accompanying combined statements of operations and retained earnings and of cash flows for the year ended December 31, 1994 present fairly, in all material respects, the results of operations and cash flows of Howmet Corporation and Howmet Cercast Group (collectively, the "Predecessor Company") and each of their consolidated subsidiaries, affiliated by common ownership and management, for the year ended December 31, 1994 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Predecessor Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

We have not audited the combined financial statements of the Predecessor Company for any period subsequent to December 31, 1994.

Price Waterhouse LLP
Stamford, Connecticut
October 27, 1995

/s/ PRICE WATERHOUSE LLP

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Howmet Corporation

Consolidated Balance Sheets

(Dollars in thousands, except share amounts)

<TABLE>
<CAPTION>

	December 31,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,398	\$ 9,606
Accounts receivable (less allowance of \$5,623 and \$8,258)	76,870	88,533
Inventories	149,419	150,288
Retained receivables	46,132	42,690
Deferred income taxes	20,957	--

Other current assets	2,982	3,481
Total current assets	319,758	294,598
Property, plant and equipment, net	291,086	301,563
Goodwill, net	253,377	311,092
Acquisition intangibles and other assets, net	159,672	192,250
Total assets	\$1,023,893	\$1,099,503
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 76,840	\$ 58,987
Accrued liabilities	157,408	154,957
Income taxes payable	18,561	11,930
Long-term debt due within one year	56,106	45,303
Deferred income taxes	--	22,516
Total current liabilities	308,915	293,693
Accumulated postretirement benefit obligation	88,569	84,421
Other liabilities	37,245	20,257
Deferred income taxes	17,777	6,663
Long-term debt	266,870	418,186
Total liabilities	719,376	823,220
Commitments and contingencies (see Notes 8 and 15)		
Stockholders' equity:		
Common stock, \$1 par value, 1,000 shares authorized; 10 shares issued and outstanding	--	--
Capital surplus	275,000	275,000
Retained earnings	27,461	160
Cumulative translation adjustment	2,056	1,123
Total stockholders' equity	304,517	276,283
Total liabilities and stockholders' equity	\$1,023,893	\$1,099,503

</TABLE>

See notes to the financial statements.

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Howmet Corporation

Statements of Operations and Retained Earnings

(Dollars in thousands)

<TABLE>

<CAPTION>

	Successor Company Consolidated		Predecessor Company Combined	
	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 1,106,812	\$ 51,366	\$ 894,132	\$ 858,251
Operating costs and expenses:				
Cost of sales	803,624	38,021	681,427	647,272
Selling, general and administrative expense	117,342	4,591	104,990	90,894
Depreciation and amortization expense	59,686	2,780	32,654	33,089
Research and development expense	24,207	1,425	25,004	19,169
Restructuring expense (credit)	--	--	(1,624)	2,546
Goodwill writeoff	--	--	--	47,400
	1,004,859	46,817	842,451	840,370
Earnings from operations	101,953	4,549	51,681	17,881

Interest income, affiliates	--	--	8,628	9,462
Interest income, third parties	1,665	23	1,297	552
Interest expense, affiliates	--	--	(2,155)	(843)
Interest expense, third parties	(39,301)	(2,925)	(3,713)	(3,948)
Equity in loss of unconsolidated affiliates	(1,390)	(159)	(4,315)	(1,434)
Losses on sales of receivables	(4,450)	(657)	--	--
Other, net	(16)	(190)	(1,477)	1,324
	-----	-----	-----	-----
Income before income taxes	58,461	641	49,946	22,994
Income taxes	31,160	481	23,662	45,984
	-----	-----	-----	-----
Net income (loss)	27,301	160	26,284	(22,990)
	-----	-----	-----	-----
Retained earnings at beginning of period	160	--	297,914	340,665
Dividends declared on common stock	--	--	(200,000)	(19,761)
	-----	-----	-----	-----
Retained earnings at end of period	\$ 27,461	\$ 160	\$ 124,198	\$ 297,914
	=====	=====	=====	=====

</TABLE>

See notes to the financial statements.

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Howmet Corporation
Statements of Cash Flows
(Dollars in thousands)

	Successor Company Consolidated		Predecessor Company Combined	
	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
	-----	-----	-----	-----
	<C>	<C>	<C>	<C>
<S>				
Operating activities				
Net income (loss)	\$ 27,301	\$ 160	\$ 26,284	\$ (22,990)
Adjustment to reconcile net income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	63,326	2,965	32,654	33,089
Equity in loss of unconsolidated affiliates	1,390	159	4,315	1,434
Goodwill writeoff	--	--	--	47,400
Changes in assets and liabilities:				
Accounts receivable	8,790	(19,793)	(11,431)	7,847
Inventories	17,145	12,382	(1,655)	15,608
Deferred income taxes	(2,292)	167	(2,650)	9,770
Accounts payable	17,213	(5,452)	(23,111)	9,992
Accrued liabilities and other liabilities	21,880	(2,723)	17,246	(6,714)
Income taxes payable	6,135	(594)	(18,738)	(519)
Long-term customer receivable	21,138	--	--	--
Other - net	2,460	--	12,325	(3,525)
	-----	-----	-----	-----
Net cash provided (used) by operating activities	184,486	(12,729)	35,239	91,392
Investing activities				
Proceeds from disposal of fixed assets	283	13	3,217	5,027
Payments made for capital expenditures	(33,686)	(1,613)	(41,203)	(37,991)
Decrease (increase) in advances to Pechiney	--	--	237,368	(34,914)
Payments made for investments and other assets	--	(1,076)	(5,790)	(454)
Acquisition of business, net of cash acquired	3,634	(737,546)	--	--
	-----	-----	-----	-----
Net cash provided (used) by investing activities	(29,769)	(740,222)	193,592	(68,332)
Financing activities				
Issuance of debt	147,250	50,842	37,013	8,534
Repayment of debt	(288,100)	(40,000)	(56,986)	(4,021)
Payment of dividends	--	--	(200,000)	(28,613)
Proceeds from acquisition financing:				
Sale of accounts receivable	--	51,400	--	--
Issuance of debt	--	450,200	--	--
Issuance of equity	--	250,000	--	--
	-----	-----	-----	-----
Net cash provided (used) by financing				

activities	(140,850)	762,442	(219,973)	(24,100)
Effect of exchange rate changes on cash	(75)	115	234	(439)
	-----	-----	-----	-----
Net increase (decrease) in cash	13,792	9,606	9,092	(1,479)
	-----	-----	-----	-----
Cash and cash equivalents at beginning of period	9,606	--	4,962	6,441
	-----	-----	-----	-----
Cash and cash equivalents at end of period	\$ 23,398	\$ 9,606	\$ 14,054	\$ 4,962
	=====	=====	=====	=====
Supplemental disclosures of cash flow information:				
Cash paid during the period for:				
Income taxes	\$ 28,427	\$ 876	\$ 42,646	\$ 34,643
Interest	\$ 36,190	\$ 37	\$ 5,265	\$ 4,425

</TABLE>

See notes to the financial statements.

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Howmet Corporation

Notes to Financial Statements

1. BASIS OF PRESENTATION

SUCCESSOR COMPANY

Blade Acquisition Corp. ("Blade") was formed in October 1995 to acquire Pechiney Corporation from Pechiney International, S.A. ("Pechiney International") and the Cercast group of companies from Howmet Cercast S.A., a subsidiary of Pechiney International. The Carlyle Group and certain of its affiliates ("The Carlyle Group") and Thiokol Holding Company, a wholly-owned subsidiary of Thiokol Corporation ("Thiokol"), own 51% and 49%, respectively, of Blade's common stock. The acquisition was effected through a series of transactions, including the purchase of Pechiney Corporation by Howmet Holdings Acquisition Corp. ("HHAC"), a wholly-owned subsidiary of Blade; the purchase of the capital stock of certain Cercast companies by Howmet Acquisition Corp. ("HAC"), a wholly-owned subsidiary of HHAC; and the mergers of HHAC with and into Pechiney Corporation and of HAC with and into Howmet Corporation ("Successor Company" or "Howmet"). After the mergers, Pechiney Corporation's name was changed to Howmet Holdings Corporation ("Holdings"). Howmet is a wholly-owned subsidiary of Holdings. Howmet and its subsidiaries, including the Cercast group of companies, is the only operating subsidiary of Holdings. The Stock Purchase Agreement provides Blade with indemnities for certain pre-closing tax, environmental and product liability matters. These indemnities were assigned to the Company by Blade.

An agreement between The Carlyle Group and Thiokol Holding Company provides that Thiokol Holding Company may purchase all of The Carlyle Group's interest in Blade, from December 13, 1998 to December 13, 2001. At any time after December 13, 2001, Thiokol Holding Company and The Carlyle Group will have the right to compel the participation of the other in sales of all the outstanding shares of Blade's common stock. Thiokol Holding Company or The Carlyle Group may, with the consent of the other, initiate a public offering.

The acquisition was completed on December 13, 1995 for a total purchase price, including transaction fees and expenses, of approximately \$771.6 million (after agreed upon 1996 post-closing adjustments). Financing for the acquisition included (i) borrowing of \$300.0 million under a senior term loan facility, (ii) the sale of \$125.0 million aggregate principal amount of senior subordinated notes, (iii) \$51.4 million of proceeds from a special purpose receivables facility, (iv) \$10.2 million in borrowings under a \$125.0 million revolving credit facility, (v) \$10.0 million of borrowings through a Canadian facility, and (vi) a \$250.0 million cash equity investment from the proceeds of the issuance of \$200.0 million of Blade common stock and \$50.0 million of Blade pay-in-kind preferred stock. The acquisition financing also included a \$25.0 million pay-in-kind junior subordinated purchaser note issued to Pechiney International by Howmet's parent company, which amount was contributed to Howmet's capital.

The acquisition was accounted for in accordance with the purchase method of accounting, and accordingly, the Successor Company Consolidated Financial Statements reflect the allocation of the purchase price and related acquisition costs to the assets acquired and liabilities assumed based on their fair values. The following unaudited condensed financial information gives effect, on a pro forma basis, to the acquisition as if it had occurred at the beginning of the years ended December 31, 1995 and 1994 (in thousands):

Howmet Corporation

Notes to Financial Statements (continued)

1. BASIS OF PRESENTATION (CONTINUED)

<TABLE>

<CAPTION>

	Pro Forma (Unaudited)	
	Year Ended December 31,	
	1995	1994

<S>	<C>	<C>
Net sales	\$945,498	\$858,251
Net loss	(19,150)	(58,560)

</TABLE>

The pro forma net loss in 1994 includes a \$47.4 million write off of goodwill as discussed in Note 5. The pro forma information does not necessarily represent what the actual consolidated results would have been for these periods and is not intended to be indicative of future results.

PREDECESSOR COMPANY

The combined statements of operations and retained earnings and cash flows have been prepared to present the combined operations of Howmet Corporation and Howmet Cercast Group ("Cercast") (collectively, the "Predecessor Company"), affiliated entities with common ownership and management, on a historical cost basis prior to their acquisition by Blade. All transactions between Howmet Corporation and Cercast have been eliminated.

The Predecessor Company had significant transactions with Pechiney International and its majority owner, Pechiney S.A., a French corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References to the "Company" relate to both the Predecessor Company and the Successor Company.

PRINCIPLES OF CONSOLIDATION

The accompanying financial statements include all subsidiary companies and reflect the use of the equity method of accounting for 50% owned joint ventures. All significant intercompany accounts and transactions have been eliminated.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective period. Amounts affected include, but are not limited to, allowances for doubtful accounts, reserves for contract losses and other accruals. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Company recognizes revenue from the sale of its products upon shipment. Provision for estimated losses on sales commitments are recorded when identified.

Howmet Corporation

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Company considers all investment instruments with a maturity of three months or less when acquired to be cash equivalents.

INVENTORIES

Inventories are stated at cost, which approximates or is less than replacement value. The Company values a substantial portion of its inventories on the last-in, first-out ("LIFO") method.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets, ranging from 4 to 8 years for machinery and equipment and from 19 to 30 years for buildings.

GOODWILL

Goodwill is the excess of the purchase price over the fair value of tangible and identifiable intangible net assets acquired and is amortized on a straight-line basis over 40 years. The carrying value of goodwill is reviewed when facts and circumstances suggest that it may be impaired. The Company assesses its recoverability by determining whether the amortization of the goodwill balance over its remaining life can be recovered through undiscounted projected future cash flows. If it cannot be fully recovered, goodwill is considered to be impaired. The amount of impairment is measured based upon the present value of these projected future cash flows at appropriate discount rates less the book value of goodwill.

ACQUISITION INTANGIBLES

Other acquisition intangible assets consist of the fair value, at the December 13, 1995 acquisition date (Note 1), of patents, technology and a noncompete agreement. They are being amortized on a straight-line basis over 10 to 15 years.

TRANSLATION OF FOREIGN CURRENCIES

All assets and liabilities of the Company's subsidiaries outside of the U.S., except for Canada, are translated into U.S. dollars at year-end exchange rates. Revenues and expenses are translated into U.S. dollars at average rates of exchange prevailing during the period. Unrealized currency translation adjustments are deferred in the balance sheet, whereas transaction gains and losses are recognized currently in the statement of operations.

The Canadian operation's functional currency is the U.S. dollar. Therefore, Canadian monetary assets and liabilities are translated at period end exchange rates and inventories and other nonmonetary assets and liabilities are translated at historical rates. Adjustments resulting from translation of Canadian monetary assets and liabilities at year-end exchange rates are included in the statements of operations.

INCOME TAXES

Except for items representing permanent differences between pretax book income and taxable income, income taxes are provided on all revenue and expense items included in the statements of operations, regardless of the period in which such items are recognized for income tax purposes. Deferred income taxes result from the future tax consequences associated with temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes.

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Howmet Corporation

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF LONG-LIVED ASSETS

In 1996, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 121 "Accounting for the Impairment of Long-Lived Assets to be

Disposed Of." The standard requires the Company to review long-lived and intangible assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Adoption did not have a material effect on the results of operations or financial position of the Company.

ACCOUNTING FOR TRANSFERS AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

In January 1997, the Company adopted SFAS No. 125 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". The standard establishes accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities, including the sale of receivables. Adoption is not anticipated to have a material effect on the results of operations or financial position of the Company.

RECLASSIFICATION OF PRIOR PERIOD FINANCIAL STATEMENTS

Certain 1995 and 1994 amounts have been reclassified to be consistent with 1996 presentation.

3. INVENTORIES

Inventories are summarized as follows (in thousands):

<TABLE>
<CAPTION>

	December 31,	
	1996	1995
<S>	<C>	<C>
Raw materials and supplies	\$ 56,121	\$ 63,281
Work in progress and finished goods	95,041	87,078
FIFO inventory	151,162	150,359
LIFO valuation adjustment	(1,743)	(71)
	\$149,419	\$150,288
	=====	=====

</TABLE>

At December 31, 1996 and 1995, inventories include \$48.2 million and \$39.7 million, respectively, that are not valued using LIFO.

In 1996 and 1994, inventory levels were reduced. This resulted in liquidation of LIFO inventory carried at the lower costs prevailing in prior years as compared with costs of current purchases. The effect of charging these lower LIFO costs to cost of sales rather than the cost of current purchases was not significant in 1996 and decreased cost of sales by \$9 million and increased net income by \$5.5 million in 1994.

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Howmet Corporation

Notes to Financial Statements (continued)

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following (in thousands):

<TABLE>
<CAPTION>

	December 31,	
	1996	1995
<S>	<C>	<C>
Land	\$ 14,601	\$ 14,502
Buildings	70,665	67,603
Machinery and equipment	246,781	221,305
Accumulated depreciation	332,047 (40,961)	303,410 (1,847)
	\$291,086	\$301,563
	=====	=====

</TABLE>

Depreciation expense was \$39.6 million in 1996, \$1.8 million in the period from December 14 to 31, 1995, \$31.9 million in the period from January 1 to December 13, 1995 and \$31 million in 1994.

5. GOODWILL

Goodwill relates to the acquisition of the Company by Blade (Note 1). Accumulated amortization was \$8.1 million and \$.4 million at December 31, 1996 and 1995. The \$57.7 million 1996 reduction in goodwill was due to \$7.7 million of amortization, the recognition of \$30.5 million of preacquisition U.S. net operating loss carryforward benefits and alternative minimum tax credits (Note 9) that were not estimable at the acquisition date, the reversal of \$22.3 million of restructuring accruals (Note 16), the 1996 \$3.6 million settlement reduction of the acquisition price, and finalization of the carrying value of certain other assets and liabilities upon completion of the data collection and estimation process.

As a result of the acquisition of Cercast in 1989, goodwill of approximately \$67 million was recorded. During 1994, the Predecessor Company recorded goodwill write-offs totaling \$47.4 million, the principal component of which, \$42.4 million, related to Cercast. Cercast is a producer of aluminum investment castings for the defense electronics and commercial aerospace industries which are primarily North American and European based. Management estimated that the market for aluminum investment castings in North America had declined significantly due to downsizing in the defense industry sector and a then existing downturn in commercial aerospace orders. As a result, the industry had shifted from a seller's market to a buyer's market with pricing under severe pressure. Similarly, the European market for aluminum casting had experienced a decline due to weakness in both sectors of the aerospace industry. These conditions resulted in Cercast achieving lower than expected sales and related profitability. The Predecessor Company determined that the defense industry sector decline was permanent in nature and that based on its estimate of expected future operating results, the entire remaining goodwill balance would not be recoverable. The methodology used by management to evaluate the recoverability of goodwill was to discount 10 years of projected cash flows at 12% (the Predecessor Company's estimated long term cost of capital) together with an associated discounted earnings valuation for the remaining amortization period. The amount of impairment was measured on this basis as well. The forward projections made by management were based on approved budgets and related information and represented management's belief of the most likely future scenario.

Also in 1994, \$5 million of goodwill related to the Company's Tempcraft tooling subsidiary was written off. The evaluation and measurement criteria used in making this determination were similar to that described above for Cercast.

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Howmet Corporation

Notes to Financial Statements (continued)

6. ACQUISITION INTANGIBLES AND OTHER ASSETS, NET

Acquisition intangibles and other assets, net include the following (in thousands):

	December 31,	
	1996	1995
<S>	<C>	<C>
Patents and technology, net of accumulated amortization of \$7,077 and \$337	\$ 60,323	\$ 67,063
Non-compete agreement, net of accumulated amortization of \$5,242 and \$242	69,758	74,758
Deferred financing costs, net of accumulated amortization of \$3,827 and \$185	13,844	16,186
Other assets	15,747	34,243
	-----	-----
	\$159,672	\$192,250
	=====	=====

</TABLE>

Patents and technology and the non-compete agreement are being amortized over their estimated useful lives of 10 years and 15 years, respectively. The

deferred financing costs are being amortized over the life of the financings.

7. FINANCING ARRANGEMENTS

Long-term debt is summarized as follows (in thousands):

	December 31,	
	1996	1995
<S>		
Senior term facility	\$175,000	\$300,000
Senior revolving credit facility	12,000	26,000
Senior subordinated notes	125,000	125,000
Other	10,976	12,489
	-----	-----
	322,976	463,489
Less current portion	56,106	45,303
	-----	-----
	\$266,870	\$418,186
	=====	=====

</TABLE>

Principal maturities for the succeeding five years ended December 31 are as follows: 1997--\$56.1 million, 1998--\$35.2 million, 1999--\$35.2 million, 2000--\$35.2 million and 2001--\$35.2 million. At December 31, 1996, \$9.7 million of letters of credit were outstanding and \$53.4 million of borrowing capacity was available under the revolving credit facility.

In December 1996, the senior term facility and senior revolving credit facility (collectively, the "Senior Credit Facilities") were amended to reflect more favorable terms and conditions. Under the amended agreement, the \$185 million of outstanding principal in the three tranches of the former senior term facility was converted into a \$175 million single tranche senior term loan and \$10 million of borrowings under the revolving credit facility. The \$175 million senior term loan is due in equal \$8.8 million quarterly payments and matures in December 2001. The senior revolving credit facility, which expires in December 2001, provides \$75 million of revolving credit capacity, including up to \$50 million of standby letters of credit.

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Howmet Corporation

Notes to Financial Statements (continued)

7. FINANCING ARRANGEMENTS (CONTINUED)

Excluding the effects of the swap agreements discussed below, interest on borrowings under the Senior Credit Facilities is, at the Company's option, at a bank's base rate (8.25% at December 31, 1996) plus .25% or at Eurodollar rates (approximately 5.7% at December 31, 1996) plus 1.25%. The Eurodollar pricing option requires a minimum commitment of thirty days. Rates will decline if the Company achieves certain financial milestones. There is a .25% commitment fee on the unutilized portion of the revolving credit facility and a 1.5% fee on the outstanding letters of credit. At December 31, 1995, the three tranches of the senior term facility were comprised of: \$145 million Tranche A, at base rate plus 1.5% or Eurodollar rate plus 2.5%; \$100 million Tranche B, at base rate plus 2% or Eurodollar rate plus 3%; \$55 million Tranche C, at base rate plus 2.25% or Eurodollar rate plus 3.25%.

The Company has interest rate swap agreements, based on long term treasury rates, that effectively fix \$200 million of variable rate Eurodollar debt through February 1998. The swap agreements have fixed the Company's ninety day Eurodollar borrowing rate at 5%. As of December 31, 1996, the fair value of these swap agreements is \$1.8 million as a result of ninety day Eurodollar interest rate increases. The counterparties to these transactions are major financial institutions. The Company does not anticipate nonperformance by the counterparties.

The Senior Credit Facilities are guaranteed by Blade and are secured by a security interest in all stock owned by Blade (with certain exceptions) and in substantially all other assets (other than receivables sold pursuant to the receivables facility) owned by the Company. The Senior Credit Facilities prohibit cash dividends and contain financial covenants that require the Company to meet certain financial ratios and tests. In addition, they contain other

restrictions customarily found in such agreements, such as limits on indebtedness, payments for acquisitions and capital expenditures and payments with respect to capital stock. The Senior Credit Facilities contain events of default including cross defaults with respect to other debt and the receivables facility, and a change of control of Blade or the Company (with the exception of certain changes in control between Thiokol Holding Company and The Carlyle Group).

The senior subordinated notes ("Notes") are due in 2003, are unsecured and bear interest at 10% per annum. The Notes are redeemable in whole or in part on December 1, 1999 at 105% of principal amount, declining annually to 100% on December 1, 2002. Prior to December 1, 1998, the Company may redeem up to \$45 million principal amount with the net proceeds of one or more equity offerings. Also, after December 1, 1997 the Notes may be redeemed if Thiokol Holding Company acquires the entire equity interest of Blade. The Notes limit the Company's ability to incur additional indebtedness, sell assets and enter into mergers and certain other transactions. Noteholders have the right to require the Company to repurchase their Notes at 101% if there is a change in control of Blade.

The Company has an agreement to sell, on a revolving basis, an undivided interest in a defined pool of accounts receivable. At December 31, 1996 the defined pool of outstanding accounts receivable amounted to \$101.1 million. The Company received \$55 million from the sale of such eligible receivables to a master trust and has deducted this amount from accounts receivable in the December 31, 1996 consolidated balance sheet. Losses on the sale of receivables are included in the line so captioned in the statements of operations. The \$46.1 million difference between the total eligible pool and the \$55 million sold represents retainage on the sale in the event the receivables are not fully collected.

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Howmet Corporation

Notes to Financial Statements (continued)

7. FINANCING ARRANGEMENTS (CONTINUED)

Because the Senior Credit Facilities are comprised of loans with variable interest rates, the carrying value approximates fair value at December 31, 1996. The senior subordinated notes are thinly traded; fair value of \$135 million is based on management's knowledge of recent trading prices.

8. COMMITMENTS

The Successor Company and its subsidiaries have noncancellable operating leases relating principally to manufacturing and office facilities and certain equipment. Future minimum payments under noncancellable leases as of December 31, 1996 are as follows: 1997--\$5.4 million, 1998--\$3.7 million, 1999--\$2.7 million, 2000--\$2.1 million, 2001--\$1.1 million and thereafter \$2.8 million.

Total rental expense for all operating leases was \$8 million in 1996, \$4 million in the period from December 14 to 31, 1995, \$6.7 million in the period from January 1 to December 13, 1995 and \$6.1 million in 1994.

As of December 31, 1996 the Company is committed to spend \$15 million for 1997 capital expenditures.

9. INCOME TAXES

On December 13, 1995, the Successor Company and its subsidiaries ("Subsidiary") and Blade entered into a tax sharing agreement (the "Tax Sharing Agreement"). The Tax Sharing Agreement provides that in any year in which a Subsidiary is included in any consolidated Federal income tax return of Blade, and the Subsidiary has taxable income, the Subsidiary will pay to Blade the amount of the Federal income tax liability the Subsidiary would have had if it filed a separate tax return (the "Separate Income Tax Liability"). In the event that the amount of Separate Income Tax Liability for a Subsidiary in any taxable year in which it is filing a consolidated Federal income tax return with Blade exceeds the amount equal to the product of (a) the income tax liability of the group of corporations filing on a consolidated basis for the taxable year (the "Blade Group Tax Liability") and (b) a fraction, the numerator of which is equal to the Subsidiary's Separate Income Tax Liability and the denominator of which is equal to the aggregate total of the Separate Income Tax Liability of all Subsidiaries which are included in Blade's consolidated tax return, then the Subsidiary will

not be obligated to pay Blade the amount of such excess. In the event that the Blade Group Tax Liability exceeds the sum of all Subsidiaries' Separate Income Tax Liability for such year, Blade may collect from the Subsidiaries the amount of such excess, provided, however, that no Subsidiary shall be required to pay Blade an amount that exceeds the excess of (i) the sum of such Subsidiary's Separate Income Tax Liability for the period beginning when such Subsidiary was first included in Blade's consolidated Federal income return and ending in the tax years at issue less (ii) the cumulative total of all amounts previously paid pursuant to the Tax Sharing Agreement. Adjustments to income arising from events occurring subsequent to the filing of the consolidated Federal income tax return attributable to matters such as amended returns, carrybacks, audit adjustments and refund claims will be given effect between Blade and the Subsidiaries as soon as practicable after determination of such adjustments. The Tax Sharing Agreement provides for a similar allocation between Blade and the Subsidiaries in the event that any state, local or foreign income taxes of Blade and the Subsidiaries are determined on a combined, consolidated or unitary basis.

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Howmet Corporation

Notes to Financial Statements (continued)

9. INCOME TAXES (CONTINUED)

Prior to the acquisition, the Predecessor Company and Pechiney were parties to a tax-sharing agreement requiring the Predecessor Company to pay to Pechiney an amount equal to U.S. income taxes that would be payable if the Predecessor Company was a stand alone taxpayer. The Predecessor Company is included in a U.S. consolidated tax return with Pechiney and other related entities. Accordingly, the tax strategies reflected in Pechiney's U.S. consolidated tax return are not necessarily consistent with the basis of preparation for the Predecessor Company's tax provision in the accompanying financial statements.

Income taxes were provided in the following amounts (in thousands):

<TABLE>
<CAPTION>

	Successor Company Consolidated		Predecessor Company Combined	
	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
Current income taxes:				
U.S. Federal	\$15,474	\$166	\$22,900	\$24,352
State	11,700	43	3,976	3,474
Foreign	6,278	313	2,809	4,039
	-----	----	-----	-----
	33,452	522	29,685	31,865
Deferred income taxes	(2,292)	(41)	(6,023)	14,119
	-----	----	-----	-----
	\$31,160	\$481	\$23,662	\$45,984
	=====	====	=====	=====

</TABLE>

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Howmet Corporation

Notes to Financial Statements (continued)

9. INCOME TAXES (CONTINUED)

The provision for income taxes differs from the amount of income taxes determined by applying the U.S. statutory federal tax rate (35%) to pretax income as follows (in thousands):

<TABLE>
<CAPTION>

	Successor Company Consolidated	Predecessor Company Combined
	-----	-----

	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
U.S. Federal income tax at statutory rate	\$20,461	\$ 195	\$17,481	\$ 8,048
State income taxes, net of federal benefit	5,637	52	2,009	3,001
Foreign tax differential	163	88	2,483	16,166
Goodwill	2,694	237	598	4,669
Additional tax reserves	--	--	--	6,092
Deferred tax adjustments	--	--	--	6,712
Adjustment to prior years' provision	--	--	1,144	--
Other	2,205	(91)	(53)	1,296
	-----	-----	-----	-----
	\$31,160	\$ 481	\$23,662	\$45,984
	=====	=====	=====	=====

</TABLE>

In 1994 a provision for potential tax exposures was provided due to developments related to examinations by federal and state taxing authorities of the Predecessor Company's prior years' income tax returns. Deferred tax adjustments in 1994 represent a change in the Predecessor Company's overall estimated state income tax rate and other adjustments relating to permanent differences.

Domestic and foreign components of pre-tax income are as follows (in thousands):

<TABLE>

<CAPTION>

	Successor Company Consolidated		Predecessor Company Combined	
	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
United States	\$39,554	\$ (1,879)	\$37,877	\$57,629
Foreign	18,907	2,520	12,069	(34,635)
	-----	-----	-----	-----
	\$58,461	\$ 641	\$49,946	\$22,994
	=====	=====	=====	=====

</TABLE>

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Howmet Corporation

Notes to Financial Statements (continued)

9. INCOME TAXES (CONTINUED)

The components of the net deferred income tax asset (liability) are as follows (in thousands):

<TABLE>

<CAPTION>

	December 31,	
	1996	1995
<S>	<C>	<C>
Alternative minimum tax credits and foreign net operating losses	\$ 31,848	\$ 17,652
Other post retirement benefits	38,017	35,504
Vacation and deferred compensation accruals	9,926	8,054
Pension liability	6,711	3,470
Restructuring accrual	341	9,263
Other accruals	23,883	14,071
	-----	-----
Gross deferred tax asset	110,726	88,014
Valuation allowance	(5,855)	(8,105)
	-----	-----
Total deferred tax asset	104,871	79,909
	-----	-----
Inventory	(27,334)	(34,375)

Property, plant and equipment	(50,107)	(47,754)
Patents and technology	(24,250)	(26,959)
	-----	-----
Total deferred tax liability	(101,691)	(109,088)
	-----	-----
Net deferred tax asset(liability)	\$ 3,180	\$ (29,179)
	=====	=====

</TABLE>

The change in net deferred tax asset/liability includes a \$2.3 million deferred tax benefit which is included in net 1996 income tax expense. Also, in 1996 net deferred tax liabilities were reduced by \$30.1 million, and goodwill was reduced by the same amount. The principal reason for this reduction was recognition of \$30.5 million of preacquisition U.S. net operating loss carryforward benefits and alternative minimum tax credits, which were acquired as part of the December 13, 1995 acquisition and that were not estimable at the acquisition date. All the U.S. net operating loss carryforwards have been used to offset U.S. federal taxes that would have otherwise been payable in 1996. The alternative minimum tax credits have no expiration date.

During the period from December 14 to 31, 1995 and the period from January 1 to December 13, 1995, the Company's and the Predecessor Company's deferred tax valuation allowances increased by \$.1 million and \$4.1 million, respectively. During 1996, the Company's deferred tax valuation allowance decreased by \$2.2 million, principally due to a change in estimated foreign net operating losses. At December 31, 1996 and 1995, the Company had available approximately \$15.8 million and \$23.3 million, respectively, of foreign net operating loss carryforwards which can only be used to offset foreign taxable income. A majority of these carryforwards expire over the next four years. At December 31, 1996 and 1995, the Company carried a valuation allowance equal to the deferred tax asset associated with these foreign net operating loss carryforwards. Management believes it is more likely than not that future operations will generate sufficient taxable income to realize the other deferred tax assets. A continuation of the 1996 level of earnings will provide ample taxable income for such realizations.

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Howmet Corporation

Notes to Financial Statements (continued)

10. PENSIONS

The Predecessor Company had trustee noncontributory defined benefit retirement plans covering substantially all of its employees in the U.S. and Canada. All plans became plans of the Successor Company as part of the acquisition (Note 1) except the Howmet Combined Pension Plan, which covered nonunion hourly and salaried employees. In accordance with the Stock Purchase Agreement, an affiliate of Pechiney International assumed sponsorship of the Howmet Combined Pension Plan and transferred assets related to the active nonunion hourly employees to the Company's new defined benefit plan, which has substantially the same provisions and benefits as the Howmet Combined Pension Plan with respect to those nonunion hourly employees. That Pechiney International affiliate has no liability to pay benefits to the active hourly group. In addition, in accordance with the Stock Purchase Agreement, the Howmet Combined Pension Plan benefits related to salaried employees were frozen as of January 6, 1996. The liabilities to the salaried group for service prior to the acquisition and related assets continue to be administered by that Pechiney International affiliate. The Successor Company has designed a replacement defined benefit retirement plan for its salaried employees to cover periods after the former plan was frozen. Effective January 1, 1997, the Company has amended the salaried plan to change the formula from "final pay" to "cash balance." This change will result in a 1997 reduction in plan obligations of an estimated \$35-40 million, and 1997 expense will be an estimated \$2 million less than it would have been using the prior plan formula. The tables presented below reflect the salaried plan before the 1997 changes. The Successor Company intends to make and the Predecessor Company made annual contributions to the retirement plans in amounts up to the maximum allowable for tax deduction purposes.

The following items are the components of the net periodic pension cost for the U.S. and Canadian plans (in thousands):

Successor Company Consolidated		Predecessor Company Combined	
Year ended	Period from December 14, 1995	Period from January 1, 1995	Year ended
-----		-----	

<TABLE>
<CAPTION>

	December 31, 1996	to December 31, 1995	to December 13, 1995	December 31, 1994
<S>	<C>	<C>	<C>	<C>
Service cost - benefits earned during the period	\$ 8,589	\$ 397	\$ 7,779	\$ 7,889
Interest cost on the projected benefit obligation	9,682	474	8,003	13,786
Actual return on plan assets	(10,876)	(437)	(12,780)	548
Net amortization of unrecognized net assets and prior service cost	1,040	--	--	177
Deferral of actual vs. expected return on plan assets	--	--	4,703	(18,091)
Net periodic pension cost	\$ 8,435	\$ 434	\$ 7,705	\$ 4,309
	=====	=====	=====	=====

</TABLE>

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Howmet Corporation

Notes to Financial Statements (continued)

10. PENSIONS (CONTINUED)

The following table sets forth the U.S. and Canadian plans' funded status and amounts recognized in the balance sheets (in thousands):

	December 31, 1996		December 31, 1995
	Exceed plan assets	Less than plan assets	
<S>	<C>	<C>	<C>
Actuarial present value of benefit obligations:			
Vested benefit obligation	\$ (8,882)	\$ (80,277)	\$ (80,216)
Nonvested benefit obligation	(2,532)	(3,375)	(6,219)
Accumulated benefit obligation	(11,414)	(83,652)	(86,435)
Additional benefits based on estimated future salary increases	(41,195)	(1,120)	(41,820)
Projected benefit obligation	(52,609)	(84,772)	(128,255)
Fair value of plan assets	2,435	112,211	107,256
Projected benefit obligation (in excess of) less than plan assets	(50,174)	27,439	(20,999)
Unrecognized net loss or (gain)	2,002	(1,548)	--
Accrued pension liability	\$ (48,172)	\$ 25,891	\$ (20,999)
	=====	=====	=====

</TABLE>

The discount rate used to determine the actuarial present value of the projected benefit obligation was 7.5% at December 31, 1996 and 1995. The expected rate of return was 9% at December 31, 1996 and 9.5% at December 31, 1995 for U.S. plan assets and 8% for Canadian plan assets at December 31, 1996 and 1995. The expected increase in future salaries for those plans using future compensation assumptions was 5.0% at December 31, 1996 and 1995 for the U.S. plans and 6% for the Canadian plans at December 31, 1996 and 1995. The unrecognized net asset and the unrecognized prior service cost are being amortized based on the projected future service lives of employees, which range from 15-25 years. Plan assets are primarily invested in equity securities, debt securities, and temporary cash investments. Accrued pension cost is included in the amounts captioned "Accrued liabilities" and "Other liabilities" in the consolidated balance sheets.

The net pension expense for the Successor Company's United Kingdom operations was \$.7 million in each of 1996, 1995 and 1994. The Company sponsors a 401(k) plan for domestic salaried employees in which the Company matches the employee's contribution for up to 5% of the employee's base salary and bonus. The company contributed approximately \$4 million to the plan in each of 1996, 1995 and 1994.

Howmet Corporation

Notes to Financial Statements (continued)

11. POSTRETIREMENT BENEFITS

The Company provides postretirement health care and life insurance benefits to its eligible active and retired employees, including certain union, nonunion and salaried employees. Components of the net periodic postretirement benefit cost were as follows (in thousands):

	Successor Company Consolidated		Predecessor Company Combined	
	Year ended December 31, 1996	Period from December 14, 1995 to December 31, 1995	Period from January 1, 1995 to December 13, 1995	Year ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
Service cost - benefits attributable to service during the period	\$2,939	\$135	\$2,454	\$2,397
Interest cost on accumulated postretirement benefit obligation	6,588	345	6,281	6,442
Net periodic postretirement benefit cost	\$9,527	\$480	\$8,735	\$8,839

The amounts recognized as a liability in the Company's consolidated balance sheets are as follows (in thousands):

	December 31	
	1996	1995
<S>	<C>	<C>
Retirees	\$49,820	\$52,006
Fully eligible active plan participants	14,062	11,912
Other plan participants	32,130	26,854
Unrealized net loss	(1,443)	--
Total	94,569	90,772
Less current portion	6,000	6,351
	\$88,569	\$84,421

The accumulated postretirement benefit obligation was determined using weighted average discount rates of 7.5% for 1996 and 1995. The health care cost trend rate assumption for pre-age 65 benefits was 12% in 1995 and 11% in 1996 and was assumed to decline 1% annually to 6% in the year 2001 and remain constant thereafter. The health care cost trend rate for post-age 65 benefits was 10% in 1995 and 9% in 1996 and was assumed to decline gradually to 5% in the year 2001 and remain constant thereafter. A 1% increase in the health care cost trend rate would have increased the accumulated postretirement benefit obligation by \$6.1 million and \$6 million at December 31, 1996 and 1995, respectively, and the net periodic cost by \$.7 million in both 1996 and 1995.

Howmet Corporation

Notes to Financial Statements (continued)

12. GEOGRAPHIC INFORMATION

The Company operates predominantly in a single industry as a manufacturer of investment cast components primarily for sale to the defense and commercial aircraft and industrial gas turbine engine industries. The Company is a multinational entity with operating subsidiaries in two geographic regions, North America (including the United States and Canada) and Europe (including France and the United Kingdom). Intercompany transfers between geographic areas are not significant. In computing earnings from operations for subsidiaries outside of the United States, no allocations of general corporate expenses have been made.

<TABLE>

<CAPTION>

	North America	Europe	Total

<S>	<C>	<C>	<C>
Successor Company Consolidated:			
1996			
Sales to unaffiliated customers	\$867,548	\$239,264	\$1,106,812
Earnings from operations	88,197	13,756	101,953
Identifiable assets	785,814	238,079	1,023,893
Period from December 14, 1995 to December 31, 1995			
Sales to unaffiliated customers	34,894	16,472	51,366
Earnings from operations	2,118	2,431	4,549
Identifiable assets	858,704	240,799	1,099,503
Predecessor Company Combined:			
Period from January 1, 1995 to December 13, 1995			
Sales to unaffiliated customers	703,657	190,475	894,132
Earnings from operations	31,831	19,850	51,681
1994			
Sales to unaffiliated customers	678,481	179,770	858,251
Earnings (loss) from operations	30,135	(12,254)	17,881

</TABLE>

Sales to unaffiliated customers include export sales of \$330.1 million in 1996, \$19.3 million in the period from December 14 to 31, 1995, \$278.1 million in the period from January 1 to December 13, 1995, and \$176.9 million in 1994. Export sales of domestic operations, included in total export sales, were \$235.0 million in 1996, \$10.1 million in the period from December 14 to 31, 1995, \$160.4 million in the period from January 1 to December 13, 1995, and \$126.2 million in 1994.

The Company's sales to its two largest customers were \$206 million and \$159.5 million in 1996, \$10.5 million and \$7.9 million in the period from December 14 to 31, 1995, \$184 million and \$138.1 million in the period from January 1 to December 13, 1995 and \$229.2 million and \$123.7 million in 1994. Receivables from these customers were \$16.5 million and \$12.7 million at December 31, 1996 and \$17.1 million and \$12.2 million at December 31, 1995.

Stockholders' equity reflects a \$.9 million increase in cumulative translation adjustment in 1996. \$5.1 million of such amount is attributable to United Kingdom operations, offset by a \$4.2 million decrease attributable to French operations.

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Howmet Corporation

Notes to Financial Statements (continued)

13. TRANSACTIONS WITH AFFILIATES

The Predecessor Company had financing and other transactions with Pechiney. Interest income earned from advances to Pechiney was based on short-term borrowing rates obtained by Pechiney. The average advance balance was \$148.7 million for the period from January 1 to December 13, 1995 and \$217.9 million in 1994.

The Successor Company has management agreements with an affiliate of The Carlyle Group and with Thiokol Holding Company for certain management and financial advisory services. Each agreement provides for the payment of an annual

management fee of \$1 million.

In December 1995, certain executives of the Predecessor Company invested \$2.5 million in The Carlyle Group's partnership controlling Blade. The investments were funded with all or a portion of a bonus earned in connection with the acquisition (Note 1). The partnership interests are subordinated to the claims of creditors of the Successor Company. Partnership interests are expected to receive a cash distribution upon a sale of The Carlyle Group's interest in Blade, and the executives will receive shares of such distribution, pro rata to their capital contributions in the partnership.

In early 1996, Blade adopted a Stock Appreciation Rights ("SARs") plan. Under the plan, SARs representing up to 5% of Blade's equity value may be issued to executive officers of the Successor Company. The SARs are similar to phantom stock options and are valued based on appreciation of the value of Blade's common stock, as defined, from the date of adoption of the plan to the earlier of five years or a sale of The Carlyle Group's controlling interest in Blade. The SARs vest over a five-year period based upon the passage of time, the operating performance of the Successor Company and the tenure of the executive officers, with acceleration in the event of sale of The Carlyle Group's controlling interest in Blade. During 1996, 102,550 SARs were granted with a base price of \$100 per appreciation right. Compensation cost of \$6.6 million was charged against income for this plan in 1996 and is included in the amount captioned "Other Liabilities" in the December 31, 1996 consolidated balance sheet.

During 1996, 230,000 contingent stock options for Thiokol stock were granted to certain executives of the Successor Company. The options are contingent on Thiokol's purchase of The Carlyle Group's total interest in Blade. 50% of such options vest and become exercisable on the date of such purchase; 25% vest and become exercisable on both of the subsequent two anniversaries following the first vesting date. If Thiokol does not obtain 100% of the equity ownership of the Company prior to December 13, 2001, the options become void. The options expire not later than 10 years after the date of grant. The exercise price of the options is the price of Thiokol stock on the first trading date after the dates of grant (range of \$35-\$41).

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Howmet Corporation

Notes to Financial Statements (continued)

14. FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Company to credit risk consist principally of trade receivables. The Company does not require collateral and maintains reserves for potential credit losses for trade accounts receivable. The Company's accounts receivable are principally due from companies in the aerospace and industrial gas turbine engine industries. The fair values of the Company's trade receivables and payables approximate their carrying amounts. For information pertaining to the fair values of the Company's interest rate swap agreements and other debt instruments, refer to Note 7.

The Company enters into forward exchange contracts as a hedge against currency fluctuations of certain foreign currency transactions. At December 31, 1996, the following were outstanding: contracts to purchase 8.6 million Canadian dollars with maturity dates from January to November 1997 for \$6.5 million; contracts to sell 6.1 million pound sterling with maturity dates from January to June 1997 for \$10 million. At December 31, 1996, the fair value of the Canadian contracts was \$6.3 million and the pound sterling contracts was \$9.7 million. The fair value of foreign currency contracts was estimated by obtaining quotes from brokers. The market value gains or losses arising from foreign exchange contracts offset foreign exchange gains or losses on the underlying hedged assets. The Company's exposure to currency risk is limited to currency rate movement and is considered to be negligible.

During 1994, the Predecessor Company entered into an option contract to purchase up to \$1.3 million Canadian dollars as a hedge against currency fluctuations of certain foreign currency transactions. These options were exercisable from June 1995 through December 1996. The market value gains or losses arising from currency exchange options offset foreign exchange gains or losses on the underlying hedged assets. The Company's exposure to currency risk in these options was limited to currency rate movements and was considered to be negligible.

The counterparties to the foreign exchange transactions are major financial

institutions. The Company does not anticipate nonperformance by the counterparties.

15. CONTINGENCIES

The Company has received recent test results indicating levels of polychlorinated bi-phenyls ("PCBs") at its Dover, New Jersey facility which will require remediation. These levels have been reported to the New Jersey Department of Environmental Protection ("NJDEP"), and the Company is preparing a work plan to define the risk and to test possible clean-up options. The statement of work must be approved by the NJDEP pursuant to an Administrative Consent Order entered into between the Company and NJDEP on May 20, 1991 regarding clean-up of the site. Various remedies are possible and could involve expenditures ranging from \$2 million to \$22 million or more. The Company has recorded a \$2 million long-term liability as of December 31, 1996 for this matter. Given the uncertainties, it is possible that the estimated range of this cost and the amount accrued will change in the near term. The indemnification discussed below applies to the costs associated with this matter.

In addition to the above, liabilities arising for clean-up costs associated with hazardous types of materials in several waste disposal facilities exist. In particular, the Company has been or may be named a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws at twelve on-site and off-site locations. At December 31, 1996, \$4.4 million of accrued environmental liabilities are included in the consolidated balance sheet for such matters.

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Howmet Corporation

Notes to Financial Statements (continued)

15. CONTINGENCIES (CONTINUED)

In connection with the December 13, 1995 acquisition, Pechiney International and Pechiney, S.A. indemnified the Company for environmental liabilities stemming from events occurring or conditions existing on or prior to the December 13, 1995 acquisition date, to the extent that such liabilities exceed a cumulative \$6 million. This indemnification applies to all of the aforementioned environmental matters. Pursuant to this indemnification, at December 31, 1996 the Company has recorded a receivable from Pechiney International and Pechiney, S.A. of \$2 million. Changes in any of the aforementioned accrued liabilities will result in an equal change in the amount receivable from Pechiney International and Pechiney, S.A.

Estimated environmental costs are not expected to materially impact the financial position or the results of the Successor Company's operations in future periods. However, environmental clean-up periods are protracted in length and environmental costs in future periods are subject to changes in environmental remediation regulations. Any losses which are not covered by the Pechiney International and Pechiney, S.A. indemnifications and which are in excess of amounts currently accrued will be charged to operations in the periods in which they occur.

The Company, in its ordinary course of business, is involved in other litigation, administrative proceedings and investigations of various types in several jurisdictions. The Company believes these are routine in nature and incidental to its operations, and that the outcome of any proceedings to which the Company currently is a party will not have a material adverse effect upon its operations or financial condition.

At December 31, 1996, the Company guaranteed certain indebtedness aggregating \$11.5 million of its 50% owned entities.

16. RESTRUCTURING

1992 RESTRUCTURING PROVISION

Reengineering programs: In 1992, the Company recorded a \$39.8 million restructuring charge associated with reengineering certain of the Predecessor Company's business processes and related activities. The costs include severance and relocation for approximately 1,835 employees (\$13.4 million), consulting fees (\$3.1 million) and expenses related to the evaluation, design and implementation of a company wide synchronous manufacturing environment with cellular work stations, uniform work instructions and business center management

and reporting (\$23.3 million).

Capacity rationalization: Also, in 1992, the Company recorded a \$19.1 million restructuring charge for streamlining operations, including expenses related to severance and relocation for approximately 562 employees (\$8.8 million), asset writedowns (\$1.3 million) and the transfer and reinstallation of equipment (\$9 million).

Management periodically reevaluated the adequacy of the remaining restructuring accrual. Based upon these reevaluations, in 1994, the Predecessor Company reversed the portion of the accrual related to a U.S. plant shutdown (\$1.8 million) and a French social plan (\$1.4 million) due to improved business conditions; in addition, other minor components of the 1992 restructuring accrual were adjusted to reflect revised estimates. In 1996 the accrual was re-evaluated and reduced by \$2.8 million. Goodwill was reduced by the same amount.

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Howmet Corporation

Notes to Financial Statements (continued)

16. RESTRUCTURING (CONTINUED)

The following tables set forth the 1994, 1995 and 1996 activity for the restructuring provision established in 1992 (in thousands):

<TABLE>
<CAPTION>

	Reengineering Programs	Capacity Rationalization	Total
<S>	<C>	<C>	<C>
December 31, 1993 balance	\$ 18,770	\$10,673	\$ 29,443
Cash costs	(11,657)	(3,312)	(14,969)
Non-cash costs		(165)	(165)
Changes in estimate	1,434	(3,320)	(1,886)
December 31, 1994 balance	8,547	3,876	12,423
Cash costs	(6,368)	(2,815)	(9,183)
Non-cash costs		(92)	(92)
December 31, 1995 balance	2,179	969	3,148
Changes in estimate	(2,179)	(619)	(2,798)
December 31, 1996 balance	\$ 0	\$ 350	\$ 350

</TABLE>

Costs for the December 14 to 31, 1995 period were not significant and are included in the above 1995 activity. Restructuring accruals are included in the amounts captioned "Accrued liabilities" in the consolidated balance sheet.

1994 RESTRUCTURING PROVISION

Morristown Wax Closure: In 1994, the Predecessor Company recorded a \$1.5 million restructuring charge in connection with its plan to close its Morristown, Tennessee wax facility. The closure was effected in order to reduce excess capacity and enhance coordination and lead time at Howmet's casting plants. The restructuring provision was primarily comprised of exit costs (\$1 million), termination benefits (\$.2 million) and other items (\$.3 million). In 1996 the accrual was re-evaluated and reduced by \$.1 million. Goodwill was reduced by the same amount.

Dover Airmelt Closure: Also in 1994, the Predecessor Company recorded a \$1 million restructuring provision in connection with its plan to exit its airmelt business at its Dover Alloy plant in New Jersey. The decision to exit the airmelt business was primarily due to the unprofitability of the airmelt product line which was not considered an essential part of the Company's alloy operations. The restructuring charge was entirely comprised of exit costs. This decision was reversed in 1995 because a buyer could not be found. The Company has since increased airmelt business and generated improved returns.

Howmet S.A. Administrative Office Closure: Also in 1994, the Predecessor Company recorded a \$2 million restructuring charge related to the closure of its administrative office in Asnieres, France and the opening of an administrative office in Dives, France. The restructuring charge was comprised of termination benefits (\$.6 million), exit costs (\$1.2 million) and other items (\$.2 million). A portion of the accrual deemed to be excess was reversed and credited to income in 1995. In 1996 the accrual was re-evaluated and reduced by \$.3 million.

Howmet Corporation

Notes to Financial Statements (continued)

16. RESTRUCTURING (CONTINUED)

The following is an analysis related to the restructuring reserve activities for the 1994 restructuring programs (in thousands):

<TABLE>

<CAPTION>

	Morristown	Dover Airmelt	Howmet S.A.	Total
<S>	<C>	<C>	<C>	<C>
1994 restructuring provision	\$ 1,450	\$ 1,000	\$ 1,982	\$4,432
Cash costs	(176)			(176)
Non-cash costs	(239)			(239)
December 31, 1994 balance	1,035	1,000	1,982	4,017
Cash costs	(706)		(1,279)	(1,985)
Non-cash costs	(132)		262	130
Changes in estimate		(1,000)	(624)	(1,624)
December 31, 1995 balance	197	0	341	538
Cash costs	(93)			(93)
Changes in estimate	(104)		(341)	(445)
December 31, 1996 balance	\$ 0	\$ 0	\$ 0	\$ 0

</TABLE>

Costs for the December 14 to 31, 1995 period were not significant and are included in the above 1995 activity. Restructuring accruals are included in the amounts captioned "Accrued liabilities" in the consolidated balance sheet.

1995/1996 RESTRUCTURING PROVISION

In connection with the December 13, 1995 acquisition, management determined that certain manufacturing capabilities would be eliminated and the related facilities would be utilized for purposes other than for manufacturing. Accordingly, a reserve of \$21 million (including \$5 million in "Accrued liabilities"), principally for severance costs, was recorded. The extent of the restructuring was less than initially anticipated; consequently, in 1996 \$19.1 million of the accrual was reversed and goodwill was reduced by an equal amount. 1996 expenditures for this restructuring effort were \$1 million, principally for termination costs for 45 permanent and temporary employees. The \$.9 million December 31, 1996 accrual balance is included in amounts captioned "Accrued liabilities" in the consolidated balance sheet. This amount is expected to be spent in 1997, principally for termination costs related to 15 employees.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

HOWMET CORPORATION
(DOLLARS IN THOUSANDS)

<TABLE>

<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS FROM RESERVES	BALANCE AT END OF PERIOD

SUCCESSOR COMPANY CONSOLIDATED:
FOR THE YEAR ENDED DECEMBER 31, 1996

Reserves:

<S>	<C>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----	-----

Accounts Receivable	\$ 8,258	4,386 (a)	15	(7,035)	\$ 5,624
Inventories	\$24,351	13,631	(2,233)	(12,889)	\$22,860
Deferred income tax valuation allowance	\$ 8,105	(2,250)			\$ 5,855

PERIOD DECEMBER 14, 1995 TO DECEMBER 31, 1995

Reserves:

<S>	<C>	<C>	<C>	<C>	<C>
Accounts Receivable	\$ 8,375	- (a)	(96)	(21)	\$ 8,258
Inventories	\$20,872	4,850	1,792	(3,163)	\$24,351
Deferred income tax valuation allowance	\$ 7,995	110	-	-	\$ 8,105

PREDECESSOR COMPANY COMBINED:

PERIOD JANUARY 1, 1995 TO DECEMBER 13, 1995

Reserves:

<S>	<C>	<C>	<C>	<C>	<C>
Accounts Receivable	\$ 6,107	1,288 (a)	1,931	(951)	\$ 8,375
Inventories	\$13,501	14,922	(1,342)	(6,209)	\$20,872
Deferred income tax valuation allowance	\$ 2,957	5,038	-	-	\$ 7,995

FOR THE YEAR ENDED DECEMBER 31, 1994

Reserves:

<S>	<C>	<C>	<C>	<C>	<C>
Accounts Receivable	\$ 6,737	300 (a)	1,641	(2,571)	\$ 6,107
Inventories	\$16,294	13,744	1,520	(18,057)	\$13,501
Deferred income tax valuation allowance	\$ 1,415	2,241	-	(699)	\$ 2,957

(a) Includes bad debt expense of \$1.0 million in 1996, \$- for the period from December 14 to 31, 1995, \$0.5 million for the period from January 1 to December 13, 1995, and a \$0.6 million credit in 1994.

EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION

- 4.6 Amended and Restated Credit Agreement dated as of December 5, 1996 among Blade Acquisition Corp., Howmet Holdings Corporation., Howmet Corporation, Bankers Trust Company, various banks, Citicorp USA, Inc., and The First National Bank of Chicago as Managing Agents, Bankers Trust Company as Syndication Agent, Citicorp USA, Inc. as Documentation Agent and The First National Bank of Chicago, as Administrative Agent, together with certain collateral documents attached thereto as exhibits, including the Subsidiary Guaranty, Pledge Agreement and Security Agreement among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, certain subsidiaries and affiliates of Howmet Corporation and the First National Bank of Chicago
- 4.7 Blade Receivables Master Trust Amended and Restated Pooling and Servicing Agreement dated April 18, 1996 among Blade Receivables Corporation as Transferor, Howmet Corporation as Servicer and

Manufacturers and Traders Trust Company as Trustee together with certain collateral documents attached thereto as exhibits, including the Amended and Restated Receivables Purchase Agreement dated as of April 18, 1996 between Howmet Corporation and certain subsidiaries of Howmet Corporation, as Settlers, and Blade Receivables Corporation as Buyer.

21.1 List of Significant Subsidiaries

27.1 Financial Data Schedule

99.1 Cautionary Statement for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

CREDIT AGREEMENT

among

BLADE ACQUISITION CORP.,
 HOWMET HOLDINGS CORPORATION
 HOWMET CORPORATION
 VARIOUS BANKS,
 BANKERS TRUST COMPANY,
 CITICORP USA, INC.

and

THE FIRST NATIONAL BANK OF CHICAGO,
 as MANAGING AGENTS

 BANKERS TRUST COMPANY,
 as SYNDICATION AGENT,

 CITICORP USA, INC.,
 as DOCUMENTATION AGENT

and

THE FIRST NATIONAL BANK OF CHICAGO,
 as ADMINISTRATIVE AGENT

Dated as of December 13, 1995

and

Amended and Restated as of December 5, 1996

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CREDIT AGREEMENT, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among BLADE ACQUISITION CORP., a Delaware corporation ("Holdings"), HOWMET HOLDINGS CORPORATION (f/k/a PECHINEY CORPORATION), a Delaware corporation ("Parent"), HOWMET CORPORATION, a Delaware corporation (the "Borrower"), the Banks party hereto from time to time, BANKERS TRUST COMPANY, CITICORP USA, INC. and THE FIRST NATIONAL BANK OF CHICAGO, as Managing Agents (in such capacity, collectively, the "Managing Agents," and each a "Managing Agent"), BANKERS TRUST COMPANY, as Syndication Agent (in such capacity, the "Syndication Agent"), CITICORP USA, INC., as Documentation Agent (in such capacity, the "Documentation Agent") and THE FIRST NATIONAL BANK OF CHICAGO, as Administrative Agent (in such capacity, the "Administrative Agent") (all capitalized terms used herein and defined in Section 11 are used herein as therein defined).

WITNESSETH:

WHEREAS, Holdings, Parent, the Borrower, the Original Banks, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent are parties to a Credit Agreement, dated as of December 13, 1995 (as the same has been amended, modified or supplemented to, but not including, the Restatement Effective Date, the "Original Credit Agreement"); and

WHEREAS, the parties hereto wish to amend and restate the Original Credit Agreement in the form of this agreement as herein provided;

NOW, THEREFORE, the parties hereto agree that the Original Credit Agreement shall be and hereby is amended and restated in its entirety as follows:

SECTION 1. Amount and Terms of Credit.

1.01 The Commitments. (a) Subject to and upon the terms and conditions set forth herein, each Bank with a Term Loan Commitment severally agrees (A) in the case of each Continuing Bank, to convert into Term Loans (as hereinafter defined), on the Restatement Effective Date, Original Tranche A Term Loans made by such Continuing Bank pursuant to the Original Credit Agreement and outstanding on the Restatement

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Effective Date in an aggregate principal amount equal to the lesser of (x) the aggregate principal amount of such Original Tranche A Term Loans made by such Continuing Bank and so outstanding or (y) such Continuing Bank's Term Loan Commitment as in effect on the Restatement Effective Date (before giving effect to any reductions thereto on such date pursuant to Section 3.03(b)(i) but after giving effect to any reductions thereto on or prior to such date pursuant to Section 3.03(b)(ii)), and/or (B) to make, on the Restatement Effective Date, a term loan (each, a "Term Loan" and, collectively, the "Term Loans") to the Borrower, which Term Loans (i) shall, at the option of the Borrower, be Base Rate Loans or Eurodollar Loans, provided that, except as otherwise specifically provided in Section 1.10(b), all Term Loans comprising the same Borrowing shall at all times be of the same Type and (ii) shall be made by each Bank in that initial aggregate principal amount (which, in the case of each Continuing Bank, shall include the principal amount of Term Loans converted pursuant to clause (A) above) as is equal to the Term Loan Commitment of such Bank on such date (before giving effect to any reductions thereto on such date pursuant to Section 3.03(b)(i) but after giving effect to any reductions thereto on or prior to such date pursuant to Section 3.03(b)(ii)). Once repaid, Term Loans incurred hereunder may not be reborrowed.

(b) Subject to and upon the terms and conditions set forth herein, each Bank with a Revolving Loan Commitment severally agrees, at any time and from time to time on and after the Restatement Effective Date and prior to the Maturity Date, to make a revolving loan or revolving loans (each, a "Revolving Loan" and, collectively, the "Revolving Loans") to the Borrower, which Revolving Loans (i) shall, at the option of the Borrower, be Base Rate Loans or Eurodollar Loans, provided that except as otherwise specifically provided in Section 1.10(b), all Revolving Loans comprising the same Borrowing shall at all times be

of the same Type, (ii) may be repaid and reborrowed in accordance with the provisions hereof, (iii) shall not exceed for any Bank at any time outstanding that aggregate principal amount which, when added to the product of (x) such Bank's Adjusted Percentage and (y) the sum of (I) the aggregate amount of all Letter of Credit Outstandings (exclusive of Unpaid Drawings which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans) at such time and (II) the aggregate principal amount of all Swingline Loans (exclusive of Swingline Loans which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans) then outstanding, equals the Revolving Loan Commitment of such Bank at such time and (iv) shall not exceed for all Banks at any time outstanding that aggregate principal amount which, when added to (x) the amount of all Letter of Credit Outstandings (exclusive of Unpaid Drawings which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans) at such time and (y) the aggregate principal amount of all Swingline Loans (exclusive of Swingline Loans which are repaid with the proceeds of, and simultaneously with the incurrence of, the respective incurrence of Revolving Loans) then outstanding, equals the Total Revolving Loan Commitment at such time.

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(c) Subject to and upon the terms and conditions herein set forth, the Swingline Bank in its individual capacity agrees to make at any time and from time to time on and after the Restatement Effective Date and prior to the Swingline Expiry Date, a revolving loan or revolving loans (each, a "Swingline Loan" and, collectively, the "Swingline Loans") to the Borrower, which Swingline Loans (i) shall be made and maintained as Base Rate Loans, (ii) may be repaid and reborrowed in accordance with the provisions hereof, (iii) shall not exceed in aggregate principal amount at any time outstanding, when combined with the aggregate principal amount of all Revolving Loans made by Non-Defaulting Banks then outstanding and the Letter of Credit Outstandings at such time, an amount equal to the Adjusted Total Revolving Loan Commitment at such time (after giving effect to any reductions to the Adjusted Total Revolving Loan Commitment on such date), (iv) shall not exceed at any time outstanding the Maximum Swingline Amount and (v) shall not be extended if the Swingline Bank receives a written notice from any Agent or the Required Banks that has not been rescinded that there is a Default or an Event of Default in existence hereunder.

(d) On any Business Day, the Swingline Bank may, in its sole discretion, give notice to the other Banks that its outstanding Swingline Loans shall be funded with a Borrowing of Revolving Loans (provided that such notice shall be deemed to have been automatically given upon the occurrence of a Default or an Event of Default under Section 10.05 or upon the exercise of any of the remedies provided in the last paragraph of Section 10), in which case a Borrowing of Revolving Loans constituting Base Rate Loans (each such Borrowing, a "Mandatory Borrowing") shall be made on the immediately succeeding Business Day by all Banks with a Revolving Loan Commitment (without giving effect to any reductions thereto pursuant to the last paragraph of Section 10) pro rata based on each Bank's Adjusted Percentage (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 10) and the proceeds thereof shall be applied directly to the Swingline Bank to repay the Swingline Bank for such outstanding Swingline Loans. Each such Bank hereby irrevocably agrees to make Revolving Loans upon one Business Day's notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified in writing by the Swingline Bank notwithstanding (i) the amount of the Mandatory Borrowing may not comply with the minimum amount for Borrowings otherwise required hereunder, (ii) whether any conditions specified in Section 6 are then satisfied, (iii) whether a Default or an Event of Default then exists, (iv) the date of such Mandatory Borrowing and (v) the amount of the Total Revolving Loan Commitment or the Adjusted Total Revolving Loan Commitment at such time. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the Bankruptcy Code with respect to the Borrower), then each such Bank hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to

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such purchase) from the Swingline Bank such participations in the outstanding Swingline Loans as shall be necessary to cause such Banks to share in such Swingline Loans ratably based upon their respective Adjusted Percentages (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 10), provided that (x) all interest payable on the Swingline Loans shall be for the account of the Swingline Bank until the date as of which the respective participation is required to be purchased and, to the extent attributable to the purchased participation, shall be payable to the participant from and after such date and (y) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Bank shall be required to pay the Swingline Bank

interest on the principal amount of participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the overnight Federal Funds Rate for the first three days and at the rate otherwise applicable to Revolving Loans maintained as Base Rate Loans hereunder for each day thereafter.

1.02 Minimum Amount of Each Borrowing. The aggregate principal amount of each Borrowing of Term Loans shall not be less than \$5,000,000. The aggregate principal amount of each Borrowing of Revolving Loans shall be not less than (x) in the case of a Borrowing of Eurodollar Loans, \$2,000,000 and (y) in the case of a Borrowing of Base Rate Loans, \$1,000,000, provided that Mandatory Borrowings shall be made in the amounts required by Section 1.01(d). The aggregate principal amount of each Borrowing of Swingline Loans shall not be less than \$500,000 and, if greater, shall be in an integral multiple of \$100,000. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than fifteen Borrowings of Eurodollar Loans.

1.03 Notice of Borrowing. (a) Whenever the Borrower desires to make a Borrowing hereunder (excluding Borrowings of Swingline Loans and Mandatory Borrowings), it shall give the Administrative Agent at its Notice Office at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of each Base Rate Loan and at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of each Eurodollar Loan to be made hereunder, provided that any such notice shall be deemed to have been given on a certain day only if given before 11:00 A.M. (Chicago time) in the case of a Borrowing of Eurodollar Loans and 12:00 Noon (Chicago time) in the case of a Borrowing of Base Rate Loans on such day. Each such written notice or written confirmation of telephonic notice (each, a "Notice of Borrowing"), except as otherwise expressly provided in Section 1.10, shall be irrevocable and shall be given by the Borrower in the form of Exhibit A, appropriately completed to specify the aggregate principal amount of the Loans to be made pursuant to such Borrowing, the date of such Borrowing (which shall be a Business Day), whether the Loans being made pursuant to such Borrowing shall constitute Term Loans or Revolving Loans and whether the Loans being made pursuant to such Borrowing are to be initially maintained as Base Rate Loans or Eurodollar Loans and, if Eurodollar Loans, the initial Interest

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Period to be applicable thereto. The Administrative Agent shall promptly give each Bank which is required to make Loans of the Tranche specified in the respective Notice of Borrowing, notice of such proposed Borrowing, of such Bank's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

(b) (i) Whenever the Borrower desires to make a Borrowing of Swingline Loans hereunder, it shall give the Swingline Bank not later than 12:00 Noon (Chicago time) on the date that a Swingline Loan is to be made, written notice or telephonic notice promptly confirmed in writing of each Swingline Loan to be made hereunder. Each such notice shall be irrevocable and specify in each case (A) the date of Borrowing (which shall be a Business Day) and (B) the aggregate principal amount of the Swingline Loans to be made pursuant to such Borrowing.

(ii) Mandatory Borrowings shall be made upon the notice specified in Section 1.01(d), with the Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of the Mandatory Borrowings as set forth in Section 1.01(d).

(c) Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice of any Borrowing of Loans, the Administrative Agent or the Swingline Bank, as the case may be, may act without liability upon the basis of telephonic notice of such Borrowing, believed by the Administrative Agent or the Swingline Bank, as the case may be, in good faith to be from the chairman of the board, the president, the treasurer, any assistant treasurer or any controller of the Borrower (or any other officer of the Borrower designated in writing to the Administrative Agent and the Swingline Bank by the Chairman of the Board, the President or the Treasurer as being authorized to give such notices under this Agreement) prior to receipt of written confirmation. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's and the Swingline Bank's record of the terms of such telephonic notice of such Borrowing of Loans.

1.04 Disbursement of Funds. Except as otherwise specifically provided in the immediately succeeding sentence, no later than 12:00 Noon (Chicago time) on the date specified in each Notice of Borrowing (or (x) in the case of Swingline Loans, not later than 2:00 P.M. (Chicago time) on the date specified pursuant to Section 1.03(b) (i) or (y) in the case of Mandatory Borrowings, not later than 12:00 Noon (Chicago time) on the date specified in Section 1.01(d)), each Bank with a Commitment of the respective Tranche will make available its pro rata portion of each such Borrowing requested to be made on such date (or in the case of Swingline Loans, the Swingline Bank shall make available the full amount thereof). All such amounts shall be made available in Dollars and in immediately

available funds at the Payment Office of the Administrative Agent, and the Administrative Agent will make available to the Borrower at the Payment Office the aggregate of the

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amounts so made available by the Banks (for Loans other than Swingline Loans, prior to 1:00 P.M. (Chicago time) on such day, to the extent of funds actually received by the Administrative Agent prior to 12:00 Noon (Chicago time) on such day). Unless the Administrative Agent shall have been notified by any Bank prior to the date of Borrowing that such Bank does not intend to make available to the Administrative Agent such Bank's portion of any Borrowing to be made on such date, the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent on such date of Borrowing and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Bank. If such Bank does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover on demand from such Bank or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Bank, at the overnight Federal Funds Rate and (ii) if recovered from the Borrower, the rate of interest applicable to the respective Borrowing, as determined pursuant to Section 1.08. Nothing in this Section 1.04 shall be deemed to relieve any Bank from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Bank as a result of any failure by such Bank to make Loans hereunder.

1.05 Notes. (a) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Bank shall be evidenced (i) if Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1 with blanks appropriately completed in conformity herewith (each, a "Term Note" and, collectively, the "Term Notes"), (ii) if Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-2, with blanks appropriately completed in conformity herewith (each, a "Revolving Note" and, collectively, the "Revolving Notes") and (iii) if Swingline Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-3, with blanks appropriately completed in conformity herewith (the "Swingline Note").

(b) The Term Note issued to each Bank shall (i) be executed by the Borrower, (ii) be payable to the order of such Bank and be dated the Restatement Effective Date, (iii) be in a stated principal amount equal to the Term Loan made by such Bank on the Restatement Effective Date and be payable in the principal amount of Term Loans evidenced thereby, (iv) mature on the Maturity Date, (v) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans,

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as the case may be, evidenced thereby, (vi) be subject to mandatory repayment as provided in Section 4.02 and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) The Revolving Note issued to each Bank shall (i) be executed by the Borrower, (ii) be payable to the order of such Bank and be dated the Restatement Effective Date, (iii) be in a stated principal amount equal to the Revolving Loan Commitment of such Bank and be payable in the principal amount of the outstanding Revolving Loans evidenced thereby from time to time, (iv) mature on the Maturity Date, (v) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (vi) be subject to mandatory repayment as provided in Section 4.02 and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(d) The Swingline Note issued to the Swingline Bank shall (i) be executed by the Borrower, (ii) be payable to the order of the Swingline Bank and be dated the Restatement Effective Date, (iii) be in a stated principal amount equal to the Maximum Swingline Amount and be payable in the principal amount of the outstanding Swingline Loans evidenced thereby from time to time, (iv) mature on the Swingline Expiry Date, (v) bear interest as provided in the appropriate clause of Section 1.08 in respect of the Base Rate Loans evidenced thereby, (vi) be subject to mandatory repayment as provided in Section 4.02 and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(e) Each Bank will note on its internal records the amount of each Loan made by it and each payment in respect thereof and will prior to any transfer of any of its Notes endorse on the reverse side thereof the outstanding principal amount of Loans evidenced thereby. Failure to make any such notation or any error in any such notation or endorsement shall not affect the Borrower's obligations in respect of such Loans.

1.06 Conversions. The Borrower shall have the option to convert from time to time, on any Business Day occurring after the Restatement Effective Date, all or a portion equal to at least (x) in the case of a conversion of Term Loans, \$5,000,000 and (y) in the case of a conversion of Revolving Loans, \$2,000,000 (or \$1,000,000 if in the case of a conversion into Base Rate Loans), of the outstanding principal amount of Loans made pursuant to one or more Borrowings (so long as of the same Tranche) of one or more Types of Loans into a Borrowing (of the same Tranche) of another Type of Loan, provided that (i) if for any reason whatsoever any Eurodollar Loans are converted into Base Rate Loans on a day which is not the last day of an Interest Period applicable to the Loans being converted, the Borrower shall pay all amounts owing in connection therewith as required by Section 1.11, (ii) no partial conversion of Eurodollar Loans shall reduce the outstanding principal amount of such Eurodollar Loans made pursuant to a single Borrowing to less

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than (x) in the case of Term Loans, \$5,000,000 and (y) in the case of Revolving Loans, \$2,000,000, (iii) unless the Required Banks otherwise specifically agree in writing, Base Rate Loans may only be converted into Eurodollar Loans if no Default or Event of Default is in existence on the date of the conversion, (iv) no conversion pursuant to this Section 1.06 shall result in a greater number of Eurodollar Borrowings than is permitted under Section 1.02 and (v) Swingline Loans may not be converted pursuant to this Section 1.06. Each such conversion shall be effected by the Borrower by giving the Administrative Agent at its Notice Office prior to 12:00 Noon (Chicago time) at least (x) in the case of a conversion to Eurodollar Loans, three Business Days' prior notice and (y) in the case of a conversion to Base Rate Loans, one Business Day's prior notice (each a "Notice of Conversion") specifying the Loans to be so converted, the Borrowing(s) pursuant to which such Loans were made and, if to be converted into Eurodollar Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Bank prompt notice of any such proposed conversion affecting any of its Loans.

1.07 Pro Rata Borrowings. All Borrowings of Term Loans and Revolving Loans under this Agreement shall be incurred from the Banks pro rata on the basis of their Term Loan Commitments or Revolving Loan Commitments, as the case may be, provided that all Borrowings of Revolving Loans made pursuant to a Mandatory Borrowing shall be incurred from the Banks pro rata on the basis of their Adjusted Percentages. It is understood that no Bank shall be responsible for any default by any other Bank of its obligation to make Loans hereunder and that each Bank shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Bank to make its Loans hereunder.

1.08 Interest. (a) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Base Rate Loan from the date the proceeds thereof are made available to the Borrower until the earlier of (i) the maturity (whether by acceleration or otherwise) of such Base Rate Loan and (ii) the conversion of such Base Rate Loan to a Eurodollar Loan pursuant to Section 1.06, at a rate per annum which shall be equal to the sum of the Applicable Margin plus the Base Rate in effect from time to time.

(b) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Eurodollar Loan from the date the proceeds thereof are made available to the Borrower until the earlier of (i) the maturity (whether by acceleration or otherwise) of such Eurodollar Loan and (ii) the conversion of such Eurodollar Loan to a Base Rate Loan pursuant to Section 1.06 or 1.09, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the Applicable Margin plus the Eurodollar Rate for such Interest Period.

(c) Overdue principal and, to the extent permitted by law, overdue interest in respect of each Loan and any other overdue amount payable hereunder shall, in each

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case, bear interest at a rate per annum equal to the greater of (x) 2% per annum in excess of the rate otherwise applicable to Base Rate Loans from time to time and (y) the rate which is 2% in excess of the rate then borne by such Loans, in each case with such interest to be payable on demand.

(d) Accrued (and theretofore unpaid) interest shall be payable (i) in respect of each Base Rate Loan, quarterly in arrears on each Quarterly Payment

Date, (ii) in respect of each Eurodollar Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three month intervals after the first day of such Interest Period and (iii) in respect of each Loan, on any repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) Upon each Interest Determination Date, the Administrative Agent shall determine the Eurodollar Rate for each Interest Period applicable to Eurodollar Loans and shall promptly notify the Borrower and the Banks thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

1.09 Interest Periods. At the time it gives any Notice of Borrowing or Notice of Conversion in respect of the making of, or conversion into, any Eurodollar Loan (in the case of the initial Interest Period applicable thereto) or on the third Business Day prior to the expiration of an Interest Period applicable to such Eurodollar Loan (in the case of any subsequent Interest Period), the Borrower shall have the right to elect, by giving the Administrative Agent notice thereof, the interest period (each an "Interest Period") applicable to such Eurodollar Loan, which Interest Period shall, at the option of the Borrower, be a one, two, three, six, nine, or twelve-month period, or a period selected as provided in clause (ix) below, provided that:

(i) all Eurodollar Loans comprising a Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any Eurodollar Loan shall commence on the date of Borrowing of such Eurodollar Loan (including the date of any conversion thereto from a Loan of a different Type) and each Interest Period occurring thereafter in respect of such Eurodollar Loan shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period relating to a Eurodollar Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month:

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(iv) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, however, that if any Interest Period for a Eurodollar Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(v) unless the Required Banks otherwise specifically agree in writing, no Interest Period may be selected at any time when a Default or Event of Default is then in existence;

(vi) no Interest Period in respect of any Borrowing of any Tranche of Loans shall be selected which extends beyond the Maturity Date;

(vii) no Interest Period in respect of any Borrowing of Term Loans shall be selected which extends beyond any date upon which a mandatory repayment of such Term Loans will be required to be made under Section 4.02(b) if the aggregate principal amount of Term Loans which have Interest Periods which will expire after such date will be in excess of the aggregate principal amount of Term Loans then outstanding less the aggregate amount of such required prepayment;

(viii) no nine or twelve month Interest Period shall be available to the Borrower unless (x) the Managing Agents consent thereto, such consent not to be unreasonably withheld, and (y) such Interest Period is available to each Bank (as determined by each Bank) making a Loan of the respective Tranche; and

(ix) with respect to Term Loans, the Borrower may select an Interest Period which is shorter or longer (but not by more than 30 days) than one, two or three months, but only if, and to the extent that, the Administrative Agent determines that the selection of such Interest Period is necessary or desirable to align the last day of the respective Interest Period (or of one or more successive Interest Periods which will occur after such Interest Period) with a Scheduled Repayment Date which will occur with respect to the Term Loans, which Interest Periods as described in this clause (ix) shall only be made available if (x) agreed by the Borrower and the Administrative Agent and (y) such Interest Period is available to each Bank (as determined by each Bank) making a Term Loan.

If upon the expiration of any Interest Period applicable to a Borrowing of Eurodollar Loans, the Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such Eurodollar Loans as provided above, the Borrower shall be deemed to have elected to convert such

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1.10 Increased Costs, Illegality, etc. (a) In the event that any Bank shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto but, with respect to clause (i) below, may be made only by the Administrative Agent):

(i) on any Interest Determination Date that, by reason of any changes arising after the date of this Agreement affecting the interbank Eurodollar market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate; or

(ii) at any time, that such Bank shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any Eurodollar Loan because of (x) any change since the date of this Agreement in any applicable law or governmental (including for this purpose any regulatory body with jurisdiction over such Bank) rule, regulation, order, guideline or request (whether or not having the force of law) or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, order, guideline or request, such as, for example, but not limited to: (A) a change in the basis of taxation of payment to any Bank of the principal of or interest such Eurodollar Loan or any other amounts payable hereunder (except for changes in the rate of tax on, or determined by reference to, the net income or profits of such Bank, or any franchise tax based on the net income or profits of such Bank, in either case pursuant to the laws of the United States of America, the jurisdiction in which it is organized or in which its principal office or applicable lending office is located or any subdivision thereof or therein), but without duplication of any amounts payable in respect of Taxes pursuant to Section 4.04(a), or (B) a change in official reserve requirements, but, in all events, excluding reserves required under Regulation D to the extent included in the computation of the Eurodollar Rate and/or (y) other circumstances since the date of this Agreement affecting such Bank or the interbank Eurodollar market or the position of such Bank in such market; or

(iii) at any time, that the making or continuance of any Eurodollar Loan has been made (x) unlawful by any law or governmental rule, regulation or order, (y) impossible by compliance by any Bank in good faith with any governmental request (whether or not having force of law) or (z) impracticable as a result of a contingency occurring after the date of this Agreement which materially and adversely affects the interbank Eurodollar market;

then, and in any such event, such Bank (or the Administrative Agent, in the case of clause (i) above) shall promptly give notice (by telephone confirmed in writing) to the Borrower and, except in the case of clause (i) above, to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the

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other Banks). Thereafter (x) in the case of clause (i) above, Eurodollar Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice by the Administrative Agent no longer exist, and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to Eurodollar Loans which have not yet been incurred (including by way of conversion) shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower shall, subject to the provisions of Section 13.15 (to the extent applicable) pay to such Bank, upon written demand therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Bank in its reasonable discretion shall determine) as shall be required to compensate such Bank for such increased costs or reductions in amounts received or receivable hereunder (a written notice as to the additional amounts owed to such Bank, showing in reasonable detail the basis for and the calculation thereof, submitted to the Borrower by such Bank in good faith shall, absent manifest error, be final and conclusive and binding on all the parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 1.10(b) as promptly as possible and, in any event, within the time period required by law. Each of the Administrative Agent and each Bank agrees that if it gives notice to the Borrower of any of the events described in clause (i) or (iii) above, it shall promptly notify the Borrower and, in the case of any such Bank, the Administrative Agent, if such event ceases to exist. If any such event described in clause (iii) above ceases to exist as to a Bank, the obligations of such Bank to make Eurodollar Loans and to convert Base Rate Loans into Eurodollar Loans on the terms and conditions contained herein shall be

reinstated.

(b) At any time that any Eurodollar Loan is affected by the circumstances described in Section 1.10(a)(ii) or (iii), the Borrower may (and in the case of a Eurodollar Loan affected by the circumstances described in Section 1.10(a)(iii) shall) either (x) if the affected Eurodollar Loan is then being made initially or pursuant to a conversion, cancel the respective Borrowing by giving the Administrative Agent telephonic notice (confirmed in writing) on the same date that the Borrower was notified by the affected Bank or the Administrative Agent pursuant to Section 1.10(a)(ii) or (iii) or (y) if the affected Eurodollar Loan is then outstanding, upon at least one Business Day's written notice to the Administrative Agent, require the affected Bank to convert such Eurodollar Loan into a Base Rate Loan, provided that, if more than one Bank is affected at any time, then all affected Banks must be treated the same pursuant to this Section 1.10(b).

(c) If at any time after the date of this Agreement any Bank determines that the introduction of or any change in any applicable law or governmental (including for this purpose any regulatory body with jurisdiction over such Bank) rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency, in each case introduced or changed after the

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date hereof, will have the effect of increasing the amount of capital required or expected to be maintained by such Bank or any corporation controlling such Bank based on the existence of such Bank's Commitments hereunder or its obligations hereunder, then the Borrower shall, subject to the provisions of Section 13.15 (to the extent applicable), pay to such Bank, upon its written demand therefor, such additional amounts as shall be required to compensate such Bank or such other corporation for the increased cost to such Bank or such other corporation or the reduction in the rate of return to such Bank or such other corporation as a result of such increase of capital. In determining such additional amounts, each Bank will act reasonably and in good faith and will use averaging and attribution methods which are reasonable, provided that such Bank's reasonable good faith determination of compensation owing under this Section 1.10(c) shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Bank, upon determining that any additional amounts will be payable pursuant to this Section 1.10(c), will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for and calculation of such additional amounts.

1.11 Compensation. The Borrower shall, subject to the provisions of Section 13.15 (to the extent applicable), compensate each Bank, upon its written request (which request shall set forth in reasonable detail the basis for requesting and the calculation of such compensation), for all reasonable losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Bank to fund its Eurodollar Loans but excluding any loss of anticipated profit) which such Bank may sustain: (i) if for any reason (other than a default by such Bank or the Administrative Agent) a Borrowing of, or conversion from or into, Eurodollar Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 1.10(a)) or a Loan is not continued as a Eurodollar Loan after an election of a new Interest Period as provided in Section 1.09; (ii) if any repayment (including any repayment made pursuant to Sections 4.01, 4.02 or 13.12(b), as a result of an acceleration of the Loans pursuant to Section 10 or as a result of a replacement of a Bank pursuant to Section 1.13) or conversion of any of its Eurodollar Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any of its Eurodollar Loans is not made on any date specified in a notice of prepayment given by the Borrower; or (iv) as a consequence of (x) any other default by the Borrower to repay its Loans when required by the terms of this Agreement or any Note held by such Bank or (y) any election made pursuant to Section 1.10(b).

1.12 Change of Lending Office. Each Bank agrees that on the occurrence of any event giving rise to the operation of Section 1.10(a)(ii) or (iii), Section 1.10(c), Section 2.05 or Section 4.04 with respect to such Bank, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Bank) to designate another lending office for any Loans or Letters of Credit affected by such event,

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provided that such designation is made on such terms that such Bank and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 1.12 shall affect or postpone any of the obligations of the Borrower or the right of any Bank provided in Sections 1.10,

1.13 Replacement of Banks. (x) If any Bank becomes a Defaulting Bank or otherwise defaults in its obligations to make Loans or fund Unpaid Drawings, (y) upon the occurrence of any event giving rise to the operation of Section 1.10(a)(ii) or (iii), Section 1.10(c), Section 2.05 or Section 4.04 with respect to any Bank which results in such Bank charging to the Borrower increased costs in excess of those being generally charged by the other Banks, or (z) as provided in Section 13.12(b) in the case of certain refusals by a Bank to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Banks, the Borrower shall have the right, if no Default or Event of Default will exist immediately after giving effect to the respective replacement, to either replace such Bank (the "Replaced Bank") with one or more other Eligible Transferee or Transferees, none of whom shall constitute a Defaulting Bank at the time of such replacement (collectively, the "Replacement Bank") reasonably acceptable to the Administrative Agent, provided that (i) at the time of any replacement pursuant to this Section 1.13, the Replacement Bank shall enter into one or more Assignment and Assumption Agreements pursuant to Section 13.04(b) (and with all fees payable pursuant to said Section 13.04(b) to be paid by the Replacement Bank) pursuant to which the Replacement Bank shall acquire all of the Commitments and outstanding Loans of, and in each case participations in Letters of Credit by, the Replaced Bank and, in connection therewith, shall pay to (x) the Replaced Bank in respect thereof an amount equal to the sum (without duplication) of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Replaced Bank, (B) an amount equal to all Unpaid Drawings that have been funded by (and not reimbursed to) such Replaced Bank, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Bank pursuant to Section 3.01 and (y) the respective Issuing Bank an amount equal to such Replaced Bank's Adjusted Percentage (for this purpose, determined as if the adjustment described in clause (y) of the immediately succeeding sentence had been made with respect to such Replaced Bank) of any Unpaid Drawing (which at such time remains an Unpaid Drawing) to the extent such amount was not theretofore funded by such Replaced Bank, and (ii) all obligations of the Borrower owing to the Replaced Bank (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Bank concurrently with such replacement. Upon the execution of the respective Assignment and Assumption Agreements, the payment of amounts referred to in clauses (i) and (ii) above and, if so requested by the Replacement Bank, delivery to the Replacement Bank of the appropriate Note or Notes executed by the Borrower, (x) the Replacement Bank shall

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become a Bank hereunder and the Replaced Bank shall cease to constitute a Bank hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 1.10, 1.11, 2.05, 4.04, 13.01 and 13.06), which shall survive as to such Replaced Bank and (y) in the case of a replacement of a Defaulting Bank with a Non-Defaulting Bank, the Adjusted Percentages of the Banks shall be automatically adjusted at such time to give effect to such replacement (and to give effect to the replacement of a Defaulting Bank with one or more Non-Defaulting Banks).

SECTION 2. Letters of Credit.

2.01 Letters of Credit. (a) Subject to and upon the terms and conditions herein set forth, the Borrower may request that any Issuing Bank issue, at any time and from time to time on and after the Restatement Effective Date and prior to the Maturity Date, (x) for the account of the Borrower and for the benefit of any holder (or any trustee, agent or other similar representative for any such holders) of L/C Supportable Indebtedness of the Borrower or any of its Subsidiaries, an irrevocable standby letter of credit, in a form customarily used by such Issuing Bank or in such other form as has been approved by such Issuing Bank (each such standby letter of credit, a "Standby Letter of Credit") in support of such L/C Supportable Indebtedness and (y) for the account of the Borrower and for the benefit of sellers of goods or materials to the Borrower or any of its Subsidiaries, an irrevocable sight documentary letter of credit in a form customarily used by such Issuing Bank or in such other form as has been approved by such Issuing Bank (each such documentary letter of credit, a "Trade Letter of Credit", and each such Trade Letter of Credit and each Standby Letter of Credit, a "Letter of Credit") in support of commercial transactions of the Borrower and its Subsidiaries. On the Restatement Effective Date, all Original Letters of Credit shall be deemed to have been issued under this Agreement and shall for all purposes constitute "Letters of Credit" hereunder.

(b) Subject to the terms and conditions contained herein, the Administrative Agent hereby agrees that it will (and at the Borrower's request each other Issuing Bank may, at its option, agree that it will), at any time and from time to time on or after the Restatement Effective Date and prior to the Maturity Date, following its receipt of the respective Letter of Credit Request, issue for the account of the Borrower one or more Letters of Credit (x) in the

case of Standby Letters of Credit, in support of such L/C Supportable Indebtedness of the Borrower or any of its Subsidiaries as is permitted to remain outstanding without giving rise to a Default or Event of Default hereunder and (y) in the case of Trade Letters of Credit, in support of sellers of goods or materials as referenced in Section 2.01(a), provided that the respective Issuing Bank shall be under no obligation to issue any Letter of Credit of the types described above if at the time of such issuance:

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(i) any order, judgment or decree of any governmental authority or arbitrator shall purport by its terms to enjoin or restrain such Issuing Bank from issuing such Letter of Credit or any requirement of law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any governmental authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction or reserve or capital requirement (for which such Issuing Bank is not otherwise compensated) not in effect on the date hereof, or any unreimbursed loss, cost or expense which was not applicable, in effect or known to such Issuing Bank as of the date hereof and which such Issuing Bank in good faith deems material to it; or

(ii) such Issuing Bank shall have received notice from any Bank prior to the issuance of such Letter of Credit of the type described in the penultimate sentence of Section 2.02(b).

(c) Letters of Credit may be issued at the request of the Borrower in Dollars or in any other currencies acceptable to the Issuing Bank.

(d) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letter of Credit Outstandings (exclusive of Unpaid Drawings which are repaid on the date of, and prior to the issuance of, the respective Letter of Credit) at such time would exceed either (x) \$50,000,000 or (y) when added to the aggregate principal amount of all Revolving Loans made by Non-Defaulting Banks and then outstanding and Swingline Loans then outstanding, an amount equal to the Adjusted Total Revolving Loan Commitment at such time and (ii) each Letter of Credit shall by its terms terminate on or before the earlier of (x) the date which occurs 12 months after the date of the issuance thereof (although any such Standby Letter of Credit may be extendable for successive periods of up to 12 months, but not beyond the tenth Business Day prior to the Maturity Date, on terms acceptable to the Issuing Bank thereof) or (y) the Maturity Date.

(e) Upon any amendment, modification or extension of any outstanding Letter of Credit, the Borrower and/or the respective Issuing Bank shall give notice to the Administrative Agent of such amendment, modification or extension on the date of the effectiveness thereof (and, promptly after receiving such notice, the Administrative Agent shall send a copy of such notice to the Banks) and shall promptly send to the Administrative Agent a true and correct copy of the documentation governing the respective amendment, modification or extension.

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2.02 Letter of Credit Requests. (a) Whenever the Borrower desires that a Letter of Credit be issued for its account, the Borrower shall give the Administrative Agent and the respective Issuing Bank at least five Business Days' (or such shorter period as is acceptable to the respective Issuing Bank) written notice thereof. Each notice shall be in the form of Exhibit C (each, a "Letter of Credit Request").

(b) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower that such Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 2.01(d). Unless the respective Issuing Bank has received notice from any Bank before it issues a Letter of Credit that one or more of the conditions specified in Section 5 or Section 6, as applicable, are not then satisfied, or that the issuance of such Letter of Credit would violate Section 2.01(d), then such Issuing Bank shall issue the requested Letter of Credit for the account of the Borrower in accordance with such Issuing Bank's usual and customary practices. Upon the issuance of any Letter of Credit, (x) the Borrower and the respective Issuing Bank shall notify the Administrative Agent, on the date of the issuance thereof, of such issuance and shall, on such date, cause to be delivered to the Administrative Agent (which delivery may be by telecopier) a copy of the Letter of Credit so issued and (y) promptly after its receipt of the notice described in preceding clause (x), the Administrative Agent shall notify each Bank of the respective issuance.

2.03 Letter of Credit Participations. (a) Immediately upon the issuance by any Issuing Bank of any Letter of Credit, such Issuing Bank shall be deemed to

have sold and transferred to each Bank with a Revolving Loan Commitment, other than such Issuing Bank (each such Bank, in its capacity under this Section 2.03, a "Participant"), and each such Participant shall be deemed irrevocably and unconditionally to have purchased and received from such Issuing Bank, without recourse or warranty, an undivided interest and participation, to the extent of such Participant's Adjusted Percentage, in such Letter of Credit, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto. Upon any change in the Revolving Loan Commitments or Adjusted Percentages of the Banks pursuant to Sections 1.13, 13.04 or 13.12 or as a result of a Bank Default, it is hereby agreed that, with respect to all outstanding Letters of Credit and Unpaid Drawings, there shall be an automatic adjustment to the participations pursuant to this Section 2.03 to reflect the new Adjusted Percentages of the assignor and assignee Bank or of all Banks with Revolving Loan Commitments, as the case may be.

(b) In determining whether to pay under any Letter of Credit, such Issuing Bank shall have no obligation relative to the other Banks other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered and that they appear to substantially comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by any Issuing Bank

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under or in connection with any Letter of Credit if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for such Issuing Bank any resulting liability to the Borrower or any Bank.

(c) In the event that any Issuing Bank makes any payment under any Letter of Credit and the Borrower shall not have reimbursed such amount in full to such Issuing Bank pursuant to Section 2.04(a), such Issuing Bank shall promptly notify the Administrative Agent, which shall promptly notify each Participant, of such failure, and each Participant shall promptly and unconditionally pay to such Issuing Bank the amount of such Participant's Adjusted Percentage of such unreimbursed payment in Dollars (or, in the case of any unreimbursed payment made in a currency other than Dollars, of the Dollar Equivalent of such unreimbursed payment, as determined by the Issuing Bank on the date on which such unreimbursed payment was made by the Issuing Bank) and in same day funds. If the Administrative Agent so notifies, prior to 11:00 A.M. (Chicago time) on any Business Day, any Participant required to fund a payment under a Letter of Credit, such Participant shall make available to such Issuing Bank in Dollars (or, in the case of any unreimbursed payment made in a currency other than Dollars, of the Dollar Equivalent thereof) such Participant's Adjusted Percentage of the amount of such payment on such Business Day (or, if notice is given after 11:00 A.M. (Chicago time) on any Business Day, on the next Business Day) in same day funds. If and to the extent such Participant shall not have so made its Adjusted Percentage of the amount of such payment available to such Issuing Bank, such Participant agrees to pay to such Issuing Bank, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to such Issuing Bank at the overnight Federal Funds Rate. The failure of any Participant to make available to such Issuing Bank its Adjusted Percentage of any payment under any Letter of Credit shall not relieve any other Participant of its obligation hereunder to make available to such Issuing Bank its Adjusted Percentage of any Letter of Credit on the date required, as specified above, but no Participant shall be responsible for the failure of any other Participant to make available to such Issuing Bank such other Participant's Adjusted Percentage of any such payment.

(d) Whenever any Issuing Bank receives a payment of a reimbursement obligation as to which it has received any payments from the Participants pursuant to clause (c) above, such Issuing Bank shall forward such payment to the Administrative Agent, which in turn shall distribute to each Participant which has paid its Adjusted Percentage thereof, in Dollars (or, in the case of any payment received in a currency other than Dollars, of the Dollar Equivalent thereof) and in same day funds, an amount equal to such Participant's share (based upon the aggregate amount funded by such Participant to the aggregate amount funded by all Participants) of the principal amount of such reimbursement obligation and interest thereon accruing after the purchase of the respective participations.

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(e) Upon the request of any Participant, each Issuing Bank shall furnish to such Participant copies of any Letter of Credit issued by it and such other documentation as may reasonably be requested by such Participant.

(f) The obligations of the Participants to make payments to each Issuing Bank with respect to Letters of Credit issued by it shall be irrevocable and not subject to any qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following

circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, setoff, defense or other right which the Borrower or any of its Subsidiaries may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, any Issuing Bank, any Participant, or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

(v) the occurrence of any Default or Event of Default.

2.04 Agreement to Repay Letter of Credit Drawings. (a) The Borrower hereby agrees to reimburse the respective Issuing Bank, by making payment to the Administrative Agent, in Dollars (or, in the case of any payment or disbursement made by the Issuing Bank in any currency other than Dollars, of the Dollar Equivalent of such payment or disbursement as determined by the Issuing Bank on the date of such payment or disbursement) and in immediately available funds at the Payment Office, for any payment or disbursement made by it under any Letter of Credit (each such amount, so paid until reimbursed, an "Unpaid Drawing"), no later than one Business Day after the Administrative Agent notifies the Borrower of such payment or disbursement, with interest on the amount so paid or disbursed by such Issuing Bank, to the extent not reimbursed prior to 12:00 Noon (Chicago time) on the date of such payment or disbursement, from and

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including the date paid or disbursed to but excluding the date such Issuing Bank was reimbursed by the Borrower therefor at a rate per annum which shall be the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Loans, provided, however, that to the extent such amounts are not reimbursed prior to 12:00 Noon (Chicago time) on the first Business Day following notice to the Borrower by the Administrative Agent of such payment or disbursement, interest shall thereafter accrue on the amounts so paid or disbursed by such Issuing Bank (and until reimbursed by the Borrower) at a rate per annum which shall be the Base Rate in effect from time to time plus the Applicable Margin for Revolving Loans maintained as Base Rate Loans plus 2%, in each such case, with interest to be payable on demand; provided further, that it is understood and agreed, however, that the notice referred to above in this clause (a) and in the immediately preceding proviso shall not be required to be given if a Default or an Event of Default under Section 10.05 shall have occurred and be continuing (in which case the Unpaid Drawings shall be due and payable immediately without presentment, demand, protest or notice of any kind (all of which are hereby waived by each Credit Party) and shall bear interest at the rate provided in the foregoing proviso on and after the first Business Day following the respective Drawing). The respective Issuing Bank shall give the Borrower prompt notice of each Drawing under any Letter of Credit, provided that the failure to give any such notice shall in no way affect, impair or diminish the Borrower's obligations hereunder.

(b) The obligations of the Borrower under this Section 2.04 to reimburse the respective Issuing Bank with respect to drawings on Letters of Credit (each, a "Drawing") (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against any Bank (including in its capacity as issuer of the Letter of Credit or as Participant), or any nonapplication or misapplication by the beneficiary of the proceeds of such Drawing, the respective Issuing Bank's only obligation to the Borrower being to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered and that they appear to substantially comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by any Issuing Bank under or in connection with any Letter of Credit if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for such Issuing Bank any resulting liability to the Borrower.

2.05 Increased Costs. If at any time after the date of this Agreement, the introduction of or any change in any applicable law, rule, regulation, order, guideline or request or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration

thereof, or compliance by any Issuing Bank or any Participant with any request or directive by any such authority (whether or not having the force of law), or any change in generally acceptable accounting principles, shall either (i) impose, modify or make applicable any reserve, deposit, capital adequacy or

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similar requirement against letters of credit issued by any Issuing Bank or participated in by any Participant, or (ii) impose on any Issuing Bank or any Participant any other conditions relating, directly or indirectly, to this Agreement or any Letter of Credit; and the result of any of the foregoing is to increase the cost to any Issuing Bank or any Participant of issuing, maintaining or participating in any Letter of Credit, or reduce the amount of any sum received or receivable by any Issuing Bank or any Participant hereunder or reduce the rate of return on its capital with respect to Letters of Credit (except for changes in the rate of tax on, or determined by reference to, the net income or profits of such Issuing Bank or such Participant, or any franchise tax based on the net income or profits of such Bank or Participant, in either case pursuant to the laws of the United States of America, the jurisdiction in which it is organized or in which its principal office or applicable lending office is located or any subdivision thereof or therein), but without duplication of any amounts payable in respect of Taxes pursuant to Section 4.04(a), then, upon demand to the Borrower by such Issuing Bank or any Participant (a copy of which demand shall be sent by such Issuing Bank or such Participant to the Administrative Agent) and subject to the provisions of Section 13.15 (to the extent applicable), the Borrower shall pay to such Issuing Bank or such Participant such additional amount or amounts as will compensate such Bank for such increased cost or reduction in the amount receivable or reduction on the rate of return on its capital. Any Issuing Bank or any Participant, upon determining that any additional amounts will be payable pursuant to this Section 2.05, will give prompt written notice thereof to the Borrower, which notice shall include a certificate submitted to the Borrower by such Issuing Bank or such Participant (a copy of which certificate shall be sent by such Issuing Bank or such Participant to the Administrative Agent), setting forth in reasonable detail the basis for and the calculation of such additional amount or amounts necessary to compensate such Issuing Bank or such Participant. The certificate required to be delivered pursuant to this Section 2.05 shall, if delivered in good faith and absent manifest error, be final and conclusive and binding on the Borrower.

SECTION 3. Commitment Commission; Fees; Reductions of Commitment.

3.01 Fees. (a) The Borrower agrees to pay the Administrative Agent for distribution to each Bank with a Revolving Loan Commitment a commitment commission (the "Commitment Commission") for the period from the Restatement Effective Date to and including the Maturity Date (or such earlier date as the Total Revolving Loan Commitment shall have been terminated), computed at a rate for each day equal to the Applicable Commitment Commission Percentage, as in effect from time to time, on the daily average Unutilized Revolving Loan Commitment of such Bank, provided, however, that no Bank shall be entitled to Commitment Commission for any period during which such Bank is a Defaulting Bank. Accrued Commitment Commission shall be due and payable quarterly in arrears on each Quarterly Payment Date and on the Maturity Date or such earlier date upon which the Total Revolving Loan Commitment is terminated.

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(b) The Borrower agrees to pay to the Administrative Agent for distribution to each Non-Defaulting Bank with a Revolving Loan Commitment (based on their respective Adjusted Percentages) a fee in respect of each Letter of Credit issued hereunder (the "Letter of Credit Fee"), for the period from and including the date of issuance of such Letter of Credit to and including the termination of such Letter of Credit, computed at a rate per annum equal to the Applicable Margin for Eurodollar Loans, as in effect from time to time, on the daily Stated Amount of such Letter of Credit. Accrued Letter of Credit Fees shall be due and payable quarterly in arrears on each Quarterly Payment Date and upon the first day on or after the termination of the Total Revolving Loan Commitment upon which no Letters of Credit remain outstanding.

(c) The Borrower agrees to pay to the respective Issuing Bank, for its own account, a facing fee in respect of each Letter of Credit issued for its account hereunder (the "Facing Fee") for the period from and including the date of issuance of such Letter of Credit to and including the termination of such Letter of Credit, computed at a rate equal to 1/4 of 1% per annum of the daily Stated Amount of such Letter of Credit; provided that in no event shall the annual Facing Fee with respect to any Letter of Credit be less than \$200, it being agreed that, on the date of issuance of any Letter of Credit and on each anniversary thereof prior to the termination of such Letter of Credit, \$200 will be paid toward the next year's Facing Fees for such Letter of Credit, which amount shall be credited in direct order to the Facing Fees which would otherwise be payable with respect to such Letter of Credit in the succeeding annual period. Accrued Facing Fees shall be due and payable quarterly in arrears

on each Quarterly Payment Date and on the date upon which the Total Revolving Loan Commitment has been terminated and such Letter of Credit has been terminated in accordance with its terms.

(d) The Borrower shall pay, upon each drawing under, issuance of, or amendment to, any Letter of Credit, such amount as shall at the time of such event be the administrative charge which the respective Issuing Bank is generally imposing in connection with such occurrence with respect to letters of credit.

(e) The Borrower shall pay to each of the Managing Agents, whether in their capacity as an Agent or a Managing Agent, for their own account, such other fees as have been agreed to in writing by the Borrower and the Managing Agents.

3.02 Voluntary Termination of Unutilized Commitments. (a) Upon at least one Business Day's prior notice to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Banks), the Borrower shall have the right, at any time or from time to time, without premium or penalty, to terminate the Total Unutilized Revolving Loan Commitment, in whole or in part, in integral multiples of \$1,000,000 in the case of partial reductions to the Total Revolving Loan Commitment, provided that (i) each such reduction shall apply proportionately to perman-

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ently reduce the Revolving Loan Commitment of each Bank with such a Commitment and (ii) the reduction to the Total Unutilized Revolving Loan Commitment shall in no case be in an amount which would cause the Revolving Loan Commitment of any Bank to be reduced (as required by preceding clause (i)) by an amount which exceeds the remainder of (x) the Unutilized Revolving Loan Commitment of such Bank as in effect immediately before giving effect to such reduction minus (y) such Bank's Adjusted Percentage of the aggregate principal amount of Swingline Loans then outstanding.

(b) In the event of certain refusals by a Bank as provided in Section 13.12(b) to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Banks, the Borrower may, subject to the requirements of said Section 13.12(b) and upon five Business Days' written notice to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Banks), terminate all of the Revolving Loan Commitment of such Bank so long as all Loans, together with accrued and unpaid interest, fees and all other amounts, owing to such Bank are repaid concurrently with the effectiveness of such termination (at which time Schedule I shall be deemed modified to reflect such changed amounts), and at such time, such Bank shall no longer constitute a "Bank" for purposes of this Agreement, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 1.10, 1.11, 2.05, 4.04, 13.01 and 13.06), which shall survive as to such repaid Bank.

3.03 Mandatory Reduction of Commitments. (a) The Total Commitment (and the Term Loan Commitment and the Revolving Loan Commitment of each Bank) shall terminate in its entirety on December 31, 1996 and the Original Credit Agreement shall continue in effect unless the Restatement Effective Date shall have occurred on or prior to such date.

(b) In addition to any other mandatory commitment reductions pursuant to this Section 3.03, the Total Term Loan Commitment (and the Term Loan Commitment of each Bank) shall (i) terminate in its entirety on the Restatement Effective Date (after giving effect to the making of the Term Loans on such date) and (ii) prior to the termination of the Total Term Loan Commitment as provided in clause (i) above, be reduced from time to time to the extent required by Section 4.02.

(c) In addition to any other mandatory commitment reductions pursuant to this Section 3.03, the Total Revolving Loan Commitment (and the Revolving Loan Commitment of each Bank) shall terminate in its entirety on the Maturity Date.

(d) In addition to any other mandatory commitment reductions pursuant to this Section 3.03, on each date after the Restatement Effective Date upon which a mandatory prepayment of Term Loans pursuant to Section 4.02(d), (e) or (f) is required (and ex-

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ceeds in amount the aggregate principal amount of Term Loans then outstanding) or would be required if Term Loans were then outstanding, the Total Revolving Loan Commitment shall be permanently reduced by the amount, if any, by which the amount required to be applied pursuant to said Section (determined as if an unlimited amount of Term Loans were actually outstanding) exceeds the aggregate principal amount of Term Loans then outstanding.

(e) Each reduction to the Total Term Loan Commitment and the Total Revolving Loan Commitment pursuant to this Section 3.03 (or pursuant to Section 4.02) shall be applied proportionately to reduce the Term Loan Commitment or the Revolving Loan Commitment, as the case may be, of each Bank with such a Commitment.

SECTION 4. Prepayments; Payments; Taxes.

4.01 Voluntary Prepayments. The Borrower shall have the right to prepay the Loans, without premium or penalty, in whole or in part at any time and from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent prior to 1:00 P.M. (Chicago time) at its Notice Office (x) at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay Base Rate Loans (or same day notice in the case of Swingline Loans provided such notice is given prior to 12:00 Noon (Chicago time)) and (y) at least five Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay Eurodollar Loans, whether Term Loans, Revolving Loans or Swingline Loans shall be prepaid, the amount of such prepayment and the Types of Loans to be prepaid and, in the case of Eurodollar Loans, the specific Borrowing or Borrowings pursuant to which made, which notice the Administrative Agent shall promptly transmit to each of the Banks; (ii) each prepayment shall be in an aggregate principal amount of at least \$1,000,000 (or \$500,000 in the case of Swingline Loans or Revolving Loans) or such lesser amount of a Borrowing which is outstanding, provided that if any partial prepayment of Eurodollar Loans made pursuant to any Borrowing shall reduce the outstanding Eurodollar Loans made pursuant to such Borrowing to an amount less than (1) in the case of Term Loans, \$5,000,000 and (2) in the case of Revolving Loans, \$2,000,000, then such Borrowing may not be continued as a Borrowing of Eurodollar Loans and any election of an Interest Period with respect thereto given by the Borrower shall have no force or effect; (iii) at the time of any prepayment of Eurodollar Loans pursuant to this Section 4.01 on any day other than the last day of an Interest Period applicable thereto, the Borrower shall pay the amounts required pursuant to Section 1.11; (iv) in the event of certain refusals by a Bank as provided in Section 13.12(b) to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Banks, the Borrower may, upon 5 Business Days' written notice to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Banks) repay all Loans, together with accrued and unpaid interest, Fees, and

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other amounts owing to such Bank in accordance with said Section 13.12(b) so long as (A) the Revolving Loan Commitment, if any, of such Bank is terminated concurrently with such repayment (at which time Schedule I shall be deemed modified to reflect the changed Revolving Loan Commitments) and (B) the consents required by Section 13.12(b) in connection with the repayment pursuant to this clause (iv) have been obtained; and (v) except as provided in preceding clause (iv), each prepayment in respect of any Loans made pursuant to a Borrowing shall be applied pro rata among the Loans comprising such Borrowing; provided that at the Borrower's election in connection with any prepayment of Revolving Loans pursuant to this Section 4.01, such prepayment shall not be applied to any Revolving Loan of a Defaulting Bank. Each prepayment of principal of Term Loans pursuant to this Section 4.01 shall be applied (i) first, in direct order of maturity to those Scheduled Repayments which will be due and payable within 12 months after the date the respective prepayment is made pursuant to this Section 4.01 and (ii) second, to the extent the amount to be applied exceeds the amount to be applied pursuant to preceding clause (i), to reduce the then remaining Scheduled Repayments of Term Loans pro rata based upon the then remaining principal amounts of the Scheduled Repayments after giving effect to all prior reductions thereto; provided that repayments of Term Loans pursuant to clause (iv) of the first sentence of Section 4.01 shall only apply to reduce the then remaining Scheduled Repayments to the extent the Term Loans so repaid are not replaced pursuant to Section 13.12(b), with any such reductions to reduce the then remaining Scheduled Repayments in inverse order of maturity unless otherwise specifically agreed by the Required Banks.

4.02 Mandatory Repayments and Commitment Reductions. (a) (i) On any day on which the sum of the aggregate outstanding principal amount of the Revolving Loans made by Non-Defaulting Banks, Swingline Loans and the Letter of Credit Outstandings exceeds the Adjusted Total Revolving Loan Commitment as then in effect, the Borrower shall prepay principal of Swingline Loans and, after the Swingline Loans have been repaid in full, Revolving Loans of Non-Defaulting Banks in an amount equal to such excess. If, after giving effect to the prepayment of all outstanding Swingline Loans and Revolving Loans of Non-Defaulting Banks, the aggregate amount of the Letter of Credit Outstandings exceeds the Adjusted Total Revolving Loan Commitment as then in effect, the Borrower shall pay to the Administrative Agent at the Payment Office on such date an amount of cash or Cash Equivalents equal to the amount of such excess (up to a maximum amount equal to the Letter of Credit Outstandings at such time), such cash or Cash Equivalents to be held as security for all obligations of the Borrower to Non-Defaulting Banks hereunder in a cash collateral account

to be established by the Administrative Agent.

(ii) On any day on which the aggregate outstanding principal amount of the Revolving Loans made by any Defaulting Bank exceeds the Revolving Loan Commitment of such Defaulting Bank, the Borrower shall prepay principal of Revolving Loans of such Defaulting Bank in an amount equal to such excess.

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(b) In addition to any other mandatory repayments or commitment reductions pursuant to this Section 4.02, on (i) each Quarterly Payment Date commencing in March 1997 through, and including, September 2001 and (ii) the Maturity Date, the Borrower shall be required to repay Term Loans, to the extent then outstanding, in a principal amount equal to \$8,750,000 (each such repayment, as the same may be reduced as provided in Sections 4.01 and 4.02(g), a "Scheduled Repayment," and each such date, a "Scheduled Repayment Date").

(c) In addition to any other mandatory repayments or commitment reductions pursuant to this Section 4.02, on each date after the Restatement Effective Date upon which Holdings or any of its Subsidiaries receives any proceeds from any sale or issuance of its equity (other than (i) proceeds received from the issuance of shares of Holdings Common Stock to the extent that the aggregate proceeds excluded pursuant to this clause (i) do not exceed, in any period of four consecutive fiscal quarters, \$5,000,000 and (ii) proceeds received by Parent or any of its Subsidiaries from the issuance of shares of common stock of Parent or any of its Subsidiaries to Holdings or any of its Subsidiaries) an amount equal to 100% of the cash proceeds of the respective sale or issuance (net of underwriting discounts and commissions and other direct costs associated therewith, including, without limitation, legal fees and expenses) shall be applied as a mandatory repayment of principal of outstanding Term Loans (or, if the Restatement Effective Date has not yet occurred, such amounts shall be applied as a mandatory reduction to the Total Term Loan Commitment) in accordance with the requirements of Section 4.02(g) and (h).

(d) In addition to any other mandatory repayments or commitment reductions pursuant to this Section 4.02, on each date after the Restatement Effective Date upon which Holdings or any of its Subsidiaries receives any proceeds from any incurrence by Holdings or any of its Subsidiaries of Indebtedness for borrowed money (other than Indebtedness for borrowed money permitted to be incurred pursuant to Section 9.04 as such Section is in effect on the Restatement Effective Date), an amount equal to the cash proceeds (net of underwriting discounts and commissions and other costs associated therewith including, without limitation, legal fees and expenses) of the respective incurrence of Indebtedness shall be applied as a mandatory repayment of principal of outstanding Term Loans (or, if the Restatement Effective Date has not yet occurred, such amounts shall be applied as a mandatory reduction to the Total Term Loan Commitment) in accordance with the requirements of Sections 4.02(g) and (h). In addition to the foregoing mandatory repayments or commitment reductions, on each date after the Restatement Effective Date upon which the Receivables Maximum Funding Amount is increased to an amount which, when added to the amount of the Total Revolving Loan Commitment as then in effect, exceeds \$150,000,000 (or exceeds the highest amount to which the sum of (x) the Receivables Maximum Funding Amount and (y) the amount of the Total Revolving Loan Commitment, has theretofore been raised above such triggering amount and before such increase) an amount equal to the amount of such increase shall be required to be applied as a mandatory

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repayment of principal of outstanding Term Loans in accordance with the requirements of Sections 4.02(g) and (h).

(e) In addition to any other mandatory repayments or commitment reductions pursuant to this Section 4.02, on each date after the Restatement Effective Date upon which Holdings or any of its Subsidiaries receives proceeds from any sale of assets (including capital stock and securities held thereby, but excluding (i) sales or transfers of inventory in the ordinary course of business, (ii) sales or transfers of assets in accordance with Sections 9.02(vi), (viii) and (xi) as originally in effect, (iii) sales of assets between the Borrower and its Wholly-Owned Subsidiaries and/or sales of assets between Wholly-Owned Subsidiaries of the Borrower, in each case to the extent permitted by Section 9.02, (iv) the first \$10,000,000 in Net Sale Proceeds from sales of other assets occurring during any calendar year beginning after the Original Effective Date and (v) Net Sale Proceeds from sales by the Borrower of assets or capital stock of Howmet Refurbishment, Inc. to the extent used as described in the proviso to Section 9.02(xvi) to repurchase, redeem or otherwise retire outstanding Parent PIK Subordinated Notes), an amount equal to 100% of the Net Sale Proceeds therefrom shall be applied as a mandatory repayment of principal of outstanding Term Loans (or, if the Restatement Effective Date has not yet occurred, such amounts shall be applied as a mandatory reduction to the Total Term Loan Commitment) in accordance with the requirements of Sections 4.02(g) and (h); provided, that so long as no Default or Event of Default then exists, up to \$50

million in the aggregate (but not more than \$25 million in any calendar year) of Net Sale Proceeds of asset sales effected in accordance with Section 9.02(xii) shall not be required to be so applied on the date of the receipt thereof to the extent that the Borrower has delivered a certificate to the Administrative Agent on or prior to such date stating that such Net Sale Proceeds shall be used to effect Permitted Acquisitions and/or additional Capital Expenditures, in each case in accordance with the requirements of Section 8.13(c), within 180 days following such date; provided further, that if all or any portion of such Net Sale Proceeds not required to be applied pursuant to the preceding proviso are not so utilized within 180 days after the date of the receipt of such Net Sale Proceeds, then such remaining portion not so utilized shall be applied on the date which is 180 days after the date of receipt of such Net Cash Proceeds in accordance with the requirements of this Section 4.02(e) (without regard to this, or the immediately preceding, proviso).

(f) In addition to any other mandatory repayments or commitment reductions pursuant to this Section 4.02, within 10 days following each date after the Restatement Effective Date on which Holdings or any of its Subsidiaries receives any proceeds from any Recovery Event, an amount equal to 100% of the proceeds of such Recovery Event (net of reasonable costs including, without limitation, legal costs and expenses, and taxes incurred in connection with such Recovery Event) shall be applied as a mandatory repayment of principal of outstanding Term Loans in accordance with the requirements of Sections 4.02(g) and (h), provided that (x) so long as no Default or Event of Default then

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exists and such proceeds do not exceed \$10,000,000, such proceeds shall not be required to be so applied on such date to the extent that the Borrower has delivered a certificate to the Administrative Agent on or prior to such date stating that such proceeds shall be used or shall be committed to be used to replace or restore any properties or assets in respect of which such proceeds were paid within one year following the date of such Recovery Event (which certificate shall set forth the estimates of the proceeds to be so expended) and (y) so long as no Default or Event of Default then exists and to the extent that (a) the amount of such proceeds exceeds \$10,000,000, (b) the amount of such proceeds, together with other cash available to the Borrower and permitted to be spent by it on Capital Expenditures during the relevant period pursuant to Section 9.07 (without regard to Section 9.07(c)(ii) in the case of such other cash), equals 100% of the cost of replacement or restoration of the properties or assets in respect of which such proceeds were paid as determined by the Borrower and as supported by such estimates or bids from contractors or subcontractors or such other supporting information as the Administrative Agent may reasonably request, (c) the Borrower has delivered to the Administrative Agent a certificate on or prior to the date the application would otherwise be required pursuant to this Section 4.02(f) in the form described in clause (x) above and also certifying its determination as required by preceding clause (b), and (d) the Borrower has delivered to the Administrative Agent such evidence as the Administrative Agent may reasonably request in form and substance reasonably satisfactory to the Administrative Agent establishing that the Borrower reasonably expects to have sufficient resources available to it from time to time, including without limitation cash, revenues and insurance proceeds, such that the Borrower can reasonably be expected to satisfy all obligations and expenses of the Borrower (including, without limitation, all debt service requirements, including pursuant to this Agreement) without any delay or extension thereof, for the period from the date of the respective casualty, condemnation or other event giving rise to the Recovery Event and continuing through the completion of the replacement or restoration of respective properties or assets, then the entire amount of the proceeds of such Recovery Event and not just the portion in excess of \$10,000,000 shall be deposited with the Administrative Agent pursuant to a cash collateral arrangement reasonably satisfactory to the Administrative Agent and the Borrower whereby such proceeds shall be disbursed to the Borrower or its order from time to time as needed to pay actual costs incurred by it in connection with the replacement or restoration of the respective properties or assets (pursuant to such reasonable certification requirements as may be established by the Administrative Agent), provided further, that at any time while an Event of Default has occurred and is continuing (other than an Event of Default existing solely under Section 10.03 as a result of the violation of any or all of Sections 9.08 through 9.10, inclusive, but in each case only if, and to the extent, that the violation of said covenant has occurred as a result of the underlying event giving rise to the Recovery Event), the Required Banks may direct the Administrative Agent (in which case the Administrative Agent shall, and is hereby authorized by the Borrower to, follow said directions) to apply any or all proceeds then on deposit in such collateral account to the repayment of Obligations hereunder in the same manner as proceeds would be applied

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pursuant to the Security Agreement, and provided further, that if all or any portion of such proceeds not required to be applied to the repayment of Term Loans pursuant to the second preceding proviso (whether pursuant to clause (x)

or (y) thereof) are either (A) not so used or committed to be so used within one year after the date of the respective Recovery Event or (B) if committed to be used within one year after the date of receipt of such Net Sale Proceeds and not so used within two years after the date of the respective Recovery Event then, in either such case, such remaining portion not used or committed to be used in the case of preceding clause (A) and not used in the case of preceding clause (B) shall be applied on the date which is the first anniversary of the date of the respective Recovery Event in the case of clause (A) above or the date occurring two years after the date of the respective Recovery Event in the case of clause (B) above as a mandatory repayment of principal of outstanding Term Loans in accordance with the requirements of Section 4.02(g) and (h).

(g) Each amount required to be applied to Term Loans (or to the Total Term Loan Commitment) pursuant to Sections 4.02(c), (d), (e) and (f) shall be applied to repay the outstanding principal amount of Term Loans then outstanding. The amount of each principal repayment of Term Loans made as required by (A) Sections 4.02(d), (e) and (f) shall be applied to reduce the then remaining Scheduled Repayments pro rata based upon the then remaining principal amounts of the Scheduled Repayments after giving effect to all prior reductions thereto and (B) Section 4.02(c) shall be applied (i) first, in direct order of maturity to those Scheduled Repayments which will be due and payable within 12 months after the date the respective prepayment is made pursuant to this Section 4.02 and (ii) second, to the extent the amount to be applied exceeds the amount to be applied pursuant to preceding clause (i), to reduce the then remaining Scheduled Repayments of Term Loans pro rata based upon the then remaining principal amounts of the Scheduled Repayments after giving effect to all prior reductions thereto.

(h) With respect to each repayment of Loans required by this Section 4.02, the Borrower may designate the Types of Loans of the respective Tranche which are to be repaid and, in the case of Eurodollar Loans, the specific Borrowing or Borrowings of the respective Tranche pursuant to which made, provided that: (i) repayments of Eurodollar Loans pursuant to this Section 4.02 may only be made on the last day of an Interest Period applicable thereto unless all Eurodollar Loans of the respective Tranche with Interest Periods ending on such date of required repayment and all Base Rate Loans of the respective Tranche have been paid in full; (ii) if any repayment of Eurodollar Loans made pursuant to a single Borrowing shall reduce the outstanding Eurodollar Loans made pursuant to such Borrowing to an amount less than (x) in the case of Term Loans, \$5,000,000 and (y) in the case of Revolving Loans, \$2,000,000, such Borrowing shall be converted at the end of the then current Interest Period into a Borrowing of Base Rate Loans; and (iii) each repayment of any Loans comprising a Borrowing shall be applied pro rata among such Loans. In the absence of a designation by the Borrower as described in

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the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion with a view, but no obligation, to minimize breakage costs owing under Section 1.11.

(i) Notwithstanding anything to the contrary contained elsewhere in this Agreement, (i) all then outstanding Swingline Loans shall be repaid in full on the Swingline Expiry Date and (ii) all other then outstanding Loans shall be repaid in full on the Maturity Date.

4.03 Method and Place of Payment. Except as otherwise specifically provided herein, all payments under this Agreement or any Note shall be made to the Administrative Agent for the account of the Bank or Banks entitled thereto not later than 12:00 Noon (Chicago time) on the date when due and shall be made in Dollars in immediately available funds at the Payment Office of the Administrative Agent. Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

4.04 Net Payments: Taxes. (a) All payments made by any Credit Party hereunder or under any Note will be made without setoff, counterclaim or other defense. Except as provided in Section 4.04(b), all such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding, except as provided in the second succeeding sentence, any tax imposed on or measured by the net income or net profits of a Bank pursuant to the laws of the jurisdiction in which it is organized or the jurisdiction in which the principal office or applicable lending office of such Bank is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect to such non- excluded taxes, levies, imposts, duties, fees, assessments or other charges (all such non- excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, the Borrower

agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement or under any Note, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein or in such Note. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, the Borrower agrees to reimburse each Bank, upon the written request of such Bank, for taxes imposed on or measured by the net income or net profits of such Bank pursuant to the laws of the jurisdiction in which such bank is organized or in which the principal office or applicable lending office of such Bank is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which

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such bank is organized or in which the principal office or applicable lending office of such Bank is located and for any withholding or income or similar taxes as such Bank shall determine are payable by, or withheld from, such Bank in respect of such amounts so paid to or on behalf of such Bank pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Bank pursuant to this sentence. The Borrower will furnish to the Administrative Agent within 45 days after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by the Borrower. The Borrower agrees to indemnify and hold harmless each Bank, and reimburse such Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by such Bank.

(b) Each Bank that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) agrees to deliver to the Borrower and the Administrative Agent on or prior to the Restatement Effective Date, or in the case of a Bank that is an assignee or transferee of an interest under this Agreement pursuant to Section 1.13 or 13.04 (unless the respective Bank was already a Bank hereunder immediately prior to such assignment or transfer), on or before the date of such assignment or transfer to such Bank, (i) two accurate and complete original signed copies of Internal Revenue Service Form 4224 or 1001 (or successor forms) certifying to such Bank's entitlement to a complete exemption from United States withholding tax with respect to payments to be made under this Agreement and under any Note, or (ii) if the Bank is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and cannot deliver either Internal Revenue Service Form 1001 or 4224 pursuant to clause (i) above, (x) a certificate substantially in the form of Exhibit D (any such certificate, a "Section 4.04(b)(ii) Certificate") and (y) two accurate and complete original signed copies of Internal Revenue Service Form W-8 (or successor form) certifying to such Bank's entitlement to a complete exemption from United States withholding tax with respect to payments of interest to be made under this Agreement and under any Note. In addition, each Bank agrees that from time to time after the Restatement Effective Date, when a lapse in time or change in circumstances renders the previous certification obsolete or inaccurate in any material respect, it will deliver to the Borrower and the Administrative Agent two new accurate and complete original signed copies of Internal Revenue Service Form 4224 or 1001, or Form W-8 and a Section 4.04(b)(ii) Certificate, as the case may be, and such other forms as may be required in order to confirm or establish the entitlement of such Bank to a continued exemption from or reduction in United States withholding tax with respect to payments under this Agreement and any Note, or it shall immediately notify the Borrower and the Administrative Agent of its inability to deliver any such Form or Certificate in which case such Bank shall not be required to deliver any such Form or Certificate pursuant to this Section 4.04(b). Notwithstanding anything to the contrary contained in Section 4.04(a), but subject to Section 13.04(b) and the immediately succeeding sentence, (x) the Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold income or similar taxes imposed by the United States (or any political subdivision or taxing authority

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thereof or therein) from interest, Fees or other amounts payable hereunder for the account of any Bank which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) to the extent that such Bank has not provided to the Borrower on or prior to the date so required U.S. Internal Revenue Service Forms that establish a complete exemption from such deduction or withholding and (y) the Borrower shall not be obligated pursuant to Section 4.04(a) to gross-up payments to be made to a Bank in respect of income or similar taxes imposed by the United States if (I) such Bank has not provided to the Borrower on or prior to the date so required the Internal Revenue Service Forms required to be provided to the Borrower pursuant to this Section 4.04(b) or (II) in the case of a payment, other than interest, to a Bank described in clause (ii) above, to the extent that such Forms do not establish a complete exemption from withholding of such taxes. Notwithstanding anything to the contrary contained in the preceding sentence or elsewhere in this Section 4.04 and except as set forth in Section 13.04(b), the Borrower agrees to pay additional amounts and to indemnify each Bank in the manner set forth in Section 4.04(a) (without regard to the identity of the jurisdiction requiring the

deduction or withholding) in respect of any Taxes deducted or withheld by it as described in the immediately preceding sentence as a result of any changes after the Restatement Effective Date (or, if later, the date such Bank became party to this Agreement) in any applicable law, treaty, governmental rule, regulation, guideline or order, or in the interpretation thereof, relating to the deducting or withholding of such Taxes.

(c) Upon the reasonable request of the Borrower, any Bank that is a United States person (as such term is defined in Section 7701 (a)(30) of the Code) shall provide the Borrower with two accurate and complete original signed copies of an Internal Revenue Service Form W-9, or any successor form that such Bank is entitled to provide at such time in order to comply with United States backup withholding tax requirements.

(d) If the Borrower pays any additional amount under this Section 4.04 to a Bank and such Bank determines in its sole discretion that it has actually received or realized in connection therewith any refund or any reduction of, or credit against, its Tax liabilities in or with respect to the taxable year in which the additional amount is paid, such Bank shall pay to the Borrower an amount that the Bank shall, in its sole discretion, determine is equal to the net benefit, after tax, which was obtained by the Bank in such year as a consequence of such refund, reduction or credit. The decision as to whether a Bank claims any refund or credit or files any amended tax return shall be in the sole discretion of such Bank. Nothing in this Section 4.04(d) shall require a Bank to disclose or detail the basis of its calculation of the amount of any tax benefit or any other amount to the Borrower or to any other party (including, without limitation, any tax return).

SECTION 5. Conditions Precedent to Loans on the Restatement Effective Date. The obligation of each Bank to make Loans, and the obligation of each Issuing Bank to issue Letters of Credit, on the Restatement Effective Date, is subject at the time of the

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making of such Loans or the issuance of such Letters of Credit to the satisfaction of the following conditions:

5.01 Execution of Agreement; Notes. On or prior to the Restatement Effective Date (i) this Agreement shall have been executed and delivered as provided in Section 13.10 and (ii) there shall have been delivered to the Administrative Agent for the account of each of the Banks the appropriate Term Note and/or Revolving Note executed by the Borrower, and to the Swingline Bank the Swingline Note executed by the Borrower, in each case in the amount, maturity and as otherwise provided herein.

5.02 Fees, etc. (a) The Borrower shall have paid to the Administrative Agent for the account of each Continuing Bank and each New Bank a financing fee equal to 1/8 of 1% of the sum of such Bank's Commitments as in effect on the Restatement Effective Date (before giving effect to any extensions of credit on such date).

(b) In addition to any amounts payable by the Borrower pursuant to paragraph (a) above, on the Restatement Effective Date, the Borrower shall have paid to the Agents, the Managing Agents and the Banks all costs, fees and expenses (including, without limitation, legal fees and expenses) payable to the respective Agents, Managing Agents and the Banks to the extent then due.

5.03 Opinions of Counsel. On the Restatement Effective Date, the Administrative Agent shall have received (i) from Latham & Watkins, special counsel to Holdings and its Subsidiaries, an opinion addressed to each of the Agents and each of the Banks and dated the Restatement Effective Date covering the matters set forth in Exhibit E-1 and (ii) from Roland Paul, general counsel to the Borrower an opinion addressed to each of the Agents and each of the Banks and dated the Restatement Effective Date covering the matters set forth in Exhibit E-2.

5.04 Corporate Documents; Proceedings; etc. (a) On the Restatement Effective Date, the Administrative Agent shall have received certificates of all Credit Parties (x) certifying that there were no changes, or providing the text of any changes, to the certificate of incorporation and by-laws of such Credit Parties as delivered pursuant to Section 5.04 of the Original Credit Agreement and (y) to the effect that each such Credit Party is in good standing in its respective state of incorporation and in those states where each such Credit Party conducts business.

(b) All corporate and legal proceedings and all material instruments and agreements in connection with the transactions contemplated by this Agreement and the other Documents shall be reasonably satisfactory in form and substance to the Managing Agents, and the Administrative Agent shall have received all information and copies of all documents and papers, including records of corporate proceedings, governmental approvals,

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good standing certificates and bring-down telegrams or facsimiles, if any, which the Managing Agents reasonably may have requested in connection therewith, such documents and papers where appropriate to be certified by proper corporate or governmental authorities.

5.05 Employee Benefit Plans; Shareholders' Agreements; Management Agreements; Collective Bargaining Agreements; Debt Agreements; Acquisition Documents; Tax Sharing Agreements. On or prior to the Restatement Effective Date, the Administrative Agent shall have received (i) a certification from the chairman of the board, the president, any vice president or the treasurer of the Borrower that all agreements and plans referenced in Section 5.05 of the Original Credit Agreement, previously delivered (or made available) to the Administrative Agent by each Credit Party, remain in full force and effect (or specifying which of such agreements and plans do not remain in full force and effect) and (ii) any amendments thereto or additional such agreements.

5.06 Subsidiaries Guaranty. On the Restatement Effective Date, each Subsidiary Guarantor shall have duly authorized, executed and delivered an Amended and Restated Subsidiaries Guaranty in the form of Exhibit F hereto (as modified, supplemented or amended from time to time, the "Subsidiaries Guaranty").

5.07 Pledge Agreement. On the Restatement Effective Date, each Credit Party shall have duly authorized, executed and delivered an Amended and Restated Pledge Agreement in the form of Exhibit G (as modified, supplemented or amended from time to time, the "Pledge Agreement") and shall have delivered to the Collateral Agent, as Pledgee, all the Pledged Securities, if any, referred to therein then owned by such Credit Party, (x) endorsed in blank in the case of promissory notes constituting Pledged Securities and (y) together with executed and undated stock powers, in the case of capital stock constituting Pledged Securities.

5.08 Security Agreement. On the Restatement Effective Date, each Credit Party shall have duly authorized, executed and delivered an Amended and Restated Security Agreement in the form of Exhibit H (as modified, supplemented or amended from time to time, the "Security Agreement") covering all of such Credit Party's present and future Security Agreement Collateral, in each case together with evidence that all other actions necessary (including the filing of any new financing statements or the amending of any existing financing statements) or, in the reasonable opinion of the Collateral Agent, desirable to perfect and protect (or maintain the perfection of) the security interests purported to be created (or maintained) by the Security Agreement have been taken.

5.09 Mortgage Amendments: etc. On the Restatement Effective Date, the Collateral Agent shall have received:

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(i) fully executed counterparts of amendments (the "Mortgage Amendments"), in form and substance satisfactory to the Managing Agents to each of the Original Mortgages, together with evidence that counterparts of each of the Mortgage Amendments have been delivered to the title insurance company insuring the Lien of the Original Mortgages for recording in all places to the extent necessary or, in the reasonable opinion of the Collateral Agent, desirable to effectively maintain a valid and enforceable first priority (subject to Permitted Liens) mortgage lien on each Original Mortgaged Property in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors; and

(ii) endorsements of the authorized issuing agent for title insurers reasonably satisfactory to the Collateral Agent to each Original Mortgage Policy assuring the Collateral Agent that each Original Mortgage is a valid and enforceable first priority mortgage lien on the respective Original Mortgaged Properties, free and clear of all defects and encumbrances except Permitted Liens.

5.10 Consent Letter. On the Restatement Effective Date, the Administrative Agent shall have received a letter from CT Corporation System, presently located at 1633 Broadway, New York, New York 10019, substantially in the form of Exhibit I, indicating its consent to its appointment by each Credit Party as its agent to receive service of process as specified in Section 13.08.

5.11 Adverse Change, etc. (a) On the Restatement Effective Date, nothing shall have occurred since September 30, 1996 (and the Banks shall have become aware of no facts, conditions or other information not previously known), which a Managing Agent or the Required Banks reasonably believe could have a material adverse effect on the rights or remedies of any Managing Agent or the Banks, or on the ability of Holdings, Parent or the Borrower to perform their

respective obligations to the Managing Agents and the Banks or which the Managing Agents or the Required Banks reasonably believe would have a material adverse effect on the business, property, assets, nature of assets, liabilities, condition (financial or otherwise) or prospects of Holdings, Parent, the Borrower or any such Person and its Subsidiaries taken as a whole.

(b) On or prior to the Restatement Effective Date, all necessary governmental (domestic and foreign) and third party approvals in connection with the Transaction, the transactions contemplated by the Credit Documents and otherwise referred to herein or therein shall have been obtained and remain in effect, and all applicable waiting periods shall have expired without any action being taken by any competent authority which, in the judgment of a Managing Agent or the Required Banks, restrains, prevents or imposes materially adverse conditions upon the consummation of the Transaction. Additionally, there shall not exist any judgment, order, injunction or other restraint issued or filed or

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hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon the Transaction.

5.12 Litigation. On the Restatement Effective Date, no litigation by any entity (private or governmental) shall be pending or threatened with respect to the Transaction or any documentation executed in connection therewith, or which any Managing Agent or the Required Banks shall determine is reasonably likely to have a materially adverse effect on the Transaction or the business, property, assets, liabilities, condition (financial or otherwise) or prospects of Holdings, Parent, the Borrower, or any such Person and its Subsidiaries taken as a whole.

5.13 Solvency Certificate; Environmental Analyses; Insurance. On or before the Restatement Effective Date, the Borrower shall cause to be delivered to the Administrative Agent (i) a solvency certificate from an officer of Holdings, in the form of Exhibit J hereto, setting forth his conclusions that, after giving effect to the Transaction and the incurrence of all the financings contemplated herein, each of Holdings and its Subsidiaries taken as a whole, and the Borrower and its Subsidiaries taken as a whole, is not insolvent and will not be rendered insolvent by the indebtedness incurred in connection therewith, and will not be left with unreasonably small capital with which to engage in their business and will not have incurred debts beyond their ability to pay debts as they mature, (ii) such environmental updates as may have been reasonably requested by the Managing Agents and (iii) a summary of all insurance policies in form and substance reasonably satisfactory to the Managing Agents and evidence of insurance complying with the requirements of Section 8.03 for the business and properties of Holdings and its Subsidiaries, in scope, form and substance reasonably satisfactory to the Managing Agents and the Required Banks and naming the Collateral Agent as an additional insured and/or loss payee, and stating that such insurance shall not be cancelled or revised without 30 days prior written notice by the insurer to the Collateral Agent.

5.14 Financial Statements; Projections. (a) On or prior to the Restatement Effective Date, there shall have been delivered to the Administrative Agent unaudited consolidating and consolidated financial statements for Holdings and its Subsidiaries for the nine-month period ended September 30, 1996.

(b) On or prior to the Restatement Effective Date there shall have been delivered to the Administrative Agent detailed projected consolidated financial statements of the Borrower and its Subsidiaries certified by the chief financial officer of the Borrower for the period from January 1, 1997 to December 31, 2001 (the "Projections"), which Projections (x) shall reflect the forecasted consolidated financial condition and income and expenses of the Borrower and its Subsidiaries after giving affect to the Transaction and the related financing thereof and the other transactions contemplated hereby and (y) shall be satisfactory in form and substance to the Managing Agents.

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5.15 Senior Subordinated Indebtedness. On or prior to the Restatement Effective Date, the Borrower shall have delivered to the Administrative Agent an officers' certificate (signed by an officer or officers satisfactory to the Administrative Agent) (x) meeting the requirements of the Senior Subordinated Notes Indenture (and the parenthetical contained in clause (e) of the definition of Senior Indebtedness contained therein) to the effect that the issuance of the Indebtedness pursuant to this Agreement does not violate the "Limitation on Indebtedness" covenant of the Senior Subordinated Note Indenture and setting forth in reasonable detail the reasons therefor, (y) certifying that this Agreement and the related documents hereto constitute the "New Bank Credit Facility" and "Designated Senior Indebtedness" under, and as defined in, the Senior Subordinated Note Indenture and that all Obligations hereunder constitute "Senior Indebtedness" under, and as defined in, the Senior Subordinated Note Indenture and (z) certifying that the "Initial Amount" (as defined in the Senior

Subordinated Note Indenture) is, on and immediately after the occurrence of the Restatement Effective Date, at least \$250 million and further certifying that all Term Loans incurred hereunder, together with extensions of credit (i.e., Revolving Loans, Swingline Loans and Letters of Credit) incurred from time to time under this Agreement in the full amount of the Total Revolving Loan Commitment, are permitted to be incurred and remain outstanding pursuant to Section 4.12(b) (i) (A) of the Senior Subordinated Note Indenture.

5.16 Refinancing; Original Credit Agreement; etc. On the Restatement Effective Date, (i) unless otherwise agreed by the Administrative Agent and the Borrower, each Original Bank shall have surrendered to the Administrative Agent for cancellation the promissory notes issued to it pursuant to the Original Credit Agreement in respect of its Original Term Loans, Original Revolving Loans and Original Swingline Loans, (ii) each Continuing Bank shall have converted its Original Tranche A Term Loan as contemplated by Section 1.01(a), (iii) all Original Tranche A Term Loans being converted as described in preceding clause (ii) which were outstanding as Eurodollar Loans shall, at the time of such conversion, be converted into Base Rate Loans or borrowed as Eurodollar Loans in accordance with Section 1.01(a) and the Borrower shall pay breakage costs in accordance with the provisions of Section 1.11 of the Original Credit Agreement in connection therewith, (iv) all Original Tranche A Term Loans (except to the extent converted pursuant to preceding clause (ii)), Original Tranche B Term Loans, Original Tranche C Term Loans, Original Revolving Loans and Original Swingline Loans shall be repaid in full on the Restatement Effective Date (although Loans may be incurred hereunder on the Restatement Effective Date in accordance with the provisions hereof) and, if any Original Loans (including, without limitation, Original Tranche A Term Loans converted into Term Loans hereunder) were at such time maintained as Eurodollar Loans, all breakage costs owing in connection therewith shall have been paid as contemplated by Section 1.11 of the Original Credit Agreement, (v) each Original Bank shall have received payment in full of all amounts then due and owing to it under the Original Credit Agreement, (vi) the Borrowers shall have paid all accrued and unpaid interest and fees owing under the Original Credit

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Agreement through the Restatement Effective Date, and (vii) the Administrative Agent shall have received evidence in form, scope and substance satisfactory to it that the matters set forth in this Section 5.16 have been satisfied on such date.

SECTION 6. Conditions Precedent to All Credit Events on and After the Restatement Effective Date. The obligation of each Bank to make Loans (including Loans made on the Restatement Effective Date but excluding Mandatory Borrowings made thereafter, which shall be made as provided in Section 1.01(d)), and the obligation of an Issuing Bank to issue any Letter of Credit, is subject, at the time of each such Credit Event (except as hereinafter indicated), to the satisfaction of the following conditions:

6.01 No Default; Representations and Warranties. At the time of each such Credit Event and also after giving effect thereto (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein or in any other Credit Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the date of the making of such Credit Event (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

6.02 Notice of Borrowing; Letter of Credit Request. (a) Prior to the making of each Loan (excluding Swingline Loans and Mandatory Borrowings, and except as otherwise provided in Section 1.10), the Administrative Agent shall have received the notice required by Section 1.03(a). Prior to the making of any Swingline Loan, the Swingline Bank shall have received the notice required by Section 1.03(b) (i)

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the respective Issuing Bank shall have received a Letter of Credit Request meeting the requirements of Section 2.02.

The acceptance of the proceeds of each Credit Event shall constitute a representation and warranty by the Borrower to each of the Managing Agents and each of the Banks that all the conditions specified in Section 5 and in this Section 6 and applicable to such Credit Event exist as of that time (except to the extent that any of the conditions specified in Section 5 are required to be satisfactory to or determined by any Bank, the Required Banks and/or the Managing Agents, or were previously waived in writing by the Required Banks). All of the Notes, certificates, legal opinions and other documents and papers referred to in Section 5 and in this Section 6, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Banks and, except for the Notes, in sufficient counterparts for each of the Banks and shall be in form and substance reasonably satisfactory to the Agents.

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SECTION 7. Representations, Warranties and Agreements. In order to induce the Banks to enter into this Agreement and to make the Loans, and issue (or participate in) the Letters of Credit as provided herein, each of Holdings, Parent and the Borrower makes the following representations, warranties and agreements, in each case after giving effect to the Transaction as consummated on the Restatement Effective Date, all of which shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans and issuance of the Letters of Credit, with the occurrence of each Credit Event on or after the Restatement Effective Date being deemed to constitute a representation and warranty that the matters specified in this Section 7 are true and correct in all material respects on and as of the Restatement Effective Date and on the date of each such Credit Event (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

7.01 Corporate Status. Holdings, Parent, the Borrower and each of their respective Subsidiaries (i) is a duly organized and validly existing corporation in good standing under the laws of the jurisdiction of its incorporation, (ii) has the corporate power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualifications except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

7.02 Corporate Power and Authority. Each Credit Party has the corporate power and authority to execute, deliver and perform the terms and provisions of each of the Documents to which it is party and has taken all necessary corporate action to authorize the execution, delivery and performance by it of each of such Documents. Each Credit Party has duly executed and delivered each of the Documents to which it is party, and each of such Documents constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

7.03 No Violation. Neither the execution, delivery or performance by any Credit Party of the Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (i) will contravene any provision of any applicable law, statute, rule or regulation or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict with or result in any breach of any of the terms,

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covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the material properties or assets of Holdings, Parent, the Borrower or any of their respective Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, to which Holdings, Parent, the Borrower or any of their respective Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the Certificate of Incorporation or By-Laws of Holdings, Parent, the Borrower or any of their respective Subsidiaries, except (with respect to any matter specified in clause (i), (ii) or (iii) above relating to a Document other than a Credit Document) for any contraventions, conflicts, breaches, defaults or violations which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect (x) on the Transaction or (y) on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

7.04 Governmental Approvals. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except (x) as have been obtained or made and (y) if this representation is being made at any time prior to the tenth day following the Restatement Effective Date, filings or recordings of financing statements, Mortgages, Mortgage Amendments and other documents pursuant to the terms of the Security Documents (all of which filings and recordings shall be completed within 10 days after the Restatement Effective Date or, in the case of additional actions required by Section 8.12, such date as is provided in said Section 8.12)), or exemption by, any governmental or public body or authority, or any subdivision

thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance of any Document or (ii) the legality, validity, binding effect or enforceability of any such Document.

7.05 Financial Statements; Financial Condition; Undisclosed Liabilities; Projections; etc. (a) The unaudited consolidating and consolidated financial statements of Holdings and its Subsidiaries for the nine-month period ended September 30, 1996, and furnished to the Banks prior to the Restatement Effective Date pursuant to Section 5.14(a), present fairly the financial condition of Holdings and its Subsidiaries at the date of such statements. In addition, the financial statements in the offering memorandum of the Borrower, dated November 22, 1995 are true and correct in all material respects for the periods presented therein. All such historical financial statements have been prepared in accordance with generally accepted accounting principles and practices consistently applied, except for the omission of footnotes and ordinary end of period adjustments (none of which individually, or in the aggregate, would be material). Since September 30, 1996, there has been no material adverse change in the performance, business, operations, property, assets,

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nature of assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

(b) (i) On and as of the Restatement Effective Date, on a pro forma basis, after giving effect to the Transaction and all other transactions contemplated by the Documents and to all Indebtedness (including the Loans) being incurred or assumed, and Liens created by each Credit Party in connection therewith, with respect to Holdings, Parent and the Borrower, individually, and each such Person and its Subsidiaries taken as a whole, (x) the sum of the assets, at a fair valuation, of each such Person, individually, and each such Person and its Subsidiaries taken as a whole, will exceed its or their debts; (y) it has not incurred and does not intend to incur, nor believes that it will incur, debts beyond its ability to pay such debts as such debts mature; and (z) it will have sufficient capital with which to conduct its business. For purposes of this Section 7.05(b), "debt" means any liability on a claim and "claim" means (i) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

(c) Except as set forth on Schedule IV, there were as of the Restatement Effective Date no liabilities or obligations with respect to Holdings or any of its Subsidiaries of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, either individually or in the aggregate, would be materially adverse to the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole. As of the Restatement Effective Date, none of the Credit Parties knows of any basis for the assertion against it of any liability or obligation of any nature that is not fully disclosed in Schedule IV which, either individually or in the aggregate, could be materially adverse to the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

(d) The Projections set forth on Schedule V hereto were prepared in good faith on a basis consistent with the financial statements referred to in Section 7.05(a), and, at the time of the preparation thereof, based on good faith estimates and assumptions believed by management of Holdings to be reasonable.

7.06 Litigation. There are no actions, suits or proceedings pending or, to the best knowledge of Holdings, Parent and the Borrower, threatened (i) with respect to any Document or (ii) with respect to matters not covered by Section 7.19, that could reasonably be expected to materially and adversely affect the business, operations, property, assets,

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liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

7.07 True and Complete Disclosure. All factual information (taken as a whole) furnished by or on behalf of Holdings, Parent or the Borrower in writing to any of the Agents or any Bank (including, without limitation, all information contained in the Documents) for purposes of or in connection with this Agreement, the other Credit Documents or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of Holdings, Parent or the Borrower in writing to any

of the Agents or any Bank will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

7.08 Use of Proceeds; Margin Regulations. (a) All proceeds of the Loans shall be used by the Borrower to (x) consummate the Transaction, (y) pay fees and expenses related thereto and (z) provide for the Borrower's general corporate and working capital purposes.

(b) No part of the proceeds of any Loan will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Loan nor the use of the proceeds thereof nor the occurrence of any other Credit Event will violate or be inconsistent with the provisions of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

7.09 Tax Returns and Payments. Each of Holdings, Parent, the Borrower, Howmet Cercast (Canada) and each of their respective Subsidiaries (the "Taxpayers") have timely filed or caused to be timely filed, on the due dates thereof or within applicable grace periods, with the appropriate taxing authority, all Federal, state and other material returns, statements, forms and reports for taxes (the "Returns") required to be filed by or with respect to the income, properties or operations of Holdings, Parent, the Borrower, Howmet Cercast (Canada) and/or any of their respective Subsidiaries. The Returns accurately reflect in all material respects all liability for taxes of the Taxpayers for the periods covered thereby. Each of the Taxpayers have paid all material taxes payable by them other than taxes which are not delinquent, and other than those contested in good faith and for which adequate reserves have been established in accordance with generally accepted accounting principles. Except as set forth on Schedule VI, there is no material action, suit, proceeding, investigation, audit, or claim now pending or, to the best knowledge of Holdings, Parent, the Borrower or Howmet Cercast (Canada), threatened by any authority regarding any taxes relating to any of the Taxpayers. As of the Restatement Effective Date, except as set forth in Schedule VI, none of the Taxpayers has entered into an agreement or

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waiver or been requested to enter into an agreement or waiver extending any statute of limitations relating to the payment or collection of taxes of any of such Taxpayers, or is aware of any circumstances that would cause the taxable years or other taxable periods of any of such Taxpayers not to be subject to the normally applicable statute of limitations. None of the Taxpayers has provided, with respect to themselves or property held by them, any consent under Section 341 of the Code. None of the Taxpayers has incurred, or will incur, any material tax liability in connection with the Acquisition, the Mergers and the other transactions contemplated hereby. Notwithstanding anything to the contrary in this Section 7.09, each representation in this Section 7.09 shall not be deemed to be incorrect if and to the extent any liability of Holdings and its Subsidiaries resulting from a fact or circumstance that otherwise would cause such representation to be untrue is covered by any Acquisition Letter of Credit.

7.10 Compliance with ERISA. (i) Except as set forth on Schedule VII, each Plan (other than a Multiemployer Plan) is in substantial compliance with ERISA and the Code; except as set forth on Schedule VII, no Reportable Event has occurred with respect to a Plan that has or could reasonably be expected to result in a material liability not reflected in the Borrower's financial statements (other than a Multiemployer Plan); no Plan (other than a Multiemployer Plan) is insolvent or in reorganization; no Plan (other than a Multiemployer Plan) had during the last twelve months or has an Unfunded Current Liability in excess of \$10,000,000; no Plan (other than a Multiemployer Plan) has an accumulated or waived funding deficiency, or has applied for an extension of any amortization period within the meaning of Section 412 of the Code; all contributions required to be made by Holdings, Parent, Borrower or any of their Subsidiaries or any ERISA Affiliate with respect to a Plan and a Foreign Pension Plan have been timely made; none of Holdings, Parent, the Borrower or any of their respective Subsidiaries nor any ERISA Affiliate has incurred any material liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a) (29), 4971, 4975 or 4980 of the Code or expects to incur any liability (including any indirect, contingent or secondary liability) under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted to terminate or appoint a trustee to administer any Plan (other than a Multiemployer Plan); no condition exists which presents a material risk to Holdings, Parent, the Borrower or any of their respective Subsidiaries or any ERISA Affiliate of incurring a liability to or on account of a Plan pursuant to the foregoing provisions of ERISA and the Code; using actuarial assumptions and computation methods consistent with Part 1 of subtitle E of Title IV of ERISA, the aggregate liabilities of Holdings, Parent, the Borrower, their respective Subsidiaries and their ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each

such Plan ended prior to the date of the most recent Credit Event, would not exceed \$1,000,000; no lien imposed under the Code or ERISA on the assets of Holdings, Parent, the Borrower or any of their respective Subsidiaries or any ERISA Affiliate exists or is reasonably likely

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to arise on account of any Plan; and Holdings, Parent, the Borrower and their respective Subsidiaries may cease contributions to or terminate any employee benefit plan maintained by any of them without incurring any material liability.

(ii) Each Foreign Pension Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities. Neither Holdings, Parent, the Borrower nor any of their Subsidiaries has incurred any obligation in connection with the termination of or withdrawal from any Foreign Pension Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Pension Plan, determined as of the end of the Borrower's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Foreign Pension Plan allocable to such benefit liabilities by more than \$2,000,000.

7.11 The Security Documents. (a) The provisions of the Security Agreement are effective to create or maintain in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest in all right, title and interest of the Credit Parties in the Security Agreement Collateral described therein, and the Security Agreement, upon the filing of Form UCC-1 financing statements or the appropriate equivalent (which filings have been made), create or maintain a fully perfected first lien on, and security interest in, all right, title and interest in all of the Security Agreement Collateral described therein, subject to no other Liens other than Permitted Liens, to the extent a security interest in such collateral can be perfected or maintained by the filing of a financing statement. The recordation of the Assignment of Security Interest in U.S. Patents and Trademarks in the form attached to the Security Agreements in the United States Patent and Trademark Office together with filings on Form UCC-1 made pursuant to the Security Agreement will be effective, under applicable law, to perfect the security interest granted to the Collateral Agent in the trademarks and patents covered by the Security Agreement and the recordation of the Assignment of Security Interest in U.S. Copyrights in the form attached to the Security Agreement with the United States Copyright Office together with filings on Form UCC-1 made pursuant to the Security Agreement will be effective under federal law to perfect the security interest granted to the Collateral Agent in the copyrights covered by the Security Agreement. Each of the Credit Parties party to the Security Agreement has good and valid title to all Security Agreement Collateral described therein, free and clear of all Liens except those described above in this clause (a).

(b) The security interests created in favor of the Collateral Agent, as Pledgee, for the benefit of the Secured Creditors under the Pledge Agreement constitute first priority perfected security interests in the Pledged Securities described in the Pledge Agreement, subject to no security interests of any other Person. No filings or recordings

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are required in order to perfect (or maintain the perfection or priority of) the security interests created in the Pledged Securities under the Pledge Agreements.

(c) The Mortgages (as amended by the Mortgage Amendments) create, as security for the obligations purported to be secured thereby, a valid and enforceable perfected security interest in and mortgage lien on all of the Mortgaged Properties in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors, superior to and prior to the rights of all third persons (except that the security interest and mortgage lien created in the Mortgaged Properties may be subject to the Permitted Encumbrances related thereto) and subject to no other Liens (other than Permitted Liens). Schedule III contains a true and complete list of each parcel of Real Property owned or leased by the Borrower and its Subsidiaries on the Restatement Effective Date, and the type of interest therein held by the Borrower or such Subsidiary. The Borrower and each of its Subsidiaries have good and indefeasible title to all fee-owned Mortgaged Properties and valid leasehold title to all Leaseholds, in each case free and clear of all Liens except those described in the first sentence of this subsection (c).

7.12 Representations and Warranties in Documents. All representations and warranties set forth in the other Documents were true and correct in all material respects at the time as of which such representations and warranties

were made (or deemed made).

7.13 Properties. Holdings, Parent, the Borrower and each of their respective Subsidiaries have good and valid title to all properties owned by them, including all property reflected in the balance sheet of the Borrower referred to in Section 7.05(a) and in the pro forma balance sheet referred to in Section 5.14 (except as sold or otherwise disposed of since the date of such balance sheet in the ordinary course of business), free and clear of all Liens, other than (i) as referred to in the balance sheet or in the notes thereto or in the pro forma balance sheet or (ii) Permitted Liens otherwise permitted by Section 9.01. On the Restatement Effective Date, Schedule III sets forth a true and complete description of all Real Property owned or leased by the Borrower and/or its Subsidiaries and sets forth the direct owner or lessee thereof.

7.14 Capitalization. (a) On the Restatement Effective Date and after giving effect to the Transaction, the authorized capital stock of Holdings shall consist of 10,000 shares of common stock, all of which shall be issued and outstanding, and 15,000 shares of preferred stock, 5,000 of which shall be issued and outstanding (as shares of Holdings PIK Preferred Stock). All such outstanding shares have been duly and validly issued, are fully paid and non-assessable and have been issued free of preemptive rights. As of the Restatement Effective Date, Holdings does not have outstanding any securities convertible into or exchangeable for its capital stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating

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to, its capital stock, except for the Thiokol Purchase Option and the Holdings PIK Preferred Stock (which, being pay-in-kind, provides for the issuance of additional shares of Holdings PIK Preferred Stock in payment of accrued dividends thereon).

(b) On the Restatement Effective Date and after giving effect to the Transaction, the authorized capital stock of Parent shall consist of 1,000 shares of common stock, 10 of which shall be issued and outstanding and delivered for pledge under the Pledge Agreement. All such outstanding shares have been duly and validly issued, are fully paid and non-assessable and have been issued free of preemptive rights. As of the Restatement Effective Date, Parent does not have outstanding any securities convertible into or exchangeable for its capital stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

(c) On the Restatement Effective Date and after giving effect to the Transaction, the authorized capital stock of the Borrower shall consist of 1,000 shares of common stock, 10 of which shall be issued and outstanding and delivered for pledge pursuant to the Pledge Agreement. All such outstanding shares of common stock have been duly and validly issued, are fully paid and nonassessable and are free of preemptive rights. As of the Restatement Effective Date, the Borrower does not have outstanding any securities convertible into or exchangeable for its capital stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

7.15 Subsidiaries. After giving effect to the Transaction (x) Holdings will have no Subsidiaries other than Parent and its Subsidiaries and (y) Parent shall have no Subsidiaries other than the Borrower and its Subsidiaries, and Howmet Insurance. After giving effect to the Transaction, the Borrower will have no Subsidiaries other than (i) those Subsidiaries listed on Schedule VIII and (ii) new Subsidiaries created in compliance with Section 9.14. An accurate organization chart, showing the ownership structure of Holdings and each of its Subsidiaries, is set forth on Schedule IX.

7.16 Compliance with Statutes, etc. Each of Holdings, Parent, the Borrower and their respective Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (other than applicable statutes, regulations, orders and restrictions relating to environmental standards and controls which are the subject of Section 7.19), except such noncompliances as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities,

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condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as

a whole.

7.17 Investment Company Act. None of Holdings, Parent, the Borrower or any of their respective Subsidiaries is an "investment company or a company controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

7.18 Public Utility Holding Company Act. None of Holdings, Parent, the Borrower or any of their respective Subsidiaries is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.19 Environmental Matters. (a) Holdings, Parent, the Borrower and each of their respective Subsidiaries have complied with, and on the date of each Credit Event will be in compliance with, all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws. There are no pending or, to the best knowledge after inquiry of Holdings, Parent and the Borrower, past or threatened Environmental Claims against Holdings, Parent, the Borrower or any of their respective Subsidiaries or any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries. There are no facts, circumstances, conditions or occurrences on any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries or, to the best knowledge after inquiry of Holdings, Parent or the Borrower, on any property adjoining or in the vicinity of any such Real Property, that could reasonably be expected (i) to form the basis of an Environmental Claim against Holdings, Parent, the Borrower or any of their respective Subsidiaries or any such Real Property, or (ii) to cause any such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Property by Holdings, Parent, the Borrower or any of their respective Subsidiaries under any applicable Environmental Law.

(b) Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries where such generation, use, treatment, storage or transportation could give rise to an Environmental Claim or has violated or could reasonably be expected to violate any Environmental Law. Hazardous Materials have not at any time been Released on or from any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries where such Release could give rise to an Environmental Claim or has violated or could reasonably be expected to violate any applicable Environmental Law.

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(c) Notwithstanding anything to the contrary in this Section 7.19, the representations made in this Section 7.19 shall only be untrue if the aggregate effect of all failures and noncompliances of the types described above could reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole after giving effect to (i) the \$6 million net reserve on the balance sheet of the Borrower, as set forth on the report on Form 10-Q (as filed with the SEC) of the Borrower for its fiscal quarter ended September 30, 1996, for environmental liabilities, (ii) the indemnity provisions of the Stock Purchase Agreement and (iii) letters of credit covering Excluded Liabilities (as defined in the Stock Purchase Agreement).

7.20 Labor Relations. Except as set forth on Schedule X, none of Holdings, Parent, the Borrower nor any of their respective Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a material adverse effect on the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole and there is (i) no unfair labor practice complaint pending against Holdings, Parent, the Borrower or any of their respective Subsidiaries or, to the best knowledge of Holdings, Parent or the Borrower, threatened against any of them, before the National Labor Relations Board, and no material grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against Holdings, Parent the Borrower or any of their respective Subsidiaries or, to the best knowledge of Holdings, Parent or the Borrower, threatened against any of them, (ii) no strike, labor dispute, slowdown or stoppage pending against Holdings, Parent, the Borrower or any of their respective Subsidiaries or, to the best knowledge of Holdings, Parent or the Borrower, threatened against Holdings, the Borrower or any of their respective Subsidiaries and (iii) to the best knowledge of Holdings, Parent and the Borrower, no union representation proceeding is pending with respect to the employees of Holdings, Parent or the Borrower or any of their respective Subsidiaries, except (with respect to any matter specified in clause (i), (ii) or (iii) above, either individually or in the aggregate) such as could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its

Subsidiaries taken as a whole.

7.21 Patents, Licenses, Franchises and Formulas. Each of Holdings, Parent, the Borrower and their respective Subsidiaries owns all material patents, trademarks, permits, service marks, trade names, copyrights, licenses, franchises and formulas, or rights with respect to the foregoing, in each case reasonably necessary for the present conduct of its business, without any known conflict with the rights of others which, or the failure to own or obtain which, as the case may be, would result in a material adverse effect on the business. operations, property, assets, liabilities, condition (financial or

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otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

7.22 Indebtedness. Schedule XI sets forth a true and complete list of all Indebtedness of Holdings, Parent, the Borrower and their respective Subsidiaries as of the Restatement Effective Date and which (x) constituted "Existing Indebtedness" under, and as defined in, the Original Credit Agreement and (y) is to remain outstanding after giving effect to the Transaction (the "Existing Indebtedness"), in each case showing the aggregate principal amount thereof and the name of the respective borrower and any other entity (to the Borrower's knowledge, in the case of guarantees by Persons other than Holdings and its Subsidiaries) which directly or indirectly guaranteed such debt.

7.23 Special Purpose Corporations. Holdings directly engages in no business activities, except in connection with its ownership of the capital stock of Parent and liabilities incident thereto. Parent engages in no direct business activities, other than (i) its ownership of the capital stock of the Borrower and Howmet Insurance and liabilities incident thereto, (ii) its obligations with respect to the Installment Notes and its rights with respect to the Installment Notes Trust and any Acquisition Letters of Credit, (iii) the remediation of certain formerly owned environmental sites, as to which it has received unconditional indemnification from one or more financially responsible third parties and (iv) its obligations pursuant to the Parent PIK Subordinated Notes.

SECTION 8. Affirmative Covenants. Holdings, Parent and the Borrower hereby covenant and agree that on and after the Restatement Effective Date and until the Total Commitments and all Letters of Credit have terminated and the Loans, Notes and Unpaid Drawings, together with interest, Fees and all other obligations incurred hereunder and thereunder, are paid in full:

8.01 Information Covenants. Holdings, Parent and/or the Borrower will furnish to the Administrative Agent (with sufficient copies for each of the Banks) and the Administrative Agent will promptly thereafter furnish to each Bank:

(a) Quarterly Financial Statements. Within 45 days after the close of each of the first three quarterly accounting periods in each fiscal year of the Borrower, (i) the report on Form 10-Q (as filed with the Securities and Exchange Commission or any successor thereto (the "SEC")) of the Borrower for such quarterly period, with the financial information contained therein to be certified by the chief financial officer or treasurer of the Borrower, subject to normal year-end audit adjustments, provided that if for any reason the Borrower ceases to file such reports on Form 10-Q with the SEC, it shall nonetheless continue to furnish such information to the Administrative Agent pursuant to this clause (a), and (ii) management's discussion and analysis of the important operational and financial developments during the

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fiscal quarter and year-to-date periods (except to the extent already included in the report delivered pursuant to preceding clause (i)).

(b) Annual Financial Statements. Within 90 days after the close of each fiscal year of the Borrower, (i) the report on Form 10-K (as filed with the SEC) of the Borrower for such fiscal year, provided that if for any reason the Borrower ceases to file such reports on Form 10-K with the SEC, it shall nonetheless continue to furnish such information to the Administrative Agent pursuant to this clause (b), (ii) the consolidated and consolidating balance sheets of Holdings and its Consolidated Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income and retained earnings and of cash flows for such fiscal year setting forth comparative figures for the preceding fiscal year and certified (x) in the case of the consolidating financial statements described above, by an officer of Holdings and (y) in the case of such consolidated financial statements, by Ernst & Young or such other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, together with a report of such accounting firm stating that in the course of its regular

audit of the financial statements of Holdings and its Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm obtained no knowledge of any Default or Event of Default which has occurred and is continuing or, if in the opinion of such accounting firm such a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof, and (iii) management's discussions and analysis of the important operational and financial developments during such fiscal year (except to the extent already included in the report delivered pursuant to preceding clause (i)).

(c) Management Letters. Promptly after the receipt thereof by Holdings, Parent, the Borrower or any of their respective Subsidiaries, a copy of any management letter" received by any such Person from its certified public accountants and the management's responses thereto.

(d) Budgets. No later than 30 days following the first day of each fiscal year of the Borrower, beginning with the fiscal year commencing January 1, 1998, a budget in form satisfactory to the Managing Agents (including budgeted statements of income and sources and uses of cash and balance sheets) prepared by the Borrower for each of the fiscal years through the Maturity Date, in each case, of the Borrower and its Subsidiaries, accompanied by the statement of the chief financial officer or treasurer of the Borrower to the effect that, to the best of his knowledge, the budget is a reasonable estimate for the period covered thereby.

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(e) Officer's Certificates. At the time of the delivery of the financial statements provided for in Section 8.01(a) and (b), a certificate of the chairman of the board, the president, the chief financial officer or the treasurer of the Borrower to the effect that, to the best of such officer's knowledge, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall, in the case of any such financial statements delivered in respect of a period ending on the last day of a fiscal quarter or year of Holdings, (x) set forth the calculations required to establish whether the Borrower was in compliance with the provisions of Sections 4.02(e) and (f), 9.03, 9.04, 9.05 and 9.07 through 9.10, inclusive, at the end of such fiscal quarter or year, as the case may be.

(f) Notice of Default or Litigation. Promptly, and in any event within three Business Days in the case of item (i) below or five Business Days in the case of item (ii) below, after an officer of Holdings, Parent or the Borrower obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or Event of Default and (ii) any litigation or governmental investigation or proceeding pending (x) against Holdings, Parent, the Borrower or any of their respective Subsidiaries which could reasonably be expected to materially and adversely affect the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole, (y) with respect to any Indebtedness in excess of \$5,000,000 of Holdings, Parent, the Borrower or any of their respective Subsidiaries taken as a whole or (z) with respect to any Document.

(g) Other Reports and Filings. Promptly, copies of all other financial information, reports, proxy materials and other information which Holdings, the Borrower or any of their respective Subsidiaries shall file with the SEC or deliver to holders of its Indebtedness pursuant to the terms of the documentation governing such Indebtedness (or any trustee, agent or other representative therefor).

(h) Environmental Matters. Promptly upon, and in any event within ten Business Days after, an officer of Holdings, Parent, the Borrower or any of their respective Subsidiaries obtains knowledge thereof, notice of one or more of the following environmental matters, unless such officer reasonably concludes that such environmental matters would not, individually or when aggregated with all other such environmental matters, materially and adversely affect the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole:

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(i) any pending or threatened Environmental Claim against Holdings, Parent, the Borrower or any of their respective Subsidiaries or any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries;

(ii) any condition or occurrence on or arising from any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries that (a) results in noncompliance by Holdings, Parent, the Borrower or any of their respective Subsidiaries

with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against Holdings, Parent, the Borrower or any of their respective Subsidiaries or any such Real Property;

(iii) any condition or occurrence on any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability by Holdings, Parent, the Borrower or any of their respective Subsidiaries of such Real Property under any Environmental Law; and

(iv) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries as required by any Environmental Law or any governmental or other administrative agency; provided that in any event Holdings, Parent and/or the Borrower shall deliver to each Bank all notices received by it or any of their respective Subsidiaries from any government or governmental agency under, or pursuant to, CERCLA.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and Holdings', Parent's, the Borrower's or such Subsidiary's response thereto. In addition, the Borrower will provide the Banks with copies of all material communications with any government or governmental agency relating to Environmental Laws, all communications with any Person (other than its attorneys) relating to any Environmental Claim of which notice is required to be given pursuant to this Section 8.01(h), and such detailed reports (not subject to attorney-client or attorney work product privileges) of any such Environmental Claim as may reasonably be requested by the Banks.

(i) Annual Meetings with Banks. At the request of Administrative Agent, Holdings shall within 120 days after the close of each fiscal year of Holdings hold

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a meeting at a time and place selected by Holdings and acceptable to the Managing Agents with all of the Banks at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of Holdings and its Subsidiaries and the budgets presented for the current fiscal year of Holdings and its Subsidiaries.

(j) Installment Notes; Existing Installment Notes Letter of Credit; Acquisition Letters of Credit. Holdings, Parent or the Borrower shall promptly, and in any event within three Business Days, after it becomes aware of (or in the case of clause (ix) below, after it receives) same, provide the Administrative Agent with notice of (i) any dispute between Parent and any holder of Installment Notes, (ii) any payment with respect to the Installment Notes which is not paid directly from a drawing in a like amount pursuant to the Existing Installment Notes Letter of Credit, (iii) any failure to reinstate the Existing Installment Notes Letter of Credit in accordance with its terms following a drawing thereunder to pay interest, (iv) any drawing under the Existing Installment Notes Letter of Credit, (v) any circumstance whatsoever which would permit a drawing under any Acquisition Letter of Credit, (vi) any circumstance or occurrence which would permit a drawing under any Acquisition Letter of Credit unless such circumstance or occurrence is remedied or other actions taken (including, but not limited to, a downgrade in the credit rating of the respective issuer of the respective Acquisition Letter of Credit), (vii) any replacement of any Acquisition Letter of Credit (whether or not in accordance with the requirements of the Stock Purchase Agreement), (viii) any claim for indemnification made by Holdings or any of its Subsidiaries pursuant to the Stock Purchase Agreement and (ix) copies of all notices received by it under the Installment Notes Trust or the Installment Notes Trust Agreement. In connection with any notice of the type described above, and following a request by any Agent, Holdings, Parent and the Borrower shall promptly furnish the Banks with information describing the actions, if any, it plans to take in connection with any of the items described above.

(k) Other Information. From time to time, such other information or documents (financial or otherwise) with respect to Holdings, Parent, the Borrower or their respective Subsidiaries as any Agent (whether acting on its own or at the request of any Bank) may reasonably request in writing.

8.02 Books, Records and Inspections. Holdings, Parent and the Borrower will, and will cause each of their respective Subsidiaries to, keep proper books of record and account in which full, true and correct entries in conformity with generally accepted accounting principles and all requirements of law shall be made of all dealings and transactions in relation to its business

and activities. Holdings, Parent and the Borrower will, and will cause each of their respective Subsidiaries to, permit officers and designated

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representatives of any of the Agents or any Bank to visit and inspect, during regular business hours and under guidance of officers of Holdings, Parent, the Borrower or such Subsidiary, any of the properties of Holdings, Parent and the Borrower or such Subsidiary, and to examine the books of account of Holdings, Parent and the Borrower or such Subsidiary and discuss the affairs, finances and accounts of Holdings, Parent, the Borrower or such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all upon reasonable advance notice and at such reasonable times and intervals and to such reasonable extent as such Agent or such Bank may request.

8.03 Maintenance of Property; Insurance. (a) Schedule XII sets forth a true and complete listing of all insurance maintained by Holdings, Parent, the Borrower and their respective Subsidiaries as of the Restatement Effective Date. Holdings, Parent and the Borrower will, and will cause each of their respective Subsidiaries to, (i) keep all property necessary in its business in good working order and condition (ordinary wear and tear excepted), (ii) maintain insurance on all its property in at least such amounts and against at least such risks as is consistent and in accordance with industry practice and (iii) furnish to each Bank, upon written request, full information as to the insurance carried. In addition to the requirements of the immediately preceding sentence, Holdings, Parent and the Borrower will at all times cause insurance of the types described in Schedule XII to be maintained (with the same scope of coverage as that described in Schedule XII) at levels which are at least as great as the respective amount described opposite the respective type of insurance on Schedule XII under the column headed "Minimum Amount Required to be Maintained", provided, however, that Holdings, Parent or the Borrower may discontinue or reduce any insurance to the extent that it is no longer available at commercially reasonable rates and so long as similarly situated companies are, in general, reducing or eliminating such insurance in a manner consistent with the changes being effected by the Credit Parties and their Subsidiaries.

(b) Holdings, Parent and the Borrower will, and will cause their respective Domestic Subsidiaries to, at all times keep their respective property insured in favor of the Collateral Agent, and all policies (including Mortgage Policies) or certificates (or certified copies thereof) with respect to such insurance (and any other insurance maintained by Holdings, Parent, the Borrower or any of their respective Domestic Subsidiaries) (i) shall be endorsed to the Collateral Agent's satisfaction for the benefit of the Collateral Agent (including, without limitation, by naming the Collateral Agent as loss payee or as an additional insured), (ii) shall state that such insurance policies shall not be cancelled without 30 days' prior written notice thereof by the respective insurer to the Collateral Agent and (iii) shall provide that the respective insurers irrevocably waive any and all rights of subrogation with respect to the Collateral Agent and the Secured Creditors.

8.04 Corporate Franchises. Holdings, Parent and the Borrower will, and will cause each of their respective Subsidiaries to, do or cause to be done, all things

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necessary to preserve and keep in full force and effect its existence and its material rights, franchises, licenses and patents used in its business; provided, however, that nothing in this Section 8.04 shall prevent (i) sales of assets, consolidations or mergers by or involving Holdings, Parent, the Borrower or any of their respective Subsidiaries in accordance with Section 9.02 or (ii) the withdrawal by Holdings, Parent, the Borrower or any of their respective Subsidiaries of their qualification as a foreign corporation in any jurisdiction where such withdrawal could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

8.05 Compliance with Statutes, etc. Holdings, Parent and the Borrower will, and will cause each of their respective Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property, except such noncompliances as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

8.06 Compliance with Environmental Laws. (a) Holdings, Parent and the Borrower will comply, and will cause each of their respective Subsidiaries to

comply, in all material respects with all Environmental Laws applicable to the ownership or use of Real Property now or hereafter owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries, will within a reasonable time-period pay or cause to be paid all costs and expenses incurred in connection with such compliance, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws. None of Holdings, Parent, the Borrower nor any of their respective Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property except for Hazardous Materials used or stored at any such Real Properties in material compliance with all applicable Environmental Laws and reasonably required in connection with the operation, use and maintenance of any such Real Property.

(b) At the written request of the Administrative Agent or the Required Banks, which request shall specify in reasonable detail the basis therefor, at any time and from time to time, the Borrower will provide, at the Borrower's sole cost and expense, an environmental site assessment report concerning any Real Property now or hereafter owned

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or operated by Holdings, Parent, the Borrower or any of their respective Subsidiaries, prepared by an environmental consulting firm approved by the Administrative Agent, indicating the presence or absence of Hazardous Materials and the potential cost of any removal or remedial action in connection with any Hazardous Materials on such Real Property; provided that such request may be made only if (i) there has occurred and is continuing an Event of Default, (ii) the Administrative Agent or the Required Banks reasonably believe that Holdings, Parent, the Borrower or any such Real Property is not in material compliance with Environmental Law, or (iii) circumstances exist that reasonably could be expected to form the basis of a material Environmental Claim against Holdings, Parent, the Borrower or any such Real Property. If the Borrower fails to provide the same within 90 days after such request was made, the Administrative Agent may order the same, and the Borrower shall grant and hereby grants to the Administrative Agent and the Banks and their agents access to such Real Property and specifically grants the Administrative Agent and the Banks an irrevocable non-exclusive license, subject to the rights of tenants, to undertake such an assessment, all at the Borrower's expense.

8.07 ERISA. As soon as possible and, in any event, within 10 days after Holdings, Parent, the Borrower or any of their respective Subsidiaries or any ERISA Affiliate (collectively, the "Plan Parties") knows of the occurrence of any of the following, Holdings or the Borrower will deliver to each of the Banks a certificate of an officer of Holdings or the chief financial officer of the Borrower setting forth details as to such occurrence and the action, if any, that Holdings, Parent, the Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by Holdings, Parent, the Borrower, such Subsidiary, the ERISA Affiliate, the PBGC, a Plan participant or the Plan administrator with respect thereto: that a Reportable Event has occurred other than with respect to a Multiemployer Plan; that an accumulated funding deficiency has been incurred or an application may reasonably be expected to be or has been made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan other than with respect to a Multiemployer Plan; that a contribution required to be made by Holdings, Parent, Borrower, any of their Subsidiaries and/or any ERISA Affiliate, to a Plan or Foreign Pension Plan has not been timely made; that a Plan other than a Multiemployer Plan has been or may reasonably be expected to be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA; that a Plan other than a Multiemployer Plan has an Unfunded Current Liability giving rise to a lien under ERISA or the Code; that proceedings may reasonably be expected to be or have been instituted to terminate or appoint a trustee to administer a Plan other than a Multiemployer Plan; that a proceeding has been instituted with respect to any Plan Party pursuant to Section 515 of ERISA to collect a delinquent contribution to a Multiemployer Plan; that Holdings, Parent, the Borrower, any of their respective Subsidiaries or any ERISA Affiliate will or may reasonably be expected to incur any liability (including any

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indirect, contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or with respect to a Plan under Section 401(a)(29), 4971, 4975 or 4980 of the Code or Section 409 or 502(i) or 502(1) of ERISA; or that Holdings, Parent, the Borrower or any Subsidiary may incur any material liability solely as a result of the adoption or amendment of any employee welfare benefit plan

(as defined in Section 3(1) of ERISA) that provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or any employee pension benefit plan (as defined in Section 3(2) of ERISA) in addition to the liability existing on the Restatement Effective Date pursuant to any such welfare or pension plan. Upon request by any Bank, the Borrower will deliver to such Bank a complete copy of the annual reports (Form 5500) of each Plan (other than a Multiemployer Plan) (including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) required to be filed with the Internal Revenue Service. In addition to any certificates or notices delivered to the Banks pursuant to the first sentence hereof, copies of any material notices received by Holdings, Parent, the Borrower or any of their respective Subsidiaries or any ERISA Affiliate with respect to any Plan or Foreign Pension Plan shall be delivered to the Banks no later than 15 days after the date such notice has been received by Holdings, the Borrower, the Subsidiary or the ERISA Affiliate, as applicable.

8.08 End of Fiscal Years; Fiscal Quarters. Holdings shall cause (i) each of its, and each of its Subsidiaries', fiscal years to end on December 31, and (ii) each of its, and each of its Subsidiaries', (x) first three fiscal quarters in each fiscal year to end on the last day of the thirteenth week of the respective calendar quarter and (y) fourth fiscal quarter in each fiscal year to end on December 31, provided, however, that, so long as no Default or Event of Default then exists, Holdings may make one election to change its, and each of its Subsidiaries', fiscal years to end on a date other than December 31.

8.09 Performance of Obligations. Each of Holdings, Parent and the Borrower will, and will cause each of its Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement and other debt instrument by which it is bound, except such non-performances as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

8.10 Payment of Taxes. Each of the Taxpayers will pay and discharge or cause to be paid and discharged, and will cause each of their respective Subsidiaries to pay and discharge, all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any material properties belonging to it, in

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each case on a timely basis, and all lawful claims which, if unpaid, might become a lien or charge upon any material properties of the Taxpayers or any of their respective Subsidiaries; provided that none of the Taxpayers or any of their respective Subsidiaries shall be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings if it has maintained adequate reserves with respect thereto in accordance with generally accepted accounting principles.

8.11 Ownership of Subsidiaries. Holdings shall at all times own 100% of the outstanding capital stock of Parent, which in turn shall at all times own 100% of the outstanding capital stock of the Borrower. Except as otherwise expressly permitted pursuant to Section 9.14 in the case of the creation or acquisition of new Subsidiaries after the Restatement Effective Date, the Borrower shall directly or indirectly own 100% of the capital stock of each Subsidiary of Holdings other than Parent, the Borrower and Howmet Insurance (which shall be owned by the Parent). Without limiting the foregoing, the Borrower shall at all times be required to directly own 100% of the capital stock of each Receivables Subsidiary, which capital stock (and any promissory notes received by the Borrower or any other Credit Party from any Receivables Subsidiary) shall be pledged (and delivered for pledge) pursuant to the Pledge Agreement.

8.12 Additional Security; Further Assurances; Surveys. (a) Holdings, Parent and the Borrower will, and will cause each of their respective Domestic Wholly-Owned Subsidiaries (other than Howmet Insurance and any Receivables Subsidiary) to, grant to the Collateral Agent security interests and mortgages (an "Additional Mortgage") in such Real Property having a Fair Market Value in excess of \$1,000,000 of any such Person as are not covered by the Original Mortgages, to the extent acquired after the Restatement Effective Date and requested from time to time by the Administrative Agent or the Required Banks (each such Real Property, an "Additional Mortgaged Property"). All such Additional Mortgages shall be granted pursuant to documentation substantially in the form of the Mortgages delivered to the Administrative Agent on the Original Effective Date or in such other form as is reasonably satisfactory to the Administrative Agent and shall constitute valid and enforceable perfected Liens superior to and prior to the rights of all third Persons and subject to no other Liens except as are permitted by Section 9.01 at the time of perfection thereof. The Additional Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish,

perfect, preserve and protect the Liens in favor of the Collateral Agent required to be granted pursuant to the Additional Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full.

(b) Holdings, Parent and the Borrower will, and will cause each of their respective Domestic Wholly-Owned Subsidiaries (other than Howmet Insurance and any Receivables Subsidiary) to, at the expense of the applicable Credit Party, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such

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vouchers, invoices, schedules, confirmatory assignments, confirmatory conveyances, financing statements, transfer endorsements, confirmatory powers of attorney, certificates, real property surveys, reports and other assurances or confirmatory instruments and take such further steps relating to the Collateral covered by any of the Security Documents as the Collateral Agent may reasonably require pursuant to this Section 8.12. Furthermore, Holdings, Parent and the Borrower shall cause to be delivered to the Collateral Agent such opinions of counsel, title insurance and other related documents as may be reasonably requested by the Collateral Agent to assure itself that this Section 8.12 has been complied with.

(c) Holdings, Parent and the Borrower agree to cause each Domestic Wholly-Owned Subsidiary (other than any Receivables Subsidiary) established or created in accordance with Section 9.14 to execute and deliver a guaranty of all Obligations and all obligations under Interest Rate Protection or Other Hedging Agreements in substantially the form of the Subsidiaries Guaranty.

(d) The Borrower agrees to pledge and deliver all of the capital stock of each new Subsidiary (excluding that portion of the voting stock of any Foreign Subsidiary which would be in excess of 65% of the total outstanding voting stock of such Foreign Subsidiary) established or created after the Restatement Effective Date to the Collateral Agent for the benefit of the Secured Creditors pursuant to the Pledge Agreement.

(e) Holdings, Parent and the Borrower will cause each Domestic Wholly-Owned Subsidiary (other than the Receivables Subsidiary) established or created in accordance with Section 9.14 to grant to the Collateral Agent a first priority (subject to Permitted Liens) Lien on property (tangible and intangible) other than any assets that may become Receivables Facility Assets of such Subsidiary upon terms and with exceptions similar to those set forth in the Security Documents as appropriate, and satisfactory in form and substance to the Borrower, the Administrative Agent and Required Banks. Holdings, Parent and the Borrower shall cause each such Domestic Wholly-Owned Subsidiary, at its own expense, to execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record in any appropriate governmental office, any document or instrument reasonably deemed by the Collateral Agent to be necessary or desirable for the creation and perfection of the foregoing Liens. Holdings, Parent and the Borrower will cause each of such Domestic Subsidiaries to take all actions reasonably requested by the Administrative Agent (including, without limitation, the filing of UCC-1's) in connection with the granting of such security interests.

(f) The security interests required to be granted pursuant to this Section 8.12 shall be granted pursuant to security documentation (which shall be substantially similar to the Security Documents already executed and delivered by the Borrower or its Subsidiaries, as applicable) or otherwise satisfactory in form and substance to the Collateral

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Agent and the Borrower and shall constitute valid and enforceable perfected security interests prior to the rights of all third Persons and subject to no other Liens except such Liens as are permitted by Section 9.01. The Additional Security Documents and other instruments related thereto shall be duly recorded or filed in such manner and in such places and at such times as are required by law to establish, perfect, preserve and protect the Liens, in favor of the Collateral Agent for the benefit of the respective Secured Creditors, required to be granted pursuant to the Additional Security Documents and all taxes, fees and other charges payable in connection therewith shall be paid in full by the Borrower. At the time of the execution and delivery of the Additional Security Documents, the Borrower shall cause to be delivered to the Collateral Agent such opinions of counsel, Mortgage Policies, title surveys, real estate appraisals and other related documents as may be reasonably requested by the Managing Agents or the Required Banks to assure themselves that this Section 8.12 has been complied with.

(g) Each of Holdings and the Borrower agrees that each action required above by Section 8.12 (a) or (b) shall be completed as soon as possible, but in no event later than 60 days after such action is requested to be taken by the Administrative Agent or the Required Banks. Each of Holdings and the Borrower

further agrees that each action required by Sections 8.12(c), (d), (e) and (f) with respect to the creation or acquisition of a new Subsidiary shall be completed contemporaneously with (or, in the case of any documents or instruments to be registered, filed or recorded, within 10 days of) the creation or acquisition of such new Subsidiary.

8.13 Permitted Acquisitions and Certain Additional Capital Expenditures.

(a) During any calendar year, the Borrower and its Subsidiaries may make Permitted Acquisitions, so long as the aggregate consideration paid (including, without limitation, the value of any noncompete, earn-out and other deferred payout arrangements) in connection therewith does not exceed \$10,000,000 during such calendar year (it being understood that for calendar year 1996, such amount shall be reduced by the amount of consideration paid in respect of Permitted Acquisitions between January 1, 1996, and the Restatement Effective Date), except to the extent such additional consideration is permitted pursuant to following clauses (b) or (c).

(b) To the extent the aggregate amount of consideration paid (including, without limitation, the value of any noncompete, earn-out and other deferred payout arrangements) in respect of Permitted Acquisitions of the Borrower and its Subsidiaries during any calendar year is less than \$10,000,000 (after giving effect to any decrease in such amount as provided above in clause (a) or increase in any such amount as provided below in this clause (b)), the lesser of (x) such unused amount and (y) \$10,000,000, may be carried forward and utilized by the Borrower and its Subsidiaries to make additional Permitted Acquisitions in the immediately succeeding calendar year; provided that the

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maximum amount carried forward into any calendar year pursuant to this clause (b) shall be \$10,000,000.

(c) In addition to the Permitted Acquisitions permitted pursuant to preceding clauses (a) and (b), additional Permitted Acquisitions and/or Capital Expenditures by the Borrower and its Subsidiaries shall be permitted to be made with proceeds of asset sales not otherwise required to be applied pursuant to Section 4.02(e) by reason of the proviso to the first sentence thereof; provided that the maximum aggregate amount of consideration paid (including, without limitation, the value of any noncompete, earn-out and other deferred payout arrangements) in connection with Permitted Acquisitions and Capital Expenditures permitted pursuant to this clause (c) shall not exceed either (x) \$25,000,000 in any calendar year or (y) \$50,000,000 in the aggregate for all periods after the Original Effective Date.

(d) Notwithstanding anything to the contrary contained above, (x) the aggregate principal amount of Permitted Acquired Debt assumed in connection with any Permitted Acquisition (or which remains as an obligation of the respective Subsidiary acquired after giving effect thereto) shall be counted as consideration paid in connection therewith for purposes of determining compliance with preceding clauses (a) through (c) of this Section 8.13 and (y) in no event shall any Permitted Acquisition be made at any time when a Default or Event of Default then exists, or would exist immediately after giving effect thereto.

8.14 Interest Payments on Parent PIK Subordinated Notes. Parent shall, to the maximum extent permitted pursuant to the terms of the Parent PIK Subordinated Notes, make all payments of interest owing with respect thereto through the issuance of additional Parent PIK Subordinated Notes, rather than by making such interest payments in cash. Parent shall take all other actions as may be necessary so that no cash payments are owing in respect of the Parent PIK Subordinated Notes at any time prior to the date which occurs eight and one-half years after the Original Effective Date.

8.15 Maintenance of Corporate Separateness. Holdings will, and will cause each of its Subsidiaries to, satisfy customary corporate formalities, including the holding of regular board of directors' and shareholders' meetings or action by directors or shareholders without a meeting and the maintenance of corporate offices and records. Neither the Borrower nor any of its Subsidiaries shall make any payment to a creditor of Parent or Holdings in respect of any liability of either such Person, and no bank account of Holdings or Parent shall be commingled with any bank account of the Borrower or any of its Subsidiaries. Any financial statements distributed to any creditors of Holdings or Parent shall clearly establish or indicate the corporate separateness of such Person from the Borrower and its Subsidiaries. Finally, neither Holdings nor any of its Subsidiaries shall take any action, or conduct its affairs in a manner, which is likely to result in the corporate existence of Holdings or Parent being ignored, or in the assets and liabilities of Holdings

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or Parent being substantively consolidated with those of the Borrower or any of its Subsidiaries in a bankruptcy, reorganization or other insolvency proceeding.

8.16 Foreign Subsidiaries Security. If following a change in the relevant sections of the Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder, counsel for the Borrower reasonably acceptable to the Administrative Agent and the Required Banks does not within 30 days after a request from the Administrative Agent or the Required Banks deliver evidence, in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks, with respect to any Foreign Subsidiary which has not already had all of its stock pledged pursuant to the Pledge Agreement that a pledge of 66-2/3% or more of the total combined voting power of all classes of capital stock of such Foreign Subsidiary entitled to vote, would cause the undistributed earnings of such Foreign Subsidiary as determined for Federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent for Federal income tax purposes, then that portion of such Foreign Subsidiary's outstanding capital stock not theretofore pledged pursuant to the Pledge Agreement shall be pledged to the Collateral Agent for the benefit of the Secured Creditors pursuant to the Pledge Agreement (or another pledge agreement in substantially similar form, if needed), to the extent that the entering into such Pledge Agreement is permitted by the laws of the respective foreign jurisdiction and with all documents delivered pursuant to this Section 8.16 to be in form and substance reasonably satisfactory to the Administrative Agent and the Required Banks.

8.17 Drawings on, and Replacements of, Acquisition Letters of Credit. (a) If at any time Holdings or any of its Subsidiaries is permitted, in accordance with the terms thereof, to make any drawing under any Acquisition Letter of Credit, then Holdings, the Parent or the Borrower shall, or shall cause its respective Subsidiary to, make such drawing or drawings as are then permitted to be made under the respective Acquisition Letter of Credit as may be directed by the Required Banks, with any such drawing to be made within five Business Days (or (x) such longer period as is then required thereunder to effect such a drawing or (y) subject to clause (x), such shorter period as will permit the drawing to occur prior to the expiration date of any Acquisition Letter of Credit) after Holdings or the Borrower has received written notice to make such drawing from the Required Banks or by the Administrative Agent on their behalf. The foregoing shall not prohibit Holdings, the Parent, the Borrower or their respective Subsidiaries from making drawings under any Acquisition Letter of Credit, in the absence of a direction by the Required Banks, at any time when it is otherwise permitted to do so.

(b) If any Acquisition Letter of Credit is replaced by a substitute Acquisition Letter of Credit (which substitution must be made in accordance with the Stock Purchase Agreement), Holdings and its Subsidiaries shall take all actions with respect thereto as it would have been required to take if such replacement Acquisition Letter of

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Credit were originally issued on the Restatement Effective Date in accordance with the requirements of Section 5.07 of the Original Credit Agreement.

(c) Except in connection with a replacement of an Acquisition Letter of Credit with a substantially identical letter of credit in accordance with the requirements of the Stock Purchase Agreement, neither Holdings nor any of its Subsidiaries will surrender any Acquisition Letter of Credit for cancellation (or agree thereto) prior to the stated expiration date thereof (as determined without regard to any early expiration due to the surrender of the respective Acquisition Letter of Credit), except in connection with a drawing of the full stated amount of an Acquisition Letter of Credit where such drawing is the last drawing which will be permitted thereunder and where the respective Acquisition Letter of Credit must be surrendered in connection with such drawing.

(d) Neither Holdings nor any of its Subsidiaries will consent to any investment of funds held pursuant to the Installment Notes Trust Agreement in any investments which would not constitute Cash Equivalents.

SECTION 9. Negative Covenants. Holdings, Parent and the Borrower covenant and agree that on and after the Restatement Effective Date and until the Total Commitments and all Letters of Credit have terminated and the Loans, Notes and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder and thereunder, are paid in full:

9.01 Liens. Holdings will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets (real or personal, tangible or intangible) of Holdings or any of its Subsidiaries, whether now owned or hereafter acquired, or sell any such property or assets subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets (including sales of accounts receivable with recourse to the Borrower or any of its Subsidiaries), or assign any right to receive income or permit the filing of any financing statement under the UCC or any other similar notice of Lien under any similar recording or notice statute; provided that the provisions of this

Section 9.01 shall not prevent the creation, incurrence, assumption or existence of the following (Liens described below are herein referred to as "Permitted Liens"):

(i) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or Liens for taxes, assessments or governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles in the United States (or the equivalent thereof in any country in which a Foreign Subsidiary is doing business, as applicable);

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(ii) Liens in respect of property or assets of the Borrower or any of its Subsidiaries imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', ware- housemen's, materialmen's and mechanics' liens and other similar Liens arising in the ordinary course of business, and (x) which do not in the aggregate materially detract from the value of the property or assets of the Borrower, the Borrower and its Subsidiaries taken as a whole, or Holdings and its Subsidiaries taken as a whole, or materially impair the use thereof in the operation of the business of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole or (y) which are being contested in good faith by appropriate proceedings, which proceedings (or orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien;

(iii) Liens in existence on the Restatement Effective Date which are listed, and the property subject thereto described, in Schedule XIII, but only to the respective date, if any, set forth in such Schedule XIII for the removal and termination of any such Liens, plus renewals and extensions of such Liens to the extent set forth on Schedule XIII, provided that (x) the aggregate principal amount of the Indebtedness, if any, secured by such Liens does not increase from that amount outstanding at the time of any such renewal or extension and (y) any such renewal or extension does not encumber any additional assets or properties of Holdings or any of its Subsidiaries;

(iv) Permitted Encumbrances;

(v) Liens created pursuant to the Security Documents;

(vi) licenses, leases or subleases granted to other Persons in the ordinary course of business not materially interfering with the conduct of the business of Holdings and its Subsidiaries taken as a whole or materially diminishing the aggregate value of the Collateral;

(vii) Liens upon assets of the Borrower and its Subsidiaries subject to Capitalized Lease Obligations to the extent permitted by Section 9.04, provided that (x) such Liens only serve to secure the payment of Indebtedness arising under such Capitalized Lease Obligation and (y) the Lien encumbering the asset giving rise to the Capitalized Lease Obligation does not encumber any other asset (other than proceeds thereof) of the Borrower or any Subsidiary of the Borrower;

(viii) Liens placed upon assets used in the ordinary course of business of the Borrower or any of its Subsidiaries at the time of acquisition thereof by the

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Borrower or any such Subsidiary or within 120 days thereafter to secure Indebtedness incurred to pay all or a portion of the purchase price thereof, provided that (x) the aggregate outstanding principal amount of all Indebtedness secured by Liens permitted by this clause (viii) shall not at any time exceed \$5,000,000 and (y) in all events, the Lien encumbering the assets so acquired does not encumber any other asset (other than proceeds thereof) of the Borrower or such Subsidiary;

(ix) easements, rights-of-way, restrictions (including zoning restrictions), encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies, in each case whether now or hereafter in existence, not securing Indebtedness, not materially interfering with the conduct of the business of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole and not materially diminishing the aggregate value of the Collateral;

(x) Liens arising from precautionary UCC financing statement filings regarding operating leases entered into by the Borrower or any of its

Subsidiaries in the ordinary course of business;

(xi) Liens arising out of the existence of judgments or awards not constituting an Event of Default under Section 10.09, provided that no cash or property is deposited or delivered to secure the respective judgment or award (or any appeal bond in respect thereof, except as permitted by following clause (xiii));

(xii) statutory and contractual landlords' liens under leases or subleases to which the Borrower or any of its Subsidiaries is a party;

(xiii) Liens (other than any Lien imposed by ERISA) (x) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (y) to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers, provided that the aggregate amount of deposits at any time pursuant to sub-clause (y) and sub-clause (z) shall not exceed \$1,000,000 in the aggregate;

(xiv) any interest or title of a lessor, sublessor, licensee or licensor under any lease or license agreement permitted by this Agreement;

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(xv) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(xvi) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Borrower or any of its Subsidiaries in the ordinary course of business in accordance with the past practices of the Borrower and its Subsidiaries prior to the Restatement Effective Date;

(xvii) deposits made to secure statutory obligations in the form of excise taxes;

(xviii) Liens shall be permitted to the extent same are deemed to exist as a result of the establishment of the Installment Notes Trust, so long as such Liens apply only to the New Installment Notes Letters of Credit and any Secondary Letters of Credit issued in respect thereof, and proceeds of drawings under such letters of credit made by the Installment Notes Trustee;

(xix) Liens on Receivables Facility Assets transferred (A) to any Receivables Subsidiary or (B) by any Receivables Subsidiary to the Receivables Purchasers, and the filing of financing statements in connection therewith, created by, and as set forth in, the Receivables Documents;

(xx) Liens upon specific items of inventory or other goods and proceeds thereof granted in favor of any Person (but not directly or indirectly securing any Indebtedness) to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(xxi) Liens encumbering deposits securing Indebtedness under Other Hedging Agreements, so long as the aggregate amount of deposits at any time subject to Liens pursuant to this clause (xxi) does not exceed \$3,000,000 in the aggregate;

(xxii) Liens encumbering deposits made in the ordinary course of business, not to exceed \$5,000,000 in the aggregate at any time, to secure nondelinquent obligations arising from statutory, regulatory, contractual or warranty requirements of the Borrower or its Subsidiaries for which a reserve or other appropriate provision, if any, as shall be required by GAAP, shall have been made;

(xxiii) Liens on assets of Foreign Subsidiaries, provided that (x) such Liens do not extend to, or encumber, assets which constitute Collateral or the capital stock

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of the Borrower or any of its Subsidiaries and (y) such Liens extending to the assets of any Foreign Subsidiary secure only Indebtedness incurred by such Foreign Subsidiary pursuant to Section 9.04(xviii);

(xxiv) Liens on assets of any Subsidiary of the Borrower acquired as a result of a Permitted Acquisition and securing only Permitted Acquired Debt of such Subsidiary, so long as such Liens comply with the requirements set forth in the definition of Permitted Acquired Debt; and

(xxv) Liens not otherwise permitted by the foregoing clauses (i) through (xxiv) to the extent attaching to properties and assets with an aggregate fair value not in excess of, and securing liabilities not in excess of, \$5,000,000 in the aggregate at any time outstanding.

9.02 Consolidation, Merger, Purchase or Sale of Assets, etc. Holdings will not, and will not permit any of its Subsidiaries to, wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, or convey, sell, lease or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets, or enter into any sale-leaseback transactions, or purchase or otherwise acquire (in one or a series of related transactions) any part of the property or assets (other than purchases or other acquisitions of inventory, materials, equipment and intangible assets in the ordinary course of business) of any Person, except that:

(i) Capital Expenditures by the Borrower and its Subsidiaries shall be permitted to the extent not in violation of Section 9.07;

(ii) each of the Borrower and its Subsidiaries may (x) in the ordinary course of business, sell, lease or otherwise dispose of any assets which, in the reasonable judgment of such Person, are obsolete, worn out or otherwise no longer useful in the conduct of such Person's business and (y) sell, lease or otherwise dispose of any other assets, provided that the aggregate Net Sale Proceeds of all assets subject to sales or other dispositions pursuant to this clause (y) shall not exceed \$10,000,000 in any calendar year;

(iii) investments may be made to the extent permitted by Section 9.05;

(iv) each of the Borrower and its Subsidiaries may lease (as lessee) real or personal property in the ordinary course of business (so long as any such lease does not create a Capitalized Lease Obligation except to the extent permitted by Section 9.04);

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(v) each of the Borrower and its Subsidiaries may make sales or transfers of inventory in the ordinary course of business and consistent with past practices (including without limitation sales or transfers of inventory by the Borrower to its Subsidiaries);

(vi) the Borrower and its Subsidiaries may sell or discount, in each case without recourse and in the ordinary course of business, overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables not otherwise permitted under clause (xi) below);

(vii) transfers of condemned property to the respective governmental authority or agency that has condemned same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement, shall be permitted;

(viii) licenses or sublicenses by the Borrower and its Subsidiaries of software, trademarks and other intellectual property in the ordinary course of business and which do not materially interfere with the business of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole shall be permitted;

(ix) the Installment Notes Trust shall be permitted to exist;

(x) the Borrower or any Domestic Wholly-Owned Subsidiary of the Borrower may transfer assets or lease to or acquire or lease assets from the Borrower or any other Domestic Wholly-Owned Subsidiary of the Borrower, or any Domestic Wholly-Owned Subsidiary of the Borrower may be merged into the Borrower (as long as the Borrower is the surviving corporation of such merger as a Wholly-Owned Subsidiary of Parent) or any other Domestic Wholly-Owned Subsidiary of the Borrower; provided that the aggregate amount (taking the Fair Market Value) of such transfers of assets (exclusive of assets transferred to the Intellectual Property Subsidiary, or by the Intellectual Property Subsidiary to the Second Tier IP Subsidiary, as contemplated by clauses (x) and (y) of the definition of Intellectual Property Subsidiary) made to Domestic Wholly-Owned Subsidiaries of the Borrower after the Original Effective Date shall not

exceed 15% of Consolidated Total Assets as of December 31, 1995;

(xi) sales, contributions and other transfers of Receivables Facility Assets to the Receivables Subsidiary and sales and other transfers of Receivables Facility

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Assets by the Receivable Subsidiary to the Receivables Purchasers, and purchases and acquisitions of Receivables Facility Assets by the Receivables Subsidiary, in each case pursuant to the Receivables Facility shall be permitted;

(xii) so long as no Default or Event of Default exists at the time of the respective sale of assets or immediately after giving effect thereto, sales of assets (which may include interests in Subsidiaries and in joint ventures; provided that no part of the capital stock of any Subsidiary may be sold pursuant to this clause (xii) unless all of the capital stock of the respective Subsidiary owned by Holdings and its Subsidiaries is sold pursuant to such a sale) of up to 5% of Consolidated Total Assets, as determined on the last day of any calendar year, may be made in the immediately succeeding calendar year; provided that (a) the sale price with respect to each such asset sold shall not be less than the Fair Market Value of such asset and (b) at least 80% of such sale price shall be payable only in cash or in Cash Equivalents;

(xiii) Holdings may liquidate any inactive Subsidiary so long as it has reasonably determined that neither it, nor any Subsidiary of Holdings into which such inactive Subsidiary is liquidated, will assume any material contingent liabilities as a result thereof;

(xiv) Permitted Acquisitions shall be permitted to be made in accordance with the requirements of Section 8.13;

(xv) any Foreign Subsidiary of the Borrower which is a Wholly-Owned Subsidiary of the Borrower may merge with or into any other Foreign Subsidiary of the Borrower which is also a Wholly-Owned Subsidiary of the Borrower;

(xvi) the Borrower may sell the assets or capital stock of Howmet Refurbishment, Inc. so long as the Net Sale Proceeds thereof are applied to repay Term Loans as provided in Section 4.02(e), provided that so long as no Default or Event of Default then exists, the Borrower may make an intercompany loan to Parent (I) in a principal amount not to exceed the lesser of (x) the amount of such Net Sale Proceeds and (y) the maximum amount permitted to be so loaned under the terms of the Senior Subordinated Note Indenture, and (II) only to the extent the proceeds of such intercompany loan are promptly applied to repurchase, redeem or otherwise retire outstanding Parent PIK Subordinated Notes as provided in Section 9.11(ii) (it being understood and agreed that any portion of such intercompany loan not so used to repurchase, redeem or otherwise retire outstanding Parent PIK Subordinated Notes within 45 days of the making of such intercompany loan shall be repaid to the Borrower and applied to repay Term Loans as provided in Section 4.02(e) (without regard to clause (v) of the parenthetical therein)), provided that one

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or more promissory notes evidencing such intercompany loans shall be delivered by Parent to the Borrower and shall be pledged (and delivered) by the Borrower as Collateral pursuant to the Pledge Agreement; and

(xvii) Howmet Insurance may release to Pechiney S.A. its \$250,000 cash balance deposit (or any portion thereof), to the extent such deposit is owned by Howmet Insurance, held by the Vermont Department of Banking Insurance, Securities and Health Care Administration (the "Insurance Department") so long as Pechiney S.A. concurrently substitutes a letter of credit, in a stated amount equal to such released amount, issued for the benefit of the Insurance Department.

To the extent the Required Banks waive the provisions of this Section 9.02 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 9.02, such Collateral (unless sold to Holdings or a Subsidiary of Holdings) shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent and Collateral Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

9.03 Restricted Payments. Holdings shall not, and shall not permit any of its Subsidiaries to, authorize, declare or pay any Dividends with respect to Holdings or any of its Subsidiaries or make any other Restricted Payment, except that:

(i) any Subsidiary of the Borrower may pay Dividends to its shareholders, in each case so long as the Borrower or any Subsidiary of the Borrower which owns the respective equity interest in such Subsidiary receives a percentage of any such Dividends which is at least equal to its

percentage equity interest in the respective Subsidiary paying the Dividend;

(ii) Holdings may (x) repurchase Holdings Common Stock and/or options to purchase Holdings Common Stock held by or (y) make payments pursuant to equity appreciation rights agreements to, directors, executive officers, members of management or employees of Holdings, the Borrower or any of their Subsidiaries upon the death, disability, retirement or termination of such director, executive officers, member of management or employee, so long as (x) no Default or Event of Default then exists or would exist after giving effect thereto and (y) the aggregate amount of cash expended by Holdings pursuant to this clause (ii) shall not exceed \$2,000,000 in any calendar year or \$5,000,000 in the aggregate;

(iii) so long as there shall exist no Default or Event of Default (both before and after giving effect to the payment thereof) the Borrower may pay cash Dividends to Parent, which shall promptly Dividend to Holdings the amount to be utilized by Holdings, so long as the proceeds thereof are promptly used by Parent

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and/or Holdings to (x) pay operating expenses in the ordinary course of business and other similar corporate overhead costs and expenses, provided that the aggregate amount of cash Dividends paid pursuant to this clause (x) in any calendar year shall in no event exceed \$2,000,000 or (y) pay amounts required to be paid by Holdings or Parent to participants in employee benefit plans of Pechiney Corporation, as provided in documents related thereto, provided that the aggregate amount of any such payments pursuant to this clause (y) in any calendar year shall in no event exceed \$400,000, or (z) pay required fees and expenses in connection with the Transaction and the registration under applicable laws and regulations of their debt or equity securities otherwise permitted hereunder;

(iv) the Borrower and its Subsidiaries may make payments owing by them in accordance with the provisions of the Tax Sharing Agreement, so long as all payments required to be made by Holdings and Parent to the Borrower and its Subsidiaries are made when required pursuant to the terms of such Tax Sharing Agreement;

(v) so long as no Default or Event of Default then exists or would exist immediately after giving effect thereto, the Borrower and/or Parent may make Restricted Payments to Holdings (or to Parent, which shall pay such amount to Holdings) for the purpose of enabling Holdings to (y) pay the Dividends referred to in clause (ii) above and (z) make payments pursuant to the Carlyle/Thiokol Management Agreements as provided pursuant to Section 9.06(vi) hereof, so long as all proceeds thereof are promptly (and in any event within one Business Day) used by Holdings to pay such Dividends or payments;

(vi) regularly accruing dividends may be paid with respect to the Holdings PIK Preferred Stock through the issuance of additional shares of Holdings PIK Preferred Stock in accordance with the terms thereof;

(vii) the Borrower may, at its option at any time when no Default or Event of Default is in existence, cancel all or any portion of the Indebtedness owing pursuant to the Parent Acquisition Loan in a transaction which may constitute a Dividend to the Parent;

(viii) so long as no Default or Event of Default then exists or would exist immediately after giving effect thereto, the Borrower may make a loan to Parent as permitted by Section 9.05 (xviii);

(ix) so long as no Default or Event of Default then exists or would exist immediately after giving effect thereto, the Borrower may make Restricted Payments to Parent for the purpose of enabling Parent to repurchase, redeem or

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otherwise retire outstanding Parent PIK Subordinated Notes to the extent provided in Section 9.11(ii), so long as all proceeds thereof are promptly (and in any event within one Business Day) used by Parent for such purpose; and

(x) so long as no Default or Event of Default then exists or would exist immediately after giving effect thereto, the Borrower may make Restricted Payments and/or loans (pursuant to a revolving note issued under an insurance funding agreement on the date hereof) to Parent not to exceed (for all such Restricted Payments and loans) \$1,000,000 in the aggregate (plus the amount of any capital contributions or repayments of loans thereafter made in respect of any such payment as described in the immediately succeeding proviso) for the purpose of enabling Parent to make equity contributions or loans to Howmet Insurance, which contributions or

loans shall be used by Howmet Insurance to cover its liabilities pending reimbursement for such liabilities from Pechiney S.A. or an affiliate thereof; provided that to the extent such reimbursement is subsequently received by Holdings or any of its Subsidiaries (including, without limitation, Howmet Insurance), such amounts shall, within 5 Business Days after the receipt thereof, be contributed to the capital of the Borrower or used to repay any such loans made by the Borrower.

9.04 Indebtedness. Holdings will not, and will not permit any of its Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness incurred pursuant to this Agreement and the other Credit Documents (and Indebtedness represented by letters of credit and related reimbursement obligations outstanding on the Restatement Effective Date to the extent such Indebtedness is supported by a Letter of Credit);

(ii) Indebtedness of the Borrower pursuant to the Senior Subordinated Notes in an aggregate principal amount not to exceed \$125,000,000 less the aggregate amount of all repayments of Senior Subordinated Notes effected after the Original Effective Date;

(iii) Existing Indebtedness shall be permitted to the extent the same is listed on Schedule XI, but no refinancings or renewals thereof;

(iv) Accrued expenses and current trade accounts payable incurred in the ordinary course;

(v) Indebtedness under Interest Rate Protection Agreements entered into with respect to floating rate Indebtedness otherwise permitted to be outstanding by the provisions of this Section 9.04;

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(vi) Indebtedness evidenced by Capitalized Lease Obligations to the extent permitted pursuant to Section 9.07, provided that in no event shall the aggregate principal amount of Capitalized Lease Obligations permitted by this clause (vi) exceed \$10,000,000 at any time outstanding;

(vii) Indebtedness subject to Liens permitted under Section 9.01(viii), so long as the outstanding amount of such Indebtedness does not exceed the amount provided in said Section 9.01(viii);

(viii) intercompany Indebtedness of the Borrower and its Wholly-Owned Subsidiaries, to the extent permitted by Section 9.05(vii);

(ix) in addition to any Indebtedness permitted by preceding clause (viii), Indebtedness of any Wholly-Owned Subsidiary to the Borrower or another Wholly-Owned Subsidiary constituting the purchase price in respect of intercompany transfers of goods made in the ordinary course of business to the extent not constituting Indebtedness for borrowed money;

(x) Indebtedness evidenced by Other Hedging Agreements entered into pursuant to Section 9.05(vi);

(xi) Indebtedness of Parent pursuant to the Parent PIK Subordinated Notes in an aggregate principal amount not to exceed \$25,000,000 plus the aggregate principal amount of Parent PIK Subordinated Notes issued to pay interest owing on the theretofore outstanding Parent PIK Subordinated Notes in accordance with the requirements of Section 8.14, less the aggregate amount of all repayments of principal of Parent PIK Subordinated Notes effected after the Original Effective Date;

(xii) Indebtedness of Parent evidenced by the Installment Notes, so long as (x) none of Holdings or any of its other Subsidiaries provides any direct or indirect guarantee, or is obligated with respect thereto and (y) the maximum amount at any time owing pursuant to the Installment Notes is fully covered by the New Installment Letters of Credit and the Secondary Letters of Credit issued in respect thereof;

(xiii) Indebtedness which may be deemed to exist pursuant to the Receivables Facility, so long as, if the Receivables Facility Attributed Indebtedness ever exceeds, when added to the amount of the Total Revolving Loan Commitment as then in effect, \$150,000,000, any repayments and commitment reductions required as a result thereof pursuant to Section 4.02(d) shall have been made in accordance with the terms thereof;

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(xiv) Indebtedness under performance bonds, letter of credit obligations to provide security for workers' compensation claims and bank

overdrafts, in each case incurred in the ordinary course of business, provided that any obligations arising in connection with such bank overdraft Indebtedness is extinguished within five Business Days;

(xv) Indebtedness incurred by the Borrower or any of its Subsidiaries and arising from agreements providing for indemnification related to sales of goods or adjustment of purchase price or similar obligations in any case incurred in connection with the disposition of any business, assets or Subsidiaries of the Borrower;

(xvi) accounts payable to vendors for goods and services obtained in the normal course of business and under normal terms and conditions;

(xvii) Indebtedness arising from transactions with the Receivables Subsidiary as contemplated in Sections 9.05(xi), (xiv) and (xvi), so long as such Indebtedness does not exceed the respective amounts, if any, as provided in such respective Sections;

(xviii) Indebtedness incurred by Foreign Subsidiaries for their own working capital and general corporate purposes, (x) to the extent that the principal amount thereof is covered by a Letter of Credit issued pursuant to this Agreement or (y) to the extent the principal amount of any such Indebtedness is not so covered by a Letter of Credit outstanding hereunder, the aggregate principal amount of Indebtedness outstanding pursuant to this subclause (y) at no time exceeds \$30,000,000;

(xix) Permitted Acquired Debt of Subsidiaries of the Borrower assumed as a result of Permitted Acquisitions effected in accordance with the requirements of Section 8.13, so long as the aggregate principal amount of Permitted Acquired Debt incurred or assumed (x) in any calendar year shall not exceed \$5,000,000 or (y) after the Original Effective Date, shall not exceed \$20,000,000 in the aggregate;

(xx) Indebtedness expressly permitted pursuant to Sections 9.05(x), (xv) and (xviii);

(xxi) Additional Indebtedness of the Borrower and its Subsidiaries (other than the Intellectual Property Subsidiary and the Second Tier IP Subsidiary) not to exceed \$5,000,000 in aggregate principal amount outstanding at any time;

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(xxii) Contingent Obligations of the Borrower as a guarantor of the Indebtedness incurred by Foreign Subsidiaries permitted pursuant to Section 9.04(xviii); and

(xxvii) Contingent Obligations of the Borrower constituting performance guarantees of research contracts entered into or assumed by the Intellectual Property Subsidiary in the ordinary course of business.

9.05 Advances, Investments and Loans. Holdings will not, and will not permit any of its Subsidiaries to, directly or indirectly, lend money or credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or hold any cash or Cash Equivalents (all of the foregoing, "Investments"), except that the following shall be permitted:

(i) the Borrower and its Subsidiaries may acquire and hold accounts receivables arising in the ordinary course of business and owing to any of them;

(ii) the Borrower and its Subsidiaries may acquire and hold cash and Cash Equivalents;

(iii) the Borrower and its Subsidiaries may make loans and advances in the ordinary course of business to their respective employees so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed \$3,500,000;

(iv) the Borrower may enter into Interest Rate Protection Agreements to the extent permitted in Section 9.04(v);

(v) the Parent Acquisition Loan shall be permitted to remain outstanding so long as such loan remains evidenced by a promissory note delivered by the Borrower to the Collateral Agent as security pursuant to the Pledge Agreement;

(vi) the Borrower may enter into and perform its obligations under

Other Hedging Agreements entered into in the ordinary course of business and consistent with past practices so long as any such Other Hedging Agreement is not speculative in nature and is (x) related to income derived from foreign operations of the Borrower or any Subsidiary or otherwise related to purchases permitted hereunder

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from foreign suppliers or (y) entered into to protect the Borrower and/or its Subsidiaries against fluctuations in the prices of raw materials used in their Businesses;

(vii) any Wholly-Owned Subsidiary of the Borrower (excluding each Receivables Subsidiary) may make intercompany loans to the Borrower or any Wholly-Owned Subsidiary of the Borrower (excluding each Receivables Subsidiary) and the Borrower may make intercompany loans and advances to any Wholly-Owned Subsidiary of the Borrower (excluding each Receivables Subsidiary), provided that any promissory notes evidencing such intercompany loans owing to the Borrower or any Domestic Wholly-Owned Subsidiary of the Borrower shall be pledged (and delivered) as Collateral pursuant to the Pledge Agreement, and, provided further, that the sum of the aggregate amount of such intercompany loans (excluding intercompany loans listed on Schedule XI) from the Borrower and its Domestic Wholly-Owned Subsidiaries outstanding at any time (calculated without regard to any write-downs or write-offs thereof) to Foreign Wholly-Owned Subsidiaries and the aggregate amount of the Indebtedness of Foreign Subsidiaries outstanding at such time pursuant to sub-clause (y) of Section 9.04(xviii), when added to the amount guaranteed at such time pursuant to Section 9.04(xxii), shall not exceed the lesser of (i) \$40,000,000 minus the amount guaranteed at such time by the Borrower pursuant to Section 9.04(xxii), and (ii) the amount permitted under the Senior Subordinated Note Indenture;

(viii) the Borrower and its Subsidiaries may sell or transfer assets to the extent permitted by Section 9.02, and may acquire non-cash consideration in respect thereof to the extent permitted by Section 9.02(xii);

(ix) the Borrower may establish Subsidiaries to the extent permitted by Section 9.14, and may effect Permitted Acquisitions in accordance with the requirements of Section 8.13;

(x) the Installment Notes Trust shall be permitted to exist;

(xi) as a result of sales, contributions and other transfers of Receivable Facility Assets to any Receivables Subsidiary in accordance with Section 9.02(xi), Investments may exist from time to time consisting of (x) contributions to the capital of such Receivables Subsidiary and (y) intercompany loans being made (or deemed made) as a result of the transfer of such Receivables Facility Assets, in each case so long as all capital stock of each Receivables Subsidiary is pledged pursuant to the Pledge Agreement and all such intercompany loans are evidenced by one or more promissory notes which are pledged pursuant to the Pledge Agreement;

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(xii) the Borrower or any Wholly-Owned Subsidiary may make loans to or Investments in Komatsu Howmet Ltd. Japan and R-H Component Technologies L.C. (so long as the Borrower retains at least a 50% equity interest in such entity) in an amount not to exceed \$20,000,000 (excluding any such loans or Investments outstanding on the Original Effective Date) in the aggregate at any time outstanding (calculated without regard to any write-downs or write-offs thereof);

(xiii) the Borrower and its Subsidiaries may make additional Investments in an aggregate amount at any time outstanding (calculated without regard to any write-downs or write-offs thereof) not to exceed in the aggregate (x) \$5,000,000 (which may, but are not required to, be made in joint ventures and/or Subsidiaries which are not Wholly-Owned Subsidiaries) plus (y) \$5,000,000 to be made only in joint ventures and/or Subsidiaries which are not Wholly-Owned Subsidiaries, provided, that (I) in no event shall the aggregate amount of Investments made pursuant to this clause (xiii) exceed the amount permitted under the Senior Subordinated Note Indenture and (II) to the extent any Investment pursuant to this clause (xiii) is made as an equity contribution to any Subsidiary of the Borrower or its Subsidiaries, the basket provided for by this clause (xiii) shall be replenished by the amount of any Dividends from the Subsidiary receiving such equity contribution to the Person making such equity contribution;

(xiv) the Borrower may guarantee obligations of its Subsidiaries (other than any Receivables Subsidiary) as sellers pursuant to the Receivables Documents, so long as no such guaranty shall give rise to recourse liability (other than in connection with Standard Securitization Undertakings) for the payment of any Receivables Facility Assets or the principal of, or interest on, any Purchased Interest or Investor Certificate;

(xv) the Borrower may make loans to Parent, which in turn may make loans or capital contributions to Howmet Insurance to the extent expressly permitted pursuant to Section 9.03(x);

(xvi) to the extent necessary to maintain the net worth of a Receivables Subsidiary in accordance with the requirements of the Receivables Facility, the Borrower may at any time contribute one or more promissory notes to the capital of such Receivables Subsidiary; provided that (x) at no time shall the aggregate principal amount of such outstanding promissory notes exceed \$5,000,000 in the aggregate, and (y) all such promissory notes shall be repaid through subsequent sales of Receivables Facility Assets to the respective Receivables Subsidiary and not through cash payments;

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(xvii) the Intellectual Property Subsidiary may make capital contributions to the Second Tier IP Subsidiary, in an amount not to exceed the amount received by the Intellectual Property Subsidiary as royalty income for patents, trademarks and other intellectual property; and

(xviii) the Borrower may make a loan to Parent to the extent expressly permitted pursuant to Section 9.02(xvi).

9.06 Transactions with Affiliates. Holdings will not, and will not permit any of its Subsidiaries to, enter into any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of Holdings or any of its Subsidiaries, other than in the ordinary course of business and on terms and conditions substantially as favorable to Holdings or such Subsidiary as would reasonably be obtained by Holdings or such Subsidiary at that time in a comparable arm's-length transaction with a Person other than an Affiliate, except that:

(i) Restricted Payments may be paid to the extent provided in Section 9.03;

(ii) loans may be made and other transactions may be entered into between the Borrower and its Subsidiaries to the extent expressly permitted by Sections 9.02(v), (x), (xi) and (xiii), 9.04 and 9.05;

(iii) customary fees may be paid to non-officer directors of Holdings;

(iv) Holdings and its Subsidiaries may enter into employment arrangements with respect to the procurement of services of their respective officers and employees in the ordinary course of business, including executive compensation arrangements;

(v) Holdings may make capital contributions to Parent, which may make capital contributions to the Borrower;

(vi) so long as no Default or Event of Default then exists, or would exist immediately after giving effect thereto, payments may be made pursuant to the Carlyle/Thiokol Management Agreements; provided that in no event shall the aggregate amount paid under either such Carlyle/Thiokol Management Agreement exceed (i) \$1,000,000 per annum, such fees to be payable quarterly in arrears and (ii) the reimbursement of reasonable out-of-pocket expenses as provided therein, to the extent actually incurred;

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(vii) the Borrower and its Subsidiaries may enter into the transactions contemplated by the Receivables Documents; and

(viii) Holdings and its Subsidiaries may pay management or similar fees (x) to the Borrower and (y) (I) as set forth on Schedule XIV and (II) otherwise, in an aggregate amount not to exceed \$100,000.

In addition to the applicable requirements provided above, any transactions (other than as described in clauses (i) through (vii) above) between and among Holdings and/or its Subsidiaries on the one hand and any of their respective Affiliates (excluding transactions between or among the Borrower and its Wholly-Owned Subsidiaries) on the other hand between and among the aforementioned parties with a value in excess of (A) \$2,000,000 shall only be permitted if a majority of the disinterested directors of Holdings approve the transaction and (B) \$10,000,000 shall only be permitted if the parties thereto provide a fairness opinion from a Person, and in form and substance, satisfactory to the Administrative Agent.

9.07 Capital Expenditures. (a) Holdings will not, and will not permit any of its Subsidiaries to, make any Capital Expenditures, except that

the Borrower and its Subsidiaries may make Capital Expenditures so long as the aggregate amount of such Capital Expenditures made under this Section 9.07(a) does not exceed \$55,000,000 in the aggregate for any calendar year.

(b) Notwithstanding anything to the contrary contained in clause (a) above, to the extent that the aggregate amount of Capital Expenditures made by the Borrower and its Subsidiaries (excluding only those Capital Expenditures made pursuant to following clause (c)) in any calendar year of the Borrower are less than \$55,000,000, the amount of such difference, but in no case more than \$10,000,000, may be carried forward and used to make Capital Expenditures in the immediately succeeding calendar year.

(c) In addition to the Capital Expenditures permitted pursuant to preceding clauses (a) and (b), the Borrower and its Subsidiaries may make additional Capital Expenditures as follows: (i) Capital Expenditures consisting of the reinvestment of Net Sale Proceeds of asset sales not required to be applied to prepay the Loans pursuant to Section 4.02(e) as a result of the first proviso thereto, (ii) the reinvestment of proceeds of Recovery Events not required to be applied to prepay the Loans pursuant to Section 4.02(f), and (iii) Permitted Acquisitions may be effected in accordance with the requirements of Section 8.13.

9.08 Consolidated Interest Coverage Ratio. The Borrower will not permit the Consolidated Interest Coverage Ratio for any Test Period, in each case taken as one

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accounting period, ended on the last day of any fiscal quarter ended after the Restatement Effective Date to be less than 2.50:1.00.

9.09 Consolidated Fixed Charge Coverage Ratio. The Borrower will not permit the Consolidated Fixed Charge Coverage Ratio for any Test Period, in each case taken as one accounting period, ended on the last day of any fiscal quarter ended after the Restatement Effective Date to be less than 1.50:1.00.

9.10 Maximum Leverage Ratio. The Borrower will not permit the Leverage Ratio at any time after the Restatement Effective Date to be greater than 3.50:1.00.

9.11 Limitation on Modifications of Indebtedness; Modifications of Certificate of Incorporation, By-Laws and Certain Other Agreements; etc. Holdings will not, and will not permit any of its Subsidiaries to, (i) amend or modify, or permit the amendment or modification of, any provision of the Existing Indebtedness or of any agreement (including, without limitation, any purchase agreement, indenture, loan agreement or security agreement) relating thereto other than any amendments or modifications to the Existing Indebtedness or of any agreement relating thereto which do not in any way adversely affect the interests of the Banks or that are determined to be immaterial by the Managing Agents and are otherwise permitted under Section 9.04(iii), (ii) make (or give any notice in respect of) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, or any prepayment or redemption as a result of any asset sale, change of control or similar event of, any Installment Notes, Senior Subordinated Notes or Parent PIK Subordinated Notes, or amend or modify, or permit the amendment or modification of, any provision of any Installment Notes, Senior Subordinated Notes or Parent PIK Subordinated Notes or any agreement (including, without limitation, any Senior Subordinated Note Document) relating thereto, except for amendments or modifications which are not in any way adverse to the interests of the Banks or that are determined to be immaterial by the Managing Agents, provided, that so long as there shall exist no Default or Event of Default, Parent may repurchase, redeem or otherwise retire outstanding Parent PIK Subordinated Notes in an amount which shall not exceed the amount permitted by the Senior Subordinated Note Indenture, (iii) after the entering in to of any Receivables Facility in accordance with the requirements of this Agreement, amend or modify, or permit the amendment or modification of, any provision of the documentation with respect thereto, except for amendments and modifications where the Receivables Amendment Conditions are satisfied, (iv) amend or modify, or permit the amendment or modification of, or surrender (except upon the termination thereof in accordance with its terms) or release, any Acquisition Letter of Credit (although the acceptance of replacement Acquisition Letters of Credit in the form required to be accepted pursuant to the Stock Purchase Agreement shall be permitted), provided, however, that Holdings may make such amendments or modifications as are determined to be immaterial by the Managing Agents, (v) amend or modify,

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or permit the amendment or modification of, the Stock Purchase Agreement or any Installment Notes Trust Document, except for amendments or modifications which are not in any way adverse to the interests of the Banks or that are determined to be immaterial by the Managing Agents or (vi) amend, modify or change its

certificate of incorporation (including, without limitation, by the filing or modification of any certificate of designation) or by-laws, or any agreement entered into by it, with respect to its capital stock (including any Shareholders' Agreement), or enter into any new agreement with respect to its capital stock, other than any amendments, modifications or changes pursuant to this clause (vi) or any such new agreements pursuant to this clause (vi) which the Borrower reasonably concludes do not adversely affect the interests of the Banks, provided that nothing in this clause (vi) shall prevent Holdings or any of its Subsidiaries from amending its Certificate of Incorporation or By-Laws with respect to any matters other than its creditors or its capital stock (including to provide indemnification to any officer or director of Holdings or any such Subsidiary to the maximum extent permitted by Delaware law) and, provided further, that Holdings may issue such capital stock as is provided in Section 9.13.

9.12 Limitation on Certain Restrictions on Subsidiaries. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Subsidiary to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Borrower or any Subsidiary of the Borrower, or pay any Indebtedness owed to the Borrower or a Subsidiary of the Borrower, (b) make loans or advances to the Borrower or any of the Borrower's Subsidiaries or (c) transfer any of its properties or assets to the Borrower or any of the Borrower's Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) this Agreement and the other Credit Documents, (iii) the Senior Subordinated Note Documents, (iv) restrictions on the Receivables Subsidiary, and with respect to Receivables Facility Assets, set forth in the Receivables Documents, (v) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or a Subsidiary of the Borrower, (vi) customary provisions restricting assignment of any licensing agreement entered into by the Borrower or a Subsidiary of the Borrower in the ordinary course of business, (vii) any holder of a Permitted Lien may restrict the transfer of the asset or assets subject thereto, (viii) any Indebtedness incurred after the Restatement Effective Date in accordance with the provisions of this Agreement may contain restrictions which are not more restrictive than those contained in this Agreement, (ix) to the extent any Foreign Subsidiary incurs Indebtedness pursuant to Section 9.04(xviii), and so long as such Indebtedness remains outstanding, the terms of the documentation with respect to such Indebtedness may contain restrictions of the types described above, but only with respect to such Foreign Subsidiary and any of its Subsidiaries and (x) to the extent any Subsidiary acquired or created after the Restatement Effective Date is the obligor with respect to Permitted Acquired Debt permitted to remain outstanding pursuant to the terms of this Agreement, such Permitted Acquired Debt may

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contain restrictions of the type otherwise described above with respect to such Subsidiary (so long as such restrictions were not created in contemplation of such Person becoming a Subsidiary or made more restrictive after the date of the respective acquisition).

9.13 Limitation on Issuance of Capital Stock. (a) Holdings shall not issue (i) any preferred stock (except for the issuance of additional shares of Holdings PIK Preferred Stock in payment of regularly accruing dividends on theretofore outstanding shares of Holdings PIK Preferred Stock) or (ii) any redeemable common stock; provided that Holdings shall be permitted to issue Qualified Preferred Stock at any time so long as the Net Cash Proceeds therefrom are applied in accordance with the requirements of Section 4.02(c).

(b) Parent shall not issue, or permit any of its Subsidiaries to issue, any capital stock (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, capital stock, except (i) for transfers and replacements of then outstanding shares of capital stock, (ii) for stock splits, stock dividends and additional issuances which do not decrease the percentage ownership of Holdings or any of its Subsidiaries in any class of the capital stock of Parent or such Subsidiary, (iii) in the case of Foreign Subsidiaries of the Borrower, to qualify directors to the extent required by applicable law, and (iv) Subsidiaries of the Borrower formed after the Restatement Effective Date pursuant to Section 9.14 may issue capital stock to the Borrower or the respective Subsidiary of the Borrower which is to own such stock in accordance with the requirements of Section 8.11. All capital stock issued in accordance with this Section 9.13(b) shall, to the extent required by the Pledge Agreement, be delivered to the Collateral Agent for pledge pursuant to the Pledge Agreement.

9.14 Limitation on Creation of Subsidiaries. Neither Holdings, Parent nor the Borrower shall establish, create or acquire any additional Subsidiaries without the prior written consent of the Required Banks; provided that the Borrower may establish or create one or more Wholly-Owned Subsidiaries of the Borrower without such consent so long as (i) 100% of the capital stock of any new Domestic Subsidiary (or all capital stock of any new Foreign Subsidiary

which is owned by any Credit Party, except that not more than 65% of the voting stock of any such Foreign Subsidiary shall be required to be so pledged) is upon the creation or establishment of any such new Subsidiary pledged and delivered to the Collateral Agent for the benefit of the Secured Creditors under the Pledge Agreement and (ii) upon the creation or establishment of any such new Domestic Wholly-Owned Subsidiary (other than any Receivables Subsidiary), such Domestic Wholly-Owned Subsidiary executes the Additional Security Documents and guaranty required to be executed by it in accordance with Section 8.12. Notwithstanding anything to the contrary contained above, (i) R-H Component Technologies L.C. and/or Komatsu Howmet Ltd. Japan may become Subsidiaries of the Borrower after the Restatement Effective Date, even if such Subsidiaries are not Wholly-Owned Subsidiaries and (ii) the Borrower may acquire

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or create one or more Subsidiaries which are not Wholly-Owned Subsidiaries, so long as the aggregate amount of Investments made therein by the Borrower and its other Subsidiaries is made in accordance with Section 9.05(xiii).

9.15 Business. (a) Holdings shall engage in no business activities and shall have no assets or liabilities, other than its ownership of the capital stock of the Parent and liabilities incident thereto, including its liabilities pursuant to the Pledge Agreement and its guaranty pursuant to Section 14.01.

(b) Parent shall engage in no business activities and shall have no assets or liabilities, other than (v) its obligations set forth in Section 9.03(iii), (w) its ownership of the capital stock of the Borrower and liabilities incident thereto, including its liabilities pursuant to the Pledge Agreement, the Security Agreement and its guaranty pursuant to Section 14.01, (x) its ownership of the capital stock of Howmet Insurance and liabilities incident thereto, (y) its obligations with respect to the Installment Notes, Excluded Liabilities and other matters set forth in the disclosure schedules to the Stock Purchase Agreement and its rights with respect to the Installment Notes Trust and any Acquisition Letters of Credit and (z) its obligations pursuant to the Parent PIK Subordinated Notes.

(c) Howmet Insurance shall engage in no new business, and shall underwrite no new insurance, after the Restatement Effective Date.

(d) The Borrower will not, and will not permit any of its Subsidiaries (other than any Receivables Subsidiary) to, engage (directly or indirectly) in any business other than the Business and reasonable extensions thereof.

SECTION 10. Events of Default. Upon the occurrence of any of the following specified events (each an "Event of Default"):

10.01 Payments. The Borrower shall (i) default in the payment when due of any principal of any Loan or any Note or (ii) default, and such default shall continue un-remedied for three or more Business Days, in the payment when due of any Unpaid Drawings or interest on any Loan or Note, or any Fees or any other amounts owing hereunder or thereunder; or

10.02 Representations, etc. Any representation, warranty or statement made by any Credit Party herein or in any other Credit Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

10.03 Covenants. Holdings, Parent or the Borrower shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in

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Section 8.01(f) (i), the first sentence of Section 8.01(j), Section 8.08, the first and third sentences of Section 8.11, or Section 8.13, 8.14, 8.17 or 9 or (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement and in the case of any default specified in this clause (ii) such default shall continue unremedied for a period of 30 days after written notice to the Borrower by any Agent (whether acting on its own or at the request of any of the Banks); or

10.04 Default Under Other Agreements. Holdings, Parent, the Borrower or any of their respective Subsidiaries shall (i) default in any payment of any Indebtedness (other than the Obligations) beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than the Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to

cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity, or (iii) any Indebtedness (other than the Obligations) of Holdings, Parent, the Borrower or any of their respective Subsidiaries shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, provided that (x) it shall not be a Default or Event of Default under this Section 10.04 unless the aggregate principal amount of all Indebtedness as described in preceding clauses (i) through (iii), inclusive, less the Howmet Cercast (Canada) Defaulted Amount (if any) at such time, is at least \$5,000,000; or

10.05 Bankruptcy, etc. Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) and the petition is not controverted within 15 days, or is not dismissed within 60 days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries), or Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries), or there is commenced against Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) any such proceeding which remains undismissed for a period of 60 days, or

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Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) makes a general assignment for the benefit of creditors; or any corporate action is taken by Holdings, Parent, the Borrower or any of their respective Subsidiaries (excluding Insignificant Subsidiaries) for the purpose of effecting any of the foregoing; or

10.06 ERISA. (a) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code, any Plan shall have had or is likely to have a trustee appointed to administer such Plan, any Plan is, shall have been or is likely to be terminated or to be the subject of termination proceedings under ERISA, any Plan shall have an Unfunded Current Liability, a contribution required to be made to a Plan or a Foreign Pension Plan has not been timely made, Holdings, Parent, the Borrower or any their respective Subsidiaries or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(1), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a)(29), 4971, 4975 or 4980 of the Code, or Holdings, Parent, the Borrower or any of their respective Subsidiaries has incurred or is likely to incur liabilities pursuant to one or more employee welfare benefit plans (as defined in Section 3(1) of ERISA) which provide benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or employee pension benefit plans (as defined in Section 3(2) of ERISA) or Foreign Pension Plans; and (b) there shall result from any such event or events the imposition of a lien, the granting of a security interest, or a liability or a material risk of incurring a liability; and (c) which lien, security interest or liability, individually, and/or in the aggregate, in the opinion of the Required Banks, will have a material adverse effect upon the business, operations, condition (financial or otherwise) or prospects of Holdings, Parent, the Borrower or of any such Person and its Subsidiaries taken as a whole; or

10.07 Security Documents. At any time after the execution and delivery thereof, any of the Security Documents shall cease to be in full force and effect, or shall cease in any material respect to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation, a perfected security interest in, and Lien on, all of the Collateral (excluding assets valued at up to \$1,000,000 in the aggregate; provided that if the Borrower is notified by the Administrative Agent of a lack of perfection with respect to any of the Collateral, the Borrower will take such steps as are necessary or advisable to perfect the Collateral Agent's security interest in such

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superior to and prior to the rights of all third Persons (except as permitted by Section 9.01), and subject to no other Liens (except as permitted by Section 9.01), or any Credit Party shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to any of the Security Documents and such default shall continue beyond any grace period specifically applicable thereto pursuant to the terms of such Security Document; or

10.08 Guaranty. Any Guaranty or any provision thereof shall cease to be in full force or effect as to the relevant Guarantor (unless such Guarantor is no longer a Subsidiary by virtue of a liquidation, sale, merger or consolidation permitted by Section 9.02), or any Guarantor or Person acting by or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the relevant Guaranty, or any Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to its Guaranty; or

10.09 Judgments. One or more judgments or decrees shall be entered against Holdings, Parent, the Borrower or any of their respective Subsidiaries involving in the aggregate for Holdings, Parent, the Borrower and their respective Subsidiaries (excluding Insignificant Subsidiaries) a liability (not paid or fully covered by a reputable and solvent insurance company) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and the aggregate amount of all such judgments and decrees, to the extent not covered by insurance, exceeds \$5,000,000; or

10.10 Change of Control. A Change of Control shall occur; or

10.11 Receivables Facility. (x) The Borrower and its Subsidiaries shall have, during any fiscal quarter, an aggregate amount of Noncomplying Receivables and Dilution Adjustments (as these terms are defined on the Original Effective Date in the Receivables Documents or, with respect to any replacement or amended Receivables Facility, as such similar terms and concepts may be defined therein) in excess of 10% of the unpaid balance of receivables sold to Receivables Subsidiaries during such quarter, (y) for any reason financing is not available to the Borrower pursuant to the Receivables Facility prior to the stated maturity date thereof for a period of five or more consecutive days or (z) any early amortization event or any event permitting any Receivables Purchaser or Receivables Purchasers to effect an early termination of the Receivables Facility (or a portion thereof) shall have occurred and be continuing; or

10.12 Installment Notes; Acquisition Letters of Credit. At any time (i) Holdings or any of its Subsidiaries other than Parent makes any payment whatsoever with respect to the Installment Notes, (ii) Parent makes any payment whatsoever with respect to the Installment Notes which is not reimbursed to it (whether through drawings under the

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New Installment Notes Letters of Credit, the Secondary Letters of Credit with respect thereto, from the Installment Notes Trust or from Pechiney S.A., Pechiney International and/or Howmet Cercast S.A. or otherwise (but not from Holdings and its Subsidiaries) within ten Business Days after the date the respective payment is made, (iii) for any reason whatsoever, the aggregate outstanding principal amount of the Installment Notes is not covered by a New Installment Notes Letter of Credit and a Secondary Letter of Credit issued in accordance with the requirements of this Agreement and the Stock Purchase Agreement or (iv) any Acquisition Letter of Credit shall fail to be outstanding or be renewed or extended, except as permitted hereunder;

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the written request of the Required Banks, shall by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of any Agent, any Bank or the holder of any Note to enforce its claims against any Credit Party (provided that, if an Event of Default specified in Section 10.05 shall occur with respect to the Borrower, the result which would occur upon the giving of written notice by the Administrative Agent to the Borrower as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Commitments terminated, whereupon all Commitments of each Bank shall forthwith terminate immediately and any Commitment Commission shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest in respect of all Loans and the Notes and all Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand,

protest or other notice of any kind, all of which are hereby waived by each Credit Party; (iii) terminate any Letter of Credit, which may be terminated, in accordance with its terms; (iv) direct the Borrower to pay (and the Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 10.05 with respect to the Borrower, it will pay) to the Collateral Agent at the Payment Office such additional amount of cash, to be held as security by the Collateral Agent, as is equal to the aggregate Stated Amount of all Letters of Credit issued for the account of the Borrower and then outstanding; (v) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; and (vi) apply any cash collateral as provided in Section 4.02.

SECTION 11. Definitions and Accounting Terms.

11.01 Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acquisition" shall mean (i) the purchase by Howmet Holdings Acquisition of 100% of the capital stock of Pechiney Corporation for \$587,000,000 (less the amount

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of Financing Obligations as described in Section 2.02 of the Stock Purchase Agreement) in cash plus the delivery of the Parent PIK Subordinated Note to Pechiney International in the aggregate principal amount of \$25,000,000, (ii) the purchase by Howmet Acquisition of (A) 100% of the capital stock of Howmet Cercast (U.S.A) for \$23,000,000, (B) the Noncompete Covenant for \$75,000,000 and (C) the purchase by Howmet of 100% of the capital stock of Financiere d'Occquier, S.A. for \$21,000,000, pursuant to the Stock Purchase Agreement and (iii) the purchase by Canada Acquisition Co. of 100% of the capital stock of Howmet Cercast (Canada) for \$19,000,000.

"Acquisition Documents" shall mean the Stock Purchase Agreement and all other documentation entered into in connection with the Acquisition or the Mergers.

"Acquisition Letters of Credit" shall mean the New Installment Notes Letters of Credit, the Existing Installment Notes Letter of Credit, the Insurance Letter of Credit, the Tax Letter of Credit, the Secondary Letters of Credit and any other letters of credit issued pursuant to the Stock Purchase Agreement (and any replacements or substitutions therefor).

"Additional Collateral" shall mean all property (whether real or personal) in which security interests are granted (or have been purported to be granted) (and continue to be in effect at the time of determination) pursuant to Section 8.12.

"Additional Mortgage" shall have the meaning provided in Section 8.12(a).

"Additional Mortgaged Property" shall have the meaning provided in Section 8.12(a).

"Additional Security Documents" shall mean all mortgages, pledge agreements, security agreements and other security documents entered into pursuant to Section 8.12 with respect to Additional Collateral, as each such document may be modified, supplemented or amended from time to time.

"Adjusted Percentage" shall mean (x) at a time when no Bank Default exists, for each Bank, such Bank's Percentage and (y) at a time when a Bank Default exists (i) for each Bank that is a Defaulting Bank, zero and (ii) for each Bank that is a Non-Defaulting Bank, the percentage determined by dividing such Bank's Revolving Loan Commitment at such time by the Adjusted Total Revolving Loan Commitment at such time, it being understood that all references herein to Revolving Loan Commitments and the Adjusted Total Revolving Loan Commitment at a time when the Total Revolving Loan Commitment or Adjusted Total Revolving Loan Commitment, as the case may be, has been terminated shall be references to the Revolving Loan Commitments or Adjusted Total Revolving Loan Commitment, as the case may be, in effect immediately prior to such termination, provided

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that (A) no Bank's Adjusted Percentage shall change upon the occurrence of a Bank Default from that in effect immediately prior to such Bank Default if after giving effect to such Bank Default, and any repayment of Revolving Loans and Swingline Loans at such time pursuant to Section 4.02(a) or otherwise, the sum of (i) the aggregate outstanding principal amount of Revolving Loans of all Non-Defaulting Banks plus (ii) the aggregate outstanding principal amount of

Swingline Loans plus (iii) the Letter of Credit Outstandings, exceed the Adjusted Total Revolving Loan Commitment; (B) the changes to the Adjusted Percentage that would have become effective upon the occurrence of a Bank Default but that did not become effective as a result of the preceding clause (A) shall become effective on the first date after the occurrence of the relevant Bank Default on which the sum of (i) the aggregate outstanding principal amount of the Revolving Loans of all Non-Defaulting Banks plus (ii) the aggregate outstanding principal amount of Swingline Loans plus (iii) the Letter of Credit Outstandings is equal to or less than the Adjusted Total Revolving Loan Commitment; and (C) if (i) a Non-Defaulting Bank's Adjusted Percentage is changed pursuant to the preceding clause (B) and (ii) any repayment of such Bank's Revolving Loans, or of Unpaid Drawings with respect to Letters of Credit or of Swingline Loans, that were made during the period commencing after the date of the relevant Bank Default and ending on the date of such change to its Adjusted Percentage must be returned to the Borrower as a preferential or similar payment in any bankruptcy or similar proceeding of the Borrower, then the change to such Non-Defaulting Bank's Adjusted Percentage effected pursuant to said clause (B) shall be reduced to that positive change, if any, as would have been made to its Adjusted Percentage if (x) such repayments had not been made and (y) the maximum change to its Adjusted Percentage would have resulted in the sum of the outstanding principal of Revolving Loans made by such Bank plus such Bank's new Adjusted Percentage of the outstanding principal amount of Swingline Loans and of Letter of Credit Outstandings equalling such Bank's Revolving Loan Commitment at such time.

"Adjusted Total Revolving Loan Commitment" shall mean at any time the Total Revolving Loan Commitment less the aggregate Revolving Loan Commitments of all Defaulting Banks.

"Administrative Agent" shall have the meaning provided in the first paragraph of this Agreement, and any successor thereto.

"Affiliate" shall mean, with respect to any Person, any other Person (including, for purposes of Section 9.06 only, all directors, officers and partners of such Person) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; provided, however, that for purposes of Section 9.06, an Affiliate of Holdings shall include any Person that directly or indirectly owns more than 5% of any class of the capital stock of Holdings and any officer or director of Holdings or any of its Subsidiaries. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the manage-

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ment and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" shall mean each of the Administrative Agent, the Documentation Agent, the Syndication Agent, each Managing Agent and the Collateral Agent.

"Agreement" shall mean this Credit Agreement, as modified, supplemented, amended, restated, extended, renewed or replaced from time to time.

"Applicable Commitment Commission Percentage" and "Applicable Margin" shall mean (i) for the period from the Restatement Effective Date to but not including the first Start Date after the Restatement Effective Date, the percentage per annum set forth below:

APPLICABLE COMMITMENT COMMISSION PERCENTAGE -----	APPLICABLE MARGIN FOR BASE RATE LOANS -----	APPLICABLE MARGIN FOR EURODOLLAR LOANS -----
0.250%	0.250%	1.250%

and (ii) during each Margin Adjustment Period beginning after the Restatement Effective Date, the percentage per annum set forth below opposite the Leverage Ratio indicated to have been achieved on the applicable Test Date for such Margin Adjustment Period (as shown on the respective officer's certificate delivered pursuant to Section 8.01(e)):

LEVEL	LEVERAGE RATIO	APPLICABLE COMMITMENT COMMISSION PERCENTAGE	APPLICABLE MARGIN FOR BASE RATE LOANS	APPLICABLE MARGIN FOR EURODOLLAR LOANS
1	Less than or equal to 1.50:1.00	0.150%	0%	0.50%
2	Greater than 1.50:1.00 but less	0.200%	0%	0.75%

than or equal to
2.00:1.00

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3	Greater than 2.00:1.00 but less than or equal to 2.50:1.00	0.250%	0%	1.00%
4	Greater than 2.50:1.00 but less than or equal to 3.00:1.00	0.250%	.25%	1.25%
5	Greater than 3.00:1.00	0.375%	.50%	1.50%

;provided, however, that (i) if by the tenth day after the last day of any Margin Adjustment Period, the Borrower has failed to deliver the financial statements required to be delivered pursuant to Section 8.01(a) and (b) (accompanied by the officer's certificate required by Section 8.01(e)(i) showing the applicable Leverage Ratio on the relevant Test Date) as at the end of the fiscal quarter or year, as the case may be, ended immediately prior to such date, the Applicable Commitment Commission Percentage and Applicable Margin for the immediately succeeding Margin Adjustment Period shall be computed as if the Leverage Ratio were at Level 5;

provided further, however, that so long as (x) no Default or Event of Default exists, (y) the Test Date for December 1996 has occurred but the annual financial statements for fiscal year 1996, required to be delivered pursuant to Section 8.01(b), have not yet been delivered to the Administrative Agent and (z) the Borrower delivers an officer's certificate (the "Estimated Leverage Ratio Certificate") from its chief financial officer, in form and substance satisfactory to the Administrative Agent, setting forth the Borrower's good faith determination of the Leverage Ratio (the "Estimated Leverage Ratio") as of such Test Date, then the applicable Margin Adjustment Period shall commence and the Applicable Commitment Commission Percentage and the Applicable Margin therefor shall be computed based on such Estimated Leverage Ratio, it being understood that upon actual delivery by the Borrower of the annual financial statements for such Test Date, the Borrower shall pay, within five days if payment has already been made (otherwise, on the next Interest Payment Date), to the Administrative Agent for the account of each Bank with affected Loans, any additional amounts the Borrower would have paid hereunder had the Estimated Leverage Ratio Certificate set forth the actual Leverage Ratio. Notwithstanding anything to the contrary contained above in this definition, at any time that a Default or Event of Default

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shall exist, the Applicable Commitment Commission Percentage and the Applicable Margin shall be computed as if Leverage Ratio were at Level 5.

"Assignment and Assumption Agreement" shall mean the Assignment and Assumption Agreement substantially in the form of Exhibit K (appropriately completed).

"Bank" shall mean each financial institution listed on Schedule I, as well as any Person which becomes a "Bank" hereunder pursuant to 13.04(b).

"Bank Default" shall mean (i) the refusal (which has not been retracted) of a Bank to make available its portion of any Borrowing (including any Mandatory Borrowing) or to fund its portion of any unreimbursed payment under Section 2.03(c) or (ii) a Bank having notified (which notice has not been rescinded) in writing the Borrower and the Administrative Agent that it does not intend to comply with its obligations under Section 1.01(b) or Section 2, in the case (except for purposes of Section 1.13) of either clause (i) or (ii) as a result of any takeover of such Bank by any regulatory authority or agency.

"Bankruptcy Code" shall have the meaning provided in Section 10.05.

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

"Base Rate Loan" shall mean (i) each Swingline Loan and (ii) each Loan designated or deemed designated as such by the Borrower at the time of the

incurrence thereof or conversion thereto.

"BNP" shall mean Banque Nationale de Paris.

"Borrower" shall have the meaning provided in the first paragraph of this Agreement.

"Borrowing" shall mean the borrowing of one Type of Loan of a single Tranche from all the Banks (other than any Bank which has not funded its share of such borrowing in accordance with this Agreement) having Commitments of the respective Tranche (or from the Swingline Bank in the case of Swingline Loans) on a given date (or resulting from a conversion or conversions on such date) having in the case of Eurodollar Loans the same Interest Period, provided that Base Rate Loans incurred pursuant to Section 1.10(b) shall be considered part of the related Borrowing of Eurodollar Loans.

"BtCo" shall mean Bankers Trust Company in its individual capacity.

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"Business" shall mean all aspects of the casting business, the aerospace component repair business, the aircraft part refurbishment business, and each other business engaged in by the Borrower and its Subsidiaries as of the Restatement Effective Date including, in each case, reasonable extensions thereof.

"Business Day" shall mean (i) with respect to any borrowing, payment or rate selection of Eurodollar Loans, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York for the conduct of substantially all of their commercial lending activities and on which dealings in United States Dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York for the conduct of substantially all of their commercial lending activities.

"Canada Acquisition Co." shall mean 3203816 Canada Ltd., a Canadian federal corporation.

"Capital Expenditures" shall mean, with respect to any Person, all expenditures by such Person which should be capitalized in accordance with generally accepted accounting principles, including all such expenditures with respect to fixed or capital assets (including, without limitation, expenditures for maintenance and repairs which should be capitalized in accordance with generally accepted accounting principles) and the amount of Capitalized Lease Obligations incurred by such Person.

"Capitalized Lease Obligations" of any Person shall mean all rental obligations which, under generally accepted accounting principles, are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with such principles.

"Carlyle Entities" shall mean TC Group, L.L.C. (which operates under the tradename "The Carlyle Group"), a Delaware Limited Liability Company, and any Persons controlled by TC Group, L.L.C.

"Carlyle/Thiokol Management Agreements" shall mean collectively, the Management Agreement, dated December 13, 1995, between TCG Holdings and Howmet Corporation, the Management Agreement, dated December 13, 1995, between Thiokol Holding Company and Howmet Corporation, the TCG Transaction Fee Agreement between TCG Holdings L.L.C. and Howmet Holdings Acquisition Corp. and the Thiokol Transaction Fee Agreement, dated December 13, 1995, between Thiokol Corp. and Howmet Holdings Acquisition Corp.

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"Carlyle/Thiokol Shareholders Agreement" shall mean the Shareholders Agreement, dated as of December 13, 1995, between Thiokol Holdings Company, Carlyle- Blade Acquisition Partners L.P. and Holdings.

"Cash Equivalents" shall mean, as to any Person, (i) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition, (ii) time deposits and certificates of deposit of any commercial bank having, or which is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any State thereof, the District of Columbia or any foreign jurisdiction having capital, surplus and undivided profits aggregating in excess of \$200,000,000, with maturities of not more than one year from the date of

acquisition by such Person, (iii) repurchase obligations with a term of not more than 90 days for underlying securities of the types described in clause (i) above entered into with any bank meeting the qualifications specified in clause (ii) above, (iv) commercial paper issued by any Person incorporated in the United States rated at least A-1 or the equivalent thereof by Standard & Poor's Ratings Group or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc. and in each case maturing not more than one year after the date of acquisition by such Person, (v) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (i) through (iv) above and (vi) demand deposit accounts maintained in the ordinary course of business.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same may be amended from time to time, 42 U.S.C. Section 9601 et seq.

"Change of Control" shall mean (i) Holdings shall at any time cease to own 100% of the capital stock of Parent; (ii) Parent shall at any time cease to own 100% of the capital stock of the Borrower; (iii) at any time a "Change of Control" under and as defined in the Senior Subordinated Note Indenture shall have occurred; (iv) at any time and for any reason whatsoever, (x) the Permitted Holders shall not have the right to elect, or shall for any reason not have elected, a majority of the directors of Holdings, (y) the Permitted Holders shall own less than a majority of the outstanding common stock of Holdings or (z) any "Person" or "Group" (other than the Carlyle Entities) (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of a greater percentage of the common or any other class of Voting Stock of Holdings than is owned by the Permitted Holders at such time.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and the rulings issued thereunder. Section refer-

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ences to the Code are to the Code, as in effect at the date of this Agreement, and to any subsequent provision of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Collateral" shall mean all property (whether real or personal) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document, including, without limitation, all Pledge Agreement Collateral, all Security Agreement Collateral, all Mortgaged Properties, all cash and Cash Equivalents delivered as collateral pursuant to Section 4.02 or 10 hereof and all Additional Collateral, if any.

"Collateral Agent" shall mean the Administrative Agent acting as collateral agent for the Secured Creditors pursuant to the Security Documents, and any successor thereto.

"Collective Bargaining Agreements" shall have the meaning provided in the Original Credit Agreement.

"Commitment" shall mean any of the commitments of any Bank, i.e. whether the Term Loan Commitment or the Revolving Loan Commitment.

"Commitment Commission" shall have the meaning provided in Section 3.01(a).

"Consolidated EBIT" shall mean, for any period, the Consolidated Net Income of the Borrower and its Consolidated Subsidiaries, plus interest expense and provision for taxes based on income (in each case to the extent deducted in determining Consolidated Net Income) and without giving effect to any extraordinary gains or losses or gains or losses from sales of assets other than inventory sold in the ordinary course of business.

"Consolidated EBITDA" shall mean, for any period, Consolidated EBIT, adjusted by adding thereto the amount of all amortization of intangibles and depreciation and all non-cash charges in respect of pension and retiree benefits, in each case that were deducted in arriving at Consolidated EBIT for such period. For purposes of Sections 9.10 only, to the extent Consolidated EBITDA has been reduced by Receivables Facility Financing Costs incurred during a particular period, the amount of such Receivables Facility Financing Costs will be added back in determining Consolidated EBITDA.

"Consolidated Fixed Charge Coverage Ratio" for any period shall mean the ratio of (x) Consolidated EBITDA plus the amount of all lease payments expensed by the Borrower and its Subsidiaries during such period (other than payments constituting Capitalized Lease Obligations) and which were deducted in determining Consolidated EBITDA for such period to (y) Consolidated Fixed

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"Consolidated Fixed Charges" for any period shall mean the sum, without duplication, of (i) Consolidated Net Interest Expense for such period, (ii) the amount of all lease payments expensed by the Borrower and its Subsidiaries during such period (other than payments constituting Capitalized Lease Obligations) and (iii) the scheduled principal amount of all amortization payments on all Indebtedness (including without limitation the principal component of all Capitalized Lease Obligations, but excluding the Installment Notes) of the Borrower and its Subsidiaries for such period (as determined on the first day of the respective period).

"Consolidated Indebtedness" shall mean, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness (including the Loans and any Capitalized Lease Obligations, but excluding the Installment Notes) of the Borrower and its Subsidiaries on a consolidated basis as determined in accordance with GAAP; provided that the aggregate amount of Receivables Facility Attributed Indebtedness at any time shall be included as a component of Consolidated Indebtedness, regardless of its treatment under GAAP.

"Consolidated Interest Coverage Ratio" for any period shall mean the ratio of Consolidated EBITDA to Consolidated Net Interest Expense for such period.

"Consolidated Net Income" shall mean, for any period, the consolidated net after tax income of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated Net Interest Expense" shall mean, for any period, the total consolidated interest expense of the Borrower and its Consolidated Subsidiaries for such period (calculated without regard to any limitations on the payment thereof) plus, without duplication, that portion of Capitalized Lease Obligations of the Borrower and its Consolidated Subsidiaries representing the interest factor for such period, in each case net of the total consolidated cash interest income of the Borrower and its Consolidated Subsidiaries for such period, but excluding the amortization of any deferred financing costs incurred in connection with this Agreement.

"Consolidated Subsidiaries" shall mean, as to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes in accordance with GAAP.

"Consolidated Total Assets" shall mean the consolidated total assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

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"Contingent Obligation" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include (x) endorsements of instruments for deposit or collection in the ordinary course of business and (y) any product warranties extended in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Continuing Bank" shall mean each Original Bank with a Commitment under this Agreement (immediately upon giving effect to the Restatement Effective Date).

"Corporate Base Rate" shall mean a rate per annum equal to the corporate

base rate of interest announced by The First National Bank of Chicago from time to time, changing when and as such corporate base rate changes.

"Credit Documents" shall mean this Agreement, and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Note, each Security Document and the Subsidiaries Guaranty and, after the execution and delivery thereof, each additional guaranty or security document executed pursuant to Section 8.12.

"Credit Event" shall mean the making of any Loan or the issuance of any Letter of Credit.

"Credit Party" shall mean Holdings, Parent, the Borrower and each Subsidiary Guarantor.

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"Debt Agreements" shall have the meaning provided in the Original Credit Agreement.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Bank" shall mean any Bank with respect to which a Bank Default is in effect.

"Dividend" with respect to any Person shall mean that such Person has declared or paid a dividend or returned any equity capital to its stockholders or authorized or made any other distribution, payment or delivery of property (other than common stock of such Person) or cash to its stockholders as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock outstanding on or after the Restatement Effective Date (or any options or warrants issued by such Person with respect to its capital stock), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for a consideration any shares of any class of the capital stock of such Person outstanding on or after the Restatement Effective Date (or any options or warrants issued by such Person with respect to its capital stock). Without limiting the foregoing, "Dividends" with respect to any Person shall also include all payments made or required to be made by such Person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"Documentation Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Documents" shall mean the Credit Documents, the Acquisition Documents, the Installment Notes Trust Documents, the Senior Subordinated Note Documents, the Receivables Documents, the Holdings PIK Preferred Stock Documents and the Parent PIK Subordinated Note Documents.

"Dollar Equivalent" shall mean, at any time for the determination thereof, the amount of Dollars necessary to purchase such other currency involved in such computation at the Exchange Rate.

"Dollars" and the sign "\$" shall each mean lawful money of the United States.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower incorporated or organized in the United States or any State or territory thereof.

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"Domestic Wholly-Owned Subsidiary" shall mean each Domestic Subsidiary which is a Wholly-Owned Subsidiary of the Borrower.

"Drawing" shall have the meaning provided in Section 2.04(b).

"Eligible Transferee" shall mean and include a commercial bank, financial institution, any fund or other Person which regularly purchases interests in loans or extensions of credit of the types made pursuant to this Agreement, any other Person which would constitute a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act as in effect on the Restatement Effective Date and, with the Borrower's consent (which may not be unreasonably withheld or delayed), any other "accredited investor" (as defined in Regulation D of the Securities Act).

"Employee Benefit Plans" shall have the meaning provided in the Original

"Environmental Claims" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, notices of noncompliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereafter, "Claims"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief in connection with alleged injury or threat of injury to health, safety or the environment due to the presence of Hazardous Materials.

"Environmental Law" means any Federal, state, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment), applicable to Holdings, Parent, the Borrower or any of their respective Subsidiaries, relating to the environment, employee health and safety or Hazardous Materials, including, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq., the Hazardous Material Transportation Act, 49 U.S.C. Section 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. (to the extent it regulates occupational exposure to Hazardous Materials); and any state and local or foreign counterparts or equivalents, in each case as amended from

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SCHEDULE I

COMMITMENTS

<TABLE>

<CAPTION>

Bank	Term Loan Commitment	Revolving Loan Commitment
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<S>	<C>	<C>
The First National Bank of Chicago	14,000,000.00	6,000,000.02
Bankers Trust Company	14,000,000.00	6,000,000.00
Citicorp USA, Inc.	14,000,000.00	6,000,000.00
ABN/AMRO Bank N.V	12,250,000.00	5,250,000.00
Bank of Montreal	12,250,000.00	5,250,000.00
Credit Lyonnais New York Branch	12,250,000.00	5,250,000.00
Credit Suisse	12,250,000.00	5,250,000.00
Dresdner Bank AG, New York Branch and Grand Cayman Island Branch	12,250,000.00	5,250,000.00
Fleet National Bank	12,250,000.00	5,250,000.00
Bank of America Illinois	8,500,000.00	3,642,857.14
The Bank of New York	8,500,000.00	3,642,857.14
Bank of Nova Scotia	8,500,000.00	3,642,857.14
Banque Nationale de Paris	8,500,000.00	3,642,857.14
The Fuji Bank Limited, Los Angeles Agency	8,500,000.00	3,642,857.14
Mellon Bank, N.A	8,500,000.00	3,642,857.14
Sakura Bank, Limited, Los Angeles	8,500,000.00	3,642,857.14

Agency

Totals \$ 175,000,000.00 \$ 75,000,000.00
</TABLE>

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SCHEDULE I

COMMITMENTS

<TABLE>
<CAPTION>

Bank	Term Loan Commitment	Revolving Loan Commitment
----	-----	-----
<S>	<C>	<C>
The First National Bank of Chicago	14,000,000.00	6,000,000.02
Bankers Trust Company	14,000,000.00	6,000,000.00
Citicorp USA, Inc.	14,000,000.00	6,000,000.00
ABN/AMRO Bank N.V	12,250,000.00	5,250,000.00
Bank of Montreal	12,250,000.00	5,250,000.00
Credit Lyonnais New York Branch	12,250,000.00	5,250,000.00
Credit Suisse	12,250,000.00	5,250,000.00
Dresdner Bank AG, New York Branch and Grand Cayman Island Branch	12,250,000.00	5,250,000.00
Fleet National Bank	12,250,000.00	5,250,000.00
Bank of America Illinois	8,500,000.00	3,642,857.14
The Bank of New York	8,500,000.00	3,642,857.14
Bank of Nova Scotia	8,500,000.00	3,642,857.14
Banque Nationale de Paris	8,500,000.00	3,642,857.14
The Fuji Bank Limited, Los Angeles Agency	8,500,000.00	3,642,857.14
Mellon Bank, N.A	8,500,000.00	3,642,857.14
Sakura Bank, Limited, Los Angeles Agency	8,500,000.00	3,642,857.14
Totals	\$ 175,000,000.00	\$ 75,000,000.00

</TABLE>

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SCHEDULE II

BANK ADDRESSES

Bankers Trust Company	130 Liberty Street, 30th Floor New York, New York 10006 Telephone No.: (212) 250-1724 Telecopier No.: (212) 250-7218 Attention: Mr. Dana F. Klein
Citicorp USA, Inc.	399 Park Avenue, 6th Floor New York, New York 10043 Telephone No.: (212) 559-4659 Telecopier No.: (212) 793-1290 Attention: Mr. Timothy L. Freeman
The First National Bank of Chicago	One First National Plaza, Suite 0362 Chicago, Illinois 60670 Telephone No.: (312) 732-8142 Telecopier No.: (312) 732-3885 Attention: Mr. David G. Dixon
Credit Lyonnais New York Branch	1301 Avenue of the Americas

New York, New York 10019
Telephone No.: (212) 261-7286
Telecopier No.: (212) 459-3176
Attention:

Fleet National Bank
One Federal Street, MSN-MA-OF-0308
Boston, MA 02211
Telephone No.: (617) 346-0574
Telecopier No.: (617) 346-0585
Attention: Kerry McElhiney

Bank of America Illinois
555 South Flower Street, 11th Floor
Suite 5618
Los Angeles, California 90071
Telephone No.: (213) 228-6379
Telecopier No.: (213) 228-2756
Attention: Ms. Lori Y. Kannegieter

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SCHEDULE II
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The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006
Telephone No.: (212) 225-5011
Telecopier No.: (212) 225-5090
Attention: Mr. James Trimble

The Bank of New York
One Wall Street, 22nd Floor
New York, New York 10286
Telephone No.: (212) 635-6863
Telecopier No.: (212) 635-6999
Attention: Mr. Ken Sneider

The Fuji Bank Limited
Los Angeles Agency
333 South Hope Street, Suite 3900
Los Angeles, CA 90071
Telephone No.: (213) 253-4143
Telecopier No.: (213) 253-4198
Attention: Mr. Hidetsugu Onishi

The Sakura Bank Limited
Los Angeles Agency
515 South Figueroa Street, Suite 400
Los Angeles, CA 90071
Telephone No.: (213) 489-6295
Telecopier No.: (213) 623-8692
Attention: Mr. Fernando Buesa

Mellon Bank, N.A.
300 South Grand Avenue, Suite 3800
Los Angeles, CA 90071
Telephone No.: (213) 680-7354
Telecopier No.: (213) 680-7366
Attention: Mr. Lawrence Ivey

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SCHEDULE II
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Banque Nationale de Paris
180 Montgomery Street
San Francisco, CA 94104
Telephone No.: (415) 956-0707 ext. 206
Telecopier No.: (415) 296-8954
Attention: Mr. Guy Gibb

Credit Suisse
633 West 5th Street - 64th Floor
Los Angeles, CA 90071
Telephone No.: (213) 955-8276
Telecopier No.: (213) 955-8245
Attention: Ms. Debbie Shea

ABN AMRO Bank N.V.
101 California Street, Suite 4550
San Francisco, CA 94111
Telephone No.: (415) 984-3702
Telecopier No.: (415) 362-3524
Attention: Ms. Gina Brusatori

Bank of Montreal
430 Park Avenue, 14th Floor
New York, New York 10022
Telephone No.: (212) 605-1637
Telecopier No.: (212) 605-1451

Dresdner Bank AG,
New York Branch and
Grand Cayman Branch

75 Wall Street, 29th Floor
New York, New York 10005
Telephone No.: (212) 429-2198
Telecopier No.: (212) 429-2129
Attention: Mr. Andrew Mittag
Mr. Nicholas Kalogeropoulos
Mr. Vince Dolan

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time to time. For purposes of the representations and warranties contained in Section 7.19, Environmental Law shall mean Environmental Law in effect as of the date such representations and warranties are made or deemed to have been made.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which together with Holdings, Parent, the Borrower or any of their Subsidiaries would be deemed to be a "single employer" (i) within the meaning of Section 414(b), (c), (m) or (o) of the Code or (ii) as a result of Holdings, Parent, the Borrower or any of their Subsidiaries being or having been a general partner of such person.

"Estimated Leverage Ratio" shall have the meaning provided in the definition of Applicable Commitment Commission Percentage.

"Estimated Leverage Ratio Certificate" shall have the meaning provided in the definition of Applicable Commitment Commission Percentage.

"Eurodollar Loan" shall mean each Loan (excluding Swingline Loans) designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Eurodollar Rate" shall mean with respect to a Borrowing of Eurodollar Loans for the relevant Interest Period the quotient of (a) the rate determined by the Administrative Agent to be the rate at which deposits in U.S. dollars are offered by The First National Bank of Chicago to first-class banks in the London interbank market at approximately 11 a.m. (London time) two Business Days prior to the first day of the Interest Period applicable to such Eurodollar Loan, in the approximate amount of The First National Bank of Chicago's relevant Eurodollar Loan and having a maturity approximately equal to the Interest Period applicable to such Eurodollar Loan divided by (b) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves required by applicable law) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency funding or liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D). The Eurodollar Rate shall be rounded to the next higher multiple of 1/100 of 1% if the rate is not such a multiple.

"Event of Default" shall have the meaning provided in Section 10.

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"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Rate" shall mean, when converting any amount denominated in a currency other than Dollars into Dollars, the rate determined in good faith by the Issuing Bank at the opening of business (or close of business in the case of determinations of reimbursement obligations with respect to Drawings) in Chicago, on the date as to which any determination thereof is to be made, as the spot rate at which such currency is offered for sale to the Issuing Bank against delivery of Dollars by the Issuing Bank. If for any reason the Exchange Rate for any currency cannot be calculated as provided above, the Issuing Bank shall calculate the Exchange Rate on such basis as it deems fair and equitable. In determining the Stated Amount of any Letter of Credit (A) for purposes of Sections 1.01(b), 1.01(c), 2.01(d) and 4.02(a), the Dollar Equivalent shall be calculated (x) on the date of the issuance of such Letter of Credit, and (y) on the first Business Day of each calendar month thereafter and (B) for purposes of Section 3.01(b) or (c), the Dollar Equivalent shall be calculated on the first day of each month in the quarterly period in which the respective payment is due pursuant to said Sections. The Exchange Rate for all reimbursement obligations with respect to Letters of Credit (including without limitation pursuant to Sections 2.03 and 2.04) shall be determined by using the Dollar Equivalent as in effect on the date the respective Unpaid Drawing was paid by the Issuing Bank.

"Existing Indebtedness" shall have the meaning provided in Section 7.22.

"Existing Installment Notes Letter of Credit" shall mean the Existing L/C referred to in Exhibit 5.08(b) to the Stock Purchase Agreement, issued by BNP for the benefit of the holders of the Installment Notes in support of the payment thereof.

"Existing Tax Obligations" shall mean any state and Federal taxes owed by the Borrower and/or Pechiney Corporation for periods prior to the Original Effective Date.

"Facing Fee" shall have the meaning provided in Section 3.01(c).

"Fair Market Value" shall mean, with respect to any asset, the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined in good faith by the Board of Directors or other governing body or, pursuant to a specific delegation of authority by such Board or governing body, a designated senior executive officer, of Borrower or the Subsidiary of Borrower selling such asset.

"Federal Funds Rate" shall mean, for any day, an interest rate per annum 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 for such day (or, if such day is not a Business Day, for the immediately preceding Business

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Day) by the Federal Reserve Bank of New York or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10 A.M. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 3.01.

"Financiere d'Ocquier, S.A." shall mean Financiere d'Ocquier S.A., a French societe anonyme organized under the laws of the Republic of France.

"Foreign Pension Plan" means any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States of America by Holdings, Parent, the Borrower or any one or more of their Subsidiaries primarily for the benefit of employees of Holdings, Parent, the Borrower or such Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is incorporated under the laws of any jurisdiction other than the United States of America, any State thereof or Puerto Rico.

"GAAP" shall have the meaning provided in Section 13.07(a).

"Guaranteed Creditors" shall mean and include each of the Agents, the Collateral Agent, the Banks and each party (other than any Credit Party) to an Interest Rate Protection Agreement or Other Hedging Agreement to the extent such party constitutes a Secured Creditor under the Security Documents.

"Guaranteed Obligations" shall mean all obligations of the Borrower (i) to each Bank for the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of the principal and interest on each Note issued by the Borrower to such Bank, and Loans made, under the Credit Agreement and all reimbursement obligations and Unpaid Drawings with respect to Letters of Credit, together with all the other obligations and liabilities (including, without limitation, all indemnities, fees and interest thereon as well as all interest accruing after the filing of a petition in a bankruptcy or similar proceeding at the rate provided in the respective documentation, regardless of whether or not such interest is an allowed claim in such a bankruptcy proceeding) of the Borrower to such Bank now existing or hereafter incurred under, arising out of or in con-

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nection with the Credit Agreement or any other Credit Document and the due performance and compliance with all the terms, conditions and agreements contained in the Credit Documents by the Borrower and (ii) to each Bank and each Affiliate of a Bank which enters into an Interest Rate Protection or Other

Hedging Agreement with the Borrower, which by its express terms are entitled to the benefit of the Guaranty pursuant to Section 14 with the written consent of the Borrower, the full and prompt payment when due (whether by acceleration or otherwise) of all obligations of the Borrower owing under any such Interest Rate Protection or Other Hedging Agreement, whether now in existence or hereafter arising, and the due performance and compliance with all terms, conditions and agreements contained therein.

"Guarantor" shall mean Holdings, Parent and each Subsidiary Guarantor.

"Guaranty" shall mean the guaranty issued by Holdings and Parent pursuant to Section 14 hereof and each Subsidiaries Guaranty.

"Hazardous Materials" means (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority under Environmental Laws.

"Holdings" shall have the meaning provided in the first paragraph of this Agreement.

"Holdings Common Stock" shall mean the common stock of Holdings.

"Holdings PIK Preferred Stock" shall mean the 9% Series A Senior Cumulative Preferred Stock of Holdings.

"Holdings PIK Preferred Stock Documents" shall mean the documents executed and delivered with respect to the Holdings PIK Preferred Stock.

"Howmet Acquisition" shall have the meaning provided in the Original Credit Agreement.

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"Howmet Cercast (Canada)" shall mean Howmet Cercast (Canada), Inc., a corporation organized under the laws of Canada.

"Howmet Cercast (Canada) Defaulted Amount" at any time shall mean the aggregate principal amount of Indebtedness of Howmet Cercast (Canada) which at such time is subject to the conditions described in one or more of clauses (i) through (iii), inclusive, of Section 10.04, provided that at no time shall the Howmet Cercast (Canada) Defaulted Amount exceed \$5,000.001.

"Howmet Cercast S.A." shall mean Howmet Cercast S.A., a societe anonyme organized under the laws of the Republic of France.

"Howmet Cercast (USA)" shall mean Howmet Cercast (USA), Inc., a Delaware corporation.

"Howmet Holdings Acquisition" shall have the meaning provided in the Original Credit Agreement.

"Howmet Insurance" shall mean Howmet Insurance Co., Inc., a Vermont corporation.

"Howmet S.A." shall mean Howmet S.A., a societe anonyme organized under the laws of the Republic of France.

"Howmet Transport" shall mean Howmet Transport Services, Inc., a Delaware corporation.

"Indebtedness" shall mean, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person for borrowed money or for the deferred purchase price of property or services, (ii) the maximum amount available to be drawn under all letters of credit issued for the account of such Person and all unpaid drawings in respect of such letters of credit, (iii) all Indebtedness of the types described in clause (i), (ii), (iv), (v), (vi) or (vii) of this definition secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person (to the extent of the value of the respective property), (iv) the aggregate amount required to be capitalized under leases under which such Person is the lessee, (v) all obligations of such person to pay a specified purchase price for goods or services, whether or not delivered or accepted, i.e., take-or-pay and similar obligations, (vi) all Contingent Obligations of such Person and (vii) all obligations under any Interest Rate Protection Agreement or

Other Hedging Agreement or under any similar type of agreement. In addition to the foregoing, all Receivables Facility Attributed Indebtedness shall constitute Indebtedness.

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"Insignificant Subsidiaries" shall mean any Subsidiary of the Borrower which has assets of not greater than \$5,000,000 in the aggregate and which, if aggregated with all other Subsidiaries of the Borrower with respect to which an event described under Section 10.05 has occurred and is continuing, would have assets of not greater than \$5,000,000.

"Installment Notes" shall mean the \$716,386,477.12 aggregate principal amount of outstanding (as of the Original Effective Date) promissory notes payable by Pechiney Corporation pursuant to the purchase by Pechiney Corporation of American National Can Company.

"Installment Notes Trust" shall mean the trust vehicle contemplated by Section 5.08 of the Stock Purchase Agreement and created in accordance with said Section 5.08 and Exhibit 5.08(a) to the Stock Purchase Agreement.

"Installment Notes Trust Agreement" shall mean the trust agreement entered into with respect to the Installment Notes Trust, as in effect on the Restatement Effective Date and as same may thereafter be amended in accordance with the requirements of this Agreement.

"Installment Notes Trust Documents" shall mean the documentation creating the Installment Notes Trust (including without limitation the Installment Notes Trust Agreement), and all other documentation entered into in connection with the Installment Notes Trust.

"Installment Notes Trustee" shall mean the trustee with respect to the Installment Notes Trust.

"Insurance Letter of Credit" shall mean the Insurance Letter of Credit referred to in Section 5.15 of the Stock Purchase Agreement (together with any replacements thereof issued in accordance with the requirements of Section 5.16 of the Stock Purchase Agreement).

"Intellectual Property Subsidiary" shall mean a Domestic Wholly-Owned Subsidiary of the Borrower which engages in no substantial business or activities other than as related to the assets and business transferred to it as described below, (x) to which the Borrower and its Subsidiaries (other than the Intellectual Property Subsidiary) will from time to time sell or otherwise transfer patents, trademarks and other intellectual property, as well as the Howmet Research Center located in Whitehall, Michigan, and (y) which will transfer all or substantially all royalty income arising from such patents, trademarks and other intellectual property to the Second Tier IP Subsidiary.

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"Intercreditor Agreement" shall mean the amended and restated intercreditor credit agreement in the form of Exhibit L.

"Interest Determination Date" shall mean, with respect to any Eurodollar Loan, the second Business Day prior to the commencement of any Interest Period relating to such Eurodollar Loan.

"Interest Period" shall have the meaning provided in Section 1.09.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest collar agreement, interest rate hedging agreement, interest rate floor agreement or other similar agreement or arrangement.

"Investments" shall have the meaning provided in Section 9.05.

"Investor Certificates" shall have the meaning provided in the Receivables Pooling Agreement.

"Issuing Bank" shall mean the Administrative Agent and any Bank which at the request of the Borrower and with the consent of the Administrative Agent (which shall not be unreasonably withheld) agrees, in such Bank's sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.

"L/C Supportable Indebtedness" shall mean (i) obligations of the Borrower or its Subsidiaries incurred in the ordinary course of business with respect to insurance obligations and workers' compensation, surety bonds and other similar statutory obligations and (ii) such other obligations of the Borrower or any of

its Subsidiaries as are permitted to exist pursuant to the terms of this Agreement.

"Leaseholds" of any Person means all the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"Letter of Credit" shall have the meaning provided in Section 2.01(a).

"Letter of Credit Fee" shall have the meaning provided in Section 3.01(b).

"Letter of Credit Outstandings" shall mean, at any time, the sum of (i) the aggregate Stated Amount of all outstanding Letters of Credit and (ii) the amount of all Unpaid Drawings.

"Letter of Credit Request" shall have the meaning provided in Section 2.02(a).

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"Leverage Ratio" shall mean, at any date of determination, the ratio of (i) Consolidated Indebtedness on such date to (ii) Consolidated EBITDA for the period of four consecutive quarters most recently ended on or prior to such date, in each case taken as one accounting period.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the UCC or any other similar recording or notice statute, and any lease having substantially the same effect as any of the foregoing).

"Loan" shall mean each Term Loan, each Revolving Loan and each Swingline Loan.

"Management Agreements" shall have the meaning provided in the Original Credit Agreement.

"Managing Agents" shall have the meaning provided in the first paragraph of this Agreement.

"Mandatory Borrowing" shall have the meaning provided in Section 1.01(d).

"Margin Adjustment Period" shall mean each period which shall commence on a date occurring after the Restatement Effective Date on which the financial statements are delivered pursuant to Section 8.01(a) or (b) and which shall end on the earlier of (i) the date of actual delivery of the next financial statements pursuant to Section 8.01(a) or (b) and (ii) the latest date on which the next financial statements are required to be delivered pursuant to Section 8.01(a) or (b).

"Margin Stock" shall have the meaning provided in Regulation U.

"Maturity Date" shall mean December 5, 2001.

"Maximum Swingline Amount" shall mean \$10,000,000.

"Mergers" shall mean and include (i) the merger of Howmet Holdings Acquisition with and into Pechiney Corporation, with Pechiney Corporation (now the parent) surviving said merger as a direct Wholly-Owned Subsidiary of Holdings, and (ii) the merger of Howmet Acquisition with and into Howmet, with Howmet surviving said merger as a direct Wholly-Owned Subsidiary of Parent.

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"Mortgage" shall mean and include each Original Mortgage, as amended pursuant to the respective Mortgage Amendment, and, after the execution and delivery thereof, each Additional Mortgage, in each case as same may be amended, modified or supplemented from time to time.

"Mortgage Amendments" shall have the meaning provided in Section 5.09.

"Mortgage Policies" shall mean and include each Original Mortgage Policy and, after the execution and delivery thereof, each mortgage insurance policy issued with respect to an Additional Mortgaged Property.

"Mortgaged Property" shall mean each Original Mortgaged Property and, after the execution and delivery of any Additional Mortgage, shall include the respective Additional Mortgaged Property.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Sale Proceeds" shall mean for any sale of assets, the gross cash proceeds (including any cash received by way of deferred payment pursuant to a promissory note, receivable or otherwise, but only as and when received) received from any sale of assets, net of (i) reasonable transaction costs (including, without limitation, any underwriting, brokerage or other customary selling commissions and reasonable legal, advisory and other fees and expenses, including title and recording expenses, associated therewith) and (ii) payments of unassumed liabilities relating to the assets sold at the time of, or within 90 days after, the date of such sale, (iii) the amount of such gross cash proceeds required to be used to repay any Indebtedness (other than Indebtedness of the Banks pursuant to this Agreement) which is secured by the respective assets which were sold, and (iv) the estimated marginal increase in income taxes which will be payable by Holdings' consolidated group with respect to the fiscal year in which the sale occurs as a result of such sale; and excluding any portion of any such gross cash proceeds which Holdings determines in good faith should be reserved for post-closing adjustments (to the extent Holdings delivers to the Banks a certificate signed by an officer of Holdings as to such determination), it being understood and agreed that on the day that all such post-closing adjustments have been determined, (which shall not be later than six months following the date of the respective asset sale), the amount (if any) by which the reserved amount in respect of such sale or disposition exceeds the actual post-closing adjustments payable by Holdings or any of its Subsidiaries shall constitute Net Sale Proceeds on such date received by Holdings and/or any of its Subsidiaries from such sale, lease, transfer or other disposition.

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"New Bank" shall mean each of the Persons listed on Schedule I that is not a Continuing Bank.

"New Installment Notes Letters of Credit" shall mean the letters of credit executed and delivered in connection with the establishment of the Installment Notes Trust, as contemplated by Exhibit 5.08(b) to the Stock Purchase Agreement, together with any replacements issued therefor in accordance with Section 5.16 of the Stock Purchase Agreement.

"Noncompete Covenant" shall mean the Covenant Not to Compete, dated December 13, 1995, among Pechiney Corporation, Pechiney International and Howmet Cercast S.A.

"Non-Continuing Bank" shall have the meaning provided in Section 13.20(b).

"Non-Defaulting Bank" shall mean and include each Bank other than a Defaulting Bank.

"Note" shall mean each Term Note, each Revolving Note and the Swingline Note.

"Notice of Borrowing" shall have the meaning provided in Section 1.03.

"Notice of Conversion" shall have the meaning provided in Section 1.06.

"Notice Office" shall mean the office of the Administrative Agent located at One First National Plaza, Agency/Compliance Division, Suite 0353 (1-15), Chicago, IL 60670, Attention: Mr. Thomas Both, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Obligations" shall mean all amounts owing to any of the Managing Agents, the Agents, the Collateral Agent or any Bank pursuant to the terms of this Agreement or any other Credit Document.

"Original Banks" shall mean each Person which was a Bank under, and as defined in, the Original Credit Agreement.

"Original Credit Agreement" shall have the meaning provided in the first WHEREAS clause to this Agreement.

"Original Effective Date" shall mean the Effective Date, as defined in the Original Credit Agreement.

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"Original Letters of Credit" shall mean the letters of credit listed on Schedule XV and previously issued under the Original Credit Agreement.

"Original Loans" shall mean the Original Term Loans, the Original Revolving Loans and the Original Swingline Loans.

"Original Mortgage Policies" shall mean each mortgage insurance policy issued with respect to an Original Mortgage under the Original Credit Agreement.

"Original Mortgaged Properties" shall mean all Real Property of the Borrowers and their respective Subsidiaries listed on Schedule III.

"Original Mortgages" shall mean all Mortgages granted by the Borrowers pursuant to the Original Credit Agreement and which have not been released by the lenders thereunder prior to the Restatement Effective Date.

"Original Revolving Loans" shall mean the "Revolving Loans" under, and as defined in, the Original Credit Agreement.

"Original Swingline Loans" shall mean the "Swingline Loans" under, and as defined in, the Original Credit Agreement.

"Original Term Loans" shall mean the "Term Loans" under, and as defined in, the Original Credit Agreement.

"Original Tranche A Term Loans" shall mean the "Tranche A Term Loans" under, and as defined in, the Original Credit Agreement.

"Original Tranche B Term Loans" shall mean the "Tranche B Term Loans" under, and as defined in, the Original Credit Agreement.

"Original Tranche C Term Loans" shall mean the "Tranche C Term Loans" under, and as defined in, the Original Credit Agreement.

"Other Hedging Agreement shall mean any foreign exchange contracts, currency swap agreements, commodity agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency or commodity values.

"Parent" shall have the meaning provided in the first paragraph of this Agreement.

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"Parent Acquisition Loan" shall mean the loan by the Borrower to Holdings made on the Original Effective Date, the proceeds of which were used by Holdings to acquire 100% of the capital stock of Pechiney Corporation.

"Parent Guarantors" shall mean and include each of Holdings and Parent.

"Parent Guaranty" shall mean the guaranty of the Parent Guarantors pursuant to Section 14.

"Parent PIK Subordinated Note Documents" shall mean the Parent PIK Subordinated Notes, and all other documents executed and delivered with respect to the Parent PIK Subordinated Notes.

"Parent PIK Subordinated Notes" shall mean (i) the subordinated promissory note issued by Parent in the aggregate principal amount of \$25 million as partial consideration in connection with the Acquisition, which promissory note shall be consistent with the terms contained as Exhibit 2.02 of the Stock Purchase Agreement and shall be in form and substance satisfactory to the Managing Agents and the Required Banks and (ii) any additional subordinated promissory notes which are identical to the promissory note referenced in preceding clause (i) (except as to the principal amount thereof) issued to pay (in-kind) accrued interest owing with respect to any theretofore outstanding Parent PIK Subordinated Notes.

"Participant" shall have the meaning provided in Section 2.03(a).

"Payment Office" shall mean the office of the Administrative Agent located at One First National Plaza, Chicago, IL 60670, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Pechiney Corporation" shall have the meaning provided in the Original Credit Agreement.

"Pechiney International" shall mean Pechiney International S.A., a societe anonyme organized under the laws of the Republic of France.

"Pechiney S.A." shall mean Pechiney S.A., a societe anonyme organized

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"Percentage" of any Bank at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Revolving Loan Commitment of such Bank at such time and the denominator of which is the Total Revolving Loan Commitment at such time, provided that if the Percentage of any Bank is to be determined after the Total Revolving Loan Commitment has been terminated, then the Percentages of the Banks shall be determined immediately prior (and without giving effect) to such termination.

"Permitted Acquired Debt" shall mean Indebtedness of any Subsidiary of the Borrower acquired pursuant to a Permitted Acquisition, which Indebtedness existed at the time of the consummation of such Permitted Acquisition and was not created in contemplation thereof (and the provisions of which were not altered in contemplation thereof), so long as (x) Holdings, the Borrower and its other Subsidiaries have no liability with respect to any such Indebtedness and (y) any Liens securing such Indebtedness apply only to assets of the Subsidiary so acquired (and so long as additional assets of such Subsidiary are not granted as security following, or in contemplation of, the respective permitted acquisition).

"Permitted Acquisition" shall mean the acquisition by the Borrower or a Domestic Wholly-Owned Subsidiary thereof of assets constituting part of or an entire business, division or product line of any Person not already a Subsidiary of the Borrower or of 100% of the capital stock of any such Person, or any other acquisition of assets (excluding equity interests in other Persons except as provided above) related to the Business; provided that (A) the consideration paid by the Borrower consists solely of cash and/or, in the case of the acquisition of a Wholly-Owned Subsidiary, the assumption of Permitted Acquired Debt in accordance with the requirements of this Agreement, (B) the assets acquired, or the business of the Person whose stock is acquired, shall be in the Business or related to the Business, (C) no Default or Event of Default shall exist at the time of the consummation of the respective Permitted Acquisition or immediately after giving effect thereto and (D) the Borrower in good faith determines that the Borrower and its Subsidiaries taken as a whole is not likely to assume or become liable for material increased contingent liabilities as a result of such acquisition.

"Permitted Encumbrance" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the title insurance policy or title commitment delivered with respect thereto, all of which exceptions must be acceptable to the Agents in their reasonable discretion.

"Permitted Holders" shall mean the Thiokol Permitted Holders and the Carlyle Entities.

"Permitted Liens" shall have the meaning provided in Section 9.01.

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"Person" shall mean any individual, partnership, joint venture, limited liability corporation, firm, corporation, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" shall mean any multiemployer or single-employer plan, as defined in Section 4001 of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of), Holdings, Parent, the Borrower or a Subsidiary of Holdings, Parent, the Borrower or an ERISA Affiliate, and each such plan for the five year period immediately following the latest date on which Holdings, Parent, the Borrower, a Subsidiary of Holdings, Parent, the Borrower or an ERISA Affiliate maintained, contributed or had an obligation to contribute to such plan.

"Plan Parties" shall have the meaning provided in Section 8.07.

"Pledge Agreement" shall have the meaning provided in Section 5.07.

"Pledge Agreement Collateral" shall mean all "Collateral" as defined in each of the Pledge Agreements.

"Pledged Securities" shall mean "Pledged Securities" as defined in the Pledge Agreement.

"Pledged Stock" shall mean "Pledged Stock" as defined in the Pledge Agreement.

"Projections" shall have the meaning provided in Section 5.14(b).

"Purchased Interest" shall have the meaning provided in the Receivables Pooling Agreement.

"Qualified Preferred Stock" shall mean any Holdings PIK Preferred Stock, or any other preferred stock of Holdings, the express terms of which shall provide that Dividends thereon shall not be required to be paid in cash at any time that such cash payment would be prohibited by the terms of this Agreement (and any refinancings, replacements or extensions hereof) and in either case which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event (including an event which would constitute a Change of Control), cannot mature (excluding any maturity as the result of an optional redemption by the issuer thereof) and is not mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, and is not redeemable, or required to be repurchased, at the sole option of the holder thereof (including, without limitation, upon the occurrence of an event which would

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126 constitute a Change of Control), in whole or in part, on or prior to the first anniversary of the Maturity Date.

"Quarterly Payment Date" shall mean the last Business Day of March, June, September and December, occurring after the Restatement Effective Date.

"RCRA" shall mean the Resource Conservation and Recovery Act, as the same may be amended from time to time, 42 U.S.C. Section 6901 et seq.

"Real Property" of any Person shall mean all the right, title and interest of such Person in and to land, improvements and fixtures, including Leaseholds.

"Receivables Amendment Conditions" means, with respect to any amendment or modification of any Receivables Document, the requirement that the following shall be true after giving effect to such amendment or modification:

- (A) the Receivables Maximum Funding Amount shall not be less than \$45,000,000 except to the extent that such amount is less than \$45,000,000 due to a shrinkage of receivables of the Borrower and its Subsidiaries after the Original Effective Date;
- (B) the scheduled maturities of the Investor Certificates and the Purchased Interests shall not be earlier than the scheduled maturities of Investor Certificates issued under the Receivables Bridge Facility;
- (C) the weighted average of the per annum interest rates payable in respect of Investor Certificates and Purchased Interests would not exceed the per annum interest rates applicable to Revolving Loans outstanding hereunder;
- (D) any Receivables Subsidiary would be required to apply all funds available to it (after giving effect to the allocation of funds to reserves required under the terms of the Receivables Documents and to the payment of interest, principal and other amounts owed under the Receivables Documents) to pay the purchase price for accounts receivables (including any deferred portion of the purchase price);
- (E) if any early amortization event that is not in the Receivables Bridge Facility shall be added to the Receivables Documents or any early amortization event that is in the Receivables Documents is made more restrictive, such additional early amortization event or change in an existing early amortization event shall not be adverse in any material respect to the interests of the Borrower and its Subsidiaries, taken as a whole (as determined in good faith by the Borrower); provided that the inclusion of an early amortization event from the Receivables Bridge Facility in the

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127 documentation for another series of Investor Certificates or Purchased Interests shall not be construed as the addition of an early amortization event for purposes hereof;

(F) the degree of recourse to the Borrower or its Subsidiaries (other than the Receivables Subsidiary) under or in the respect of the Receivables Documents shall not be increased in any material respect (as determined in good faith by the Borrower) and in no event shall the Borrower or any of its Subsidiaries (other than the Receivables Subsidiary) have recourse liability (except pursuant to Standard Securitization Undertakings) for the payment of any Receivables Facility Assets or any Investor Certificates or Purchased Interests;

(G) if additional covenants are included in the Receivables Documents or existing covenants in the Receivables Documents are made more restrictive, such additional covenants or changes to existing covenants shall not be adverse in any material respect to the interests of the Borrower and its Subsidiaries taken as a whole (as determined in good faith by the Borrower); and

(H) if additional representations and warranties are included in the Receivables Documents or existing representations and warranties are made more restrictive, such additional representations and warranties shall not be adverse in any material respect to the interest of the Borrower and its Subsidiaries taken as a whole (as determined in good faith by the Borrower);

provided that, notwithstanding anything to the contrary contained in the definition, any changes to the Receivables Documents which relate to the Borrower's or any Subsidiary's servicing or origination or Receivables Facility Assets that are transferred to the Receivable Subsidiary pursuant to the Receivable Documents shall be permitted.

"Receivables Bridge Facility" shall mean the transactions contemplated by the Series 1995-1 Supplement to the Receivables Pooling Agreement, dated as of December 13, 1995, among Blade Receivables Corporation, the Company and Manufacturers and Traders Trust Company, as Trustee, and the Revolving Certificate Purchase Agreement (Series 1995-1), dated as of December 13, 1995, among Blade Receivables Corporation, the Company, the Purchasers described therein and Bankers Trust Company and The First National Bank of Chicago, as Agents.

"Receivables Documents" shall mean all documentation relating to any Receivables Facility, including, without limitation, the Receivables Pooling Agreement and the documentation delivered in connection therewith (including any documentation relating to a series of certificates or purchased interests issued and sold pursuant thereto).

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"Receivables Facility" shall mean the Receivables Bridge Facility, pursuant to which (x) the Borrower and its Subsidiaries will from time to time sell or otherwise transfer accounts receivable to one or more Receivables Subsidiaries and (y) the respective Receivables Subsidiary or Receivables Subsidiaries shall sell or otherwise transfer accounts receivable and related assets (or interests therein) to the Receivables Purchasers, as more fully set forth in the Receivables Documents; provided that the Receivables Facility may be replaced or supplemented, or successively replaced or supplemented, after the Original Effective Date so long as the Receivables Amendment Conditions are satisfied (in which event such replacement facility shall be deemed to be the Receivables Facility hereunder).

"Receivables Facility Assets" shall mean all accounts receivable (whether now existing or arising in the future) of the Borrower or any of its Subsidiaries which are transferred to one or more Receivables Subsidiaries pursuant to the Receivables Facility, and any assets directly related thereto, including, without limitation, (i) Transferred Assets (as defined in Section 2.1 of the Receivables Pooling Agreement as originally in effect), (ii) all collateral given by the respective account debtor or on its behalf (but not by Holdings or any of its Subsidiaries) securing such accounts receivable, (iii) all contracts and all guarantees (but not by Holdings or any of its Subsidiaries) or other obligations directly related to such accounts receivable, (iv) other related assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable, and (v) proceeds of all of the foregoing.

"Receivables Facility Attributed Indebtedness" at any time shall mean the principal amount of Indebtedness which would be outstanding at such time under the Receivables Facility if same were structured as a secured lending agreement rather than a purchase agreement).

"Receivables Facility Financing Costs" shall mean all cash fees, service charges and other costs, as well as all collections or other amounts retained by the Receivables Purchasers which are in excess of amounts paid to the Borrower and its Subsidiaries under the Receivables Facility for the purchase of Receivables pursuant to the Receivables Facility.

"Receivables Maximum Funding Amount" shall mean the sum of (x) with respect to outstanding Investors Certificates and Purchased Interests that have fixed principal amounts, such principal amounts plus (y) with respect to Investors Certificates or Purchased Interests that have variable principal amounts, the Receivables Stated Amounts thereof.

"Receivables Pooling Agreement" shall mean the Blade Receivables Master

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Receivables Corporation, the Company and Manufacturers and Traders Trust Company, as Trustee, as amended or modified from time to time.

"Receivables Purchasers" shall mean and include (i) Manufacturers and Traders Trust Company, as Trustee under the Receivables Pooling Agreement, and its successors in that capacity, (ii) the purchaser or purchasers of any interest in the Receivables Facility Assets under or in connection with any Receivables Facility and (iii) the respective successors and assigns of the foregoing Receivables Purchasers.

"Receivables Stated Amount" means, with respect to an Investor Certificate or Purchased Interest, the maximum amount of the funding commitment with respect thereto.

"Receivables Subsidiary" means a Wholly-Owned Subsidiary of the Borrower which engages in no activities other than in connection with the financing of accounts receivable and which is designated by the Board of Directors of the Borrower (as provided below) as a Receivables Subsidiary (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by Holdings or any other Subsidiary of Holdings (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness)) pursuant to Standard Securitization Undertakings, (ii) is recourse to or obligates Holdings or any other Subsidiary of Holdings in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of Holdings or any other Subsidiary of Holdings, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither Holdings nor any of its Subsidiaries has any contract, agreement, arrangement or understanding (other than pursuant to the Receivables Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of accounts receivable and related assets)) on terms less favorable to Holdings or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of Holdings, and (c) to which neither Holdings nor any other Subsidiary of Holdings has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of the Borrower shall be evidenced to the Administrative Agent by filing with the Administrative Agent a certified copy of the resolution of the Board of Directors of the Borrower giving effect to such designation and an officer's certificate certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

"Recovery Event" shall mean the receipt by Holdings or any of its Subsidiaries of any cash insurance proceeds (other than insurance proceeds relating to Excluded Liabilities (as defined in the Stock Purchase Agreement)) or condemnation award payable (i) by reason of theft, loss, physical destruction or damage or any other similar event with

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respect to any property or assets of the Borrower or any of its Subsidiaries and (ii) under any policy of insurance required to be maintained under Section 8.03.

"Refinancing" shall mean all repayments and refinancings of Indebtedness under the Original Credit Agreement in connection with the Transaction.

"Register" shall have the meaning provided in Section 13.17.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation G" shall mean Regulation G of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation T" shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation X" shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migration into the environment.

"Replaced Bank" shall have the meaning provided in Section 1.13.

"Replacement Bank" shall have the meaning provided in Section 1.13.

"Reportable Event" shall mean an event described in Section 4043(c) of ERISA with respect to a Plan other than those events as to which the 30-day notice period is waived under subsection .13, .14, .16, .18, .19 or .20 of PBGC Regulation Section 4043.

"Required Banks" shall mean Non-Defaulting Banks, the sum of whose outstanding Term Loans (or, if prior to the Restatement Effective Date, Term Loan

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Commitments) and Revolving Loan Commitments (or after the termination thereof, outstanding Revolving Loans and Adjusted Percentage of Swingline Loans and Letter of Credit Outstandings) represent an amount greater than 50% of the sum of all outstanding Term Loans (or, if prior to the Restatement Effective Date, Term Loan Commitments) of Non-Defaulting Banks and the Adjusted Total Revolving Loan Commitment (or after the termination thereof, the sum of the then total outstanding Revolving Loans of Non-Defaulting Banks and the aggregate Adjusted Percentages of all Non-Defaulting Banks of the total outstanding Swingline Loans and Letter of Credit Outstandings at such time).

"Restatement Effective Date" shall have the meaning provided in Section 13.10.

"Restricted Payment" shall mean (i) the authorization, declaration or payment of any Dividend with respect to Holdings or any of its Subsidiaries, (ii) the payment by the Borrower or any of its Subsidiaries of any advance or loan made by Holdings or Parent, (iii) the payment by Parent of any loan or advance made to it by Holdings and (iv) the making of any other payment by the Borrower or any of its Subsidiaries to Holdings or Parent.

"Returns" shall have the meaning provided in Section 7.09.

"Revolving Loan" shall have the meaning provided in Section 1.01(b).

"Revolving Loan Commitment" shall mean, for each Bank, the amount set forth opposite such Bank's name in Schedule I hereto directly below the column entitled "Revolving Loan Commitment", as same may be (x) reduced from time to time pursuant to Sections 3.02, 3.03, 4.02 and/or 10 or (y) adjusted from time to time as a result of assignments to or from such Bank pursuant to Section 1.13 or 13.04(b).

"Revolving Note" shall have the meaning provided in Section 1.05(a).

"Scheduled Repayment" shall have the meaning provided in Section 4.02(b).

"Scheduled Repayment Date" shall have the meaning provided in Section 4.02(b).

"SEC" shall have the meaning provided in Section 8.01(a).

"Secondary Letters of Credit" shall mean the Secondary Letters of Credit referenced in Section 5.16 of the Stock Purchase Agreement, issued in compliance with the requirements of said Section 5.16 (together with any replacements thereof at any time issued in accordance with said Section 5.16 of the Stock Purchase Agreement).

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"Second Tier IP Subsidiary" shall mean a Domestic Wholly-Owned Subsidiary of the Intellectual Property Subsidiary which engages in no substantial business or activities other than in connection with the assets and business transferred to it by the Intellectual Property Subsidiary as contemplated by clause (y) of the definition of Intellectual Property Subsidiary contained herein.

"Section 4.04(b) (ii) Certificate" shall have the meaning provided in Section 4.04(b).

"Secured Creditors" shall have the meaning assigned that term in the Security Documents.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security Agreement" shall have the meaning provided in Section 5.08.

"Security Agreement Collateral" shall mean all "Collateral" as defined in the Security Agreement.

"Security Document" shall mean the Pledge Agreement, the Security Agreement, each Mortgage and, after the execution and delivery thereof, each Additional Mortgage and each Additional Security Document.

"Senior Subordinated Note Documents" shall mean the Senior Subordinated Notes, the Senior Subordinated Note Indenture and all other documents executed and delivered with respect to the Senior Subordinated Notes or Senior Subordinated Note Indenture.

"Senior Subordinated Note Indenture" shall mean the Indenture, dated as of December 7, 1995, between the Borrower and the Senior Subordinated Note Indenture Trustee, as in effect on the Original Effective Date and as thereafter amended from time to time in accordance with the requirements thereof and of this Agreement.

"Senior Subordinated Note Indenture Trustee" shall mean Marine Midland Bank.

"Senior Subordinated Notes" shall mean the Borrower's 10% Senior Subordinated Notes due 2003 issued pursuant to the Senior Subordinated Note Indenture.

"Shareholders' Agreements" shall have the meaning provided in the Original Credit Agreement.

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"Significant Subsidiary" shall mean each Subsidiary of the Borrower that is a "significant subsidiary" as defined in Rule 1-02(v) of Regulation S-X under the Securities Act and the Exchange Act (as such regulation is in effect on the Restatement Effective Date).

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Borrower or any Subsidiary thereof in connection with a Receivables Facility which are reasonably customary in an accounts receivable transaction.

"Standby Letter of Credit" shall have the meaning provided in Section 2.01(a).

"Start Date" shall mean, with respect to any Margin Adjustment Period, the first day of such Margin Adjustment Period.

"Stated Amount" of each Letter of Credit shall, at any time, mean the maximum amount available to be drawn thereunder (in each case determined without regard to whether any conditions to drawing could then be met, provided that the "Stated Amount" of each Letter of Credit denominated in a currency other than Dollars shall be, on any date of calculation, the Dollar Equivalent of the maximum amount available to be drawn in the respective currency thereunder (determined without regard to whether any conditions to drawing could then be met)).

"Stock Purchase Agreement" shall mean the Stock Purchase Agreement, dated as of October 12, 1995, among Pechiney S.A., Pechiney International, Howmet Cercast S.A. and Holdings.

"Subsidiaries Guaranty" shall have the meaning provided in Section 5.06.

"Subsidiary" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time.

"Subsidiary Guarantor" shall mean each Domestic Wholly-Owned Subsidiary (other than a Receivables Subsidiary) of the Borrower on the Restatement Effective Date and each Subsidiary which executes a guarantee after the Restatement Effective Date pursuant to Section 8.12.

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"Subsidiary Pledgor" shall mean each Domestic Wholly-Owned Subsidiary (other than a Receivables Subsidiary) of the Borrower on the Restatement Effective Date and each Subsidiary which after the Restatement Effective Date executes a pledge agreement pursuant to Section 8.12.

"Supermajority Banks" of any Tranche shall mean those Non-Defaulting Banks which would constitute the Required Banks under, and as defined in, this Agreement if (x) all outstanding Obligations of the other Tranches under this Agreement were repaid in full and all Commitments with respect thereto are terminated and (y) the percentage "50%" contained therein were changed to "66-2/3%."

"Swingline Bank" shall mean The First National Bank of Chicago and its successors and assigns.

"Swingline Expiry Date" shall mean the date which is two Business Days prior to the Maturity Date.

"Swingline Loan" shall have the meaning provided in Section 1.01(c).

"Swingline Note" shall have the meaning provided in Section 1.05(a).

"Syndication Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Tax Letter of Credit" shall mean the letter of credit issued in accordance with the requirements of Section 7.09 of the Stock Purchase Agreement, substantially on the terms set forth in Exhibit 7.09 to the Stock Purchase Agreement, supporting the payment of the obligations under Article VII of the Stock Purchase Agreement (together with any replacements thereof delivered in accordance with Section 5.16 of the Stock Purchase Agreement).

"Tax Sharing Agreement" shall mean the Tax Sharing Agreement entered into between Holdings, Parent and the Borrower pursuant to Section 5.20 of the Original Credit Agreement.

"Taxes" shall have the meaning provided in Section 4.04(a).

"Taxpayers" shall have the meaning provided in Section 7.09.

"Term Loan" shall have the meaning provided in Section 1.01(a).

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"Term Loan Commitment" shall mean, for each Bank, the amount set forth opposite such Bank's name in Schedule I hereto directly below the column entitled "Term Loan Commitment", as same may be (x) reduced from time to time pursuant to Sections 3.03, 4.02 and/or 10 or (y) adjusted from time to time as a result of assignments to or from such Bank pursuant to Section 1.13 or 13.04.

"Term Loan Percentage" of any Bank at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Term Loan Commitment of such Bank at such time and the denominator of which is the Total Term Loan Commitment at such time.

"Term Note" shall have the meaning provided in Section 1.05(a).

"Test Date" shall mean, with respect to any Margin Adjustment Period, the last day of the most recent fiscal quarter or year, as the case may be, of the Borrower ended immediately prior to the Start Date for such Margin Adjustment Period.

"Test Period" shall mean each period of four consecutive fiscal quarters ending on the last day of a fiscal quarter of the Borrower ended after the Restatement Effective Date, in each case taken as one accounting period.

"Thiokol" shall mean Thiokol Corporation, a Delaware corporation.

"Thiokol Permitted Holders" shall mean Thiokol and one or more of its Wholly-Owned Subsidiaries.

"Thiokol Purchase Option" shall mean the option of Thiokol Holdings Company to purchase the equity interests of the Carlyle Entities pursuant to the Carlyle/Thiokol Shareholders Agreement.

"Total Commitments" shall mean, at any time, the sum of the Commitments of each of the Banks.

"Total Outstandings" shall mean, at any time, the sum of (x) the principal amount of all Loans outstanding at such time and (y) the Letter of Credit Outstandings at such time.

"Total Revolving Loan Commitment" shall mean, at any time, the sum of the Revolving Loan Commitments of each of the Banks.

"Total Term Loan Commitment" shall mean, at any time, the sum of the Term Loan Commitments of each of the Banks.

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"Total Unutilized Revolving Loan Commitment" shall mean, at any time, an amount equal to the remainder of (x) the then Total Revolving Loan Commitment, less (y) the sum of the aggregate principal amount of Revolving Loans and Swingline Loans outstanding plus the then aggregate amount of Letter of Credit Outstandings.

"Trade Letter of Credit" shall have the meaning provided in Section 2.01(a).

"Tranche" shall mean the respective facility and commitments utilized in making Loans hereunder, with their being three separate Tranches i.e., Term Loans, Revolving Loans and Swingline Loans.

"Transaction" shall mean (i) the amendment and restatement of the Original Credit Agreement in the form of this Agreement as provided herein, (ii) the incurrence of the Loans hereunder on the Restatement Effective Date and (iii) the consummation of the Refinancing.

"Type" shall mean the type of Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan or a Eurodollar Loan.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"Unfunded Current Liability" of any Plan means the amount, if any, by which the actuarial present value of the accumulated benefits under the Plan as of the close of its most recent plan year exceeds the fair market value of the assets allocable thereto, each determined in accordance with Statement of Financial Accounting Standards No.87, based upon the actuarial assumptions used by the Plan's actuary in the most recent annual valuation of the Plan.

"United States" and "U.S." shall each mean the United States of America.

"Unpaid Drawing" shall have the meaning provided for in Section 2.04(a).

"Unutilized Revolving Loan Commitment" with respect to any Bank, at any time, shall mean such Bank's Revolving Loan Commitment at such time less the sum of (i) the aggregate outstanding principal amount of Revolving Loans made by such Bank and (ii) such Bank's Adjusted Percentage of the Letter of Credit Outstandings in respect of Letters of Credit issued under this Agreement.

"Voting Stock" means any class or classes of capital stock of Holdings pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of Holdings.

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"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock (other than director's qualifying shares) is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% equity interest at such time.

SECTION 12. The Agents.

12.01 Appointment. The Banks hereby designate The First National Bank of Chicago as Administrative Agent (for purposes of this Section 12, the term "Administrative Agent" shall include The First National Bank of Chicago (and/or any of its affiliates) in its capacity as Collateral Agent pursuant to the Security Documents) to act as specified herein and in the other Credit Documents. The Banks hereby designate Bankers Trust Company as Syndication Agent and Citicorp USA, Inc. as Documentation Agent to act as specified herein and in the other Credit Documents. Each Bank hereby irrevocably authorizes, and each holder of any Note by the acceptance of such Note shall be deemed irrevocably to authorize, the Agents to take such action on its behalf under the provisions of

this Agreement, the other Credit Documents and any other instruments and agreements referred to herein and thereunder and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Agents by the terms hereof and thereof and such other powers as are reasonably incidental thereto. Each of the Agents may perform any of its duties hereunder by or through its respective officers, directors, agents, employees or affiliates.

12.02 Nature of Duties. No Agent shall have any duties or responsibilities except those expressly set forth in this Agreement and the Security Documents. Neither any Agent nor any of their respective officers, directors, agents, employees or affiliates shall be liable for any action taken or omitted by it or them hereunder or under any other Credit Document or in connection herewith or therewith, unless caused by its or their gross negligence or willful misconduct. The duties of each Agent shall be mechanical and administrative in nature; no Agent shall have by reason of this Agreement or any other Credit Document a fiduciary relationship in respect of any Bank or the holder of any Note; and nothing in this Agreement or any other Credit Document, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect of this Agreement or any other Credit Document except as expressly set forth herein or therein.

12.03 Lack of Reliance on the Agents. Independently and without reliance upon any Agent, each Bank and the holder of each Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with the making and the continuance of the Loans and the taking or not taking of any action in connection herewith

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and (ii) its own appraisal of the creditworthiness of Holdings and its Subsidiaries and, except as expressly provided in this Agreement, no Agent shall have any duty or responsibility, either initially or on a continuing basis, to provide any Bank or the holder of any Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter. No Agent shall be responsible to any Bank or the holder of any Note for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of this Agreement or any other Credit Document or the financial condition of Holdings and its Subsidiaries or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Credit Document, or the financial condition of Holdings and its Subsidiaries or the existence or possible existence of any Default or Event of Default.

12.04 Certain Rights of the Agents. If any Agent shall request instructions from the Required Banks with respect to any act or action (including failure to act) in connection with this Agreement or any other Credit Document, such Agent shall be entitled to refrain from such act or taking such action unless and until such Agent shall have received instructions from the Required Banks; and such Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Bank or the holder of any Note shall have any right of action whatsoever against any Agent as a result of such Agent acting or refraining from acting hereunder or under any other Credit Document in accordance with the instructions of the Required Banks.

12.05 Reliance. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that such Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Credit Document and its duties hereunder and thereunder, upon advice of counsel selected by such Agent.

12.06 Indemnification. (a) To the extent any Agent is not reimbursed and indemnified by the Borrower the Banks will reimburse and indemnify such Agent, in proportion to their respective "percentages" as used in determining the Required Banks (but in any event calculated as if there were no Defaulting Banks), for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by such Agent in performing its respective duties hereunder or under any other Credit Document, in any way relating to or arising out of this Agreement or any other Credit Document; provided that no Bank shall be liable for any portion of such liability-

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ties, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct.

(b) Any Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Credit Document (except actions expressly required to be taken by it hereunder or under the Credit Documents) unless it shall first be indemnified to its satisfaction by the Banks pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

12.07 Each Agent in its Individual Capacity. With respect to its obligation to make Loans under this Agreement, each Agent shall have the rights and powers specified herein for a "Bank" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Banks", "Required Banks", "holders of Notes" or any similar terms shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Each Agent may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with any Credit Party or any Affiliate of any Credit Party as if they were not performing the duties specified herein, and may accept fees and other consideration from the Borrower or any other Credit Party for services in connection with this Agreement and otherwise without having to account for the same to the Banks.

12.08 Holders. The Administrative Agent shall deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or indorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

12.09 Resignation by the Agents. (a) The Administrative Agent or the Collateral Agent may resign from the performance of all its functions and duties hereunder and/or under the other Credit Documents at any time by giving 15 Business Days' prior written notice to the Borrower and the Banks. Such resignation shall take effect upon the appointment of a successor Administrative Agent or Collateral Agent, as the case may be, pursuant to clauses (b) and (c) below or, in the case of the Administrative Agent, as otherwise provided below. Each other Agent may resign from the performance of all of its functions and duties hereunder and/or under the other Credit Documents at any time after the Restatement Effective Date, by giving notice to the Borrower, the Administrative Agent and the Banks. Such resignation shall take effect upon delivery of such notice.

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(b) Upon any such notice of resignation by the Administrative Agent or Collateral Agent, as the case may be, the Required Banks shall appoint a successor Administrative Agent or Collateral Agent, as the case may be, hereunder or thereunder who shall be a commercial bank or trust company reasonably acceptable to the Borrower.

(c) If a successor Administrative Agent or Collateral Agent, as the case may be, shall not have been so appointed within such 15 Business Day period, the Administrative Agent or Collateral Agent, as the case may be, with the consent of the Borrower (which shall not be unreasonably withheld or delayed), shall then appoint a commercial bank or trust company with capital and surplus of not less than \$500,000,000 as successor Administrative Agent or Collateral Agent, as the case may be, who shall serve as Administrative Agent or Collateral Agent, as the case may be, hereunder or thereunder until such time, if any, as the Banks appoint a successor Administrative Agent or Collateral Agent, as the case may be, as provided above.

(d) In the case of the Administrative Agent only, if no successor Administrative Agent has been appointed pursuant to clause (b) or (c) above by the 25th Business Day after the date such notice of resignation was given by the Administrative Agent, the Administrative Agent's resignation shall become effective and the Managing Agents (if one or more so agrees), or if there are no Managing Agents or no Managing Agent so agrees, then the Required Banks, shall thereafter perform all the duties of the Administrative Agent hereunder and/or under any other Credit Document until such time, if any, as the Required Banks appoint a successor Administrative Agent as provided above.

(e) Upon a resignation of any Agent pursuant to this Section 12.09, such Agent shall remain indemnified to the extent provided in this Agreement and the other Credit Documents and the provisions of this Section 12 shall continue in effect for the benefit of such Agent for all of its actions and inactions while serving as such Agent.

12.10 Removal of the Administrative Agent. The Administrative Agent may be removed at any time upon obtaining the consent of the Borrower and those Banks that would constitute the Required Banks under, and as defined in, this Agreement if the percentage "50%" contained therein were changed to "66-2/3%".

SECTION 13. Miscellaneous.

13.01 Payment of Expenses, etc. The Borrower shall: (i) whether or not the transactions herein contemplated are consummated, pay all reasonable out-of-pocket costs and expenses of the Agents (including, without limitation, the reasonable fees and disbursements of White & Case and local counsel) in connection with the preparation, execution and delivery of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein and any amendment, waiver or consent relat-

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ing hereto or thereto, of the Agents in connection with their syndication efforts with respect to this Agreement and of the Agents in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein (including, without limitation, the reasonable fees and disbursements of counsel for the Agents); (ii) pay and hold each of the Banks harmless from and against any and all present and future stamp, excise and other similar taxes with respect to the foregoing matters and save each of the Banks harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Bank) to pay such taxes; and (iii) indemnify the Agents and each Bank, and each of their respective officers, directors, trustees, employees, representatives and agents from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not the Agents or any Bank is a party thereto) related to the entering into and/or performance of this Agreement or any other Credit Document or the use of any Letter of Credit or the proceeds of any Loans hereunder or the consummation of any transactions contemplated herein (including, without limitation, the Transaction), or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged presence of Hazardous Materials in the air, surface water or groundwater or on the surface or subsurface of any Real Property at any time owned or operated by Holdings or any of its Subsidiaries, the generation, storage, transportation, handling or disposal of Hazardous Materials at any location, whether or not owned or operated by Holdings or any of its Subsidiaries, the non-compliance of any Real Property with foreign, federal, state and local laws, regulations, and ordinances (including applicable permits thereunder) applicable to any Real Property, or any Environmental Claim asserted against Holdings, any of its Subsidiaries or any Real Property at any time owned or operated by Holdings or any of its Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants incurred in connection with any such investigation, litigation or other proceeding (but excluding any losses, liabilities, claims, damages or expenses to the extent incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified). To the extent that the undertaking to indemnify, pay or hold harmless the Agents or any Bank set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law.

13.02 Right of Setoff. In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence of an Event of Default, each Bank is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to Holdings or

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the Borrower or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by such Bank (including, without limitation, by branches and agencies of such Bank wherever located) to or for the credit or the account of Holdings, Parent, the Borrower or any Subsidiary Guarantor (but in any event excluding assets held in trust for any other Person) against and on account of the Obligations and liabilities of Holdings, Parent, the Borrower or such Subsidiary Guarantor, as applicable, to such Bank under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations purchased by such

Bank pursuant to Section 13.06(b), all participations by any Bank in any Swingline Loans or Letters of Credit as required pursuant to the provisions of this Agreement and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not such Bank shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. The Borrower agrees that any Bank purchasing participations in one or more Letters of Credit or Swingline Loans as required by the provisions of this Agreement, or purchasing participations as required by Section 13.06(b), may, to the fullest extent permitted by law, exercise all rights (including without limitation the right of setoff) with respect to such participations as fully as if such Bank or a direct creditor of the Borrower with respect to such participations in the amount thereof.

13.03 Notices. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telex or tele-copier communication) and mailed, telexed, telecopied or delivered: if to Holdings, at Holdings' address specified opposite its signature below; if to Parent, at Parent's address specified opposite its signature below; if to the Borrower, at the Borrower's address specified opposite its signature below; if to any Bank, at its address specified opposite its name on Schedule II below; and if to the Administrative Agent, at its Notice Office; or, as to any Credit Party or any of the Agents, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Bank, at such other address as shall be designated by such Bank in a written notice to the Borrower and the Agents. All such notices and communications shall, when mailed, telexed, telecopied or sent by overnight courier, be effective when deposited in the mails or delivered to the overnight courier, prepaid and properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Agents and the Borrower shall not be effective until received by the Agents or the Borrower, as the case may be.

13.04 Benefit of Agreement. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that, no Credit Party may assign or transfer any of its rights, obligations or interest hereunder or under any other Credit Document without the

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prior written consent of all of the Banks and, provided further, that, although any Bank may grant participations in its rights hereunder, such Bank shall remain a "Bank" for all purposes hereunder (and may not otherwise transfer or assign all or any portion of its Commitments hereunder except as provided in Section 13.04(b)) and the participant shall not constitute a "Bank" hereunder and, provided further, that no Bank shall grant any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Credit Document except to the extent such amendment or waiver would (i) extend the final scheduled maturity of any Loan, Note or Letter of Credit (unless such Letter of Credit is not extended beyond the Maturity Date) in which such participant is participating, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under all of the Security Documents (except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such participant is participating. In the case of any such participation, the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Bank in respect of such participation to be those set forth in the agreement executed by such Bank in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Bank had not sold such participation.

(b) Notwithstanding the foregoing, any Bank (or any Bank together with one or more other Banks) may (x) assign all or a portion of its Revolving Loan Commitment (and related outstanding Obligations hereunder) and/or its outstanding Term Loans (or, if prior to the Restatement Effective Date, Term Loan Commitment) to its parent company and/or any affiliate of such Bank which is at least 50% owned by such Bank or its parent company or to one or more Banks or (y) assign all, or if less than all, a portion equal to at least \$5,000,000 (or, in connection with assignments by the Managing Agents within 30 days of the Restatement Effective Date, such lesser amounts as they may determine) in the aggregate for the assigning Bank or assigning Banks, of such Revolving Loan

Commitments and/or outstanding principal amount of Term Loans (or, if prior to the Restatement Effective Date, Term Loan Commitment) hereunder to one or more Eligible Transferees, each of which assignees shall become a party to this Agreement as a Bank by execution of an Assignment and Assumption Agreement, provided that, (i) at such time Schedule I shall be deemed modified to reflect the Commitments (and/or outstanding Term Loans, as the case may be) of such new Bank and of the existing Banks, (ii) new Notes will be issued,

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at the Borrower's expense, to such new Bank and to the assigning Bank upon the request of such new Bank or assigning Bank, such new Notes to be in conformity with the requirements of Section 1.05 (with appropriate modifications) to the extent needed to reflect the revised Commitments (and/or outstanding Term Loans, as the case may be), (iii) the consent of the Administrative Agent shall be required in connection with any assignment of all or any portion of Revolving Loan Commitments (which consent shall not be unreasonably withheld or delayed), (iv) in the case of assignments pursuant to clause (y) above, the consent of the Administrative Agent and, in the case of such assignments of Term Loan Commitments or Revolving Loan Commitments, the prior written consent of the Borrower shall be required (which consents shall not be unreasonably withheld or delayed) and (v) the Administrative Agent shall receive at the time of each such assignment pursuant to preceding clause (y), from the assigning or assignee Bank, the payment of a non-refundable assignment fee of \$3,500. To the extent of any assignment pursuant to this Section 13.04(b), the assigning Bank shall be relieved of its obligations hereunder with respect to its assigned Commitments. At the time of each assignment pursuant to this Section 13.04(b) to a Person which is not already a Bank hereunder and which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for Federal income tax purposes, the respective assignee Bank shall provide to the Borrower and the Agent the appropriate Internal Revenue Service Forms (and, if applicable, a Section 4.04(b)(ii) Certificate) described in Section 4.04(b). To the extent that an assignment of all or any portion of a Bank's Commitments and related outstanding Obligations pursuant to Section 1.13 or this Section 13.04(b) would, at the time of such assignment, result in increased costs under Section 1.10, 1.11 or 4.04 from those being charged by the respective assigning Bank prior to such assignment, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment). At the time of any assignment pursuant to this Section 13.04(b), the assigning Bank shall furnish notice thereof to the Administrative Agent.

(c) Nothing in this Agreement shall prevent or prohibit any Bank from pledging its Loans and Notes hereunder to a Federal Reserve Bank in support of borrowings made by such Bank from such Federal Reserve Bank.

13.05 No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or any Bank or any holder of any Note in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Credit Party and any Agent or any Bank or the holder of any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies

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which any Agent or any Bank or the holder of any Note would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Agent or any Bank or the holder of any Note to any other or further action in any circumstances without notice or demand.

13.06 Payments Pro Rata. (a) Except as otherwise provided in this Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations hereunder, it shall distribute such payment to the Banks (other than any Bank that has consented in writing to waive its pro rata share of any such payment) pro rata based upon their respective shares, if any, of the Obligations with respect to which such payment was received.

(b) Each of the Banks agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise), which is applicable to the payment of the principal of, or interest

on, the Loans, Unpaid Drawings, Commitment Commission or Letter of Credit Fees, of a sum which with respect to the related sum or sums received by other Banks is in a greater proportion than the total of such Obligation then owed and due to such Bank bears to the total of such Obligation then owed and due to all of the Banks immediately prior to such receipt, then such Bank receiving such excess payment shall purchase for cash without recourse or warranty from the other Banks an interest in the Obligations of the respective Credit Party to such Banks in such amount as shall result in a proportional participation by all the Banks in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such Bank, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 13.06(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Banks as opposed to Defaulting Banks.

13.07 Calculations; Computations. (a) The financial statements to be furnished to the Banks pursuant hereto shall be made and prepared in accordance with generally accepted accounting principles in the United States (or the equivalent thereof in any country in which a Foreign Subsidiary is doing business, as applicable) consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the Borrower to the Banks); provided that, (i) except as otherwise specifically provided herein, all computations determining compliance with Sections 9.08 through 9.10, inclusive, shall utilize accounting principles and policies in conformity with

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those used to prepare the historical financial statements delivered to the Banks pursuant to Section 7.05(a), except that for all purposes described above in this clause (i), sales of inventory shall be accounted for on a FIFO (first-in, first-out) basis as opposed to a LIFO (last-in, first-out) basis (with the foregoing generally accepted accounting principles, subject to the preceding proviso, herein called "GAAP") (ii) so long as none of Holdings nor any of its Subsidiaries have made any payments with respect to the Installment Notes (other than payments made by Parent to the extent theretofore reimbursed as described in clause (ii) of Section 10.12), for purposes of the computations described in preceding clause (i) the Installment Notes shall be treated as if same did not exist and as if there were no interest expense applicable thereto (although any payments received in respect thereof or in respect of any promissory notes held by the Installment Notes Trust shall likewise not be included as income of Holdings or any of its Subsidiaries) and (iii) so long as none of Holdings nor any of its Subsidiaries have made any payments with respect to the Parent PIK Subordinated Notes, for purposes of the computations described in preceding clause (i) the Parent PIK Subordinated Notes shall be treated as if same did not exist and as if there were no interest expense applicable thereto.

(b) All computations of interest, Commitment Commission and Fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, Commitment Commission or Fees are payable.

13.08 GOVERNING LAW; SUBMISSION TO JURISDICTION: VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN CERTAIN OF THE MORTGAGES, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF HOLDINGS, PARENT AND THE BORROWER HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF HOLDINGS, PARENT AND THE BORROWER HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS CT CORPORATION SYSTEM, WITH OFFICES ON THE DATE HEREOF AT 1633 BROADWAY, NEW YORK, NEW YORK 10019 AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS,

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NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING. IF FOR ANY REASON SUCH DESIGNEE, APPOINTEE AND AGENT SHALL CEASE TO BE AVAILABLE TO ACT AS SUCH, EACH CREDIT PARTY AGREES TO DESIGNATE A NEW DESIGNEE, APPOINTEE AND AGENT IN NEW YORK CITY ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION SATISFACTORY TO THE AGENT UNDER THIS AGREEMENT. EACH OF HOLDINGS, PARENT AND THE BORROWER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF

COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ANY CREDIT PARTY AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE AGENT UNDER THIS AGREEMENT, ANY BANK OR THE HOLDER OF ANY NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY CREDIT PARTY IN ANY OTHER JURISDICTION.

(b) EACH OF HOLDINGS, PARENT AND THE BORROWER HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

13.09 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

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13.10 Effectiveness. This Agreement shall become effective on the date (the "Restatement Effective Date") on which (i) each of Holdings, Parent, the Borrower, each Continuing Bank, each New Bank, the Required Banks (determined immediately before the occurrence of the Restatement Effective Date) and each Agent shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Administrative Agent or, in the case of the Banks, shall have given to the Administrative Agent telephonic (confirmed in writing), written or telex notice (actually received) at such office that the same has been signed and mailed to it and (ii) the conditions contained in Sections 5, 6 and 13.20(c) are met to the satisfaction of the Administrative Agent and the Required Banks (determined immediately after the occurrence of the Restatement Effective Date). Unless the Administrative Agent has received actual notice from any Bank that the conditions contained in Sections 5 and 6 have not been met to its satisfaction, upon the satisfaction of the condition described in clause (i) of the immediately preceding sentence and upon the Administrative Agent's good faith determination that the conditions described in clause (ii) of the immediately preceding sentence have been met, then the Restatement Effective Date shall have been deemed to have occurred, regardless of any subsequent determination that one or more of the conditions thereto had not been met (although the occurrence of the Restatement Effective Date shall not release the Borrower from any liability for failure to satisfy one or more of the applicable conditions contained in Section 5, 6 or 13.20(c)). The Administrative Agent will give the Borrower and each Bank prompt written notice of the occurrence of the Restatement Effective Date.

13.11 Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

13.12 Amendment or Waiver; etc. (a) Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the respective Credit Parties party thereto and the Required Banks, provided that no such change, waiver, discharge or termination shall, without the consent of each Bank (other than a Defaulting Bank) (with Obligations being directly affected in the case of following clause (i)), (i) extend the final scheduled maturity of any Loan or Note or extend the stated maturity of any Letter of Credit beyond the Maturity Date, or reduce the rate or extend the time of payment of interest or Fees thereon, or reduce the principal amount thereof (except to the extent repaid in cash), (ii) release all or substantially all of the Collateral (except as expressly provided in the Credit Documents) under all the Security Documents, (iii) release a Subsidiary Guarantor which is a Significant Subsidiary from the Subsidiaries Guaranty (except as expressly provided in the Subsidiaries Guaranty), (iv) amend, modify or waive any provision of this Section 13.12, (v) reduce the percentage specified in the definition of Required Banks (it being understood that, with the consent of the Required Banks,

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additional extensions of credit pursuant to this Agreement may be included in

the determination of the Required Banks on substantially the same basis as the extensions of Term Loans and Revolving Loan Commitments are included on the Restatement Effective Date) or (vi) amend or modify the definition of Supermajority Banks (it being understood that, with the consent of the Required Banks, additional Obligations and Tranches may be included in the determination of Supermajority Banks on substantially the same basis as the Obligations and Tranches are included on the Restatement Effective Date) or (vii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement; provided further, that no such change, waiver, discharge or termination shall (t) increase the Commitments of any Bank over the amount thereof then in effect without the consent of such Bank (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Commitment shall not constitute an increase of the Commitment of any Bank, and that an increase in the available portion of any Commitment of any Bank shall not constitute an increase in the Commitment of such Bank), (u) without the consent of the Swingline Bank alter its rights or obligations with respect to Swingline Loans, (v) without the consent of each Issuing Bank affected thereby, amend, modify or waive any provision of Section 2 or alter its rights or obligations with respect to Letters of Credit, (w) without the consent of each Agent affected thereby, amend, modify or waive any provision of Section 12 as same applies to such Agent or any other provision as same relates to the rights or obligations of such Agent, (x) without the consent of the Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent, (y) without the consent of the Supermajority Banks of the respective Tranche (i.e., Supermajority Banks holding Term Loans or Term Loan Commitments), amend, modify or waive any Scheduled Repayment (except that, if additional Loans are made pursuant to a given Tranche, the Scheduled Repayments of such Tranche may be increased on a proportionate basis without the consent otherwise required by this clause (y)) and (z) if the Scheduled Repayments of Term Loans are being increased (except for proportionate increases as described in the parenthetical contained in preceding clause (y)) or the date of any Scheduled Repayment is being shortened or accelerated, the consent of the Supermajority Banks of each other Tranche then outstanding shall be required in connection therewith.

(b) If, in connection with any proposed change, waiver, discharge or termination to any of the provisions of this Agreement as contemplated by clauses (i) through (vii), inclusive, of the first proviso to Section 13.12(a), the consent of the Required Banks is obtained but the consent of one or more of such other Banks whose consent is required is not obtained, then the Borrower shall have the right, so long as all non-consenting Banks whose individual consent is required are treated as described in either clauses (A) or (B) below, to either (A) replace each such non-consenting Bank or Banks with one or more Replacement Banks pursuant to Section 1.13 so long as at the time of such replacement, each such Replacement Bank consents to the proposed change, waiver, discharge or termination or (B) terminate such non-consenting Bank's Revolving Loan Commitment

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and/or repay in full its outstanding Loans, in accordance with Sections 3.02(b) and/or 4.01(iv), provided that, unless the Commitments terminated, and Loans repaid, pursuant to preceding clause (B) are immediately replaced in full at such time through the addition of new Banks or the increase of the Commitments and/or outstanding Loans of remaining Banks (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (B) the Required Banks (determined both (x) before giving effect to the proposed action and (y) as if the Loans and Commitments being terminated (and not replaced) were not outstanding) shall specifically consent thereto, provided further, that in any event the Borrower shall not have the right to replace a Bank solely as a result of the exercise of such Bank's rights (and the withholding of any required consent by such Bank) pursuant to the second proviso to Section 13.12(a).

13.13 Survival. All indemnities set forth herein including, without limitation, in Sections 1.10, 1.11, 2.05, 4.04, 13.01 and 13.06 shall, subject to Section 13.15 (to the extent applicable), survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Loans.

13.14 Domicile of Loans. Each Bank may transfer and carry its Loans at, to or for the account of any office, Subsidiary or Affiliate of such Bank. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Loans pursuant to this Section 13.14 would, at the time of such transfer, result in increased costs under Section 1.10, 1.11, 2.05 or 4.04 from those being charged by the respective Bank prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer).

13.15 Limitation on Additional Amounts, etc. Notwithstanding anything to

the contrary contained in Sections 1.10, 1.11, 2.05 or 4.04 of this Agreement, unless a Bank gives notice to the Borrower that it is obligated to pay an amount under any such Section within one year after the later of (x) the date the Bank incurs the respective increased costs, Taxes, loss, expense or liability, reduction in amounts received or receivable or reduction in return on capital or (y) the date such Bank has actual knowledge of its incurrence of the respective increased costs, Taxes, loss, expense or liability, reductions in amounts received or receivable or reduction in return on capital, then such Bank shall only be entitled to be compensated for such amount by the Borrower pursuant to said Section 1.10, 1.11, 2.05 or 4.04, as the case may be, to the extent the costs, Taxes, loss, expense or liability, reduction in amounts received or receivable or reduction in return on capital are incurred or suffered on or after the date which occurs one year prior to such Bank giving notice to the Borrower that it is obligated to pay the respective amounts pursuant to said Section 1.10, 1.11, 2.05 or 4.04, as the case may be. This Section 13.15 shall have no applicability to any Section of this Agreement other than said Sections 1.10, 1.11, 2.05 and 4.04.

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13.16 Confidentiality. (a) Subject to the provisions of clause (b) of this Section 13.16, each Bank agrees that it will use its best efforts not to disclose without the prior consent of Holdings or the Borrower (other than to its employees, auditors, advisors or counsel or to another Bank if the Bank or such Bank's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 13.16 to the same extent as such Bank) any information with respect to Holdings or any of its Subsidiaries which is now or in the future furnished pursuant to this Agreement or any other Credit Document and which is designated by Holdings to the Banks in writing as confidential, provided that any Bank may disclose any such information (a) as has become generally available to the public other than by virtue of a breach of this Section 13.16(a) by the respective Bank, (b) as may be required or reasonably appropriate in any report, statement or testimony submitted to any municipal, state or Federal regulatory body having or claiming to have jurisdiction over such Bank or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or reasonably appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, (e) to the Agents or the Collateral Agent and (f) to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Notes or Commitments or any interest therein by such Bank, provided that such prospective transferee agrees to be bound by the confidentiality provisions contained in this Section 13.16.

(b) Each of Holdings and the Borrower hereby acknowledges and agrees that each Bank may share with any of its affiliates (which is not a direct competitor of Holdings or any of its Subsidiaries) any information related to Holdings or any of its Subsidiaries (including, without limitation, any nonpublic customer information regarding the creditworthiness of Holdings and its Subsidiaries, provided such Persons shall be subject to the provisions of this Section 13.16 to the same extent as such Bank).

13.17 Register. The Borrower hereby designates the Administrative Agent to serve as the Borrower's agent, solely for purposes of this Section 13.17, to maintain a register (the "Register") on which it will record the Commitments from time to time of each of the Banks, the Loans made by each of the Banks and each repayment in respect of the principal amount of the Loans of each Bank. Failure to make any such recordation, or any error in such recordation, shall not affect the Borrower's obligations in respect of such Loans. With respect to any Bank, the transfer of the Commitments of such Bank and the rights to the principal of, and interest on, any Loan made pursuant to such Commitments shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Commitments and Loans and prior to such recordation all amounts owing to the transferor with respect to such Commitments and Loans shall remain owing to the transferor. The registration of assignment or transfer

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of all or part of any Commitments and Loans shall be recorded by the Administrative Agent on the Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement pursuant to Section 13.04(b). Coincident with the delivery of such an Assignment and Assumption Agreement to the Administrative Agent for acceptance and registration of assignment or transfer of all or part of a Loan, or as soon thereafter as practicable, the assigning or transferor Bank shall surrender the Note evidencing such Loan, and thereupon one or more new Notes in the same aggregate principal amount shall be issued to the assigning or

transferor Bank and/or the new Bank. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 13.17 except to the extent resulting from the gross negligence or willful misconduct of the Administrative Agent.

13.18 Intercreditor Agreement. Each Bank hereby authorizes the Collateral Agent to amend and restate the Intercreditor Agreement and agrees (for itself and its successors and assigns) to be bound by the terms and provisions thereof.

13.19 Obligation to Make Payments in Dollars. The obligation of the Borrower to make payment in Dollars of the principal of and interest on the Notes and any other amounts due hereunder or under any other Credit Document to the Payment Office of the Administrative Agent as provided in Section 4.03 shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any currency other than Dollars, except to the extent such tender or recovery shall result in the actual receipt by the Administrative Agent at its Payment Office on behalf of the Banks or holders of the Notes of the full amount of Dollars expressed to be payable in respect of the principal of and interest on the Notes and all other amounts due hereunder or under any other Credit Document. The obligation of the Borrower to make payments in Dollars as aforesaid shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Dollars of the amount, if any, by which such actual receipt shall fall short of the full amount of Dollars expressed to be payable in respect of the principal of and interest on the Notes and any other amounts due under any other Credit Document, and shall not be affected by judgment being obtained for any other sums due under this Agreement or under any other Credit Document.

13.20 Addition of New Banks; Termination of Commitments of Non-Continuing Banks; etc. (a) On and as of the occurrence of the Restatement Effective Date in accordance with Section 13.10, each New Bank shall become a "Bank" under, and for all purposes of, this Agreement and the other Credit Documents.

(b) The parties hereto acknowledge that no Original Bank is obligated to be a Continuing Bank. By their execution and delivery hereof, the Borrower and the Required

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Banks (determined immediately before the occurrence of the Restatement Effective Date) consent to the voluntary repayment by the Borrower of all outstanding Original Loans and other Obligations owing to each Original Bank which is not a Continuing Bank (each such Bank, a "Non-Continuing Bank") and to the voluntary termination by the Borrower of the Revolving Loan Commitment (under, and as defined in, the Original Credit Agreement) of each Non-Continuing Bank, in each case to be effective on, and contemporaneously with the occurrence of, the Restatement Effective Date, in each case in accordance with the provisions of Section 13.20(c).

(c) Notwithstanding anything to the contrary contained in the Original Credit Agreement or any Credit Document, the Borrower and each of the Banks hereby agrees that on the Restatement Effective Date, (i) each Bank with a Revolving Loan Commitment as set forth on Schedule I (after giving effect to the Restatement Effective Date) shall make that principal amount of Revolving Loans to the Borrower as is required by Section 1.01, (ii) in the case of each Continuing Bank, all of such Continuing Bank's Original Loans outstanding on the Restatement Effective Date (except for Original Tranche A Terms Loans to the extent converted into Term Loans on the Restatement Effective Date in accordance with the provisions of Section 1.01(a)) shall be repaid in full, together with interest on all Original Loans of such Continuing Bank (including without limitation on Original Tranche A Term Loans then being converted into Term Loans hereunder) and all accrued Fees (and any other amounts) owing to such Continuing Bank, and its commitments under the Original Credit Agreement shall be terminated and replaced by its Term Loan Commitment and/or Revolving Loan Commitment hereunder, effective on the occurrence of the Restatement Effective Date, and (iii) in the case of each Non-Continuing Bank, all of such Non-Continuing Bank's Original Loans outstanding on the Restatement Effective Date shall be repaid in full on such date, together with interest thereon and all accrued Fees (and any other amounts) owing to such Non-Continuing Bank, and the Term Loan Commitment and/or Revolving Loan Commitment (under, and as defined in, the Original Credit Agreement) of such Non-Continuing Bank, if any, shall be terminated, effective upon the occurrence of the Restatement Effective Date. Notwithstanding anything to the contrary contained in the Original Credit Agreement, this Agreement or any other Credit Document, the parties hereto hereby consent to the repayments and reductions required above, and agree that in the event that any Original Bank shall fail to execute a counterpart of this Agreement prior to the occurrence of the Restatement Effective Date, such Original Bank shall be deemed to be a Non-Continuing Bank and, concurrently with the occurrence of the Restatement Effective Date, the Revolving Loan Commitment (under, and as defined in, the Original Credit Agreement) of such Original Bank,

if any, shall be terminated, all Original Loans of such Original Bank outstanding on the Restatement Effective Date shall be repaid in full, together with interest thereon and all accrued Fees (and any other amounts) owing to such Original Bank, and concurrently with the occurrence of the Restatement Effective Date, such Original Bank shall no longer constitute a "Bank" under this Agreement and the other Credit Documents, provided that all indemnities of the Credit

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Parties under the Original Credit Agreement and the other Credit Documents (as in effect prior to the Restatement Effective Date) for the benefit of each Original Bank shall survive in accordance with the terms thereof.

13.21 Post Closing Actions. Notwithstanding anything to the contrary contained in this Agreement or the other Credit Documents, the parties hereto acknowledge and agree that:

(a) Foreign Corporation Stock. The Borrower shall, within 60 days after the Restatement Effective Date (or such longer period as approved by the Collateral Agent for the purpose of attaining relevant government approvals under applicable foreign law), deliver to the Collateral Agent, as Pledgee, the capital stock constituting Pledged Securities of Howmet S.A. (subject to the 65% limitation contained in the Pledge Agreement), together with executed and undated stock powers related thereto; and

(b) Good Standing. The Borrower shall cause Howmet Transport to take all action so that within 30 days after the Restatement Effective Date (x) Howmet Transport shall be in good standing in the State of Connecticut and (y) a good standing certificate for Howmet Transport from the State of Connecticut shall be delivered to the Administrative Agent.

(c) Financing Statements; Opinions. The Borrower shall, and shall cause its Subsidiaries to, within ten (10) days after the Restatement Effective Date, deliver (x) proper financing statements (Form UCC-1) fully executed for filing under the UCC or other appropriate filing offices of each jurisdiction listed on Annex B to the Security Agreement but which was not listed on Annex B to the Security Agreement delivered in connection with the Original Credit Agreement, (y) an opinion from Latham & Watkins, special counsel to Holdings and its Subsidiaries, meeting the requirements of Section 5.03(i) and containing provisions, satisfactory to the Managing Agents, with respect to the creation and perfection of security interests as a result of the filing of financing statements described in clause (x) above and (z) to the extent requested by the Administrative Agent, opinions from local counsel in form and substance reasonably satisfactory to the Managing Agents, with respect to the creation and perfection of security interests as a result of the filing of financing statements described in clause (x) above. Notwithstanding anything to the contrary contained herein, the Banks hereby waive any Default or Event of Default arising from the failure to previously disclose the inventory and equipment locations described in clause (x) of the previous sentence and, until the tenth day after the Restatement Effective Date, the failure to make the filings described in clause (x) of the previous sentence.

All conditions precedent and representations contained in this Agreement and the other Credit Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described above within the time periods

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required above, rather than as elsewhere provided in the Credit Documents); provided, that (x) to the extent any representation and warranty would not be true because the foregoing actions were not taken on the Restatement Effective Date, the respective representation and warranty shall be required to be true and correct in all material respects at the time the respective action is taken (or was required to be taken in accordance with the foregoing provisions of Section 13.21 and (y) all representations and warranties relating to the Security Documents shall be required to be true immediately after the actions required to be taken by Section 13.21 have been taken (or were required to be taken). The acceptance of the benefits of each Credit Event shall constitute a representation, warranty and covenant by the Borrower to each of the Banks that the actions required pursuant to this Section 13.21 will be taken within the relevant time periods referred to in this Section 13.21 and that, at such time, all representations and warranties contained in this Agreement and the other Credit Documents shall then be true and correct without any modification pursuant to this Section 13.21.

SECTION 14. Parent Guaranty.

14.01 The Parent Guaranty. In order to induce the Agents and the Banks to enter into this Agreement and to extend credit hereunder, to induce Banks or any of their respective Affiliates to enter into the Interest Rate Protection Agreements or Other Hedging Agreements, and in recognition of the direct benefits to be received by each Parent Guarantor from the proceeds of the Loans, the issuance of the Letters of Credit, and the entering into of Interest Rate Protection Agreements or Other Hedging Agreements, each Parent Guarantor hereby agrees with the Guaranteed Creditors as follows: each Parent Guarantor hereby, jointly and severally, unconditionally and irrevocably guarantees as primary obligor and not merely as surety the full and prompt payment when due, whether upon maturity, acceleration or otherwise, of any and all of the Guaranteed Obligations of the Borrower to the Guaranteed Creditors. If any or all of the Guaranteed Obligations of the Borrower to the Guaranteed Creditors becomes due and payable hereunder, each Parent Guarantor, jointly and severally, irrevocably and unconditionally promises to pay such indebtedness to the Guaranteed Creditors, or order, on demand, together with any and all expenses which may be incurred by the Guaranteed Creditors in collecting any of the Guaranteed Obligations. This Parent Guaranty is a guaranty of payment and not of collection. If claim is ever made upon any Guaranteed Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected in good faith by such payee with any such claimant (including the Borrower), then and in such event each Parent Guarantor agrees that any such judgment, decree, order,

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settlement or compromise shall be binding upon such Parent Guarantor, notwithstanding any revocation of this Parent Guaranty or other instrument evidencing any liability of the Borrower, and each Parent Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

14.02 Bankruptcy. Additionally, each Parent Guarantor, jointly and severally, unconditionally and irrevocably guarantees the payment of any and all of the Guaranteed Obligations of the Borrower to the Guaranteed Creditors whether or not due or payable by the Borrower upon the occurrence of an Event of Default under Section 10.05, and unconditionally promises to pay such indebtedness to the Guaranteed Creditors, or order, on demand, in lawful money of the United States.

14.03 Nature of Liability. The liability of each Parent Guarantor hereunder is exclusive and independent of any security for or other guaranty of the Guaranteed Obligations of the Borrower whether executed by such Parent Guarantor, any other guarantor or by any other party, and the liability of each Parent Guarantor hereunder is not affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, or (b) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Guaranteed Obligations of the Borrower, or (c) any payment on or in reduction of any such other guaranty or undertaking, or (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, or (e) any payment made to any Guaranteed Creditor on the Guaranteed Obligations which any such Guaranteed Creditor repays to the Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and Parent waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, or (f) the lack of validity or enforceability of any Credit Document or any instrument relating thereto.

14.04 Independent Obligation. The obligations of each Parent Guarantor hereunder are independent of the obligations of any other guarantor, any other party or the Borrower, and a separate action or actions may be brought and prosecuted against such Parent Guarantor whether or not action is brought against any other guarantor, any other party or the Borrower and whether or not any other guarantor, any other party or the Borrower be joined in any such action or actions. Each Parent Guarantor waives, to the full extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to such Parent Guarantor.

14.05 Authorization. Each Parent Guarantor authorizes the Guaranteed Creditors without notice or demand (except as shall be required by applicable statute and

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cannot be waived), and without affecting or impairing its liability hereunder, from time to time to:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the Guaranteed Obligations (including any increase or decrease in the rate of interest thereon), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the Parent Guaranty herein made shall apply to the Guaranteed Obligations as so changed. extended, renewed or altered;

(b) take and hold security for the payment of the Guaranteed Obligations and sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) exercise or refrain from exercising any rights against the Borrower, any other Credit Party or others or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, guarantors, the Borrower or other obligors;

(e) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to its creditors other than the Guaranteed Creditors;

(f) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Guaranteed Creditors regardless of what liability or liabilities of each Parent Guarantor or the Borrower remain unpaid;

(g) consent to or waive any breach of, or any act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise amend, modify or supplement this Agreement or any of such other instruments or agreements;

(h) take any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of such Parent Guarantor from its liabilities under this Parent Guaranty;

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(i) release any collateral security for the Guaranteed Obligations; and/or

(j) change its corporate structure.

14.06 Reliance. It is not necessary for any Guaranteed Creditor to inquire into the capacity or powers of the Borrower or the officers, directors, partners or agents acting or purporting to act on their behalf, and any Guaranteed Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

14.07 Subordination. Any of the indebtedness of the Borrower now or hereafter owing to each Parent Guarantor is hereby subordinated to the Guaranteed Obligations of the Borrower owing to the Guaranteed Creditors; and if the Administrative Agent so requests at a time when an Event of Default exists, all such indebtedness of the Borrower to such Parent Guarantor shall be collected, enforced and received by such Parent Guarantor for the benefit of the Guaranteed Creditors and be paid over to the Administrative Agent on behalf of the Guaranteed Creditors on account of the Guaranteed Obligations of the Borrower to the Guaranteed Creditors, but without affecting or impairing in any manner the liability of such Parent Guarantor under the other provisions of this Parent Guaranty. Prior to the transfer by each Parent Guarantor of any note or negotiable instrument evidencing any of the indebtedness of the Borrower to such Parent Guarantor, such Parent Guarantor shall mark such note or negotiable instrument with a legend that the same is subject to this subordination. Without limiting the generality of the foregoing, each Parent Guarantor hereby agrees with the Guaranteed Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Parent Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or otherwise) until all Guaranteed Obligations have been irrevocably paid in full in cash.

14.08 Waiver. (a) Each Parent Guarantor waives any right (except as shall be required by applicable statute and cannot be waived) to require any Guaranteed Creditor to (i) proceed against the Borrower, any other guarantor or any other party, (ii) proceed against or exhaust any security held from the

Borrower, any other guarantor or any other party or (iii) pursue any other remedy in any Guaranteed Creditor's power whatsoever. Each Parent Guarantor waives any defense based on or arising out of any defense of the Borrower, any other guarantor or any other party, other than payment in full of the Guaranteed Obligations, based on or arising out of the disability of the Borrower, any other guarantor or any other party, or the validity, legality or unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Guaranteed Obligations. The Guaranteed Creditors may, at their election, foreclose on any security held by any Agent, the Collateral Agent or any other Guaranteed Creditor by one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy

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the Guaranteed Creditors may have against the Borrower or any other party, or any security, without affecting or impairing in any way the liability of either Parent Guarantor hereunder except to the extent the Guaranteed Obligations have been paid. Each Parent Guarantor waives any defense arising out of any such election by the Guaranteed Creditors, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Parent Guarantor against the Borrower or any other party or any security.

(b) Each Parent Guarantor waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Parent Guaranty, and notices of the existence, creation or incurring of new or additional Guaranteed Obligations. Each Parent Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Parent Guarantor assumes and incurs hereunder, and agrees that neither the Agents nor any Bank shall have any duty to advise such Parent Guarantor of information known to them regarding such circumstances or risks.

14.09 Maximum Liability. It is the desire and intent of each Parent Guarantor and the Guaranteed Creditors that this Parent Guaranty shall be enforced against each Parent Guarantor to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If, however, and to the extent that, the obligations of either Parent Guarantor under this Parent Guaranty shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers), then the amount of the Guaranteed Obligations of such Parent Guarantor shall be deemed to be reduced and such Parent Guarantor shall pay the maximum amount of the Guaranteed Obligations which would be permissible under applicable law.

* * *

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Howmet Corporation Amended and
Restated Credit Agreement

1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attn: Allan M. Holt
Telephone: (202) 347-2626
Telecopy: (202) 347-9250

BLADE ACQUISITION CORP.

By /s/ Allen M. Holt

Title:

with a copy to:

Bruce Rosenblum, Esq.
Latham & Watkins
1001 Pennsylvania Avenue, Suite 1300
Washington, DC 20004

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Howmet Corporation Amended and
Restated Credit Agreement

475 Steamboat Road
Greenwich, CT 06830
Attn: Jeffrey A. Jankowski
Telephone: (203) 625-8744
Telecopy: (203) 861-4746

HOWMET HOLDINGS CORPORATION

By /s/ Jeffrey A. Jankowski

Title: Treasurer

with a copy to:

Bruce Rosenblum, Esq.
Latham & Watkins
1001 Pennsylvania Avenue, Suite 1300
Washington, DC 20004

and

Allan M. Holt
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

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Howmet Corporation Amended and
Restated Credit Agreement

475 Steamboat Road
Greenwich, CT 06830
Attn: Jeffrey A. Jankowski
Telephone: (203) 625-8744
Telecopy: (203) 861-4746

HOWMET CORPORATION

By /s/ Jeffrey A. Jankowski

Title: Treasurer

with a copy to:

Bruce Rosenblum, Esq.
Latham & Watkins
1001 Pennsylvania Avenue, Suite 1300
Washington, DC 20004

and

Allan M. Holt
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

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Howmet Corporation Amended and
Restated Credit Agreement

130 Liberty Street
New York, New York 10006
Telephone No.: (212) 250-1724
Telecopier No.: (212) 250-7218
Attention: Mr. Dana F. Klein

BANKERS TRUST COMPANY,
Individually, as a Managing Agent
and as Syndication Agent

By /s/ DANA KLEIN

Title: DANA KLEIN
VICE PRESIDENT

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Howmet Corporation Amended and
Restated Credit Agreement

399 Park Avenue, 6th Floor
New York, New York 10043
Telephone No.: (212) 559-4659
Telecopier No.: (212) 793-1290
Attention: Mr. Timothy L. Freeman

CITICORP USA, INC.,
Individually, as a Managing Agent
and as Documentation Agent

By /s/ Timothy L. Freeman

Title: Attorney-In-Fact

Howmet Corporation Amended and
Restated Credit Agreement

One First National Plaza, Suite 0362
Chicago, Illinois 60670
Telephone No.: (312) 732-8142
Telecopier No.: (312) 732-3885
Attention: Mr. David G. Dixon

THE FIRST NATIONAL BANK OF CHICAGO,
Individually as a Managing Agent
and as Administrative Agent

By /s/ Amy R. Fahey

Title: Vice President

Howmet Corporation Amended and
Restated Credit Agreement

101 California Street, Suite 4550
San Francisco, CA 94111
Telephone: (415) 984-3702
Telecopier No.: (415) 362-3524
Attention: Ms. Gina Brusatori

ABN AMRO Bank N.V.
San Francisco International Branch
By: ABN AMRO North America, Inc.
as agent

By /s/ Gina M. Brusatori

Title: Gina M. Brusatori
VP and Director

By /s/ Dianne D. Waggoner

Title: Dianne D. Waggoner
GVP and Director

Howmet Corporation Amended and
Restated Credit Agreement

430 Park Avenue, 14th Floor
New York, New York 10022
Telephone: (212) 605-1637
Telecopier No.: (212) 605-1451
Attention: Ms. Joanna Bellocq

BANK OF MONTREAL

By /s/ Joanna S. Bellocq

Title: Director

Howmet Corporation Amended and
Restated Credit Agreement

One Wall Street, 22nd Floor
New York, New York 10286
Telephone: (212) 635-6863
Telecopier No.: (212) 635-6999
Attention: Mr. Ken Sneider

THE BANK OF NEW YORK

By /s/ Ken Sneider

Title: Vice President

Howmet Corporation Amended and
Restated Credit Agreement

One Liberty Plaza
New York, New York 10006
Telephone: (212) 225-5011
Telecopier No.: (212) 225-5090
Attention: Mr. James Trimble

THE BANK OF NOVA SCOTIA

By /s/ James Trimble

Title: Senior Relationship
Manager

Howmet Corporation Amended and
Restated Credit Agreement

180 Montgomery Street
San Francisco, CA 94104
Telephone: (415) 956-0707 ext. 206
Telecopier No.: (415) 296-8954
Attention: Mr. Guy Gibb

BANQUE NATIONALE DE PARIS

By /s/ D. Guy Gibb

Title: D. Guy Gibb
Vice President

By /s/ Jeffrey S. Kajisa

Title: Jeffrey S. Kajisa
Assistant Vice President

Howmet Corporation Amended and
Restated Credit Agreement

1301 Avenue of the Americas
New York, New York 10019
Telephone: (212) 261-7286
Telecopier No.: (212) 459-3176
Attention: Mr. Michael Regan

CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Frederick Haddad

Title: Frederick Haddad
Senior Vice President

Howmet Corporation Amended and
Restated Credit Agreement

633 West 5th Street - 64th Floor
Los Angeles, CA 90071
Telephone: (213) 955-8276
Telecopier No.: (213) 955-8245
Attention: Ms. Debbie Shea

CREDIT SUISSE

By /s/ Mark A. Sampson

Title: Mark A. Sampson
Associate

By /s/ Deborah A. Shea

Title: Deborah A. Shea
Associate

Howmet Corporation Amended and
Restated Credit Agreement

75 Wall Street, 29th Floor
New York, New York 10005
Telephone: (212) 429-2198
Telecopier No.: (212) 429-2129
Attention: Mr. Andrew Mittag

DRESDNER BANK AG,
NEW YORK BRANCH AND
GRAND CAYMAN BRANCH

By /s/ Andrew Mittag

Title: Vice President

By illegible

Title: AT

Howmet Corporation Amended and
Restated Credit Agreement

One Federal Street, MSN-MA-OF-0308
Boston, MA 02211
Telephone: (617) 346-0574
Telecopier No.: (617) 346-0585
Attention: Mr. Robert Rubino

FLEET NATIONAL BANK

By /s/ Robert Rubino

Title: Vice President

Howmet Corporation Amended and
Restated Credit Agreement

333 South Hope Street
Suite 3900
Los Angeles, CA 90071
Telephone: (213) 253-4143
Telecopier No. (213) 253-4198
Attention: Mr. Hidetsugu Onishi

THE FUJI BANK LIMITED
LOS ANGELES AGENCYBy illegible

Title: Joint General Manager

Howmet Corporation Amended and
Restated Credit Agreement

300 South Grand Avenue, Suite 3800
Los Angeles, CA 90071
Telephone: (213) 680-7354
Telecopier No.: (213) 680-7366
Attention: Mr. Lawrence Ivey

MELLON BANK, N.A.

By /s/Lawrence Ivey

Title: Vice President

Howmet Corporation Amended and
Restated Credit Agreement

515 South Figueroa Street, Suite 400
Los Angeles, CA 90071
Telephone: (213) 489-6295
Telecopier No.: (213) 623-8692
Attention: Mr. Fernando Buesa

THE SAKURA BANK, LIMITED
LOS ANGELES AGENCYBy /s/ Fernando Buesa

Title: ???

By /s/ Ofusa Sato
-----Title: Senior Vice President &
Assistant General ManagerHowmet Corporation Amended and
Restated Credit Agreement

555 South Flower Street, 11th Floor
Department Number 5618
Los Angeles, California 90071
Telephone: (213) 228-6379
Telecopier No.: (213) 228-2756
Attention: Ms. Lori Y. Kannegieter

BANK OF AMERICA ILLINOIS

By /s/ Lori Y. Kannegieter

Title: Managing Director

REAL PROPERTY

OWNED PROPERTY

COMPANY	LOCATION
CIRAL S.N.C.	Zone de la Presare, Evron, France
Howmet Corporation*	Winsted, 145 Price Road, (Town of Winchester, Connecticut)
Howmet Corporation*	555 Benston Road 1600 South Warner Street One Misco Drive Whitehall (Whitehall, Michigan)
Howmet Corporation*	Wichita Falls (Casting) (6200 Central Freeway, Wichita Falls, Texas)
Howmet Corporation	68-78, rue du Moulin de Cage, 92230 Gennevilliers, France
Howmet Corporation*	Morristown, 5650 Commerce Boulevard, (City of Morristown, Tennessee)
Howmet Corporation*	LaPorte, 1110 East Lincoln Way, (LaPorte, Indiana)
Howmet Corporation*	Hampton, One Howmet Drive, (City of Hampton, Virginia)
Howmet	Corporation* Dover (Lots 31 & 32 - Rockaway Road, Lots 29, 30, 36, 38 & 39 - 10 Roy Street, Rockaway Township, New Jersey)
Howmet Corporation, Inc.*	North Haven (30 Corporate Drive, Town of North Haven, Connecticut)
Howmet Refurbishment, Inc.	2201 E.L. Anderson Blvd., Claremore, OK

* Mortgaged Property

180 Howmet Corporation, Inc.*	Wichita Falls (Refurb.) (3101 Hammon Road, Wichita Falls, Texas)
Howmet S.A.	26 Rue de Polonge Le Creusot, France, 71200
Howmet S.A.	X.A.C. des Grands Pres 14160 Dives sur Mer, France
Howmet S.A.	68-78, rue du Moulin de Cage, 92230 Gennevilliers, France
Howmet-Tempcraft, Inc. *	(3960 South Marginal Road, Cleveland, Ohio)
Howmet Limited	Exeter EX27LL and 7LG (County of Devon, U.K.) (2)
Howmet Cercast (Canada), Inc.	3905 Industriel Boulevard, Montreal, Quebec, Canada
Turbine Components Corporation*	(Nos. 1, 2, 4, and 20-24 Commercial Street, Branford, Connecticut)

LEASED PROPERTY (FROM THIRD PARTIES)

- Sales Offices:

99 East River Drive, East Hartford, Connecticut - Lessor: H.B. Associates II; Lessee; Howmet Sales, Inc.

1208 East Broadway, Tempe, Arizona - Lessor: Tempe Executive Partnership; Lessee: Howmet Sales, Inc.

4500 Lake Forest Drive, Suite 522, Cincinnati, Ohio - Lessor: Heitman,

Ohio Management Inc.; Lessee: Howmet Sales, Inc.

- Advanced Refurbishment Center, North Haven Pilgrim's Harbour, Wallingford, Connecticut - Lessor: Louis Dinkel; Lessee: Howmet Refurbishment, Inc.
- Dover, Apartment Leases:
Rustic Ridge Apartments, Apt. 512, and Apt. G10 Rockaway Township, Dover, New Jersey - Lessor: Rustic Ridge Associates; Lessee: Howmet Corp.
- Exeter Lease Agreements:

* Mortgaged Property

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Suite A, Picton House, Hussar Court, Waterlooville, Hampshire - Lessor: County Estates (Hampshire) Limited; Lessee: Howmet Management Services Inc.; and Surety: Howmet Ltd.

Falcon Way, Sowton Industrial Estate, Exeter Devon - Lessor: The Canada Life Assurance Company (U.K) Ltd; Lessee: Howmet Ltd.

3 & 4 Bridford Road, Exeter, Devon - Lessor: Vapron Properties Limited; Lessee: Howmet Ltd.

- Denville, Warehouse Lease (66 Ford Road, Block 62101, Lot 5, Denville, New Jersey) - Lessor: W.P. Realty Co.; Lessee: Howmet Turbine Components Corporation.
- Tulsa, Apartment Lease (740-A Heritage Village, Claremore, Oklahoma) Lessor: Ted Riley et al; Lessee: Howmet Corporation
- Dives sur Mer, Capital Lease; Lessor: Sofia Mur; Lessee: Howmet S.A.
- Pomona (Sigma Casting) (4120 West Valley Boulevard, Pomona, California) - Lessor: CH Ranch Co.; Lessee: Sigma Casting Corporation
- Chatre La Foret, Capital Lease - Lessor: le District du Pays d'Evron; Lessee: CIRAL S.N.C.
- Hampton (Sublease Agreement) (609 Howmet Drive, Hampton, Virginia) - Lessor: William Hamner; Lessee: National Welders Supply Company; Sublessee: Howmet Corporation
- Wichita Falls (Refurbishment), Lease Agreement (2021 Elmwood Avenue, Apt. 118, Wichita Falls, Texas) - Lessor: Brentwood - Timberlane; Lessee: Howmet Corporation (Emmett Scully)
- Cercast Inc., Lease Agreements:
3905 Industrial Boulevard, Montreal North, Quebec - Lessor: 119620 Canada Inc.; Lessee: Cercast Inc.
- Howmet Cercast (Canada), Inc., Lease Agreements:
10770 Alfred Avenue, Montreal North, Quebec - Lessor: Herbert Stoll; Lessee: Howmet Cercast (Canada), Inc.
10768 Alfred Avenue, Montreal North, Quebec - Lessor: Gestion Cerela LTD; Lessee: Howmet Cercast (Canada), Inc.

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- 9987 Paris Street, Montreal North, Quebec- Lessor: Franco Rabbim; Lessee: Howmet Cercast (Canada), Inc.
- 10039 London Street, Montreal North, Quebec - Lessor: Gestion Cerela LTD; Lessee: Howmet Cercast (Canada), Inc.
- 10049 London Street, Montreal North Quebec - Lessor: Herb Stoll; Lessee: Howmet Cercast (Canada), Inc.
- 9950 and 9932 London Street and 3897 Industrial Boulevard, Montreal North, Quebec - Lessor: Morena Giuseppina; Lessee: Howmet Cercast (Canada), Inc.
- 10024 London Street, Montreal North, Quebec - Lessee: Les Guissepe

Cappadoro Inc.; Sublessee: Howmet Cercast (Canada), Inc.

9845-9999 Paris Street. Montreal North, Quebec - Lessee: 119620 Canada, Inc.; Sublessee: Howmet Cercast (Canada), Inc.

10035 Paris Street, Montreal North, Quebec - Lessee: Les Guissepe Cappadoro Inc.; Sublessee: Howmet Cercast (Canada), Inc.

- Ceramet Lease Agreement (Avenue C, Lehigh Valley Industrial Park #1, Bethlehem, Pennsylvania) - Lessor: Valenta Trust U.T.D.; Lessee: Ceramet, Inc.
- Cercor, Lease Agreement (Halton Hills, Ontario) - Lessors: Allan T. Rice and Barry H. Hadley; Lessee: Howmet Cercast (Canada), Inc. (as successor by amalgamation to Cercor, Inc.)
- Sigma, Lease Agreement (925 South Charlie Road, City of Industry, California) - Lessor: Valenta Trust U.T.D.; Lessee: Sigma Casting Corporation.
- Sigma, Lease Agreement (1001) South Charlie Road, City of Industry, California) - Lessor: John Wasserbacher; Lessee: Sigma Casting Corporation
- Cercon, Lease Agreement (201-203 Consolidated Drive, Hilisboro, Texas) - Lessor: 119620 Canada, Ltd.; Lessee: Cercon Casting Corporation
- Georgetown, Halton Hills Ontario Lease - Lessor: Allan T. Rice and Barry H. Hadley; Lessee: Cercor Inc.
- Osaka and Terai Real Estate Documents

LEASED PROPERTIES (TO THIRD PARTIES)

- R-H Component Technologies Lease (Property in Rogers County, Oklahoma) - Lessor: Howmet Refurbishment, Inc.; Lessee: R-H Component Technologies

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- LaPorte, Austenal Farm Lease (State Road 2 and Boyd Blvd. , LaPorte, Indiana) - Lessor: Howmet Corporation; Lessee: Glenn Griffin
- 10620 Ste-Gertrude Street, Montreal North, Quebec - Sublessor: Howmet Cercast (Canada), Inc.; Sublessee: Les Industries Robillard & Fils Limitee
- 4970 Amiens Street, Montreal North, Quebec - Sublessor: Howmet Cercast (Canada) Inc.; Sublessee: Superior Packaging Inc.

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SCHEDULE IV

LIABILITIES

Howmet Corporation has been or may be named a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act and similar state statutes, at fourteen on-site and off-site locations relating to the investigation and/or remediation of environmental contamination at certain properties. In addition, Howmet Corporation is remediating similar environmental contamination at five European facilities. Based on management's best current estimates of potential liability, management believes that Howmet's reserves (approximately \$9.0 million at September 29, 1996) are adequate under current laws and regulations. In addition, as part of the December 13, 1995 acquisition, Pechiney International, S.A. and Pechiney S.A. indemnified Blade Acquisition Corp. , and Blade Acquisition Corp. assigned such indemnification rights to Howmet Corporation, for any environmental liabilities originating prior to December 13, 1995 (the acquisition closing date), which exceed the Company's reserves of \$6.0 million as of June 30, 1995.

Howmet Holdings Corporation could have contingent liability exposure for environmental contamination and related costs associated with certain discontinued mining operations owned and/or operated until the early 1960's. These liabilities include approximately \$24 million in remediation and natural resource damage liabilities at the Blackbird Mine Site in Idaho and approximately \$4.0 million in investigation and remediation costs at the Holden Mine Site in Washington. However, Pechiney International and Pechiney have agreed to fully indemnify Howmet Holdings Corporation with respect to such matters. Furthermore, the liability relating to the Blackbird Mine site is

secured by letters of credit in favor of the U.S. Environmental Protection Agency. A Pechiney company is the reimbursement party for these letters of credit.

A MAN GHH claim involving failure of first stage high pressure blades on the land-based-THM-1304 engine due to quartz rod residue in cooling passages could result in a liability of \$300,000.

There are twelve separate but similar lawsuits and other proceedings brought by former employees of Howmet's Wichita Falls facilities alleging that their discharge or denial of benefits was due to discrimination in violation of federal and state laws including age and sex discrimination and workers compensation claim retaliation, and in one case, Goff v. Howmet, injury due to negligence. Howmet believes it has meritorious defenses in all of these cases.

From time to time when Howmet Corporation develops patentable technology in coordination with another company, an issue arises as to the inventorship of the invention proposed to be patented. There is no instance in which Howmet's management believes such issue will have a material effect on its financial position or operations.

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SCHEDULE II

BANK ADDRESSES

Bankers Trust Company	130 Liberty Street, 30th Floor New York, New York 10006 Telephone No.: (212) 250-1724 Telecopier No.: (212) 250-7218 Attention: Mr. Dana F. Klein
Citicorp USA, Inc.	399 Park Avenue, 6th Floor New York, New York 10043 Telephone No.: (212) 559-4659 Telecopier No.: (212) 793-1290 Attention: Mr. Timothy L. Freeman
The First National Bank of Chicago	One First National Plaza, Suite 0362 Chicago, Illinois 60670 Telephone No.: (312) 732-8142 Telecopier No.: (312) 732-3885 Attention: Mr. David G. Dixon
Credit Lyonnais New York Branch	1301 Avenue of the Americas New York, New York 10019 Telephone No.: (212) 261-7286 Telecopier No.: (212) 459-3176 Attention:
Fleet National Bank	One Federal Street, MSN-MA-OF-0308 Boston, MA 02211 Telephone No.: (617) 346-0574 Telecopier No.: (617) 346-0585 Attention: Kerry McElhiney
Bank of America Illinois	555 South Flower Street, 11th Floor Suite 5618 Los Angeles, California 90071 Telephone No.: (213) 228-6379 Telecopier No.: (213) 228-2756 Attention: Ms. Lori Y. Kannegieter

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SCHEDULE II
Page 3

The Bank of Nova Scotia	One Liberty Plaza New York, New York 10006 Telephone No.: (212) 225-5011 Telecopier No.: (212) 225-5090 Attention: Mr. James Trimble
The Bank of New York	One Wall Street, 22nd Floor New York, New York 10286 Telephone No.: (212) 635-6863 Telecopier No.: (212) 635-6999 Attention: Mr. Ken Sneider
The Fuji Bank Limited Los Angeles Agency	333 South Hope Street, Suite 3900 Los Angeles, CA 90071 Telephone No.: (213) 253-4143 Telecopier No.: (213) 253-4198

Attention: Mr. Hidetsugu Onishi

The Sakura Bank Limited
Los Angeles Agency

515 South Figueroa Street, Suite 400
Los Angeles, CA 90071
Telephone No.: (213) 489-6295
Telecopier No.: (213) 623-8692
Attention: Mr. Fernando Buesa

Mellon Bank, N.A.

300 South Grand Avenue, Suite 3800
Los Angeles, CA 90071
Telephone No.: (213) 680-7354
Telecopier No.: (213) 680-7366
Attention: Mr. Lawrence Ivey

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SCHEDULE II
Page 4

Banque Nationale de Paris

180 Montgomery Street
San Francisco, CA 94104
Telephone No.: (415) 956-0707 ext. 206
Telecopier No.: (415) 296-8954
Attention: Mr. Guy Gibb

Credit Suisse

633 West 5th Street - 64th Floor
Los Angeles, CA 90071
Telephone No.: (213) 955-8276
Telecopier No.: (213) 955-8245
Attention: Ms. Debbie Shea

ABN AMRO Bank N.V.

101 California Street, Suite 4550
San Francisco, CA 94111
Telephone No.: (415) 984-3702
Telecopier No.: (415) 362-3524
Attention: Ms. Gina Brusatori

Bank of Montreal

430 Park Avenue, 14th Floor
New York, New York 10022
Telephone No.: (212) 605-1637
Telecopier No.: (212) 605-1451
Attention: Ms. Joanna Bellocq

Dresdner Bank AG,
New York Branch and
Grand Cayman Branch

75 Wall Street, 29th Floor
New York, New York 10005
Telephone No.: (212) 429-2198
Telecopier No.: (212) 429-2129
Attention: Mr. Andrew Mittag
Mr. Nicholas Kalogeropoulos
Mr. Vince Dolan

188

SCHEDULE VI

TAX MATTERS

WAIVERS:

A. U.S. Federal Income Taxes

Special Consent to Extend the Time to Assess Tax (Form 872-A) for the 1990, 1991, 1992 and 1993 taxable years signed by Howmet Holdings Corporation and Subsidiaries (10/8/96).

B. Connecticut

Consent to Extend the Statute of Limitations for the imposition of Corporation Business Tax for the 1987 to 1992 taxable years to be signed by Howmet Holdings Corporation shortly. Current waiver, signed 5/31/96, expires 12/31/96.

C. Michigan

Consent to the Suspension of the Running of the Statute of Limitations for the imposition of sales and use tax for the period July 1, 1991 to March 31, 1993 to March 31, 1997 signed by Howmet Corporation (5/10/96).

D. Texas

AUDITS:

A. Michigan

Notice of Intent to Assess issued 10/15/96 for the imposition of Single Business Tax for the 1991, 1992 and 1993 taxable years for Howmet Corporation. Total assessment of \$1,112,348 will be appealed.

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Schedule VII

ERISA

In the event of a termination of the Howmet Corporation Salaried Employees Pension Plan, the Borrower's unfunded liability is estimated to be in the \$15 million range. Howmet Corporation has no present intention of terminating that plan nor ceasing to make contributions under it.

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SCHEDULE VIII

SUBSIDIARIES

Howmet Limited
Howmet Management Services, Inc.1/2/
Howmet Foreign Sales Corp.
Howmet-Tempcraft, Inc.1/2/
Howmet Transport Services, Inc.1/2/
Howmet Sales, Inc.1/2/
Howmet Refurbishment, Inc.1/2/
Turbine Components Corporation1/2/
Howmet S.A.
Financiere d'Ocquier, S.A.
Ciral SNC
Ciral Italy SRL
Howmet Cercast (Canada), Inc. (f/k/a 3203816 Canada Ltd.)
Howmet Cercast (USA), Inc.1/2/
Howmet Thermatech Canada, Inc.1/2/
Blade Receivables Corporation

1/ Subsidiary Pledgor

2/ Subsidiary Guarantor

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Exhibit IX

HOWMET STRUCTURE ORGANIZATIONAL CHART

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SCHEDULE X

LABOR RELATIONS

Union Activity

- At Howmet Ltd. the following unions are represented: the Amalgamated Engineering Union, the Transport and General Workers Union, the Electrical, Electronic, Telecommuni- cations and Plumbing Union, the GMB-APEX and the Manufacturing, Science and Finance Union.
- At Howmet S.A. the following unions are represented: the Confederation

Generale des Cadres ("CFE/CGC"), the Confederation Generale du Travail ("CGT"), the Confederation Francaise du Travail ("CFTD"), and the Confederation Francaise des Travailleurs Chretiens ("CFTC").

- At CIRAL S.N.C., the CFDT is represented.
- At the Muskegon County Operations there is a collective bargaining agreement with the following unions: Local No. 1243 United Automobile, Aerospace and Agricultural Implement Workers of America and its International Union.
- At the Le Creusot facility of Howmet, S.A. there have been two hour work stoppages in sympathy to the call by the CGT for a national strike.

Arbitration and Representation

- There have been arbitration proceedings at the Howmet Corporation and Cercast U.S. facilities in Texas under the Occupational Injury benefit Plan for Texas Employees of Howmet Corporation and Howmet Cercast (USA), Inc., a voluntary program established in lieu of workers' compensation.
- At the Dover, New Jersey alloy facility, the Teamsters Union attempted to organize the employees. An election was held on January 19, 1996 in which the union was rejected by a vote of 66 to 12.
- At the LaPorte, Indiana casting facility in June, 1996, the United Auto Workers began handbilling the employees. Over several months they attempted to organize the employees. This proved to be of no avail and they ceased the activity.
- At the Hampton, Virginia casting facility, the International Association of Machinists attempted to organize the employees. As a result of an election concluding on November 2, 1996, the union was rejected 513 to 202.

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Schedule X
Labor Relations
Page 2 of 2

- At the Advanced Refurbishment facility in North Haven, Connecticut, the International Association of Machinists submitted a petition for an election on November 15, 1996. It is expected that an election will be conducted at the end of December, 1996 or the beginning of January, 1997.

Labor and Union Contracts

- Agreement between Howmet Corporation Covering its Muskegon County Operations and Local No.1243 United Automobile, Aerospace and Agricultural Implement Workers of America and its International Union.
- Collective Bargaining Agreement between Howmet, Ltd. and the Amalgamated Engineering Union, Transport and General Workers Union, Electrical, Electronic, Telecommunications and Plumbing Union, GMB-APEX and the Manufacturing, Science and Finance Union, January 1, 1996.
- Collective Bargaining Agreements between Howmet S.A. and the CFEICGC, the CGT, the CFDT and the CFTC, dated December 30, 1993, January 18, 1994, December 22, 1994, January 24, 1995, as amended on March 30, 1995 (with the CFDT and the CGT only), January 27, 1995 and May 31, 1995.

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SCHEDULE XI

EXISTING INDEBTEDNESS

HOWMET GROUP FINANCING AGREEMENTS

Surviving Financial Obligations

- \$250,000 First Chicago Irrevocable Standby Letter of Credit from Howmet Corporation to the State of Connecticut*
Debt Value: Face Value of Letter of Credit
- Guaranty by Howmet Corporation of \$2,000,000 or 50% of the Short-Term Promissory Note from R-H Components Technologies, L.C. to Citibank,

N.A., March 23, 1994
Debt Value: \$2,250,000

- Guaranty by Howmet Corporation of 50% of the indebtedness of Komatsu-Howmet Ltd.
Debt Value: Y1,135,977,000**
- \$100,000 American Express Financial Services credit line to support Howmet Corporation's travel advance program, June 7, 1993
Debt Value: \$32,826
- \$5,000,000 Visa Procurement Card Credit Agreement with First Bank for Howmet Corporation, November 29, 1993
Debt Value: \$272,785
- \$1,000,000 Visa Procurement Card Credit Agreement with First Bank for Howmet Refurbishment, Inc., November 29, 1993
Debt Value: \$25,672
- \$3,400,000 Irrevocable Letter of Credit, by First Chicago for Travelers Insurance Company, on behalf of Howmet Corporation*
Debt Value: Face Value of Letter of Credit
- \$25,000 Irrevocable Letter of Credit, January 1995, for Morristown Power & Light Co. (Tennessee) on behalf of Howmet Corporation*
Debt Value: Face Value of Letter of Credit

* These Letters of Credit have been drawn pursuant to the Credit Agreement

** The Borrower will be indemnified for 50% of any liabilities arising from these guarantees.

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- \$50,000 First Chicago Irrevocable Letter of Credit for Turbine Components Corporation*
Debt Value: Face Value of Letter of Credit

Cercast Group Financing Agreements

Surviving Financing Obligation

- Can\$60,000 Letter of Credit issued by the Bank of Montreal to Currant Canada Inc. on the order of Howmet Cercast (Canada), Inc. , for custom requirements dated May 1995
Debt Value: Face Value of Letter of Credit

Surviving Financial Obligation Giving Rise to a Price Reduction

- Capital Lease Agreement between CIRAL, S.N.C. and Le District du Pays d'Evron, dated March 23, 1992
Debt Value: Fr1,194,000
- Fr37,400,000 (original amount) 12.4% capital lease agreement between Howmet S.A. and C.C. Bail, Societe de Credit Bail Immobilier. dated December 29, 1989, re: Dives sur Mer Factory1/
Debt Value: Fr8,898,000
- Can\$750,000 Howmet Cercast (Canada), Inc. Financement from the Societe Innovatech du Grand Montreal
Debt Value: Can\$750,000

1/ Le Magnesium Industriel has been merged in Microfusion S.A., now Howmet S.A. C.C. Bail has assigned the lease to Sofia Mur.

* These Letters of Credit will be replaced with Letters of Credit Drawn pursuant to the Credit Agreement.

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<TABLE>

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BLADE ACQUISITION CORPORATION/HOWMET CORPORATION INSURANCE PROGRAM AS OF 11-1-96

Schedule XII

<S>	<C>	<C>	<C>	<C>	<C>
COVERAGE	POLICY NUMBER	POLICY PERIOD	CARRIER	BROKER	LIMITS (000)
-----	-----	-----	-----	-----	-----
AIRCRAFT PRODUCTS LIABILITY:	AW677595	7/1/96/ 6/30/97	Bowring Aviation ABC underwriters M&M		500,000
ALL RISK (Property & Bus. Interruption)	01020025	6/1/96/ 5/31/97	Arkwright		1,263,831
AUTOMOBILE LIAB.	UC2J-CAP-185K838-0-TIL-96	7/1/96/ 6/30/97	Travelers	Ferguson	50,000
(TX) UC2EE-CAP-185K839-2-TRI-96					1,000
CARGO LIABILITY	651-63-99	7/1/96/ 6/30/97	CHUBB/ Federal	Ferguson	200
CRIME	8091-82-70-D	9/1/96/ 8/31/97	Federal	Johnson & Higgins	10,000
DIRECTORS & OFFICERS	8146-29-04	12/13/95/ 12/12/96	CHUBB/ Federal	Johnson & Higgins	25,000
FIDUCIARY	8146-29-04	12/13/95/ 12/12/96	CHUBB	Johnson & Higgins	15,000
GENERAL LIABILITY	UC2JSLS-185K841-1-TIL-96	7/1/96/ 6/30/97	Travelers	Ferguson	1,000
(non-aircraft prod)	UC2JSLS-185K8515-TIL-97			1,500 (Products)	
	1412120		Guardian Ins	Ferguson	
MISC. CASUALTY	8077-94-27-C	3/30/95 3/29/98	Federal	Johnson & Higgins	15,000
EXCESS LIABILITY	7973-77-05 07XN25148589SC 35271685	7/1/96/ 6/30/97	Chubb AETNA Chubb	Ferguson	25,000 25,000 DIC
WORKERS' COMPENSATION	(NJ) UC2J-UB-185K844796 (CA) UC2J-UB-185K845996	7/1/96/ 6/30/97	Travelers Retro/deductable	Ferguson	Statutory
(ALL OTHERS) EXCESS-WORKERS' COMPENSATION	UC2J-UB-185K842396 (included in above cost)		in house accrual		
TEXAS EXCESS INDEMN	NTXO119557	11-1-96/ 11-1-97	RELIANCE NATIONAL	(INC 6,857TX TAX) TOTAL PREMIUM	

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-----	-----
None	\$542,500
Brokerage	\$90,000
1 0,000 to CDN	\$615,922 \$41,914
500,000	\$175,000
in house re	\$17,750
traveler ex	\$15,000
brokerage	\$207,750
2.500/ 7,500	\$8,060
100,000	\$38,425
500,000	\$165,000
transaction chg	\$50,000
0/20,000	\$37,942
500,000	\$225,000
950,000	\$31,250
in house re	\$15,000
traveler ex	\$271,250
brokerage	\$3,395

None \$33,200

3 YEAR POLICY

None \$153,000

None \$39,000

\$5,000

500,000 in house re \$2,750,000

traveler ex \$546,238

brokerage \$221,085

\$3,517,323

300.000 \$148,247

\$5,967,928

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SCHEDULE XIII

EXISTING LIENS

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DEBTOR	SECURED PARTY/COMMENTS	FILE #	FILING DATE	JURISDICTION	COLLATERAL
<S>	<C>	<C>	<C>	<C>	<C>
Automat Services T/A Howmet Corp. 1 Roy Street Dover, NJ 07801	LaTouraine Coffee Co. 520 Secaucus Road Secaucus, NJ 07096	1509490	05/10/93	Sec. of State, NJ	Specific Equipment

Howmet Corp. #1 Howmet Dr. Hampton, VA 23661	CFE Equipment Corp. 818 Widgeon Rd. Norfolk, VA 23513	910531616	05/29/91	Sec. of State, VA	Specific Equipment
----------------------------------------------------	-------------------------------------------------------------	-----------	----------	-------------------	-----------------------

ASSIGNEE
ASSOCIATES COMMERCIAL CORP.
ECC Financial Group
1301 East Ninth St.
Cleveland, OH 44114

Howmet Corp. #1 Howmet Dr. Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Rd. Norfolk, VA 23513	74436	06/03/91	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
----------------------------------------------------	-------------------------------------------------------------------	-------	----------	---------------------------------------------	-----------------------

ASSIGNEE
ASSOCIATES COMMERCIAL CORP.
ECC Financial Group
1301 E. Ninth St.
Cleveland, OH 44114

Howmet Corp. ReFerb Co. 6202 Central Frwy N. Wichita Falls, TX 76307	C+L Leasing 1505 Luna Rd. Carrollton, TX 75006	91015126	01/28/91	Sec. of State, TX	Specific Equipment
----------------------------------------------------------------------------	------------------------------------------------------	----------	----------	-------------------	-----------------------

Howmet Corporation 1 Howmet Dr. Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Rd. Norfolk, VA 23513	910431307	04/26/91	Sec. of State, TX Equipment	Specific
---------------------------------------------------------	-------------------------------------------------------------------	-----------	----------	--------------------------------	----------

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SCHEDULE XIII

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<TABLE>

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DEBTOR	SECURED PARTY/COMMENTS	FILE #	FILING DATE	JURISDICTION	COLLATERAL
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Howmet Corporation 1 Howmet Dr. Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Rd. Norfolk, VA 23513	74295	04/30/91	Clerk of Circuit Court, Hampton City, VA	Specific Equipment

ASSIGNEE
ECC Financial Group
Corporation
1301 East Ninth St.
Cleveland, OH 44144

Howmet Corporation 1 Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Rd. Norfolk, VA 23513	78200	01/31/94	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
-----------------------------------------------------------	-------------------------------------------------------------------	-------	----------	---------------------------------------------	-----------------------

ASSIGNEE

Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

Howmet Corporation
1 Howmet Drive
Hampton, VA 23661

CFE Equipment Corporation
818 Widgeon Rd.
Norfolk, VA 23513

78201

01/31/94

Clerk of Circuit Court,
Hampton City, VA

Specific
Equipment

ASSIGNEE
Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

Howmet Corporation
1 Howmet Drive
Hampton, VA 23661

CFE Equipment Corporation
818 Widgeon Rd.
Norfolk, VA 23513

77866

11/01/93

Clerk of Circuit Court,
Hampton City, VA

Specific
Equipment

ASSIGNEE
Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

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SCHEDULE XIII
page 3

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 1 Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Rd. Norfolk, VA 23513	80406	09/21/95	Clerk of Circuit Court, Hampton City, VA	Specific Equipment

ASSIGNEE
Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

Howmet Corporation
1 Howmet Drive
Hampton, VA 23661

CFE Equipment Corporation
818 Widgeon Rd.
Norfolk, VA 23513

9509137145

09/13/95

Sec. of State, VA

Specific
Equipment

ASSIGNEE
Associates Leasing Inc.
8001 Ridgepoint Drive
Irving, TX 75063-3117

Howmet Corporation
1 Howmet Drive
Hampton, VA 23661

CFE Equipment Corporation
818 Widgeon Rd.
Norfolk, VA 23513

77798

10/21/93

Clerk of Circuit Court,
Hampton City, VA

Specific
Equipment

ASSIGNEE
Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

Howmet Corporation
1110 E. Lincoln Way
La Porte, IN 46350
</TABLE>

Digital Equipment Corporation
10101 Alliance Road
Cincinnati, OH 45242

1772213

3/31/92

Sec. of State, IN

Specific
Equipment

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SCHEDULE XIII
page 4

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 145 Price Road Winsted, CT 06098	Acclaim Leasing, Inc. 3233 N. Arlington Hts. Rd. 203 Arlington Hts., IL 60004	1047401	02/28/94	Sec. of State, CT	Specific Equipment

ASSIGNEE
Colonial Pacific Leasing
7659 Mohawk Street
Tualatin, OR 97062

Howmet Corporation
1500 S. Warner Street
Whitehall, MI 49461

Citizens Bank
POB 230049
Grand Rapids, MI 49523

C594215

5/6/92

Sec. of State, MI

Specific
Equipment

Howmet Corporation 2175 Steamboat Road Greenwich, CT 06836	Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902	1018	02/15/94	Town Clerk, Winsted, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	AT&T Credit Corporation 2 Gatehall Drive Parsippany, NJ 07054	921934	05/09/91	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Anderson & Co. Arthur 400 Renaissance Center Detroit, MI 48243	52859B	2/23/95	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	024477	05/09/94	County Clerk, Oklahoma County, OK	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	AT&T Credit Corporation 2 Gatehall Drive Parsippany, NJ 07054	94224365	11/21/94	Sec. of State, TX	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830 </TABLE>	AT&T Credit Corporation 2 Gatehall Drive Parsippany, NJ 07054	93035973	02/25/93	Sec. of State, TX	Specific Equipment

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SCHEDULE XIII
page 5

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	CIT Group Equipment Financing Inc. 1400 Renaissance Dr. Park Ridge, IL 60068	34133B Assignment	8/10/93	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Meridian Leasing Corp.	C782539	11/29/93	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Meridian Leasing Corp. 570 Lane Cook Rd. Ste. 300 Deerfield, IL 60015	C661075	11/30/92	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	78545	05/04/94	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	CIT Group Equipment Financing Inc. 1400 Renaissance Dr. Park Ridge, IL 60068	40208B Assignment	2/23/94	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	1910012	4/25/94	Sec. of State, IN	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	AK95850	5/2/94	Sec. of State, OH	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	CIT Group Equipment Financing Inc. 1400 Renaissance Dr. Park Ridge, IL 60068	34136B Assignment	8/10/93	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830 </TABLE>	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	9405027501	05/02/94	Sec. of State, VA	Specific Equipment

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SCHEDULE XIII
page 6

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
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Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	94084109	04/29/94 Corporation	AT&T Credit	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	010404 050294 06902 AK95851	05/02/94	Sec. of State, OH	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902	1046060	02/14/94	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Yale Financial Services, Inc. P O Box 2160 Flemington, NJ 08822	75866	06/15/92	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Yale Financial Services, Inc. P O Box 2160 Flemington, NJ 08822	920620372	06/12/92	Sec. of State, VA	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Oak Brook Master Trust c/o Network Securities Dallas, TX 75244	C782541	11/29/93	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Yale Financial Services, Inc. P O Box 2160 Flemington, NJ 08822	969719	06/15/92	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902	1046062	02/14/94	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 North Tucker, GA 30084	307445	05/04/94	Sec. of State, TN	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Meridian Leasing Corp. 570 Lane Cook Rd. Ste. 300 Deerfield, IL 60015	C630067	8/24/92	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	1055627	04/29/94	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 North Tucker, GA 30084	1004506	04/05/93	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	1568782	05/04/94	Sec. of State, NJ	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Nationsbanc Leasing Corporation 2300 Northlake Centre Drive Suite 300 Tucker, GA 30084	9506660513	3/1/95	Sec. of State, CA	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 N Tucker, GA 30084	1055628	4/29/94	Sec. of State, CT	Specific Equipment
Howmet Corporation	Leasing Technologies	1021	02/15/94	Town Clerk,	Specific

475 Steamboat Road
Greenwich, CT 06830

International, Inc.
1266 Main Street
Stamford, CT 06902

Winsted, CT

Equipment

ASSIGNEE
CoreStates Bank, N.A.
1500 Market Street
Philadelphia, PA 19102

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	NationsBanc Leasing Corp. 2059 North Lake Parkway Tucker, GA 30084	C837324	5/3/94	Sec. of State, MI	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	AT&T Credit Corporation 4 Gatehall Drive Parsippany, NJ 07054	22365	03/23/90	County Clerk, Morris County, NJ	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	AT&T Credit Corporation 2 Gatehall Drive Parsippany, NJ 07054	028161	02/18/92	Sec. of State, TX	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	AT&T CREDIT CORPORATION 2 GATEHALL DRIVE PARIPPANY, NJ 07054	1505131	04/13/93	Sec. of State, NJ	Specific Equipment
Howmet Corporation 6200 Central Freeway Wichita Falls, TX 76305	Xerox Corporation 222 W. Las Colinas Blvd. Irving, Texas 75039	92241770	12/14/92	Sec. of State, TX	Specific Equipment
Howmet Corporation 6200 Central Freeway Wichita Falls, TX U76307-1616	Digital Equipment Corporation 10101 Alliance Road Cincinnati, OH 45242	92153573	08/03/92	Sec. of State, TX	Specific Equipment
	ASSIGNEE Leasetec Corporation 1401 Pearl Street Boulder, CO 80302				

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation Castings Division One Howmet Drive Hampton, VA 23661	BellSouth Communication Systems, Inc. 1936 Blue Hills Drive, NE Roanoke, VA 24012	9305117216	05/10/93	Sec. of State, VA	Specific Equipment
	ASSIGNEE Bellsouth Financial Services Corporation 1800 Century Boulevard, N.E., Suite 1400 Atlanta, Georgia 30345	890711205			
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	930310165	03/01/93	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	921211384	12/07/92	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	921211382	12/07/92	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	921211383	12/07/92	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	921211382	12/07/92	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	76845	03/02/93	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	9310297188	10/29/93	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	Ingersoll-Rand Company DBA Ingersoll-Rand Air Center 540 Southlake Boulevard Richmond, VA 23236	80017	06/06/95	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing, Inc. P.O. Box 23407 Louisville, KY 40213-0407				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	76532	12/08/92	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St.				

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<TABLE>

<CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	77657	09/27/93	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	940126715	01/26/94	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	930920729	09/20/93	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	76533	12/08/92	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				

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<TABLE>

<CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Howmet Drive Hampton, VA 23661	Ingersoll-Rand Company DBA Ingersoll-Rand Air Center 540 Southlake Boulevard Richmond, VA 23236	9508187051	08/18/95	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing, Inc. P.O. Box 23407 Louisville, KY 40213-0407				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	9401267151	01/26/94	Sec. of State, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				
Howmet Corporation One Howmet Drive Hampton, VA 23661	CFE Equipment Corporation 818 Widgeon Road Norfolk, VA 23513	76534	12/08/92	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	ASSIGNEE Associates Leasing Inc. 1301 E. 9th St. Cleveland, OH 44114				

Howmet Corporation
One Howmet Drive
Hampton, VA 23661

CFE Equipment Corporation
818 Widgeon Road
Norfolk, VA 23513

9310207295

10/20/93

Sec. of State, VA

Specific
Equipment

ASSIGNEE
Associates Leasing Inc.
1301 E. 9th St.
Cleveland, OH 44114

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank Lacrosse 401 Main St. La Crosse, WI 54601	C81364	3/1/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank Lacrosse	C741152	7/26/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	042992	3/8/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank Lacrosse 401 Main St. La Crosse, WI 54601	C813363	3/194	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	051764	3/22/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank Lacrosse 401 Main St. La Crosse, WI 54601	C813361	3/1/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	9306257739	6/25/93	Sec. of State, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	AMENDM ENT 94620111	2/15/94	Sec. of State, TX	Specific Equipment
	AMENDMENT USL Capital Corporation	Original Filing 229860			

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank of Lawler 308 Grove St. Lawler, IA 52154	C587770 Assignment	4/20/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	93036027	2/26/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	93209216	11/2/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	A-000475 Original	5/17/92	County Clerk, Oklahoma County, OK	Specific Equipment

ASSIGNEE
 Data Sales Co., Inc.
 12117 Riverwood Drive
 Burnsville, MN 55337

Filing
 022013

Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	93228094	12/2/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	1862451	12/6/93	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	197067	10/13/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538762	11/15/91	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	77364	6/28/93	Clerk of Circuit Court Hampton City, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	120533	6/23/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1411395	2/21/92	Sec. of State, NJ	Specific Equipment
	ASSIGNEE Delta Capital IV, Inc. 678 Front Street NW Grand Rapids, MI 49504				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538768	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	C430046	12/19/90	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	C202472	4/5/89	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	United.States Leasing Corp. 733 Front Street San Francisco, CA 94111	36665B	11/3/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	901230199	12/21/90	Sec. of State, VA	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive	Alpha Financial Group, Inc. 678 Front St., NW	940852	10/3/91	Sec. of State, CT	Specific Equipment

Whitehall, MI 49461	Grand Rapids, MI 49504	Original Filing 934621			
	ASSIGNEE Commerica Bank 211 West Fort Street Detroit, MI 48275-1131				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	920321374	3/17/92	Sec. of State, VA	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	Original Filing 901230199			
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	923188	5/3/91	Sec. of State, CT	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538765	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	Same as above - 1386808	3/25/92	Sec. of State, NJ	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337				

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1411395	8/8/91	Sec. of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	37928B	12/14/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538767	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538761	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	NCC Leasing Inc. 1601 Main St. Dayton, OH 45479	C7795B	12/10/90	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1397940	5/6/91	Sec. of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	48069B	10/19/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538766	11/15/91	Sec. of State, MI	Specific Equipment

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
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Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538763	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Old Kent Bank & Trust Co. 1 Vanderburg Center Grand Rapids, MI 49503	C538769	11/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	402098	2/23/95	Sec. of State, TN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	93229860	12/6/93	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	1584289	7/27/94	Sec. of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	1599597	10/20/94	Sec. Of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	59248B	8/9/95	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	52831B	2/23/95	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	39913B Amendment	2/11/94	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	80291	8/22/91	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	4894923 Amendment	2/11/94	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	40712B	3/11/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1377467	12/28/90	Sec. of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	59249B	8/9/95	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	A-000474 Original Filing 007514	3/17/92	County Clerk, Oklahoma County, OK	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1386808	2/28/91	Sec. of State, NJ	Specific Equipment
	ASSIGNED ON LATER DATE - SEE BELOW				

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	007514	02/15/91	County Clerk, Oklahoma County, OK	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	1945005	10/19/94	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	49019B	11/15/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	45173B	7/25/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	9104903	5/28/91	Sec. of State, NV	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	79170	10/20/94	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	39139B	1/19/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	39214B	1/24/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	29974B	4/12/93	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc 733 Front Street San Francisco, CA 94111	34386B	8/19/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	29098B	3/23/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	28714B	3/9/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	32561B	6/23/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	United States Leasing Corp. 733 Front Street San Francisco, CA 94111	37639B	12/3/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	28456B	2/26/93	Sec. of State, MI	Specific Equipment
Howmet Corporation	Alpha Financial Group, Inc.	910510359	5/3/91	Sec. of State, VA	Specific

One Misco Drive Whitehall, MI 49461	678 Front St., NW Grand Rapids, MI 49504				Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	93039233	3/1/93	Sec. of State, CA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	U.S. Leasing International, Inc. 733 Front Street San Francisco, CA 94111	28458B	2/26/93	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	42230B	4/28/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	244131	12/22/94	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	9410257819	10/24/94	Sec. of State, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	078250	4/25/94	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	94218543	11/14/94	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	44059B	6/20/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	011133	1/21/94	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	42123B	4/26/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	United States Leasing Int Inc. 733 Front Street San Francisco, CA 94111	36031B	10/14/93	Sec. of State, MI	Specific Equipment

</TABLE>

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	USL Capital Corp. 733 Front Street San Francisco, CA 94111	950808 7704	8/8/95	Sec. of State, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	022013	5/3/91	County Clerk, Oklahoma County, OK	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C460742	3/25/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	103733	9/16/91	Sec. of State, MI	Specific Equipment

Howmet Corporation One Misco Drive Whitehall, MI 49461	Comerica Bank	C809013 Continuatio n	2/16/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C966181	5/3/95	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C901622	11/194	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	101586	4/15/91	Muskegon County, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	J03125	7/27/92	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	J03422	8/31/92	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C621583	7/28/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	102479	6/14/91	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	101588	4/15/91	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C468115	4/15/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	103257	8/12/91	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C514592	9/3/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C519147	9/17/91	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C490189	6/14/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C631837	8/28/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C508472	8/13/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive	Comerica Bank Detroit 211 West Fort Street	C439150 Assignment	1/18/91	Sec. of State, MI	Specific Equipment

Whitehall, MI 49461	Detroit, MI 48275-1135				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	640709	3/26/92	Sec. of State, TX	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	Original Filing 91028357			
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	91155984	8/9/91	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1688629	12/16/90	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	91028357	2/15/91	Sec. of State, TX	Specific Equipment

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1699234	2/14/91	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1731573	8/8/91	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1770142 Assignment	3/19/92	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Bankers Leasing Assn Inc. 4201 Lake Cook Rd. Northbrook, IL 60062	C561504	1/31/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	50165854 Original Filing 91155984	10/21/91	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1714189	5/2/91	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	91092039	5/13/91	Sec. of State, TX	Specific Equipment

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	640711 Original Filing 91092039	03/16/92	Sec. of State, TX	Specific Equipment
Howmet Corporation	Alpha Financial Group, Inc.	911010665	10/03/91	Sec. of State, VA	Specific

One Misco Drive Whitehall, MI 49461	678 Front St., NW Grand Rapids, MI 49504	Original Filing 91011560			Equipment
	ASSIGNEE Delta Capital IV, Inc. 678 Front Street NW Grand Rapids, MI 49504				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Clarklift of Detroit Inc. 2045 Austin Troy, MI 48083	D018544	10/4/95	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Comerica Bank 211/311 Fort St. Detroit, MI 48226	C523292 Assignment	03/16/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	640547 Original Filing 90259316	03/16/92	Sec. of State, TX	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337				

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1741292 Assignment	10/4/91	Sec. of State, IN	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	90259316	12/14/90	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 48135	C445497	2/6/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1900 Indian Wood Circle Maumee, OH 43537	103689	9/3/91	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Leasetec Corp. 1401 Pearl Street Boulder, CO 80302	C590293	4/27/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group Inc. 678 Front St. NW Grand Rapids, MI 48135	C472142	4/25/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Leasetec Corp. 1401 Pearl Street Boulder, CO 80302	C611877	6/29/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Leasetec Corp. 1401 Pearl Street Boulder, CO 80302	C572588	3/5/92	Sec. of State, MI	Specific Equipment

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	1397940	03/25/92	Sec. of State, NJ	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337				

Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1300 Indian Wood Circle Maumee, OH 43537	C621584	7/28/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Hovinga Business Systems, Inc. 2780 44th St. SW Grand Rapids, MI 49509	C740087	7/23/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Dana Commercial Credit Corp. 1900 Indian Wood Circle Maumee, OH 43537	J03124	7/27/92	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	IMC Associates, Inc. 1050 W. Western Suite 204 Muskegon, MI 49441	103598	8/22/91	Muskegon County, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Hovinga Business Systems, Inc. 2780 44th St. SW Grand Rapids, MI 49509	C596422	5/13/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Alpha Financial Group, Inc. 678 Front St. NW Grand Rapids, MI 49504	910811560	08/08/91	Sec. of State, VA	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Midamerica Bank 178 N Iowa POB 120 Dodgeville, WI 53533	C903510	11/7/94	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	913513	02/15/91	Sec. of State, CT	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 3450 W. Burnsville Pkwy. Burnsville, MN 55337	C703999	4/9/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St. NW Grand Rapids, MI 49504	C503687	7/30/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St. NW Grand Rapids, MI 49504	910221248	02/15/91	Sec. of State, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Alpha Financial Group, Inc. 678 Front St. NW Grand Rapids, MI 49504 ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	959536 Original Filing 934621	03/19/92	Sec. of State, CT	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504 ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	959239 Original Filing 905620	03/16/92	Sec. of State, CT	Specific Equipment
Howmet Corporation One Misco Drive	Data Sales Co., Inc. 12117 Riverwood Drive	1397940	04/29/92		Specific Equipment

Whitehall, MI 49461

Burnsville, MN 55337

ASSIGNEE
State Bank of Lawler
P.O. Box 269
Lawler, IA 52154

Howmet Corporation
One Misco Drive
Whitehall, MI 49461

Leastec Corp.
1401 Pearl Street
Boulder, CO 80302

C570974

3/2/92

Sec. of State, MI

Specific
Equipment

Howmet Corporation
One Misco Drive
Whitehall, MI 49461

Data Sales Co.
12117 Riverwood Dr.
Burnsville, MN 55337

C569579

2/26/92

Sec. of State, MI

Specific
Equipment

Howmet Corporation
One Misco Drive
Whitehall, MI 49461
</TABLE>

Alpha Financial Group, Inc.
678 Front St., NW
Grand Rapids, MI 49504

905620

12/14/90

Sec. of State, CT

Specific
Equipment

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<TABLE>
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DEBTOR
<S>
Homet Corporation
One Misco Drive
Whitehall, MI 49461

SECURED PARTY/COMMENTS
<C>
Alpha Financial Group, Inc.
678 Front St. NW
Grand Rapids, MI 49504

FILE #

FILING DATE

JURISDICTION

COLLATERAL

<C>

<C>

Sec. of State, CT

<C>
Specific
Equipment

959534

Original
Filing
923188

ASSIGNEE
Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

Homet Corporation
One Misco Drive
Whitehall, MI 49461

Alpha Financial Group, Inc.
678 Front St., NW
Grand Rapids, MI 49504

Assignment
to 91-04903

03/16/92

Sec. of State, NV

Specific
Equipment

Homet Corporation
One Misco Drive
Whitehall, MI 49461

Alpha Financial Group, Inc.
678 Front St., NW
Grand Rapids, MI 49504

934621

08/12/91

Sec. of State, CT

Specific
Equipment

Homet Corporation
One Misco Drive
Whitehall, MI 49461

Data Sales Co., Inc.
3450 W. Burnsville Pkwy.
Burnsville, MN 55337

C703997

04/9/93

Sec. of State, MI

Specific
Equipment

Homet Corporation
One Misco Drive
Whitehall, MI 49461

Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

962641

04/16/92

Sec. of State, CT

Specific
Equipment

Original
Filing
934621

ASSIGNEE
State Bank of Lawler
P.O. Box 269
Lawler, IA 52154

Homet Corporation
One Misco Drive
Whitehall, MI 49461
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Delta Capital II, Inc.
678 Front St., SW
Grand Rapids, MI 49504

C439149

01/18/91

Sec. of State, MI

Specific
Equipment

Assignment

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<CAPTION>

DEBTOR
<S>
Howmet Corporation
One Misco Drive
Whitehall, MI 49461

SECURED PARTY/COMMENTS
<C>
Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

FILE #

FILING DATE

JURISDICTION

COLLATERAL

<C>

<C>

Sec. of State, TX

<C>
Specific
Equipment

658290

Original
Filing
91028357

ASSIGNEE
State Bank of Lawler
P.O. Box 269
Lawler, IA 52154

Howmet Corporation
One Misco Drive
Whitehall, MI 49461

Alpha Financial Group, Inc.
678 Front St., NW
Grand Rapids, MI 49504

Original
Filing
90187289

03/16/92

Sec. of State, TX

Specific
Equipment

ASSIGNEE
Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co. 12117 Riverwood Dr. Burnsville, MN 55337	C569578 Assignment	02/26/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co. 12117 Riverwood Dr. Burnsville, MN 55337	C568733 Assignment	02/24/92	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461 </TABLE>	Dana Commercial Credit Corp 1300 Indian Wood Circle Maumee, OH 43537	C468114	04/15/91	Sec. of State, MI	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Delta Capital IV, Inc. 678 Front Street NW Grand Rapids, MI 49504	911010666 Original Filing 910811560	10/03/91	Sec. of State, VA	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 3450 W. Burnsville Pkwy. Burnsville, MN 55337	C703998	04/09/93	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Delta Capital IV, Inc. 678 Front St., NW Grand Rapids, MI 49504	C523291 Assignment	10/04/91	Sec. of State, MI	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Delta Capital IV, Inc. 678 Front Street NW Grand Rapids, MI 49504	1411395	02/21/92	Sec. of State, NJ	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Delta Capital IV, Inc. 678 Front Street NW Grand Rapids, MI 49504	50165855 Original Filing 91155984	10/21/91	Sec. of State, TX	Specific Equipment

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	000679 Original Filing 007514	04/17/92	County Clerk, Oklahoma County, OK	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	State Bank of Lawler P.O. Box 269 Lawler, IA 52154	658289	03/21/92	Sec. of State, TX	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	91092039			

State Bank of Lawler
P.O. Box 269
Lawler, IA 52154

Howmet Corporation
One Misco Drive
Whitehall, MI 49461

Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

Same as
above
1386808

04/29/92

Sec. of State, NJ

Specific
Equipment

ASSIGNEE
State Bank of Lawler
P.O. Box 269
Lawler, IA 52154

Howmet Corporation
One Misco Drive
Whitehall, MI 49461

Alpha Financial Group, Inc.
678 Front St., NW
Grand Rapids, MI 49504

959535
Original
Filing
913513

03/19/92

Sec. of State, CT

Specific
Equipment

ASSIGNEE
Data Sales Co., Inc.
12117 Riverwood Drive
Burnsville, MN 55337

</TABLE>

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DEBTOR	SECURED PARTY/COMMENTS	FILE #	FILING DATE	JURISDICTION	COLLATERAL
<S>	<C>	<C>	<C>	<C>	<C>
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	000678 Original Filing 022013	04/17/92	County Clerk, Oklahoma County, OK	Specific Equipment
	ASSIGNEE State Bank of Lawler P.O. Box 269 Lawler, IA 52154				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	9104903	05/28/91	Sec. of State, NV	Specific Equipment
Howmet Corporation One Misco Drive Whitehall, MI 49461	Alpha Financial Group, Inc. 678 Front St., NW Grand Rapids, MI 49504	4064 Original Filing 9104903	03/16/92	Sec. of State, NV	Specific Equipment
	ASSIGNEE Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337				
Howmet Corporation One Misco Drive Whitehall, MI 49461	Data Sales Co., Inc. 12117 Riverwood Drive Burnsville, MN 55337	Original Filing 9104903	04/16/92	Sec. of State, NV	Specific Equipment
	ASSIGNEE State Bank of Lawler P.O. Box 269 Lawler, IA 52154				
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1626947	03/30/95	Sec. of State, NJ	Specific Equipment

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DEBTOR	SECURED PARTY/COMMENTS	FILE #	FILING DATE	JURISDICTION	COLLATERAL
<S>	<C>	<C>	<C>	<C>	<C>
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1600179	10/27/94		Specific Equipment
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd.	1612562	03/31/95		Specific Equipment

Flemington, NJ 08822

Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1584221	10/28/94	Specific Equipment
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1612562	03/31/95	Specific Equipment
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1621748	03/02/95	Specific Equipment
Howmet Corporation Roy Street Dover, NJ 07801	Yale Financial Services, Inc. 15 Junction Rd. Flemington, NJ 08822	1611585	03/02/95	Specific Equipment
Howmet Sales 4500 Lake Forest Dr. #522 Cincinnati, OH 45242	Scot Leasing Co. 6860 Ashfield Dr. Cincinnati, OH 45242	AM16616	09/22/95	Specific Equipment
Howmet Sales 4500 Lake Forest Dr. #522 Cincinnati, OH 45242	Scot Leasing Co. 6860 Ashfield Dr. Cincinnati, OH 45242	131184	09/22/95	Specific Equipment
HOWMET CORP 1 ROY STREET DOVER, N.J. 07801	XEROX CORPORATION 835 Hope Street P.O. Box 4901, MS 1-1 Stamford, CT. 06907	1567147	04/27/94	Specific Equipment

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DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
HOWMET CORP 1 Roy Street Dover, NJ 07801	XEROX CORPORATION 835 Hope Street P.O. Box 4901, MS 1-1 Stamford, CT. 06907	1567145	04/27/94	Sec. of State, NJ	Specific Equipment
HOWMET CORP. Roy St. Dover, NJ 07801	Pitney Bowes Credit Corporation 201 Merritt Seven Norwalk, CT 06856	1470183	08/20/92	Sec. of State, NJ	Specific Equipment
HOWMET CORPORATION 2175 Steamboard Road Greenwich, CT 06836	CORESTATE BANK, N.A. 1500 Market Street Philadelphia, PA 19102	1018 (Assignment)	10/11/94	Town Clerk, Winsted, CT	Specific Equipment
HOWMET CORPORATION 3101 Hammon Road Wichita Falls, TX 76307	ASSIGNEE LEASING TECHNOLOGIES INTERNATIONAL, INC. 1266 Main Street Stamford, CT 06902	94220388	11/10/94	Sec. of State, TX	Specific Equipment
HOWMET CORPORATION 475 Steamboat Road Greenwich, CT 06830	American Business Credit Corporation 550 Cochituate Rd PO Box 9104 Framingham, MA 01701	1016759	06/14/93	Sec. of State, CT	Specific Equipment
HOWMET CORPORATION 475 Steamboat Road Greenwich, CT 06830	GTE Leasing Corporation 11711 N Meridian St., Ste. 510 Carmel, IN 46032	1016758	06/14/93	Sec. of State, CT	Specific Equipment

</TABLE>

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Corestates Bank, N.A. 1500 Market Street Philadelphia, PA 19102	1021 (Assignment)	10/11/94	Town Clerk, Winsted, CT	Specific Equipment
	ASSIGNEE Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902				
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Caterpillar Financial Services Corporation 901 Warrenville Road #304 Lisle, IL 60532	1606697	02/24/95	Sec. of State, CT	Specific Equipment
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Corestates Bank, N.A. 1500 Market Street Philadelphia, PA 19102	1581135 Original Filing 1046060	10/07/94	Sec. of State, CT	Specific Equipment
	ASSIGNEE Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902				
Howmet Corporation 475 Steamboat Road Greenwich, CT 06830	Corestates Bank, N.A. 1500 Market Street Philadelphia, PA 19102	1601946 Original Filing 1046062	01/31/95	Sec. of State, CT	Specific Equipment
	ASSIGNEE Leasing Technologies International, Inc. 1266 Main Street Stamford, CT 06902				

</TABLE>

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<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation 5650 Commerce Boulevard Morristown, TN 37814	NCC Leasing, Inc. 1601 South Main Street Dayton, Ohio 45409	925401	10/18/91	Sec. of State, TN	Specific Equipment
Howmet Corporation Alloy Division P.O. Box 371 Dover, NJ 07801	Shieldalloy Metalurgical Corp. 12 West Boulevard Newfield, NJ 08344	1628441	04/06/95	County Clerk Morris County, NJ	Specific Equipment (alloys)
Howmet Corporation Alloy Division P.O. Box 371 Dover, NJ 07801	Shieldalloy Metalurgical Corp. 12 West Boulevard Newfield, NJ 08344	022934	04/05/95	County Clerk Morris County, NJ	Specific Equipment (alloys)
Howmet Corporation Castings Division One howmet Drive Hampton, VA 23661	Bellsouth Financial Services Corporation 1800 Century Blvd., N.E., Suite 1400 Atlanta, GA 30345	940701 7171 Original Filing 890711205	07/01/94	Sec. of State, VA	Specific Equipment
	CONTINUATION				
Howmet Corporation Castings Division One howmet Drive Hampton, VA 23661	Bellsouth Financial Services Corporation 1800 Century Blvd., N.E., Suite 1400 Atlanta, GA 30345	78804 Original Filing 71689	06/08/94	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
	CONTINUATION				
Howmet Corporation	NCC Leasing, Inc.	911220348	12/12/91	Sec. of State, VA	Specific

Hampton Casting
Division
One Howmet Drive
Hampton, VA 23661
</TABLE>

1601 South Main Street
Dayton, Ohio 45409

Equipment

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SCHEDULE XIII
page 42

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Howmet Corporation Howmet Casting Division One Howmet Drive Hampton, VA 23661	NCC Leasing, Inc. 1601 S. Main Street Dayton, OH 45409	75335	02/03/91	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Corporation One Howmet Drive Hampton, VA 23661	Bellsouth Communication Systems, Inc. 1936 Blue Hills Dr., N.E. Roanoke, VA 24012	890711205	07/07/89	Sec. of State, VA	Specific Equipment
Howmet Corporation Price Road Winsted, CT 06098	ABCC 11201 Danka Circle North St. Petersburg, FL 33716	1039812	12/21/93	Sec. of State, CT	Specific Equipment
Howmet Corporation Roy Street Dover, NJ 07801	NCC Leasing, Inc. 1601 South Main Street Dayton, OH 45409	1431962	12/16/91	Sec. of State, NJ	Specific Equipment
Howmet Corporation Castings Division One Howmet Drive Hampton, VA 23661	Bellsouth Communication Systems, Inc. 1936 Blue Hills Drive, NE Roanoke, VA 24012	71689	07/05/89	Clerk of Circuit Court, Hampton City, VA	Specific Equipment
Howmet Refurbishment, Inc. 30 Corporate Drive North Haven, CT 04673-3254	Charter Leasing Corporation 800 E. Northwest Highway Palatine, IL 60067	1577262	9/26/94	Sec. of State, CT	Specific Equipment
Howmet Sales, Inc.	Scot Leasing Co.	131184	9/22/95	Hamilton County, OH	Specific Equipment
Howmet Turbine Components Corporation </TABLE>	Darr Equipment Co.	030470	02/18/92	Sec. of State, TX	Specific EquipmentK

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SCHEDULE XIII
page 43

<TABLE> <CAPTION> DEBTOR <S>	SECURED PARTY/COMMENTS <C>	FILE # <C>	FILING DATE <C>	JURISDICTION <C>	COLLATERAL <C>
Turbine Components Corporation 1 Commercial St. Branford, CT 06405	Compressor Engineering Company, Inc. West Ave. & Stran Rd. P.O. Box 538 Milford, CT 06460	1603225	02/06/95	Sec. of State, CT	Specific Equipment
	ASSIGNEE Associates Commercial Corporation P.O. Box 23407 Louisville, KY 40223-0407				
Turbine Components Corporation 4 Commercial St. Branford, CT 06405	The Bank of New Haven 209 Church Street New Haven, CT 06510	1068006	08/05/94	Sec. of State, CT	Specific Equipment
Turbine Components PO Box 431 Branford, CT 06405	SNET Systems, Inc. 6 Devine St. North Haven, CT 06473	908372	01/09/91	Sec. of State, CT	Specific Equipment
Turbine Components Corporation 4 Commercial St.	SNET Credit, Inc. 6 Devine ST North Haven, CT 06473	1020881	07/16/93	Sec. of State, CT	Specific Equipment

MANAGEMENT FEES

- Management Agreement between Alexander Insurance Managers and Howmet Insurance Company, Inc. dated November 11, 1996-- \$20,000 per year
- Foreign Sales Corporation Services Agreement dated December, 1984 among Howmet Foreign Sales Corporation, Howmet Turbine Components Corporation and Chase Trade, Inc. -- \$15,500 per year.
- Service Agreement dated December 5, 1996 between Nevada Corporate Management, Inc. and Blade Receivables Corporation --\$16,000 per year.

EXHIBIT A

NOTICE OF BORROWING

_____, 19__

The First National Bank of Chicago, as
Administrative Agent for the Banks
party to the Credit Agreement
referred to below
One First National Plaza
Chicago, Illinois 60670

Attention: Mr. Thomas Both

Ladies and Gentlemen:

The undersigned, Howmet Corporation (the "Borrower"), refers to the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, various Banks from time to time party thereto, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and you, as Administrative Agent for such Banks, and hereby gives you notice, irrevocably, pursuant to Section 1.03(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 1.03(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____ 1/

(ii) The aggregate principal amount of the Proposed Borrowing is \$ _____

(iii) The Proposed Borrowing is to consist of [Term Loans]
[Revolving Loans] [Swingline Loans].

1/ Shall be a Business Day at least one Business Day in the case of Base Rate Loans and three Business Days in the case of Eurodollar Loans, in each case, after the date hereof.

(iv) The Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Base Rate Loans] [Eurodollar Loans].

(v) The initial Interest Period for the Proposed Borrowing is _____ month(s).2/

The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Documents are and will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); and

(B) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,

HOWMET CORPORATION

By _____
Name:
Title:

2/ To be included for a Proposed Borrowing of Eurodollar Loans.

TERM NOTE

\$ _____

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to _____ or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of _____ DOLLARS (\$) or, if

less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

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EXHIBIT B-1
Page 2

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By _____
Title:

245

EXHIBIT B-2

REVOLVING NOTE

\$ _____

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to _____ or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of _____ DOLLARS (\$) or, if less, the then unpaid principal amount of all Revolving Loans (as defined in the

Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Revolving Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

246

EXHIBIT B-2
Page 2

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By _____
Title:

247

EXHIBIT B-3

SWINGLINE NOTE

\$10,000,000

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to THE FIRST NATIONAL BANK OF CHICAGO or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Swingline Expiry Date (as defined in the Agreement referred to below) the principal sum of TEN MILLION DOLLARS (\$10,000,000) or, if less, the then unpaid principal amount of all Swingline Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is the Swingline Note referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As

provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Swingline Expiry Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

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EXHIBIT B-3
Page 2

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By _____
Title:

249

EXHIBIT C

LETTER OF CREDIT REQUEST

No. (1) Dated (2)

The First National Bank of Chicago, as Administrative Agent under the Credit Agreement (as amended, modified or supplemented from time to time, the "Credit Agreement"), dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, the Banks from time to time party thereto, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent, and The First National Bank of Chicago, as Administrative Agent

One First National Plaza
Chicago, Illinois 60670
Attention: _____

[Name and Address of applicable Issuing Bank]

Attention: _____

Dear Sirs:

We hereby request that [name of proposed Issuing Bank], in its individual capacity, issue a [Standby] [Trade] Letter of Credit for the account of the undersigned on

- (1) Letter of Credit Request Number.
- (2) Date of Letter of Credit Request.

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EXHIBIT C
Page 2

(3) (the "Date of Issuance") in the aggregate stated amount of (4). The requested Letter of Credit shall be denominated in (5).

For purposes of this Letter of Credit Request, unless otherwise defined herein, all capitalized terms used herein which are defined in the Credit Agreement shall have the respective meaning provided therein.

The beneficiary of the requested Letter of Credit will be (6), and such Letter of Credit will be in support of (7) and will have a stated expiration date of (8).

We hereby certify that:

(1) the representations and warranties contained in the Credit Documents will be true and correct in all material respects on the Date of Issuance, both before and after giving effect to the issuance of the Letter of Credit requested hereby (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); and

- (3) Date of Issuance which shall be at least five Business Days after the date of this Letter of Credit Request (or such shorter period as is acceptable to the respective Issuing Bank).
- (4) Aggregate initial stated amount of Letter of Credit.
- (5) Specify Dollars or such other currency which is acceptable to the Issuing Bank.
- (6) Insert name and address of beneficiary.
- (7) Insert description of LIC Supportable Indebtedness and describe obligation to which it relates in the case of Standby Letters of Credit and a description of the commercial transaction which is being supported in the case of Trade Letters of Credit.
- (8) Insert last date upon which drafts may be presented which may not be later than (i) in the case of Trade Letters of Credit, the earlier of (x) the date which occurs 12 months after the Date of Issuance or (y) the Maturity Date or (ii) in the case of Standby Letters of Credit, the earlier of (x) the date which occurs 12 months after the Date of Issuance, or, if any such Standby Letter of Credit is extended for successive periods of up to 12 months, a date not beyond the tenth Business Day prior to the Maturity Date or (y) the Maturity Date.

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EXHIBIT C
Page 3

(2) no Default or Event of Default has occurred and is continuing nor, after giving effect to the issuance of the Letter of Credit requested hereby, would such a Default or an Event of Default occur.

Copies of all relevant documentation with respect to the supported transaction are attached hereto.

HOWMET CORPORATION

By _____
Title:

252

EXHIBIT D

Section 4.04(b)(ii) Certificate

Reference is hereby made to the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, the Banks party thereto from time to time, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent, and The First National Bank of Chicago, as Administrative Agent (the "Credit Agreement"). Pursuant to the provisions of Section 4.04(b)(ii) of the Credit Agreement, the undersigned hereby certifies that it is not a "bank" as such term is used in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended.

[NAME OF BANK]

[LETTERHEAD] LATHAM & WATKINS

December 5, 1996

TO THE FINANCIAL INSTITUTIONS LISTED ON ATTACHMENT A HERETO

Re: Credit Agreement dated as of December 13, 1995 and amended and restated as of December 5, 1996 among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, the various Banks party thereto from time to time, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent

Ladies and Gentlemen:

We have acted as special counsel to Blade Acquisition Corp., a Delaware corporation ("Holdings"), Howmet Holdings Corporation (f/k/a Pechiney Corporation), a Delaware corporation ("Parent"), Howmet Corporation, a Delaware corporation (the "Borrower"), and the Howmet Subsidiaries (as defined herein) (collectively with Holdings, Parent and the Borrower, the "Howmet Entities") in connection with that certain Credit Agreement dated as of December 13, 1995 and amended and restated as of December 5, 1996 (the "Credit Agreement") among Holdings, Parent, the Borrower, the various banks from time to time party thereto (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent. Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent.

This opinion is rendered to you pursuant to Section 5.03(i) of the Credit Agreement. Capitalized terms defined in the Credit Agreement, used herein and not otherwise defined herein, shall have the meanings given them in the Credit Agreement. In addition, the term "Howmet Subsidiaries" shall mean those Subsidiaries of the Borrower which are listed on Schedule 1 to this opinion. As used in this opinion, the "NYUCC" shall mean the Uniform Commercial Code as now in effect in the State

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LATHAM & WATKINS

TO THE FINANCIAL INSTITUTIONS
LISTED ON ATTACHMENT A HERETO
December 5, 1996
Page 2

of New York and the "California UCC" shall mean the Uniform Commercial Code as now in effect in the State of California.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of rendering the opinions expressed below, except where a statement is qualified as to knowledge or awareness, in which case we have made no or limited inquiry as specified below. We have examined, among other things, the following:

- (a) the Credit Agreement;
- (b) the Term Notes;
- (c) the Revolving Notes;
- (d) the Swingline Note;
- (e) the Subsidiaries Guaranty;
- (f) the Pledge Agreement;
- (g) the Security Agreement;
- (h) a photocopy of the UCC-1 financing statements naming each Credit Party listed on Schedule 2 to this opinion ("Schedule 2") as debtor and the Collateral Agent as secured party, together with all schedules

and exhibits to such financing statements, to be filed in the offices listed on Schedule 2 (collectively, the "Financing Statements");

- (i) the amended Mortgages;
- (j) the Senior Subordinated Note Documents;
- (k) the certificate of incorporation and by-laws of each of the Howmet Entities (collectively, the "Governing Documents");
- (l) the Receivables Documents;
- (m) resolutions of each of the Howmet Entities regarding the transactions contemplated by the Operative Documents (as defined below); and

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TO THE FINANCIAL INSTITUTIONS
LISTED ON ATTACHMENT A HERETO
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Page 3

- (n) such other originals or copies of such records, documents or other instruments as in our judgment are necessary or appropriate to enable us to render the opinions expressed below.

The documents described in subsections (a)-(g) above are referred to herein collectively as the "Operative Documents." The documents described in subsections (a)-(i) are referred to herein collectively as the "Loan Documents."

We have been furnished with, and with your consent have relied upon certificates of officers of the Borrower with respect to certain factual matters. In addition, we have obtained and relied upon such certificates and assurances from public officials as we have deemed necessary.

We are opining herein as to the effect on the subject transactions only of the federal laws of the United States, the internal laws of the States of New York and the General Corporation Law of the State of Delaware, and with respect to our opinions in paragraphs 9 and 10, the laws of the State of California, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as to any matters of municipal law or laws of any local agencies within any state.

Our opinions set forth in paragraph 4 below are based upon our consideration of only those statutes, rules and regulations that, in our experience, are normally applicable to borrowers and guarantors in secured loan transactions. Whenever a statement herein is qualified by "to the best of our knowledge" or a similar phrase, it is intended to indicate that those attorneys in this firm who have rendered legal services in connection with the Loan Documents do not have current actual knowledge of the inaccuracy of such statement. However, except as otherwise expressly indicated, we have not undertaken any independent investigation to determine the accuracy of any such statement, and no inference that we have any knowledge of any matters pertaining to such statement should be drawn from our representation of any of the Howmet Entities.

Subject to the foregoing and other matters set forth herein, and in reliance thereon, it is our opinion that, as of the date hereof:

1. Holdings has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware with corporate power and authority to enter into the Loan Documents to which it is a party and perform its obligations thereunder.

2. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary corporate action of Holdings and the Loan Documents have been duly executed and delivered by Holdings.

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LATHAM & WATKINS

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LISTED ON ATTACHMENT A HERETO
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Page 4

3. Each of the Operative Documents to which any of the Howmet Entities is a party constitutes a legally valid and binding obligation of such party, enforceable against such party in accordance with its terms.

4. The execution and delivery of the Loan Documents by each of the Howmet Entities and the borrowing of the loans and the granting of liens pursuant to the Loan Documents by each of the Howmet Entities do not: (a) violate any federal or New York statute, rule or regulation applicable to any of the Howmet Entities, (including, without limitation, Regulations G, T, U or X of the Board of Governors of the Federal Reserve System), (b) result in the breach of or default under the Receivables Documents or the Senior Subordinated Note Documents, and (c) to the best of our knowledge, require any consents, approvals, authorizations, registrations, declarations or filings by any of the Howmet Entities under any federal or New York statute, rule or regulation applicable to any such party except the filing or recordation of the Financing Statements and other documents necessary to perfect the security interest of the Collateral Agent in the Collateral. The execution and delivery of the Loan Documents by Holdings and the borrowings of the loans and the granting of liens pursuant to the Loan Documents by Holdings will not violate the provisions of the Governing Documents. No opinion is expressed in clauses (a) and (c) of this paragraph 4 as to the application of Section 548 of the federal Bankruptcy Code and comparable provisions of state law or of any antifraud laws.

5. None of the Howmet Entities is an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

6. None of the Howmet Entities is a "holding company" or a "subsidiary company" or an "affiliate" of a "holding company" or of a "Subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7. Assuming that all Indebtedness incurred by the Borrower under the Credit Agreement is incurred as described in Section 5.15 of the Credit Agreement, such Indebtedness shall constitute "Senior Indebtedness" for purposes of the Senior Subordinated Note Indenture.

8. The provisions of the Security Agreement in effect prior to the Restatement Effective Date created a valid security interest in favor of the Collateral Agent for the benefit of the Secured Creditors (as defined in the Security Agreement) in that portion of the collateral described in the Security Agreement that is subject to Article 9 of the NYUCC (the "Collateral") as security for the payment, to the extent set forth therein, of all obligations of the Company to the Banks under the Operative Documents and the amendment and restatement of each of the Credit Agreement and the Security Agreement will not impair the validity of such security interests.

9. The Financing Statements are in appropriate form for filing in the offices listed on Schedule 2 to this opinion. Upon the proper filing of the Financing Statements in such offices, the security interest in favor of the Collateral Agent for the benefit of the Secured Creditors (as defined in the Security Agreement) in the Collateral described in the Financing Statements will be perfected to the

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extent a security interest in such Collateral can be perfected by filing a financing statement under the provisions of the NYUCC and the California UCC.

10. Assuming that the security interests in the Collateral were duly and validly perfected immediately prior to the Restatement Effective Date, no additional filings in the state of California are required to perfect such security interests under the California UCC as a result of the amendment and restatement of each of the Credit Agreement and the Security Agreement.

The opinions expressed in paragraph 3 do not include any opinions with respect to the perfection or priority of any security interest or lien. The opinions expressed in paragraph 3 and our opinions expressed in paragraphs 8, 9 and 10 as to the creation, validity and perfection of the security interests and liens referred to therein are further subject to the following limitations, qualifications and exceptions:

(a) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect

relating to or affecting the rights or remedies of creditors;

(b) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought;

(c) the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and

(d) the unenforceability of any provision requiring the payment of attorney's fees, except to the extent that a court determines such fees to be reasonable.

Our opinions in paragraphs 8, 9 and 10 are also subject to the following assumptions, exceptions, limitations and qualifications:

(i) we express no opinion as to the priority of any security interest or lien;

(ii) we express no opinion as to the creation, validity or perfection of any security interest that is not governed by, or that is excluded from coverage by, Article 9 of the NYUCC or the California UCC;

(iii) we have assumed that the applicable Howmet Entity has "rights" in the Collateral and that "value" has been given as contemplated by Section 9-203 of the NYUCC or Section 9203 of the California UCC;

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LATHAM & WATKINS

TO THE FINANCIAL INSTITUTIONS
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(iv) we have assumed that none of the Collateral consists of consumer goods, crops growing or to be grown, timber to be cut, minerals or the like (including oil and gas) or accounts resulting from the sale of minerals or the like at the wellhead or the minehead, beneficial interests in a decedent's estate, items which are subject to a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in the NYUCC or the California UCC for filing of the security interest, or any other items excluded from the coverage of Section 9-104 of the NYUCC or Section 9104 of the California UCC;

(v) we call your attention to the fact that the perfection of a security interest in "proceeds" (as defined in the NYUCC and California UCC) of collateral is governed and restricted by Section 9-306 of the NYUCC and Section 9306 of the California UCC;

(vi) we note that the law is not well developed with respect to the specificity of description necessary to create a valid security interest in personal property. To ensure that a sufficient description has been provided, the personal property intended to be subject to the security interest should be identified by serial, account or other identification numbers or by some other method of specific identification. However, the more general description of the personal property used in the Security Agreement and in the Financing Statements to be filed in connection therewith is consistent with that commonly used by major lenders in New York and, although the matter is not free from doubt, in our opinion should be held by courts in New York to be sufficient to create a security interest in the personal property described therein; however, we express no opinion as to whether the phrase "all personal property" or similarly general phrases would be held to describe any particular item or items of collateral;

(vii) we call to your attention the fact that under the NYUCC and the California UCC, with certain limited exceptions, the effectiveness of the Financing Statements will lapse five (5) years after the date of filing thereof and your security interest will become unperfected, unless a continuation statement is filed within six (6) months prior to the end of such five-year period. We also call to your attention the fact that perfection of security interests under the NYUCC or the California UCC in any of the Collateral will be terminated as to any Collateral acquired by the applicable Howmet Entity more than four (4) months after the applicable Howmet Entity changes its name, identity, address or corporate structure to such an extent as to make the Financing Statements seriously misleading, unless a new appropriate financing statement or an appropriate amendment to each of the Financing

Statements indicating the new name, identity or corporate structure of the applicable Howmet Entity, is properly filed before the expiration of four (4) months after such change; and

(viii) we call to your attention the fact that the security interests in the Collateral owned by Howmet Refurbishment, Inc., a Delaware corporation ("Howmet Refurbishment") were not duly perfected prior to the Restatement Effective Date and therefore, our opinion in paragraph 10 does not apply to any security interests in the Collateral owned by Howmet Refurbishment.

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LATHAM & WATKINS

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To the extent that the obligations of any of the Howmet Entities may be dependent upon such matters, we have also assumed for purposes of this opinion: all parties to the Loan Documents other than Holdings are duly incorporated, validly existing and in good standing under the laws of their respective jurisdictions of incorporation; all parties to the Loan Documents other than Holdings have the requisite corporate power and authority to execute and deliver the Loan Documents and to perform their respective obligations under the Loan Documents to which they are a party; the Loan Documents to which such parties other than Holdings are a party have been duly authorized, executed and delivered by such parties; and the Loan Documents constitute the legally valid and binding obligations of all parties to the Loan Documents other than the Howmet Entities, enforceable against each such party in accordance with their terms. We express no opinion as to compliance by any parties to the Loan Documents with any state or federal laws or regulations applicable to the subject transactions because of the nature of their business.

This opinion is rendered only to you and is solely for your benefit in connection with the transactions covered hereby. This opinion may not be relied upon by you for any other purpose, or furnished to, quoted to or relied upon by any other person or entity for any purpose, without our prior written consent. At your request, we hereby consent to reliance hereon by any future participants or assigns of all or any part of your interests in the Credit Agreement that are Eligible Transferees as expressly permitted by Section 13.04 of the Credit Agreement; provided that this opinion speaks only as of the date hereof and to its addressees and that we have no responsibility or obligation to update this opinion, to consider its applicability or correctness to other than its addressees, or to take into account changes in law, facts or any other development of which we may later become aware.

Very truly yours,

/s/ LATHAM & WATKINS

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LATHAM & WATKINS

Attachment A

Bankers Trust Company
130 Liberty Street
New York, New York 10006

The First National Bank of Chicago
One First National Plaza, Suite 0362
Chicago, IL 60670

Citicorp USA, Inc.
399 Park Avenue, 6th Floor
New York, New York 10043

Credit Lyonnais New York Branch
1301 Avenue of the Americas
New York, New York 10019

Fleet National Bank

One Federal Street, MSN-MA-OF-0308
Boston, MA 02211

Bank of America, Illinois
555 South Flower Street, 11th Floor
Suite 5618
Los Angeles, California 90071

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006

The Bank of New York
One Wall Street, 22nd Floor
New York, New York 10286

The Fuji Bank Limited, Los Angeles Agency
333 South Hope Street, Suite 3900
Los Angeles, CA 90071

The Sakura Bank, Limited, Los Angeles Agency
515 South Figueroa Street, Suite 400
Los Angeles, CA 90071

Mellon Bank, N.A.
300 South Grand Avenue, Suite 3800
Los Angeles, CA 90071

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Banque Nationale de Paris
180 Montgomery Street
San Francisco, CA 94104

Credit Suisse
633 West 5th Street - 64th Floor
Los Angeles, CA 90071

ABN Amro Bank N.V.
101 California Street, Suite 4550
San Francisco, CA 94111

Bank of Montreal
430 Park Avenue, 14th Floor
New York, New York 10022

Dresdner Bank AG, New York Branch
and Grand Cayman Branch
75 Wall Street, 29th Floor
New York, New York 10005

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Schedule 1

HOWMET SUBSIDIARIES

Howmet Management Services, Inc.

Howmet-Tempcraft, Inc.

Howmet Transport Services, Inc.

Howmet Sales, Inc.

Howmet Refurbishment Inc.

Turbine Components Corporation

Howmet Cercast (USA), Inc.

Howmet Thermatech Canada, Inc.

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Schedule 2

Debtor -----	State -----	Office -----
Howmet Corporation	NY	Secretary of State
Howmet Corporation	NY	Nassau County
Howmet Refurbishment, Inc.	NY	Secretary of State
Howmet Refurbishment, Inc.	NY	Rockland County
Howmet Refurbishment, Inc.	CA	Secretary of State

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EXHIBIT E-2

[LOGO] HOWMET CORPORATION

475 Steamboat Road
Greenwich, CT 06836-1960
Tel. 203/661-4600

ROLAND A. PAUL
Vice President and
General Counsel

December 5, 1996

TO THE FINANCIAL INSTITUTIONS LISTED ON ATTACHMENT A HERETO

Re: Amended and Restated Credit Agreement dated as of December 5, 1996 among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, the Banks party thereto from time to time, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent

Ladies and Gentlemen:

I am furnishing this opinion to you in my capacity as General Counsel for Howmet Holdings Corporation ("Parent"), Howmet Corporation (the "Company") and the Howmet Subsidiaries (as defined herein) (collectively with the Parent and the Company, the "Howmet Entities") in connection with that certain Amended and Restated Credit Agreement dated as of December 5, 1996 (the "Amended Credit Agreement") among Blade Acquisition

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Corp., Howmet Holdings Corporation, and Howmet Corporation, various banks from time to time party thereto (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (the "Administrative Agent").

This opinion is rendered to you pursuant to Section 5.03 of the Credit Agreement. Capitalized terms defined in the Credit Agreement, used herein and not otherwise defined herein, shall have the meanings given them in the Credit Agreement. In addition, the term "Howmet Subsidiaries" shall mean those Subsidiaries of the Company which are listed on Schedule 1 to this opinion.

As such counsel, I have examined such matters of fact and questions of law as I have considered appropriate for purposes of rendering the opinions expressed below, except where a statement is qualified as to knowledge or awareness, in which case I have made no or limited inquiry as specified below. I have examined, among other things, the following:

(a) the Amended Credit Agreement;

(b) the Term Note;

(c) the Revolving Note;

(d) the Swingline Note;

(e) the Subsidiary Guaranty;

(f) the Pledge Agreement;

(g) the Security Agreement;

(h) the Mortgage Amendments

(i) the Certificate of Incorporation and Bylaws of each of the Howmet Entities (the "Governing Documents");

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(j) resolutions regarding the above-referenced transactions of each of the Howmet Entities; and

(k) such other originals or copies of such records, documents or other instruments as in my judgment are necessary or appropriate to enable me to render the opinions expressed below.

The documents described in subsections (a)-(k) above are referred to herein collectively as the "Loan Documents."

I have obtained and relied upon such certificates and assurances from public officials and corporate officers as I have deemed necessary.

I am opining herein as to the effect on the subject transactions only of the federal laws of the United States, the internal laws of the States of New York and Connecticut, and the General Corporation Law of the State of Delaware, and I express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as to any matters of municipal law or laws of any other local agencies within any state.

My opinions set forth in paragraph 3 below are based upon my consideration of only those statutes, rules and regulations which, in my experience, are normally applicable to borrowers and guarantors in secured loan transactions. Whenever a statement herein is qualified by "to the best of my knowledge" or a similar phrase, it is intended to indicate that I have no current actual knowledge of the inaccuracy of such statement. However, except as otherwise expressly indicated, I have not undertaken any independent investigation to determine the accuracy of any such statement, and no inference that I have any

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knowledge of any matters pertaining to such statement should be drawn from my representation of the Howmet Entities.

Subject to the foregoing and other matters set forth herein, and in reliance thereon, it is my opinion that, as of the date hereof:

1. Each of the Parent, the Company and the Howmet Subsidiaries has been duly incorporated and is validly existing and in good standing under the laws of its state of incorporation with corporate power and authority to enter into the Loan Documents to which it is a party and perform its obligations thereunder. Based solely on certificates from public officials, I confirm that the Parent, the Company and the Howmet Subsidiaries are qualified to do business in the states identified on Schedule 2 to this opinion.

2. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary corporate action of each of the Parent, the Company and the Howmet Subsidiaries, and the Loan Documents have been duly executed and delivered by each of the Parent, the Company and the Howmet Subsidiaries.

3. The execution and delivery of the Loan Documents by each of the Parent, the Company and the Howmet Subsidiaries, the borrowing of the loans and the granting of liens pursuant to the Loan Documents by the Parent, the Company and the Howmet Subsidiaries do not: (a) violate the provisions of any of the Governing Documents or (b) result in the breach of or a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the material properties or assets or any of the Howmet Entities pursuant to the terms of, any of the indentures, notes, loan agreements or other agreements relating to the incurrence of Indebtedness for borrowed money by

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the Howmet Entities, or any other material agreements or instruments to which one or more of the Howmet Entities are parties (the "Material Agreements"); or (d) to my knowledge, conflict with or result in any breach of any applicable writ, injunction or decree of any court or governmental body.

4. On the date hereof and after giving effect to the Transaction, the authorized common stock of the Parent shall consist of 1,000 shares, of which 10 shares are issued and outstanding and have been delivered to the Collateral Agent pursuant to the Pledge Agreement. All such outstanding shares have been duly and validly issued, are fully paid and nonassessable and have been issued free of preemptive rights. To the best of my knowledge, the Parent does not have outstanding any securities convertible into or exchangeable for its capital stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

5. On the date hereof and after giving effect to the Transaction, the authorized common stock of the Company shall consist of 1,000 shares, of which 10 shares are issued and outstanding and have been delivered to the Collateral Agent pursuant to the Pledge Agreement. All such outstanding shares have been duly and validly issued, are fully paid and nonassessable and have been issued free of preemptive rights. To the best of my knowledge, the Company does not have outstanding any securities convertible into or exchangeable for its capital stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

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6. Annex A to the Pledge Agreement sets forth the number of shares of each Howmet Subsidiary that are issued and held by the respective shareholders indicated on that annex. Such shares have been duly and validly issued, are fully paid and nonassessable and, to the best of my knowledge, have been issued free of preemptive rights. Such shares, to the extent required by the Credit Agreement, have been delivered to the Collateral Agent pursuant to the Pledge Agreement, except that 1,623,947 shares of the stock of Howmet, S.A. are in the process of being delivered to the Collateral Agent.

7. To my knowledge, there are no actions, suits or proceedings pending against any of the Howmet Entities which could reasonably be expected to have a material adverse effect on the business, operations (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole.

Without limiting the generality of the foregoing, the opinions expressed above are subject to the following limitations, exceptions and assumptions:

In rendering the opinions expressed in paragraph 3 insofar as they require interpretation of the Material Agreements (i) I have assumed with your permission that all courts of competent jurisdiction would enforce such agreements as written but would apply the internal laws of the State of New York without giving effect to any choice of law provisions contained therein or any choice of law principles which would result in application of the internal laws of any other state, and (ii) to the extent that any questions of legality or legal construction have arisen in connection with my review, I have applied the laws of the State of New York in resolving such questions and (iii) I express no opinion with respect to the effect of any action or inaction by any of the Parent, the Company or the Howmet Subsidiaries under the Loan Documents or the Material Agreements which may result in a breach or default under any Material

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Agreement. I advise you that certain of the Material Agreements may be governed by other laws, that such laws may vary substantially from the law assumed to govern for purposes of this opinion, and that this opinion may not be relied upon as to whether or not a breach or default would occur under the law actually governing such Material Agreements.

To the extent that the obligations of the Parent, the Company and the Howmet Subsidiaries, as applicable, may be dependent upon such matters, I assume for purposes of this opinion that: all parties to the Loan Documents other than the Howmet Entities are duly incorporated, validly existing and in good standing under the laws of their respective jurisdictions of incorporation; all parties to the Loan Documents other than the Parent, the Company and the Howmet Entities have the requisite corporate power and authority to execute and deliver the Loan Documents and to perform their respective obligations under the Loan Documents to which they are a party; and the Loan Documents to which such parties other than the Howmet Entities are a party have been duly authorized, executed and delivered by such parties and constitute their legally valid and binding obligations, enforceable against them in accordance with their terms. I express no opinion as to compliance by any parties to the Loan Documents with any state or federal laws or regulations applicable to the subject transactions because of the nature of their business.

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This opinion is rendered only to you and is solely for your benefit in connection with the transactions covered hereby. This opinion may not be relied upon by you for any other purpose, or furnished to, quoted to or relied upon by any other person, firm or corporation for any purpose, without my prior written consent.

Very truly yours,

/s/ Roland Paul

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Schedule 1

Howmet Subsidiaries

Name -----	Jurisdiction of Incorporation -----
Howmet Management Services Inc.	Delaware
Howmet-Tempcraft Inc.	Ohio
Howmet Transport Services Inc.	Delaware
Howmet Sales, Inc.	Delaware
Howmet Refurbishment Inc.	Delaware
Turbine Components Corporation	Connecticut
Howmet Cercast (USA), Inc.	Delaware
Howmet Thermatech Canada, Inc.	Delaware

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Schedule 2

STATE QUALIFICATIONS

Company -----	State -----
Howmet Holdings Corporation	Delaware Connecticut Texas Oklahoma
Howmet Cercast (U.S.A.), Inc.	Delaware California Pennsylvania Texas
Howmet Corporation	Delaware Connecticut Indiana Michigan Nevada New Jersey Oklahoma Tennessee Texas Virginia
Howmet Insurance Company, Inc.	Vermont
Howmet Management Services, Inc.	Delaware
Howmet Refurbishment, Inc.	Delaware Oklahoma Texas Michigan Connecticut
Howmet Sales, Inc.	Delaware Connecticut Florida Ohio
Howmet-Tempcraft, Inc.	Ohio
Howmet Thermatech (Canada), Inc.	Delaware
Howmet Transport Services, Inc.	Delaware Connecticut Indiana New Jersey
Turbine Components Corporation	Connecticut

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Attachment A

Bankers Trust Company
130 Liberty Street
New York, New York 10006

The First National Bank of Chicago
One First National Plaza, Suite 0362
Chicago, IL 60670

Citicorp USA, Inc.
399 Park Avenue, 6th Floor
New York, New York 10043

Credit Lyonnais New York Branch
1301 Avenue of the Americas
New York, New York 10019

Fleet National Bank
One Federal Street, MSN-MA-OF-0308
Boston, MA 02211

Bank of America, Illinois
555 South Flower Street, 11th Floor
Suite 5618
Los Angeles, California 90071

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006

The Bank of New York
One Wall Street, 22nd Floor
New York, New York 10286

The Fuji Bank Limited, Los Angeles Agency
333 South Hope Street, Suite 3900
Los Angeles, CA 90071

The Sakura Bank, Limited, Los Angeles Agency
515 South Figueroa Street, Suite 400
Los Angeles, CA 90071

Mellon Bank, N.A.
300 South Grand Avenue, Suite 3800
Los Angeles, CA 90071

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Banque Nationale de Paris
180 Montgomery Street
San Francisco, CA 94104

Credit Suisse
633 West 5th Street - 64th Floor
Los Angeles, CA 90071

ABN Amro Bank N.V.
101 California Street, Suite 4550
San Francisco, CA 94111

Bank of Montreal
430 Park Avenue, 14th Floor
New York, New York 10022

Dresdner Bank AG, New York Branch
and Grand Cayman Branch
75 Wall Street, 29th Floor
New York, New York 10005

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EXHIBIT F

AMENDED AND RESTATED SUBSIDIARIES GUARANTY

GUARANTY, dated as of December 13, 1995 as amended and restated as of December 5, 1996 (as amended, modified or supplemented from time to time, this "Guaranty"), made by each of the undersigned (each, a "Guarantor" and, together with any other entity that becomes a party hereto pursuant to Section 24 hereof, the "Guarantors"), to THE FIRST NATIONAL BANK OF CHICAGO, as Collateral Agent, for the benefit of the Creditors (as defined below). Except as otherwise defined

herein, terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Blade Acquisition Corp. ("Holdings"), Howmet Holdings Corporation (f/k/a Pechiney Corporation) ("Parent"), Howmet Corporation (the "Borrower"), various lenders party thereto from time to time (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent"), have entered into a Credit Agreement, dated as of December 13, 1995 and amended and restated as of the date hereof (as amended, modified or supplemented from time to time, the "Credit Agreement"), providing for the making of Loans to the Borrower and the issuance of, and participation in, Letters of Credit for the account of the Borrower, all as contemplated therein (the Banks, the Managing Agents, the Syndication Agent, the Documentation Agent and the Administrative Agent are herein called the "Bank Creditors");

WHEREAS, the Borrower may at any time and from time to time enter into one or more Interest Rate Protection Agreements or Other Hedging Agreements with one or more Banks or any affiliate thereof (each such Bank or affiliate, even if the respective Bank subsequently ceases to be a Bank under the Credit Agreement for any reason, together with such Bank's or affiliate's successors and assigns, if any, collectively, the "Other Creditors," and together with the Bank Creditors, the "Creditors");

WHEREAS, each Guarantor is a Subsidiary of the Borrower;

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WHEREAS, the Guarantors have heretofore entered into a Subsidiaries Guaranty, dated as of December 13, 1995 (as amended, modified or supplemented prior to the date hereof, the "Original Guaranty");

WHEREAS, it is a condition to the making of Loans and issuing of Letters of Credit under the Credit Agreement that each Guarantor shall have executed and delivered this Guaranty; and

WHEREAS, each Guarantor will obtain benefits from the incurrence of Loans by the Borrower and the issuance of Letters of Credit pursuant to the Credit Agreement and the entering into of Interest Rate Protection Agreements or Other Hedging Agreements and, accordingly, desires to execute this Guaranty in order to (i) satisfy the conditions described in the preceding paragraph, (ii) induce (x) the Banks to make Loans and issue Letters of Credit to the Borrower and (y) the Other Creditors to enter into Interest Rate Protection Agreements or Other Hedging Agreements with the Borrower and (iii) amend and restate the Original Guaranty;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Guarantor, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby makes the following representations and warranties to the Creditors and hereby covenants and agrees with each Creditor as follows:

1. Each Guarantor, jointly and severally, irrevocably and unconditionally guarantees: (i) to the Bank Creditors the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of (x) the principal of and interest on the Notes issued by, and the Loans made to, the Borrower under the Credit Agreement and all reimbursement obligations and Unpaid Drawings with respect to Letters of Credit and (y) all other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities owing by the Borrower to the Bank Creditors under the Credit Agreement (including, without limitation, indemnities, Fees and interest thereon) and the other Credit Documents to which the Borrower is a party, whether now existing or hereafter incurred under, arising out of or in connection with the Credit Agreement or any such other Credit Document and the due performance and compliance with the terms of the Credit Documents by the Borrower (all such principal, interest, liabilities and obligations under this clause (i), except to the extent consisting of obligations or liabilities with respect to Interest Rate Protection Agreements or Other Hedging Agreements, being herein collectively called the "Credit Document Obligations"); and (ii) to each Other Creditor the full and prompt payment when due (whether at the stated maturity, by

acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities owing by the Borrower to one or more Other Creditors under any Interest

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Rate Protection Agreements or Other Hedging Agreements, whether now in existence or hereafter arising, and the due performance and compliance by the Borrower with all terms, conditions and agreements contained therein (all such obligations and liabilities being herein collectively called the "Other Obligations", and together with the Credit Document Obligations are herein collectively called the "Guaranteed Obligations"), provided that the maximum amount payable by each Guarantor hereunder shall at no time exceed the Maximum Amount (as hereinafter defined) of such Guarantor. As used herein, "Maximum Amount" of any Guarantor means an amount equal to 95% of the amount by which (i) the present fair saleable value of such Guarantor's assets exceeds (ii) the total liabilities of such Guarantor (including the maximum amount reasonably expected to come due in respect of contingent liabilities, other than contingent liabilities of such Guarantor hereunder). Subject to the proviso in the second preceding sentence, each Guarantor understands, agrees and confirms that this Guaranty is a guarantee of payment and not of collection, and that the Creditors may enforce this Guaranty up to the full amount of the Guaranteed Obligations against such Guarantor without proceeding against any other Guarantor, the Borrower, against any security for the Guaranteed Obligations, or under any other guaranty covering all or a portion of the Guaranteed Obligations.

2. Additionally, but subject to the proviso to the first sentence of Section 1 hereof, each Guarantor, jointly and severally, unconditionally and irrevocably, guarantees the payment of any and all Guaranteed Obligations of the Borrower to the Creditors whether or not due or payable by the Borrower upon the occurrence in respect of the Borrower of any of the events specified in Section 10.05 of the Credit Agreement, and unconditionally and irrevocably, jointly and severally, promises to pay such Guaranteed Obligations to the Creditors, or order, on demand, in lawful money of the United States.

3. The liability of each Guarantor hereunder is exclusive and independent of any security for or other guaranty of the Guaranteed Obligations of the Borrower whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, (1) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Guaranteed Obligations of the Borrower, (c) any payment on or in reduction of any such other guaranty or undertaking, (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, (e) any payment made to any Creditor on the Guaranteed Obligations which any Creditor repays the Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, (f) any action or inaction by the Creditors as contemplated in Section 6 hereof, or (g) any invalidity, irregularity or unenforceability of all or part of the Guaranteed Obligations or of any security therefor.

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4. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or the Borrower and whether or not any other Guarantor, any other guarantor of the Borrower or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to each Guarantor.

5. Each Guarantor hereby waives (to the fullest extent permitted by applicable law) notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Administrative Agent or any

other Creditor against, and any other notice to, any party liable thereon (including such Guarantor or any other guarantor or the Borrower).

6. Any Creditor may (except as shall be required by applicable statute and cannot be waived) at any time and from time to time without the consent of, or notice to, any Guarantor, without incurring responsibility to such Guarantor, without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the Guaranteed Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) exercise or refrain from exercising any rights against the Borrower or others or otherwise act or refrain from acting;

(d) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or

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any part thereof to the payment of any liability (whether due or not) of the Borrower to creditors of the Borrower;

(e) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Creditors regardless of what liabilities of the Borrower remain unpaid;

(f) consent to or waive any breach of, or any act, omission or default under, any of the Interest Rate Protection Agreements or Other Hedging Agreements, the Credit Documents or any of the instruments or agreements referred to therein, or otherwise amend, modify or supplement any of the Interest Rate Protection Agreements or Other Hedging Agreements, the Credit Documents or any of such other instruments or agreements;

(g) act or fail to act in any manner referred to in this Guaranty which may deprive such Guarantor of its right to subrogation against the Borrower to recover full indemnity for any payments made pursuant to this Guaranty; and/or

(h) release or substitute any one or more endorsers, guarantors, the Borrower or other obligors.

7. No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor shall affect, impair or be a defense to this Guaranty, and this Guaranty shall be primary, absolute and unconditional notwithstanding the occurrence of any event or the existence of any other circumstances which might constitute a legal or equitable discharge of a surety or guarantor except payment in full of the Guaranteed Obligations.

8. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which any Creditor would otherwise have. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Creditor to any other or further action in any circumstances without notice or demand. It is not necessary for any Creditor to inquire into the capacity or powers of the Borrower or any of its Subsidiaries or the officers, directors, partners or agents acting or purporting to act on its

behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

9. Any indebtedness of the Borrower now or hereafter held by any Guarantor is hereby subordinated to the indebtedness of the Borrower to the Creditors; and such indebtedness of the Borrower to any Guarantor, if the Administrative Agent, after an Event of Default has occurred and is continuing, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Creditors and be paid over to the Creditors on account of the indebtedness of the Borrower to the Creditors, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Guaranty. Prior to the transfer by any Guarantor of any note or negotiable instrument evidencing any indebtedness of the Borrower to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend that the same is subject to this subordination. Without limiting the generality of the foregoing, each Guarantor hereby agrees with the Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or otherwise) until all Guaranteed Obligations have been irrevocably paid in full in cash.

10. (a) Each Guarantor waives any right (except as shall be required by applicable statute or law and cannot be waived) to require the Creditors to: (i) proceed against the Borrower, any other Guarantor, any other guarantor of the Borrower or any other party; (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor, any other guarantor of the Borrower or any other party; or (iii) pursue any other remedy in the Creditors' power whatsoever. Each Guarantor waives (to the fullest extent permitted by applicable law) any defense based on or arising out of any defense of the Borrower, any other Guarantor, any other guarantor of the Borrower or any other party other than payment in full of the Guaranteed Obligations, including, without limitation, any defense based on or arising out of the disability of the Borrower, any other Guarantor, any other guarantor of the Borrower or any other party, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Guaranteed Obligations. The Creditors may, at their election, foreclose on any security held by the Administrative Agent, the Collateral Agent or the other Creditors by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Creditors may have against the Borrower or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full. Each Guarantor waives any defense arising out of any such election by the Creditors, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other party or any security.

(b) Each Guarantor waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Creditors shall have no duty to advise any Guarantor of information known to them regarding such circumstances or risks.

11. The Creditors agree that this Guaranty may be enforced only by the action of the Administrative Agent or the Collateral Agent, in each case acting upon the instructions of the Required Banks (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least a majority of they outstanding Other Obligations) and that no other Creditor shall have any right individually to seek to enforce or to enforce this Guaranty or to realize upon the security to be granted by the Security Documents, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent or the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the

benefit of the Creditors upon the terms of this Guaranty and the Security Documents. The Creditors further agree that this Guaranty may not be enforced against any director, officer, employee, or stockholder of any Guarantor (except to the extent such stockholder is also a Guarantor hereunder).

12. In order to induce the Banks to make Loans and issue Letters of Credit pursuant to the Credit Agreement, and in order to induce the Other Creditors to execute, deliver and perform the Interest Rate Protection Agreements or Other Hedging Agreements, each Guarantor represents, warrants and covenants that:

(a) Such Guarantor (i) is a duly organized and validly existing corporation in good standing under the laws of the jurisdiction of its incorporation, (ii) has the corporate power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualification except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Borrower, the Borrower and its Subsidiaries taken as a whole or Holdings and its Subsidiaries taken as a whole.

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(b) Such Guarantor has the corporate power and authority to execute, deliver and perform the terms and provisions of this Guaranty and each other Credit Document to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance by it of each such Credit Document. Such Guarantor has duly executed and delivered this Guaranty and each other Credit Document to which it is a party, and each such Credit Document constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms.

(c) Neither the execution, delivery or performance by such Guarantor of this Guaranty or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, (i) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents or the Receivables Documents) upon any of the property or assets of such Guarantor or any of its Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, credit agreement, or any other material agreement or other instrument to which such Guarantor or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the certificate of incorporation or by-laws (or equivalent organizational documents) of such Guarantor or any of its Subsidiaries.

(d) No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance of this Guaranty or any other Credit Document to which such Guarantor is a party or (ii) the legality, validity, binding effect or enforceability of this Guaranty or any other Credit Document to which such Guarantor is a party.

(e) There are no actions, suits or proceedings (private or governmental) pending or threatened (i) with respect to any Credit Documents to which such Guarantor is a party or (ii) with respect to such Guarantor that could reasonably be expected to materially and adversely affect (a) the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of Holdings, Parent, the Borrower, Howmet Cercast (U.S.A.), Howmet Cercast (Canada), the Intellectual Property Subsidiary or any such Person and its Subsidiaries taken as a

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whole or (b) the rights or remedies of the Creditors or on the ability of such Guarantor to perform its respective obligations to the Creditors hereunder and under the other Credit Documents to which it is a party.

13. Each Guarantor covenants and agrees that on and after the date hereof and until the termination of the Total Commitments and all Interest Rate Protection Agreements or Other Hedging Agreements and when no Note or Letter of Credit remains outstanding and all Guaranteed Obligations have been paid in full, such Guarantor shall take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Section 8 or 9 of the Credit Agreement, and so that no Default or Event of Default, is caused by the actions of such Guarantor or any of its Subsidiaries.

14. The Guarantors hereby jointly and severally agree to pay all reasonable out-of-pocket costs and expenses of each Creditor in connection with the enforcement of this Guaranty and any amendment, waiver or consent relating hereto (including, without limitation, the reasonable fees and disbursements of counsel (including in-house counsel) employed by any of the Creditors).

15. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except with the written consent of each Guarantor directly affected thereby and either (x) the Required Banks (or to the extent required by Section 13.12 of the Credit Agreement, with the written consent of each Bank) at all times prior to the time on which all Credit Document Obligations have been paid in full or (y) the holders of at least a majority of the outstanding Other Obligations at all times after the time on which all Credit Document Obligations have been paid in full; provided, that any change, waiver, modification or variance affecting the rights and benefits of a single Class (as defined below) of Creditors (and not all Creditors in a like or similar manner) shall require the written consent of the Requisite Creditors (as defined below) of such Class of Creditors (it being understood that the addition or release of any Guarantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Guarantor other than the Guarantor so added or released). For the purpose of this Guaranty the term "Class" shall mean each class of Creditors, i.e., whether (x) the Bank Creditors as holders of the Credit Document Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Guaranty, the term "Requisite Creditors" of any Class shall mean each of (x) with respect to the Credit Document Obligations, the Required Banks (or to the extent required by Section 13.12 of the Credit Agreement, each Bank) and (y) with respect to the Other Obligations, the holders of at least a majority of all obligations outstanding from time to time under the Interest Rate Protection Agreements or Other Hedging Agreements.

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16. Each Guarantor acknowledges that an executed (or conformed) copy of each of the Credit Documents and Interest Rate Protection Agreements or Other Hedging Agreements has been made available to its principal executive officers and such officers are familiar with the contents thereof.

17. In addition to any rights now or hereafter granted under applicable law (including, without limitation, Section 151 of the New York Debtor and Creditor Law) and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (such term to mean and include any "Event of Default" as defined in the Credit Agreement or any payment default under any Interest Rate Protection Agreement or Other Hedging Agreement continuing after any applicable grace period), each Creditor is hereby authorized at any time or from time to time, without notice to any Guarantor or to any other Person, any such notice being expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Creditor to or for the credit or the account of such Guarantor, against and on account of the obligations and liabilities of such Guarantor to such Creditor under this Guaranty, irrespective of whether or not such Creditor shall have made any demand hereunder and although said obligations, liabilities, deposits or claims, or any of them, shall be contingent or unmaturing. Each Creditor acknowledges and agrees that the provisions set forth in this Section 17 are subject to the sharing provisions set forth in Section 13.06 of the Credit Agreement.

18. All notices, requests, demands or other communications pursuant hereto shall be deemed to have been duly given or made when delivered to the

Person to which such notice, request, demand or other communication is required or permitted to be given or made under this Guaranty, addressed to such party at (i) in the case of any Bank Creditor, as provided in the Credit Agreement, (ii) in the case of any Guarantor, at its address set forth opposite its signature below and (iii) in the case of any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Guarantor; or in any case at such other address as any of the Persons listed above may hereafter notify the others in writing.

19. If claim is ever made upon any Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected in good faith by such payee with any such claimant (including the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so

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repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

20. (A) THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE CREDITORS AND OF THE UNDERSIGNED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. Any legal action or proceeding with respect to this Guaranty or any other Credit Document to which any Guarantor is a party may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Guaranty, each Guarantor hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Guarantor hereby irrevocably designates, appoints and empowers CT Corporation System, with offices on the date hereof at 1633 Broadway, New York, New York 10019 as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents which may be served in any such action or proceeding. If for any reason such designee, appointee and agent shall cease to be available to act as such, each Guarantor agrees to designate a new designee, appointee and agent in New York City on the terms and for the purposes of this provision satisfactory to the Administrative Agent. Each Guarantor further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Guarantor at its address set forth opposite its signature below, such service to become effective 30 days after such mailing. Nothing herein shall affect the right of any of the Creditors to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against each Guarantor in any other jurisdiction.

(B) Each Guarantor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty or any other Credit Document to which such Guarantor is a party brought in the courts referred to in clause (A) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that such action or proceeding brought in any such court has been brought in an inconvenient forum.

(C) EACH GUARANTOR AND EACH CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH GUARANTOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

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21. In the event that all of the capital stock of one or more Guarantors is sold or otherwise disposed of (except to Holdings or any of its Subsidiaries) or liquidated in compliance with the requirements of Section 9.02 of the Credit Agreement (or such sale or other disposition or liquidation has

been approved in writing by the Required Banks) and the proceeds of such sale, disposition or liquidation are applied in accordance with the provisions of the Credit Agreement, to the extent applicable, such Guarantor shall be released from this Guaranty and this Guaranty shall, as to each such Guarantor or Guarantors, terminate, and have no further force or effect (it being understood and agreed that the sale of one or more Persons that own, directly or indirectly, all of the capital stock or partnership interests of any Guarantor shall be deemed to be a sale of such Guarantor for the purposes of this Section 21).

22. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

23. All payments made by any Guarantor hereunder will be made without setoff, counterclaim or other defense, and on the same basis as payments are made by the Borrower under Sections 4.03 and 4.04 of the Credit Agreement.

24. It is understood and agreed that any Subsidiary of the Borrower that is required to execute a counterpart of this Guaranty after the date hereof pursuant to the Credit Agreement shall automatically become a Guarantor hereunder by executing a counterpart hereof and delivering the same to the Administrative Agent.

25. Upon the execution and delivery of this Guaranty by the parties hereto, the Original Guaranty shall be amended and restated in its entirety by this Agreement, effective as of the date hereof, with all rights, obligations and security interests created under or granted pursuant to the Original Guaranty continuing from the date thereof.

* * *

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IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

Address: HOWMET MANAGEMENT
SERVICES, INC., as a Guarantor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

Address: HOWMET THERMATECH CANADA,
INC., as a Guarantor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

Address: HOWMET-TEMPCRAFT, INC.,
as a Guarantor

475 Steamboat Road
Greenwich, CT
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

Address: HOWMET TRANSPORT SERVICES,
INC., as a Guarantor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

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Address: HOWMET SALES, INC.,
as a Guarantor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

Address:
475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET REFURBISHMENT, INC.,
as a Guarantor

By _____
Title:

Address:
475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

TURBINE COMPONENTS CORPORATION,
as a Guarantor

By _____
Title:

Address:
475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET CERCAST (USA), INC.,
as a Guarantor

By _____
Title:

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Accepted and Agreed to:

THE FIRST NATIONAL BANK OF
CHICAGO, as Administrative
Agent and Collateral Agent

By _____
Title:

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EXHIBIT G

AMENDED AND RESTATED PLEDGE AGREEMENT

PLEDGE AGREEMENT, dated as of December 13, 1995 and amended and restated as of December 5, 1996 (as amended, modified or supplemented from time to time, this "Agreement") made by each of the undersigned (each a "Pledgor" and, together with any other entity that becomes a party hereto pursuant to Section 23 hereof, the "Pledgors"), to THE FIRST NATIONAL BANK OF CHICAGO, as Collateral Agent (the "Pledgee"), for the benefit of the Secured Creditors (as defined below). Except as otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Blade Acquisition Corp., Howmet Holdings Corporation (f/k/a Pechiney Corporation), Howmet Corporation (the "Borrower"), various lenders from time to time party thereto (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents (the "Managing Agents"), Bankers Trust Company, as Syndication Agent (the "Syndication Agent"), Citicorp USA, Inc., as Documentation Agent (the "Documentation Agent"), and The First National Bank of Chicago, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent"), have entered into a Credit Agreement, dated as of December 13, 1995 and amended and restated as of the date hereof (as amended, modified or supplemented from time to time, the "Credit Agreement"), providing for the making of Loans and the issuance of, and participation in, Letters of Credit as contemplated therein (as used herein, the term "Credit Agreement" means the Credit Agreement described above in this paragraph, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and including any agreement extending the maturity of, or restructuring the Indebtedness under such agreement or any successor agreements) (the Banks, the Managing Agents, the Syndication Agent, the Documentation Agent, the Administrative Agent and the Pledgee are herein called the "Bank Creditors");

WHEREAS, the Borrower may at any time and from time to time enter into one or more Interest Rate Protection Agreements or Other Hedging Agreements with one or more Banks or any affiliate thereof (each such Bank or affiliate, even if the respective Bank subsequently ceases to be a Bank under the Credit Agreement for any reason, together with such Bank's or affiliate's successors and assigns, if any, collectively, the "Other Creditors," and together with the Bank Creditors, the "Secured Creditors");

WHEREAS, pursuant to the Parent Guaranty, each Parent Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all the Guaranteed Obligations as described therein;

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations as described therein;

WHEREAS, the Pledgors have heretofore entered into a Pledge Agreement, dated as of December 13, 1995 (as amended, modified or supplemented prior to the date hereof, the "Original Pledge Agreement");

WHEREAS, it is a condition to the making of Loans and the issuance of Letters of Credit under the Credit Agreement that each Pledgor shall have executed and delivered this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Loans and the issuance of Letters of Credit under the Credit Agreement and the entering into of Interest Rate Protection Agreements or Other Hedging Agreements and, accordingly, each Pledgor desires to enter into this Agreement in order to (I) satisfy the conditions described in the preceding paragraph and (ii) amend and restate the Original Pledge Agreement;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Creditors and hereby covenants and agrees with the Pledgee for the benefit of the Secured Creditors as follows:

1. SECURITY FOR OBLIGATIONS. This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure:

(i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations and liabilities (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) of such Pledgor to the Bank Creditors, whether now

existing or hereafter incurred under, arising out of, or in connection with the Credit Agreement and the other Credit Documents to which such Pledgor is a party (including without limitation (x) in the case of the Borrower, all such obligations and indebtedness of the Borrower under the Credit Agreement and (y) in the case of each other Pledgor, all such obligations and indebtedness under the Guaranty to which such Pledgor is a party) and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained in the Credit Agreement and such other Credit Documents (all such obligations and liabilities under this clause (i), except to the extent consisting of obligations or indebtedness with respect to Interest Rate Protection Agreements or Other Hedging Agreements, being herein collectively called the "Credit Document Obligations");

(ii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations and liabilities (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) owing by such Pledgor to the Other Creditors under, or with respect to, any Interest Rate Protection Agreement or Other Hedging Agreement, whether such Interest Rate Protection Agreement or Other Hedging Agreement is now in existence or hereafter arising, and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained therein (all such obligations and liabilities described in this clause (ii) being herein collectively called the "Other Obligations");

(iii) any and all sums advanced by the Pledgee in order to preserve the Collateral (as hereinafter defined) or preserve its security interest in the Collateral (to the extent provided for in the Credit Documents);

(iv) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of such Pledgor referred to in clauses (i), (ii) and (iii) above, after an Event of Default (as such term is defined in the Security Agreement) shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Pledgee of its rights hereunder, together with reasonable attorneys' fees and court costs; and

(v) all amounts paid by any Secured Creditor as to which such Secured Creditor has the right to reimbursement under Section 11 of this Agreement.

All such obligations, liabilities, sums and expenses set forth in clauses (i) through (v) of this Section 1 being herein collectively called the "Obligations," it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above,

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whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

2. DEFINITION OF STOCK, NOTES, SECURITIES, ETC. As used herein: (i) the term "Stock" shall mean (x) with respect to corporations incorporated under the laws of the United States or any State or territory thereof (each a "Domestic Corporation"), all of the issued and outstanding shares of capital stock of any Domestic Corporation at any time owned by each Pledgor and (y) with respect to corporations not Domestic Corporations (each a "Foreign Corporation"), all of the issued and outstanding shares of capital stock at any time owned by any Pledgor of any Foreign Corporation, provided that, subject to Section 8.16 of the Credit Agreement, such Pledgor shall not be required to pledge hereunder, and nothing herein shall be deemed to constitute a pledge hereunder of, more than 65% of the total combined voting power of all classes of capital stock of any Foreign Corporation entitled to vote; (ii) the term "Notes" shall mean all promissory notes from time to time issued to, or held by, each Pledgor, provided, that, except as provided in the last sentence of this Section 2, no Pledgor shall be required to pledge hereunder, and nothing herein shall be deemed to constitute a pledge hereunder of, any promissory notes issued to such Pledgor (A) by any direct or indirect Subsidiary of the Borrower which is a Foreign Corporation or (B) by any employee of the Borrower issued in the ordinary course of business so long as not more than \$600,000 of such employee loans are outstanding at any one time; provided, however, if more than \$600,000 of such employee loans are outstanding, Pledgor shall deliver to Pledgee all notes representing such loans, except up to \$100,000 in notes of \$25,000 or less; and (iii) the term "Securities" shall mean all of the Stock and Notes. Each Pledgor represents and warrants that on the date hereof (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex A hereto; (ii) the Stock held by such Pledgor consists of the number and type of shares of the stock of the corporations as described in Annex A hereto; (iii) such Stock constitutes that percentage of the issued and outstanding capital stock of the issuing corporation as is set forth in Annex A hereto; (iv) the Notes held by such Pledgor consist of the promissory notes described in Annex B hereto where such Pledgor is listed as the Lender; and (v) on the date hereof, such Pledgor owns no other Securities.

3. PLEDGE OF SECURITIES, ETC.

3.1. Pledge. To secure the Obligations of such Pledgor and for the purposes set forth in Section 1 hereof, each Pledgor hereby (i) grants to the Pledgee a security interest (subject to Permitted Liens) in all of the Collateral (as defined herein) owned by such Pledgor, (ii) pledges and deposits as security (subject to Permitted Liens) with the Pledgee the Securities owned by such Pledgor on the date hereof, and delivers to the Pledgee certificates or instruments therefor, duly endorsed in blank by such Pledgor in the case of Notes and accompanied by undated stock powers duly executed in blank by such Pledgor (and accompanied by any transfer tax stamps required in connection with the pledge

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of such Securities) in the case of Stock, or such other instruments of transfer as are reasonably acceptable to the Pledgee and (iii) hypothecates mortgages, charges and sets over to the Pledgee all of such Pledgor's right, title and interest in and to such Securities (and in and to the certificates or instruments evidencing such Securities) (subject to Permitted Liens), to be held by the Pledgee upon the terms and conditions set forth in this Agreement.

3.2. Subsequently Acquired Securities. If any Pledgor shall acquire (by purchase, stock dividend or otherwise) any additional Securities at any time or from time to time after the date hereof, such Pledgor will promptly thereafter pledge and deposit such Securities (or certificates or instruments representing such Securities) as security (subject to Permitted Liens) with the Pledgee and deliver to the Pledgee certificates or instruments therefor, duly endorsed in blank in the case of such Notes, and accompanied by undated stock powers duly executed in blank by such Pledgor (and accompanied by any transfer tax stamps required in connection with the pledge of such Securities) in the case of such Stock, or such other instruments of transfer as are reasonably acceptable to the Pledgee, and will promptly thereafter deliver to the Pledgee a certificate executed by a principal executive officer of such Pledgor describing such Securities and certifying that the same has been duly pledged with the Pledgee hereunder. Subject to Section 8.16 of the Credit Agreement, no Pledgor shall be required at any time to pledge hereunder any Stock which is more than 65% of the total combined voting power of all Classes of Capital Stock of any Foreign Subsidiary entitled to vote.

3.3. Uncertificated Securities. Notwithstanding anything to the contrary contained in Sections 3.1 and 3.2 hereof, if any Securities (whether now owned or hereafter acquired) are uncertificated securities, the relevant Pledgor shall promptly notify the Pledgee thereof, and shall promptly take all actions required to perfect the security interest of the Pledgee under applicable law (including, in any event, under Sections 8-313 and 8-321 of the New York Uniform Commercial Code, if applicable). Each Pledgor further agrees to take such actions as the Pledgee deems reasonably necessary or desirable to effect the foregoing and to permit the Pledgee to exercise any of its rights and remedies hereunder.

3.4. Definitions of Pledged Stock; Pledged Notes; Pledged Securities and Collateral. All Stock at any time pledged or required to be pledged hereunder is hereinafter called the "Pledged Stock;" all Notes at any time pledged or required to be pledged hereunder are hereinafter called the "Pledged Notes;" all Pledged Stock and Pledged Notes together are called the "Pledged Securities;" and the Pledged Securities, together with all proceeds thereof, including any securities and moneys received and at the time held by the Pledgee hereunder, are hereinafter called the "Collateral."

4. APPOINTMENT OF SUB-AGENTS; ENDORSEMENTS, ETC. The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining

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physical possession of the Pledged Securities, which may be held (in the discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

5. VOTING, ETC., WHILE NO EVENT OF DEFAULT. Unless and until there shall have occurred and be continuing an Event of Default and (i) the Obligations shall have been accelerated or (ii) the Pledgee shall have given the applicable Pledgor written notice that the Pledgee has elected to exercise such rights, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Securities owned by it, and to give consents, waivers or ratifications in respect thereof, provided, that no vote shall be cast or any consent, waiver or ratification given or any action taken which would violate or be inconsistent with any of the terms of this Agreement, the Credit Agreement, any other Credit Document or any Interest Rate Protection Agreement or Other Hedging Agreement (collectively, the "Secured Debt Agreements"). All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease in case an Event of Default has occurred and is continuing and (i) the Obligations shall have been accelerated or (ii) the Pledgee shall have given the applicable Pledgor written notice that the Pledgee has elected to exercise such rights, and Section 7 hereof shall become applicable.

6. DIVIDENDS AND OTHER DISTRIBUTIONS. Unless and until there shall have occurred and be continuing an Event of Default, all cash dividends and distributions payable in respect of the Pledged Stock and all payments in respect of the Pledged Notes shall be paid to the respective Pledgor. The Pledgee shall be entitled to receive directly, and to retain as part of the

Collateral:

(i) all other or additional stock or other securities (other than cash) paid or distributed by way of dividend or otherwise, as the case may be, in respect of the Pledged Stock;

(ii) all other or additional stock or other securities paid or distributed in respect of the Pledged Stock by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional stock or other securities or property which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee's right to receive proceeds of the Collateral in any form in accordance with Section 3 of this Agreement. All dividends, distributions or other payments which are received by any

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Pledgor contrary to the provisions of this Section 6 and Section 7 hereof shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be promptly paid over to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

7. REMEDIES IN CASE OF EVENTS OF DEFAULT. If there shall have occurred and be continuing an Event of Default, then and in every such case, the Pledgee shall be entitled to (i) exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Secured Debt Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, (ii) exercise all the rights and remedies of a secured party under the Uniform Commercial Code and (iii) without limitation, exercise the following rights, which each Pledgor hereby agrees to be commercially reasonable:

(a) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the Pledgor;

(b) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;

(c) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);

(d) to vote all or any part of the Pledged Stock (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so); and

(e) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine, provided that at least 10 days' prior notice of the time and place of any such sale shall be given to such Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of

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redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto.

8. REMEDIES, ETC., CUMULATIVE. Each and every right, power and remedy of the Pledgee provided for in this Agreement or any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Pledgee acting upon the instructions of the Required Banks (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least the majority of the outstanding Other Obligations) and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Agreement.

9. APPLICATION OF PROCEEDS. (a) All moneys collected by the Pledgee upon any sale or other disposition of the Collateral, together with all other moneys received by the Pledgee hereunder, shall be applied to the payment of the Obligations in the manner provided in Section 7.4 of the Security Agreement.

(b) It is understood and agreed that the Pledgors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral hereunder and the aggregate amount of the Obligations.

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10. PURCHASERS OF COLLATERAL. Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

11. INDEMNITY. Each Pledgor jointly and severally agrees (i) to indemnify and hold harmless the Pledgee in such capacity and each other Secured Creditor and their respective successors, assigns, employees, agents and servants (individually an "Indemnitee," and collectively the "Indemnitees") from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever kind or nature, and (ii) to reimburse each Indemnitee for all costs and expenses, including reasonable attorneys' fees, in each case growing out of or resulting from this Agreement or the exercise by any Indemnitee of any right or remedy granted to it hereunder or under any other Secured Debt Agreement (but excluding any claims, demands, losses, judgments and liabilities or expenses to the extent incurred by reason of gross negligence or willful misconduct of such Indemnitee). In no event shall the Pledgee be liable, in the absence of gross negligence or willful misconduct on its part, for any matter or thing in connection with this Agreement other than to account for moneys actually received by it in accordance with the terms hereof. If and to the extent that the obligations of any Pledgor under this Section 11 are unenforceable for any reason, such Pledgor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

12. FURTHER ASSURANCES; POWER-OF-ATTORNEY. (a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the Uniform Commercial Code or other applicable law such financing statements, continuation statements and other documents in such offices as the Pledgee may reasonably deem necessary and wherever required by law in order to perfect and preserve the Pledgee's security interest in the Collateral and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral without the signature of such Pledgor where permitted by law, and agrees to do such further acts and things and to execute and deliver to the Pledgee such additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably require or deem necessary to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder.

(b) Each Pledgor hereby appoints the Pledgee such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance

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of an Event of Default, in the Pledgee's reasonable discretion to take any action and to execute any instrument which the Pledgee may reasonably deem necessary or advisable to accomplish the purposes of this Agreement.

13. THE PLEDGEE AS AGENT. The Pledgee 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 by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Pledgee 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 Pledgee shall act hereunder on the terms and conditions set forth herein and in Section 12 of the Credit Agreement.

14. TRANSFER BY THE PLEDGORS. No Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein (except as may be permitted in accordance with the terms of the Credit Agreement).

15. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLEDGORS. Each Pledgor represents, warrants and covenants that (i) it is the legal, record and beneficial owner of, and has good and marketable title to, all Pledged Securities pledged by it hereunder, subject to no Lien (except the Lien created by this Agreement and other Permitted Liens); (ii) it has full corporate power, authority and legal right to pledge all the Pledged Securities pledged by it pursuant to this Agreement; (iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable in accordance with its terms; (iv) no consent of any other party (including, without limitation, any stockholder or creditor of such Pledgor or any of its Subsidiaries) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with the execution, delivery or performance of this Agreement, the validity or enforceability of this Agreement, the perfection or enforceability of the Pledgee's security interest in the Collateral or except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein; (v) the execution, delivery and performance of this Agreement by such Pledgor will not violate any provision of any applicable law or regulation or of any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to such Pledgor, or of the certificate of incorporation or by-laws (or equivalent organizational documents) of such Pledgor or of any securities issued by such Pledgor or any of its Subsidiaries, or of any mortgage, indenture, lease, deed of trust, loan agreement, credit agreement or other material agreement, contract, or instrument to which such Pledgor or any of its Subsidiaries is a party or which purports to be binding upon such Pledgor or

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any of its Subsidiaries or upon any of their respective assets and will not

result in the creation or imposition of (or the obligation to create or impose) any lien or encumbrance on any of the assets of such Pledgor or any of its Subsidiaries except as contemplated by this Agreement; (vi) all the shares of Stock have been duly and validly issued, are fully paid and non-assessable and are subject to no options to purchase or similar rights; (vii) each of the Pledged Notes constitutes, or when executed by the obligor thereof will constitute, the legal, valid and binding obligation of such obligor, enforceable in accordance with its terms; and (viii) the pledge, assignment and delivery to the Pledgee of the Securities (other than uncertificated securities) pursuant to this Agreement creates a valid and perfected first priority Lien in the Securities, and the proceeds thereof, subject to no other Lien (other than Permitted Liens) or to any agreement purporting to grant to any third party a Lien on the property or assets of the Pledgor which would include the Securities. Each Pledgor covenants and agrees that it will defend the Pledgee's right, title and security interest in and to the Securities and the proceeds thereof against the claims and demands of all persons whomsoever in accordance with the Credit Documents; and such Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Pledgee as Collateral hereunder and will likewise defend the right thereto and security interest therein of the Pledgee and the Secured Creditors.

16. PLEDGORS' OBLIGATIONS ABSOLUTE, ETC. The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (i) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any Secured Debt Agreement or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof; (ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement; (iii) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee; (iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or (v) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

17. REGISTRATION, ETC. (a) If there shall have occurred and be continuing an Event of Default then, and in every such case, upon receipt by any Pledgor from the Pledgee of a written request or requests that such Pledgor cause any registration, qualification or compliance under any Federal or state securities law or laws to be effected

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with respect to all or any part of the Pledged Stock, such Pledgor as soon as practicable and at its expense will cause such registration to be effected (and be kept effective) and will cause such qualification and compliance to be declared effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Pledged Stock, including, without limitation, registration under the Securities Act of 1933, as then in effect (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with any other government requirements, provided, that the Pledgee shall furnish to such Pledgor such information regarding the Pledgee as such Pledgor may reasonably request in writing and as shall be required in connection with any such registration, qualification or compliance. Such Pledgor will cause the Pledgee to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, will furnish to the Pledgee such number of prospectuses, offering circulars or other documents incident thereto as the Pledgee from time to time may reasonably request, and will indemnify the Pledgee, each other Secured Creditor and all others participating in the distribution of such Pledged Stock against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same may have been caused by an untrue statement or omission based upon information furnished in writing to such Pledgor by the Pledgee or such other Secured Creditor expressly for use therein.

(b) If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Pledged Securities pursuant to Section 7 hereof, and such Pledged Securities or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Pledged Securities or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Securities or part thereof shall have been filed under such Securities Act, (ii) may approach and negotiate with a single possible purchaser to effect such sale; and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Pledged Securities or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Pledged Securities at a price which the Pledgee, in its sole and absolute discretion, in good faith deems reasonable under the circumstances,

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notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until after registration as aforesaid.

18. TERMINATION; RELEASE. (a) After the Termination Date (as defined below), this Agreement and the security interest created hereby shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination), and the Pledgee, at the request and expense of any Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as has not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Pledgee or any of its sub-agents hereunder. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitments and all Interest Rate Protection Agreements or Other Hedging Agreements have been terminated, no Note under the Credit Agreement is outstanding (and all Loans have been repaid in full), all Letters of Credit have been terminated and all Obligations then owing have been paid in full.

(b) In the event that any part of the Collateral is sold (except to Holdings or any of its Subsidiaries) in connection with a sale permitted by Section 9.02 of the Credit Agreement or otherwise released pursuant to the Credit Agreement or at the direction of the Required Banks (or all Banks if required by Section 13.12 of the Credit Agreement) and the proceeds of such sale or sales or from such release are applied in accordance with the provisions of Section 4.02 of the Credit Agreement, to the extent required to be so applied, the Pledgee, at the request and expense of any Pledgor, will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral (and releases therefor) as is then being (or has been) so sold or released and has not theretofore been released pursuant to this Agreement.

(c) At any time that a Pledgor desires that the Pledgee assign, transfer and deliver Collateral (and releases therefor) as provided in Section 18(a) or (b) hereof, it shall deliver to the Pledgee a certificate signed by a principal executive officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to such Section 18(a) or (b).

(d) The Pledgee shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with this Section 18.

19. NOTICES, ETC. All notices and communications hereunder shall be sent or delivered by mail, telex, telecopy or overnight courier service and all such notices and communications shall, when mailed, telexed, telecopied or sent by overnight courier, be effective when deposited in the mails or delivered to the overnight courier, prepaid and

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properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Pledgee shall not be effective until received by the Pledgee. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Pledgor, at the address set forth opposite its signature below;

(b) if to the Pledgee, at:

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Mr. David G. Dixon
Telephone No.: (312) 732-8142
Facsimile No.: (312) 732-3885

(c) if to any Bank Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement or (y) at such address as such Bank Creditor shall have specified in the Credit Agreement;

(d) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Pledgee;

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

20. WAIVER; AMENDMENT. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Pledgor directly affected thereby and the Pledgee (with the written consent of either (x) the Required Banks (or all of the Banks, to the extent required by Section 13.12 of the Credit Agreement) at all times prior to the time on which all Credit Document Obligations have been paid in full or (y) the holders of at least a majority of the outstanding Other Obligations at all times after the time on which all Credit Document Obligations have been paid in full); provided, that any change, waiver, modification or variance affecting the rights and benefits of a single Class (as defined below) of Secured Creditors (and not all Secured Creditors in a like or similar manner) shall also require the written consent of the Requisite Creditors (as defined below) of such affected Class. For the purpose of this Agreement, the term "Class" shall mean each class of Secured Creditors, i.e., whether (i) the Bank Creditors as holders of the Credit Document Obligations or (ii) the Other Creditors as the holders of the Other Obligations. For the purpose of this Agreement, the term "Requisite Creditors" of any Class shall mean each of

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(i) with respect to the Credit Document Obligations, the Required Banks and (ii) with respect to the Other Obligations, the holders of 51% of all obligations outstanding from time to time under the Interest Rate Protection Agreements or Other Hedging Agreements.

21. MISCELLANEOUS. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of and be enforceable by each of the parties hereto and its successors and assigns. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. The headings in this Agreement are for purposes of reference only and shall not limit or define the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto.

22. RECOURSE. This Agreement is made with full recourse to the Pledgors and pursuant to and upon all the representations, warranties, covenants and agreements on the part of the Pledgors contained herein and in the other Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

23. ADDITIONAL PLEDGORS. It is understood and agreed that any Subsidiary of Holdings that is required to execute a counterpart of this Agreement after the date hereof pursuant to the Credit Agreement shall automatically become a Pledgor hereunder by executing a counterpart hereof and delivering the same to the Pledgee.

24. AMENDMENT AND RESTATEMENT. Upon the execution and delivery of this Agreement by the parties hereto., the Original Pledge Agreement shall be amended

and restated in its entirety by this Agreement, effective as of the date hereof, with all rights, obligations and security interests created under or granted pursuant to the Original Pledge Agreement continuing from the date thereof.

* * *

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

Addresses:

1001 Pennsylvania Avenue., N.W.
Suite 200 South
Washington, D.C. 20004
Attention: Mr. Allan M. Holt
Telephone No.: (202) 347-2626
Facsimile No.: (202) 347-9250

BLADE ACQUISITION CORP.,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET HOLDINGS CORPORATION,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET CORPORATION,
as a Pledgor

By _____
Title:

307

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET MANAGEMENT SERVICES,
INC.,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET THERMATECH CANADA, INC.,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET-TEMPCRAFT, INC.,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET TRANSPORT SERVICES, INC.,
as a Pledgor

By _____
Title:

308

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770

HOWMET SALES, INC.,
as a Pledgor

Facsimile No.: (203) 625-8771

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET REFURBISHMENT, INC.,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

TURBINE COMPONENTS CORPORATION,
as a Pledgor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET CERCAST (USA), INC.,
as a Pledgor

By _____
Title:

309

One First National Plaza
Chicago, Illinois 60670
Attention: Mr. David Dixon
Telephone No.: (312) 732-8142
Facsimile No.: (312) 732-3885

THE FIRST NATIONAL BANK OF
CHICAGO, as Pledgee

By _____
Title:

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ANNEX A
to
Pledge Agreement

LIST OF STOCK

I. Blade Acquisition Corp.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Shares of Voting Capital Stock
Howmet Holdings(1) Corporation (f/k/a Pechiney Corporation)	Common par value \$1 per share	10	100%

II. Howmet Holdings Corporation

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Shares of Voting Capital Stock
a) Howmet Corporation	Common par value \$1.00 per share	10	100%
b) Howmet Insurance(2) Company, Inc.	Common par value \$1.00 per share	100,000	100%

- (1) New shares required, shares pledged to FNBC are those of Pechiney Corporation.
- (2) Issued to Pechiney Corporation currently, and stock power is granted by Pechiney.

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Page 2

III. Howmet Corporation

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Capital Stock
a) Howmet Foreign Sales Corp.	Common par value \$1.00 per share	10	100%*
b) Howmet Limited	Common par value (pound)1.00 per share	1,000,002	99.99%*
c) Howmet Management Services, Inc.	Common par value \$1.00 per share	10	100%
d) Howmet Refurbishment, Inc.	Common par value \$1.00 per share	10	100%
e) Howmet Sales, Inc.	Common par value \$1.00 per share	10	100%
f) Howmet Thermatech Canada, Inc.	Common par value \$1.00 per share	10	100%
g) Howmet Transport Services, Inc.	Common par value \$1.00 per share	10	100%
h) Howmet-Tempcraft, Inc.	Common non-par	83	100%

* Pledgee is limited to 65% of the common stock.

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i) Howmet S.A.	Common par value Fr 100.00 per share	2,903,281 (3)	99.99% (4)
j) Blade Receivables Corporation	Common	1,000	100%
k) Howmet Cercast (USA), Inc.	Common per value \$1.00 per share	10	100%

(3) Includes 70 shares issued to Board of Directors.

(4) Pledgee is limited to 65% of the common stock. Pursuant to French law, no physical stock certificates will be delivered.

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Page 4

IV. Howmet Management Services. Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
None			

V. Howmet Thermatech Canada. Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
None			

VI. Howmet-Tempcraft, Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
None			

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VII. Howmet Transport Services. Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
None			

VIII. Howmet Sales. Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
None			

IX. Howmet Refurbishment, Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----	-----	-----	-----
Turbine Components Corporation	Class A common par value \$10.00 per share	1,572	100%

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Turbine Components Corporation	Class B common par value \$1.00 per share	7,388	100%
--------------------------------	----------------------------------------------------	-------	------

X. Turbine Components Corporation

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----------------------------	----------------	-------------------------	-----------------------------------------------------------------

None

XI. Howmet Cercast (USA), Inc.

Name of Issuing Corporation	Type of Shares	Number of Voting Shares	Percentage of Outstanding Voting Shares of Voting Capital Stock
-----------------------------	----------------	-------------------------	-----------------------------------------------------------------

None

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ANNEX B
to
Pledge Agreement

LIST OF NOTES

I. Blade Acquisition Corp.

Obligor	Principal Amount (if any)	Maturity Date (if any)
---------	---------------------------	------------------------

None

II. Howmet Holdings Corporation

Obligor	Principal Amount (if any)	Maturity Date (if any)
---------	---------------------------	------------------------

None

III. Howmet Corporation

<TABLE>
<CAPTION>

Obligor	Principal Amount (if any)	Maturity Date (if any)
Howmet Holdings Corporation(1) (f/k/a Pechiney Corporation)	\$598,500,000	2,010

</TABLE>

IV. Howmet Management Services. Inc

Obligor	Principal Amount (if any)	Maturity Date (if any)
---------	---------------------------	------------------------

None

(1) Note pledged to FNBC is executed by Howmet Holdings Acquisition Corp. in favor of Howmet Holdings Acquisition Corp. and assignment of note is by Howmet Acquisition Corp. to FNBC.

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V. Howinet Thermatech Canada, Inc.

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

VI. Howmet-Tempcraft, Inc.

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

VII. Howmet Transport Services. Inc.

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

VIII. Howmet Sales, Inc.

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

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Page 3

IX. Howmet Refurbishment. Inc.

<TABLE>
<CAPTION>

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
<S> Turbine Components Corporation	<C> \$200,000	<C> None
Turbine Components Corporation	\$250,000	None
Turbine Components Corporation	\$350,000	None

</TABLE>

X. Turbine Components Corporation

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

XI. Howmet Cercast (USA), Inc.

Obligor -----	Principal Amount (if any) -----	Maturity Date (if any) -----
None		

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EXHIBIT H

AMENDED AND RESTATED SECURITY AGREEMENT

among

BLADE ACQUISITION CORP.,

HOWMET HOLDINGS CORPORATION,

HOWMET CORPORATION,

CERTAIN SUBSIDIARIES AND AFFILIATES OF
HOWMET CORPORATION,

and

THE FIRST NATIONAL BANK OF CHICAGO,
as Collateral Agent

Dated as of December 13, 1995

and

Amended and Restated as of December 5, 1996

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EXHIBIT H

AMENDED AND RESTATED SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among each of the undersigned (each an "Assignor" and, together with any other entity that becomes a party hereto pursuant to Section 10.13 hereof, the "Assignors") and The First National Bank

of Chicago, as Collateral Agent (the "Collateral Agent"), for the benefit of the Secured Creditors (as defined below). Except as otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Blade Acquisition Corp., Howmet Holdings Corporation (f/k/a Pechiney Corporation), Howmet Corporation (the "Borrower"), various lenders from time to time party thereto (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents (the "Managing Agents"), Bankers Trust Company, as Syndication Agent (the "Syndication Agent"), Citicorp USA, Inc., as Documentation Agent (the "Documentation Agent") and The First National Bank of Chicago, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent"), have entered into a Credit Agreement, dated as of December 13, 1995 and amended and restated as of the date hereof (as amended, modified or supplemented from time to time, the "Credit Agreement"), providing for the making of Loans and the issuance of, and participation in, Letters of Credit, as contemplated therein (as used herein, the term "Credit Agreement" means the Credit Agreement described above in this paragraph as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and including any agreement extending the maturity of, or restructuring the Indebtedness under such agreement or any successor agreement) (the Banks, the Managing Agents, the Syndication Agent, the Documentation Agent, the Administrative Agent and the Collateral Agent are herein called the "Bank Creditors");

WHEREAS, the Borrower may at any time and from time to time enter into one or more Interest Rate Protection Agreements or Other Hedging Agreements with one or more Banks or any affiliate thereof (each such Bank or affiliate, even if the respective Bank subsequently ceases to be a Bank under the Credit Agreement for any reason, together with such Bank's or affiliate's successors and assigns, if any, collectively, the "Other Creditors," and together with the Bank Creditors, the "Secured Creditors");

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WHEREAS, pursuant to the Parent Guaranty, each Parent Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations as described therein;

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations as described therein;

WHEREAS, the Assignors have heretofore entered into a Security Agreement, dated as of December 13, 1995 (as amended, modified or supplemented prior to the date hereof, the "Original Security Agreement");

WHEREAS, it is a condition precedent to the making of Loans and the issuance of Letters of Credit under the Credit Agreement that each Assignor shall have executed and delivered this Agreement; and

WHEREAS, each Assignor will obtain benefits from the incurrence of Loans and the issuance of Letters of Credit under the Credit Agreement and the entering into of Interest Rate Protection Agreements or Other Hedging Agreements and, accordingly, each Assignor desires to execute this Agreement to (i) satisfy the conditions described in the preceding paragraph and (ii) amend and restate the Original Security Agreement;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Assignor, the receipt and sufficiency of which are hereby acknowledged, each Assignor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

ARTICLE I

SECURITY INTERESTS

1.1. Grant of Security Interests. (a) As security for the prompt and complete payment and performance when due of all of its Obligations, each Assignor does hereby assign and transfer unto the Collateral Agent, and does hereby pledge and grant to the Collateral Agent for the benefit of the Secured

Creditors, a continuing security interest of first priority (subject to any Permitted Liens) in all of the right, title and interest of such Assignor in, to and under all of the following, whether now existing or hereafter from time to time acquired: (i) each and every Receivable, (ii) all Contracts, together with all Contract Rights arising thereunder, (iii) all Inventory, (iv) all Equipment, (v) all Marks,

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together with the registrations and right to all renewals thereof, and the goodwill of the business of such Assignor symbolized by the Marks, (vi) all Patents and Copyrights, and all reissues, renewals or extensions thereof, (vii) all computer programs of such Assignor and all intellectual property rights therein and all other proprietary information of such Assignor, including, but not limited to, trade secrets, (viii) all Acquisition Letters of Credit and all rights of such Assignor with respect thereto, (ix) all rights of such Assignor with respect to the Installment Notes Trust and under the Installment Notes Trust Documents, (x) all other Goods, General Intangibles, Chattel Paper, Documents, Instruments and other assets of such Assignor, (xi) the Cash Collateral Account and all moneys, securities and Instruments deposited or required to be deposited in such Cash Collateral Account and (xii) all Proceeds and products of any and all of the foregoing (all of the above, collectively, the "Collateral"). Notwithstanding the foregoing, the term "Collateral" shall not include any Receivables Facility Asset that is transferred to the Receivables Subsidiary pursuant to the Receivables Documents.

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral of the kind which is the subject of this Agreement which any Assignor may acquire at any time during the continuation of this Agreement.

1.2. Power of Attorney. Each Assignor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of such Assignor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to such Assignor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may reasonably deem to be necessary or advisable to protect the interests of the Secured Creditors, which appointment as attorney is coupled with an interest.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Assignor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1. Necessary Filings. All filings, registrations and recordings necessary or appropriate to create, preserve and perfect the security interest granted by such Assignor to the Collateral Agent hereby in respect of the Collateral have been accomplished or will be accomplished within 10 Business Days from the date hereof and upon such filings,

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registrations or recordations, the security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral creates a perfected security interest therein prior to the rights of all other Persons therein and subject to no other Liens (other than Permitted Liens) and is entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any relevant jurisdiction to perfected security interests, in each case to the extent that the Collateral consists of the type of property in which a security interest may be perfected by filing a financing statement under the Uniform Commercial Code as enacted in any relevant jurisdiction or in the United States Patent and Trademark Office or the United States Copyright Office.

2.2. No Liens. Such Assignor is, and as to Collateral acquired by it from time to time after the date hereof such Assignor will be, the owner of, or

has rights in, all Collateral free from any Lien, security interest, encumbrance or other right, title or interest of any other Person (other than Permitted Liens), and such Assignor shall defend the Collateral to the extent of its rights therein against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Collateral Agent.

2.3. Other Financing Statements. As of the date hereof, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than in respect of Permitted Liens), and so long as the Total Commitment has not been terminated or any Letter of Credit or Note remains outstanding or any of the Obligations remain unpaid or any Interest Rate Protection Agreement or Other Hedging Agreement remains in effect or any Obligations are owed with respect thereto, such Assignor will not execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Assignor or as permitted by the Credit Agreement.

2.4. Chief Executive Office; Records. The chief executive office of such Assignor is located, as of the date hereof, at the address or addresses indicated on Annex A hereto for such Assignor. Such Assignor Will not move its chief executive office except to such new location as such Assignor may establish in accordance with the last sentence of this Section 2.4. All documents evidencing all Receivables and Contract Rights and Trade Secret Rights of such Assignor and the only original books of account and records of such Assignor relating thereto are, and will continue to be, kept at such chief executive office, at one or more of the other record locations set forth on Annex A hereto or at such new locations as such Assignor may establish in accordance with the last sentence of this Section 2.4. All Receivables and Contract Rights of such Assignor are, and will continue to be, maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from, the office locations described above or such new location

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established in accordance with the last sentence of this Section 2.4. No Assignor shall establish new locations for such offices until (i) it shall have given to the Collateral Agent not less than 15 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may reasonably request, (ii) with respect to such new location, it shall have taken all action, reasonably satisfactory to the Collateral Agent, to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect and (iii) the Collateral Agent shall have received evidence that all other actions (including, without limitation, the payment of all filing fees and taxes, if any, payable in connection with such filings) have been taken, in order to perfect (and maintain the perfection and priority of) the security interest granted hereby (subject to Permitted Liens).

2.5. Location of Inventory and Equipment. All Inventory and Equipment held on the date hereof by each Assignor is located at one of the locations shown on Annex B hereto for such Assignor. Each Assignor agrees that all Inventory and Equipment now held or subsequently acquired by it shall be kept at (or shall be in transport to) any one of the locations shown on Annex B hereto, or such new location as such Assignor may establish in accordance with the last sentence of this Section 2.5. Any Assignor may establish a new location for Inventory and Equipment if (i) it shall have given to the Collateral Agent not less than 15 days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may reasonably request, (ii) with respect to such new location, it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect and (iii) the Collateral Agent shall have received evidence that all other actions (including, without limitation, the payment of all filing fees and taxes, if any, payable in connection with such filings) have been taken, in order to perfect (and maintain the perfection and priority of) the security interest granted hereby (subject to Permitted Liens).

2.6. Recourse. This Agreement is made with full recourse to each Assignor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Assignor contained herein, in the other Credit Documents, in the Interest Rate Protection Agreements or Other Hedging Agreements and otherwise in writing in connection herewith or therewith.

2.7. Trade Names; Change of Name. No Assignor has or operates in any jurisdiction under, or in the preceding 12 months has had or has operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name and such other trade or fictitious names as are listed on Annex C hereto for such Assignor. No Assignor shall change its legal name or assume or operate in any jurisdiction under any

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trade, fictitious or other name except those names listed on Annex C hereto for such Assignor and new names established in accordance with the last sentence of this Section 2.7. No Assignor shall assume or operate in any jurisdiction under any new trade, fictitious or other name until (i) it shall have given to the Collateral Agent not less than 15 days' prior written notice of its intention so to do, clearly describing such new name and the jurisdictions in which such new name shall be used and providing such other information in connection therewith as the Collateral Agent may request, (ii) with respect to such new name, it shall have taken all action to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect and (iii) the Collateral Agent shall have received evidence that all other actions (including, without limitation, the payment of all filing fees and taxes, if any, payable in connection with such filings) have been taken, in order to perfect (and maintain the perfection and priority of) the security interest granted hereby (subject to Permitted Liens).

ARTICLE III

SPECIAL PROVISIONS CONCERNING RECEIVABLES; CONTRACT RIGHTS; INSTRUMENTS; ACQUISITION LETTERS OF CREDIT

3.1. Additional Representations and Warranties. As of the time when each of its Receivables arises, each Assignor shall be deemed to have represented and warranted that each such Receivable, and all records, papers and documents delivered to the Collateral Agent relating thereto (if any) are what they purport to be, and that all papers and documents (if any) relating thereto (i) will represent the genuine, legal, valid and binding obligation of the account debtor evidencing indebtedness unpaid and owed by the respective account debtor arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein, or both, (ii) will be the only original writings evidencing and embodying such obligation of the account debtor named therein (other than copies created for general accounting purposes), (iii) will evidence true and valid obligations, enforceable in accordance with their respective terms and (iv) will be in compliance and will conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

3.2. Maintenance of Records. Each Assignor will keep and maintain at its own cost and expense satisfactory and complete records of its Receivables and Contracts, including, but not limited to, the originals of all documentation (including each Contract) with respect thereto, records of all payments received, all credits granted thereon, all merchandise returned and all other dealings therewith, and such Assignor will make the same available on such Assignor's premises to the Collateral Agent for inspection during

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such Assignor's normal business hours, at such Assignor's own cost and expense, at any and all reasonable times and intervals and to such extent as the Collateral Agent may request. Upon the occurrence and during the continuance of an Event of Default, at the reasonable request of the Collateral Agent, such Assignor shall, at its own cost and expense, deliver all tangible evidence of its Receivables and Contract Rights (including, without limitation, all documents evidencing the Receivables and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Assignor) at a reasonable place designated by the Collateral Agent. Upon the occurrence and during the continuance of an Event of Default, if the Collateral Agent so directs, such Assignor shall legend, in form and manner reasonably satisfactory to the Collateral Agent, its Receivables and the Contracts, as well as books, records and documents (if any) of such Assignor evidencing or pertaining to such Receivables and Contracts with an appropriate reference to the fact that such Receivables and Contracts have been assigned to the Collateral Agent and that

the Collateral Agent has a security interest therein.

3.3. Direction to Account Debtors; Contracting Parties; etc. Upon the occurrence and during the continuance of an Event of Default, if the Collateral Agent so directs any Assignor, such Assignor agrees (x) to cause all payments on account of the Receivables and Contracts to be made directly to the Cash Collateral Account, (y) that the Collateral Agent may, at its option, directly notify the obligors with respect to any Receivables and/or under any Contracts to make payments with respect thereto as provided in the preceding clause (x) and (z) that the Collateral Agent may enforce collection of any such Receivables and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Assignor. Without notice to or assent by any Assignor, the Collateral Agent may apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account in the manner provided in Section 7.4 of this Agreement. The reasonable costs and expenses (including attorneys' fees) of collection, whether incurred by an Assignor or the Collateral Agent, shall be borne by the relevant Assignor.

3.4. Modification of Terms; etc. Except in the ordinary course of business and except as may be permitted by and in accordance with the provisions of the Credit Agreement, no Assignor shall rescind or cancel any indebtedness evidenced by any Receivable or under any Contract, or modify any term thereof or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any dispute, claim, suit or legal proceeding relating thereto, or sell any Receivable or Contract, or interest therein, without the prior written consent of the Collateral Agent. Each Assignor will use its best efforts to duly fulfill all obligations on its part to be fulfilled under or in connection with the Receivables and Contracts and will do nothing to impair the rights of the Collateral Agent in the Receivables or Contracts.

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3.5. Collection. Each Assignor shall cause to be collected from the account debtor named in each of its Receivables or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Receivable or Contract, and apply promptly upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable or under such Contract, except that, prior to the occurrence of an Event of Default, any Assignor may allow in the ordinary course of business as adjustments to amounts owing under its Receivables and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Assignor finds appropriate in accordance with reasonable business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Assignor finds appropriate in accordance with reasonable business judgment. The reasonable costs and expenses (including, without limitation, attorneys' fees) of collection, whether incurred by an Assignor or the Collateral Agent, shall be borne by the relevant Assignor.

3.6. Instruments. If any Assignor owns or acquires any Instrument (other than Instruments not required to be delivered to the Pledgee under Section 2 of the Pledge Agreement) constituting Collateral which is in the principal amount in excess of \$25,000 individually or \$100,000 in the aggregate, such Assignor will within 10 Business Days notify the Collateral Agent thereof, and upon request by the Collateral Agent will promptly deliver such Instrument to the Collateral Agent appropriately endorsed to the order of the Collateral Agent as further security hereunder.

3.7. Acquisition Letters of Credit. (a) Annex I hereto is a true and complete list, as of the Restatement Effective Date, of each Acquisition Letter of Credit. On the Restatement Effective Date, true and correct photocopies of each Acquisition Letter of Credit issued on or prior to the Restatement Effective Date shall have been delivered to the Collateral Agent, together with (for each Acquisition Letter of Credit), an appropriately completed Transfer Instruction (in the form of Exhibit B to the respective Acquisition Letter of Credit) executed by the respective Assignor which is a beneficiary under such Acquisition Letter of Credit, whereby such Assignor designates the Collateral Agent as a transferee in accordance with the provisions of the respective Acquisition Letter of Credit (with any such executed Transfer Instruction, together with any such executed Transfer Instruction executed and delivered pursuant to following clause (b) being herein called a "Transfer Instruction").

(b) If at any time any additional Acquisition Letter of Credit is issued, or any replacement letter of credit is issued for an Acquisition Letter of Credit or any substitute letter of credit is issued therefor, then all actions shall be taken with respect thereto, in any event to be completed within five Business Days after the issuance of the

respective additional, replacement or substitute letter of credit, as would have been required to be taken pursuant to preceding clause (a) if such letter of credit had been issued on the Restatement Effective Date. If at any time the Collateral Agent requests same, the respective Assignor shall also deliver to the Collateral Agent any additional or modified Transfer Instructions, executed by the Assignor which is a beneficiary under the respective Acquisition Letter of Credit, as may be reasonably requested by the Collateral Agent from time to time.

(c) Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent is authorized to (x) deliver to the respective issuer(s) Transfer Instructions with respect to any or all of the Acquisition Letters of Credit, whereby the Collateral Agent shall become a direct beneficiary under such Acquisition Letter of Credit or Acquisition Letters of Credit and/or (y) directly make any drawing permitted to be made by the respective Assignor which is a beneficiary under any Acquisition Letter of Credit, in each case in accordance with the terms and conditions thereof. To the extent any drawing under any Acquisition Letter of Credit is in respect of amounts previously paid by the respective Assignor or on its behalf, then, and so long as any Event of Default has occurred and is continuing, the Collateral Agent shall be entitled to directly receive the proceeds of any drawing which would otherwise be paid to any Assignor, and shall hold all cash received in connection therewith as Collateral hereunder. The proceeds of any other drawings under any Acquisition Letter of Credit shall be applied in accordance with the requirements of the respective Acquisition Letter of Credit. Without limiting the right of the Collateral Agent to take any of the foregoing actions, upon the occurrence and during the continuance of any Event of Default, upon the request of the Collateral Agent, each Assignor shall deliver to the Collateral Agent any original Acquisition Letters of Credit then held by such Assignor.

(d) To the extent proceeds of any drawing under any Acquisition Letter of Credit are deposited into any trust or escrow arrangement other than the Installment Notes Trust, the Assignor shall take such, action as is reasonably requested by the Collateral Agent to create, establish and perfect a security interest in such trust or escrow arrangement.

3.8. Installment Notes Trust. At any time when any Event of Default has occurred and is continuing, the Collateral Agent shall be entitled to directly receive (and the respective Assignor shall direct the trustee thereunder to make all payments owing to any Assignor pursuant to the Installment Notes Trust directly to the Collateral Agent) any payments owing to any Assignor pursuant to the terms of the Installment Notes Trust, in each case to the extent such payments constitute reimbursement for amounts previously paid by any Assignor.

3.9. Further Actions. Each Assignor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to its Receivables, Contracts, Instruments, Acquisition Letters of Credit and other property or rights covered by the security interest hereby granted, as the Collateral Agent may reasonably require.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING TRADEMARKS

4.1. Additional Representations and Warranties. Each Assignor represents and warrants that it is the true and lawful exclusive owner of or otherwise has the right to use the Marks listed in Annex D hereto for such Assignor and that, to the best of each Assignor's knowledge, said listed Marks include all United States marks and applications for registrations of United States marks in the United States Patent and Trademark Office that such Assignor owns as of the date hereof and that said registrations are valid, subsisting and have not been cancelled. Each Assignor further warrants that it is aware of no third party claim that any aspect of such Assignor's present or contemplated business operations, infringes or will infringe any trademark, service mark or trade name. Each Assignor represents and warrants that it is the true and lawful owner of or otherwise has the right to use all U.S. trademark registrations and

applications listed in Annex D hereto and that said registrations are valid, subsisting, have not been cancelled and that such Assignor is not aware of any third-party claim that any of said registrations is invalid or unenforceable, or is not aware that there is any reason that any of said registrations is invalid or unenforceable, or is not aware that there is any reason that any of said applications will not pass to registration. Each Assignor hereby grants to the Collateral Agent an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest in each Mark, and record the same.

4.2. Licenses and Assignments. Except as otherwise permitted by the Credit Agreement or this Agreement, each Assignor hereby agrees not to divest itself of any right under any Significant Mark absent prior written approval of the Collateral Agent.

4.3. Infringements. Each Assignor agrees, promptly upon learning thereof, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who such Assignor believes is infringing or diluting or otherwise violating in any material respect any of such Assignor's rights in and to any Significant Mark, or with respect to any party claiming that

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such Assignor's use of any Significant Mark violates in any material respect any property right of that party. Each Assignor further agrees, unless otherwise agreed by the Collateral Agent, to prosecute any Person infringing any Significant Mark owned by such Assignor in accordance with reasonable business practices.

4.4. Preservation of Marks. Each Assignor agrees to use its Significant Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks under the laws of the United States.

4.5. Maintenance of Registration. Each Assignor shall, at its own expense, diligently process all documents required to maintain trademark registrations, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Significant Marks, and shall pay all fees and disbursements in connection therewith and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent.

4.6. Future Registered Marks. If any Mark registration issues hereafter to any Assignor as a result of any application now or hereafter pending before the United States Patent and Trademark Office, within 30 days of receipt of such certificate, such Assignor shall deliver to the Collateral Agent a copy of such certificate, and an assignment for security in such Mark, to the Collateral Agent and at the expense of such Assignor, confirming the assignment for security in such Mark to the Collateral Agent hereunder, the form of such security to be substantially the same as the form hereof.

4.7. Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may, by written notice to the relevant Assignor, take any or all of the following actions; (i) declare the entire right, title and interest of such Assignor in and to each of the Marks and the goodwill of the business associated therewith, together with all trademark rights and rights of protection to the same, vested in the Collateral Agent for the benefit of the Secured Creditors, in which event such rights, title and interest shall immediately vest, in the Collateral Agent for the benefit of the Secured Creditors, and the Collateral Agent shall be entitled to exercise the power of attorney referred to in Section 4.1 hereof to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of such Assignor's business symbolized by the Marks and the right to carry on the business and use the assets of such Assignor in connection with which the Marks have been used; (iii) in connection with the exercise of any of the other remedies provided for in this Agreement or any other Security Document, direct such Assignor to refrain, in which event such Assignor shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and, if requested by the Collateral Agent, change such Assignor's corporate

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name to eliminate therefrom any use of any Mark; and (iv) direct such Assignor to execute such other and further documents that the Collateral Agent may reasonably request to further confirm the foregoing and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office to the Collateral Agent.

ARTICLE V

SPECIAL PROVISIONS CONCERNING PATENTS, COPYRIGHTS AND TRADE SECRETS

5.1. Additional Representations and Warranties. Each Assignor represents and warrants that it is the true and lawful owner or licensee of all rights in (i) all United States trade secrets and proprietary information necessary to operate the business of such Assignor (the "Trade Secret Rights"), (ii) the Patents listed in Annex E hereto for such Assignor and that said Patents include, to the best of each Assignor's knowledge, all United States patents and applications for United States patents that such Assignor owns as of the date hereof and (iii) the Copyrights listed in Annex F hereto for such Assignor and that said Copyrights constitute, to the best of each Assignor's knowledge, all the United States copyrights registered with the United States Copyright Office and applications to United States copyrights that such Assignor now owns. Each Assignor further warrants that it has no knowledge of any third party claim that any aspect of such Assignor's present or contemplated business operations infringes or will infringe any patent or any copyright or such Assignor has misappropriated any trade secret or proprietary information. Each Assignor hereby grants to the Collateral Agent, an absolute power of attorney to sign, upon the occurrence and during the continuance of any Event of Default, any document which may be required by the United States Patent and Trademark Office or United States Copyright Office, as the case may be, in order to effect an absolute assignment of all right, title and interest in each Patent and Copyright, and to record the same.

5.2. Licenses and Assignments. Except as otherwise permitted by the Credit Agreement, each Assignor hereby agrees not to divest itself of any right under any Significant Patent or Significant Copyright absent prior written approval of the Collateral Agent.

5.3. Infringements. Each Assignor agrees, promptly upon learning thereof, to furnish the Collateral Agent in writing with all pertinent information available to such Assignor with respect to any infringement, contributing infringement or active inducement to infringe in any Significant Patent or Significant Copyright or to any claim that the practice of any Significant Patent or the use of any Significant Copyright violates any property right of a third party, or with respect to any misappropriation of any Trade Secret Right or any claim that practice of any Trade Secret Right violates any property right of

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a third party. Each Assignor further agrees, absent direction of the Collateral Agent to the contrary, diligently to prosecute any Person infringing any Significant Patent or Significant Copyright or any Person misappropriating any Trade Secret Right to the extent that such Assignor reasonably believes that such infringement is material to its business.

5.4. Maintenance of Patents or Copyrights. At its own expense, each Assignor shall make timely payment of all post-issuance fees required to maintain in force rights under each Significant Patent or Significant Copyright, absent prior written consent of the Collateral Agent.

5.5. Prosecution of Patent or Copyright Application. At its own expense, each Assignor shall diligently prosecute all applications for (i) Patents listed in Annex E hereto and (ii) Copyrights listed in Annex F hereto, in each case for such Assignor.

5.6. Other Patents or Copyrights. Within 30 days of the acquisition or issuance of a Patent or Copyright or of filing of an application for a Patent or Copyright, the relevant Assignor shall deliver to the Collateral Agent a copy of said certificate or registration of, or application for, said Patent or Copyright, as the case may be, with an assignment for security as to such Patent or Copyright, as the case may be, to the Collateral Agent and at the expense of such Assignor, confirming the assignment for security, the form of such assignment for security to be substantially the same as the form attached hereto.

5.7. Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may by written notice to the relevant Assignor, take any or all of the following actions; (i) declare the entire right, title, and interest of such Assignor in each of the Patents and Copyrights vested in the Collateral Agent for the benefit of the Secured Creditors, in which event such right, title, and interest shall immediately vest in the Collateral Agent for the benefit of the Secured Creditors, in which case the Collateral Agent shall be entitled to exercise the power of attorney referred to in Section 5.1 hereof to execute, cause to be acknowledged and notarized and to record said absolute assignment with the applicable agency; (ii) in connection with the exercise of any of the other remedies provided for in this Agreement or any other Security Document, take and practice or sell the Patents and Copyrights; (iii) in connection with the exercise of any of the other remedies provided for in this Agreement or any other Security Document, direct such Assignor to refrain, in which event such Assignor shall refrain, from practicing the Patents and Copyrights directly or indirectly; and (iv) direct such Assignor to execute such other and further documents as the Collateral Agent may request further to confirm the foregoing and to transfer ownership of the Patents and Copyrights to the Collateral Agent for the benefit of the Secured Creditors.

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ARTICLE VI

PROVISIONS CONCERNING ALL COLLATERAL

6.1. Protection of Collateral Agent's Security. Each Assignor will do nothing to impair the rights of the Collateral Agent in the Collateral. Each Assignor will at all times keep its Inventory and Equipment insured in favor of the Collateral Agent, at such Assignor's own expense to the extent and in the manner provided in the Credit Agreement; all policies or certificates with respect to such insurance (and any other insurance maintained by such Assignor) (i) shall be endorsed to the Collateral Agent's satisfaction for the benefit of the Collateral Agent (including, without limitation, by naming the Collateral Agent as additional insured or loss payee), (ii) shall state that such insurance policies shall not be cancelled or revised without at least 30 days' prior written notice thereof by the insurer to the Collateral Agent and (iii) shall provide that the respective insurers irrevocably waive any and all rights of subrogation with respect to the Collateral Agent and the Secured Creditors. The Collateral Agent shall, at the time such proceeds of such insurance are distributed to the Secured Creditors, apply such proceeds in accordance with Section 7.4 hereof. Each Assignor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Assignor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Assignor.

6.2. Warehouse Receipts Non-negotiable. Each Assignor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such Assignor shall request that such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7-104 of the Uniform Commercial Code as in effect in any relevant jurisdiction or under other relevant law).

6.3. Further Actions. Each Assignor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent reasonably deems appropriate or advisable to perfect, preserve or protect its security interest in the Collateral.

6.4. Financing Statements. Each Assignor agrees to execute and deliver to the Collateral Agent such financing statements, in form reasonably acceptable to the

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Collateral Agent, as the Collateral Agent may from time to time request or as

are necessary or desirable in the opinion of the Collateral Agent to establish and maintain a valid, enforceable and first priority perfected security interest in the Collateral as provided herein and in the other rights and security contemplated hereby all in accordance with the Uniform Commercial Code as enacted in any and all relevant jurisdictions or any other relevant law. Each Assignor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Assignor hereby authorizes the Collateral Agent to file any such financing statements without the signature of such Assignor where permitted by law.

ARTICLE VII

REMEDIES UPON OCCURRENCE OF EVENT OF DEFAULT

7.1. Remedies; Obtaining the Collateral Upon Default. Each Assignor agrees that, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from such Assignor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Assignor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Assignor;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables and the Contracts) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent and may exercise any and all remedies of such Assignor in respect of such Collateral;

(iii) withdraw all moneys, securities and instruments in the Cash Collateral Account for application to the Obligations in accordance with Section 7.4 hereof;

(iv) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with Section 7.2 hereof, or direct the relevant Assignor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

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(v) take possession of the Collateral or any part thereof, by directing the relevant Assignor in writing to deliver the same to the Collateral Agent at any place or places designated by the Collateral Agent that is reasonable under the circumstances, in which event such Assignor shall at its own expense:

(x) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent;

(y) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 7.2 hereof;

(z) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

(vi) license or sublicense, whether on an exclusive or nonexclusive basis, any Marks, Patents and Copyrights included in the Collateral for such term and on such conditions and in such manner as the Collateral Agent shall in its sole judgment determine; and

(vii) take any of the actions specified in Sections 3.7(c) and/or 3.8;

it being understood that each Assignor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a

court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Assignor of said obligation. The Secured Creditors agree that this Agreement may be enforced only by the action of the Administrative Agent or the Collateral Agent, in each case acting upon the instructions of the Required Banks (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least the majority of the outstanding Other Obligations) and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent or the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case maybe, for the benefit of the Secured Creditors upon the terms of this Agreement.

7.2. Remedies; Disposition of the Collateral. Any Collateral repossessed by the Collateral Agent under or pursuant to Section 7.1 hereof and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the neces-

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sity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair at the expense of the relevant Assignor which the Collateral Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to the relevant Assignor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 days after the giving of such notice, to the right of the relevant Assignor or any nominee of such Assignor to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to the relevant Assignor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the Collateral Agent's option, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Collateral Agent and the other Secured Creditors may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in a commercially reasonable manner in accordance with this Section without accountability to the relevant Assignor. If, under mandatory requirements of applicable law, the Collateral Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the relevant Assignor as hereinabove specified, the Collateral Agent need give such Assignor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law. Each Assignor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such sale or sales of all or any portion of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Assignor's expense.

7.3. Waiver of Claims. Except as otherwise provided in this Agreement, EACH ASSIGNOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, and each Assignor hereby further waives, to the extent permitted by law:

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(i) all damages occasioned by the Collateral Agent's taking of possession of any of the Collateral except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct;

(ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(iii) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Assignor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Assignor therein and thereto, and shall be a perpetual bar both at law and in equity against such Assignor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Assignor.

7.4. Application of Proceeds. (a) All moneys collected by the Collateral Agent (or, to the extent the Pledge Agreement, the Mortgages or Additional Security Documents require proceeds of collateral under such Security Documents to be applied in accordance with the provisions of this Agreement, the Pledgee or Mortgagee under such other Security Document) upon any sale or other disposition of the Collateral, together with all other moneys received by the Collateral Agent hereunder, shall be applied as follows:

(i) first, to the payment of all Obligations owing the Collateral Agent of the type provided in clauses (iii) and (iv) of the definition of Obligations;

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), an amount equal to the outstanding Primary Obligations shall be paid to the Secured Creditors as provided in Section 7.4(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Primary Obligations or, if the proceeds are insufficient to pay in full all such Primary Obligations, its Pro Rata Share (as defined below) of the amount remaining to be distributed;

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Secondary

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Obligations shall be paid to the Secured Creditors as provided in Section 7.4(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Secondary Obligations or, if the proceeds are insufficient to pay in full all such Secondary Obligations, its Pro Rata Share of the amount remaining to be distributed; and

(iv) fourth, to the extent proceeds remain after the application pursuant to the preceding clauses (i), (ii) and (iii) and following the termination of this Agreement pursuant to Section 10.8 hereof, to the relevant Assignor or, to the extent directed by such Assignor or a court of competent jurisdiction, to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, (x) "Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Primary Obligations or Secondary Obligations, as the case may be, and the denominator of which is the then outstanding amount of all Primary Obligations or Secondary Obligations, as the case may be, (y) "Primary Obligations" shall mean (i) in the case of the Credit Document Obligations, all principal of, and interest on, all Loans, all Unpaid Drawings theretofore made (together with all interest accrued thereon), and the aggregate Stated Amounts of all Letters of Credit issued under the Credit Agreement, and all Fees and (ii) in the case of the Other Obligations, all amounts due under the Interest Rate Protection Agreements or Other Hedging Agreements (other than indemnities, fees (including, without limitation, attorneys' fees) and similar obligations and liabilities) and (z) "Secondary Obligations" shall mean all Obligations other than Primary Obligations.

(c) When payments to Secured Creditors are based upon their respective Pro Rata Shares, the amounts received by such Secured Creditors hereunder shall be applied (for purposes of making determinations under this Section 7.4 only)

(i) first, to their Primary Obligations (with the amount to be applied by any Secured Creditor to its Primary Obligations to be applied (x) first, to interest and (y) second, to any other Primary Obligations) and (ii) second, to their Secondary Obligations. If any payment to any Secured Creditor of its Pro Rata Share of any distribution would result in overpayment to such Secured Creditor, such excess amount shall instead be distributed in respect of the unpaid Primary Obligations or Secondary Obligations, as the case may be, of the other Secured Creditors, with each Secured Creditor whose Primary Obligations or Secondary Obligations, as the case may be, have not been paid in full to receive an amount equal to such excess amount multiplied by a fraction the numerator of which is the unpaid Primary Obligations or Secondary Obligations, as the case may be, of such Secured Creditor and the denominator of which is the unpaid Primary Obligations or Secondary Obligations, as the case may be, of all Secured Creditors entitled to such distribution.

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(d) Each of the Secured Creditors agrees and acknowledges that if the Bank Creditors are to receive a distribution on account of undrawn amounts with respect to Letters of Credit issued under the Credit Agreement (which shall only occur after all outstanding Loans and Unpaid Drawings with respect to such Letters of Credit have been paid in full), such amounts shall be paid to the Administrative Agent under the Credit Agreement and held by it, for the equal and ratable benefit of the Bank Creditors, as cash security for the repayment of Obligations owing to the Bank Creditors as such. If any amounts are held as cash security pursuant to the immediately preceding sentence, then upon the termination of all outstanding Letters of Credit, and after the application of all such cash security to the repayment of all Obligations owing to the Bank Creditors after giving effect to the termination of all such Letters of Credit, if there remains any excess cash, such excess cash shall be returned by the Administrative Agent to the Collateral Agent for distribution in accordance with Section 7.4(a) hereof.

(e) Except as set forth in Section 7.4(c) hereof, all payments required to be made to the Bank Creditors hereunder shall be made to the Administrative Agent under the Credit Agreement for the account of the Bank Creditors and all payments required to be made to the Other Creditors hereunder shall be made directly to the respective Other Creditor.

(f) For purposes of applying payments received in accordance with this Section 7.4, the Collateral Agent shall be entitled to rely upon (i) the Administrative Agent under the Credit Agreement and (ii) the Other Creditors for a determination (which the Administrative Agent, each Other Creditor and the Secured Creditors agree (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Obligations owed to the Bank Creditors or the Other Creditors, as the case may be. Unless it has actual knowledge (including by way of written notice from a Bank Creditor or an Other Creditor) to the contrary, the Administrative Agent under the Credit Agreement, in furnishing information pursuant to the preceding sentence, and the Collateral Agent, in acting hereunder, shall be entitled to assume that (x) no Secondary Obligations are owing to any Bank Creditor or Other Creditor and (y) no Interest Rate Protection Agreement or Other Hedging Agreement, or Other Obligations in respect thereof, are in existence.

(g) It is understood that the Assignors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the sums referred to in clause (a) of this Section 7.4 with respect to the relevant Assignor.

7.5. Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Collateral Agent shall be in addition to every other right, power and remedy specifically given under this Agreement, the Interest Rate Protection Agreements or Other Hedging Agreements, the other Credit Documents or now or hereafter

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existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall

impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence therein. No notice to or demand on any Assignor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover expenses, including attorneys' fees, and the amounts thereof shall be included in such judgment.

7.6. Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the relevant Assignor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE VIII

INDEMNITY

8.1. Indemnity. (a) Each Assignor jointly and severally agrees to indemnify, reimburse and hold the Collateral Agent, each other Secured Creditor and their respective successors, permitted assigns, employees, agents and servants (hereinafter in this Section 8.1 referred to individually as "Indemnitee," and collectively as "Indemnitees") harmless from any and all liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all costs, expenses or disbursements (including attorneys' fees and expenses) (for the purposes of this Section 8.1 the foregoing are collectively called "expenses") of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement, any Interest Rate Protection Agreement or Other Hedging Agreement, any other Credit Document or any other document executed in connection herewith or therewith

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or in any other way connected with the administration of the transactions contemplated hereby or thereby or the enforcement of any of the terms of, or the preservation of any rights under any thereof, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Collateral (including, without limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee), or property damage), or contract claim; provided that no Indemnitee shall be indemnified pursuant to this Section 8.1(a) for losses, damages or liabilities to the extent caused by the gross negligence or willful misconduct of such Indemnitee. Each Assignor agrees that upon written notice by any Indemnitee of the assertion of such a liability, obligation, damage, injury, penalty, claim, demand, action, suit or judgment, the relevant Assignor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its best efforts to promptly notify the relevant Assignor of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of Section 8.1(a) hereof; each Assignor agrees, jointly and severally, to pay, or reimburse the Collateral Agent for any and all fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Collateral Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) Without limiting the application of Section 8.1(a) or (b) hereof, each Assignor agrees, jointly and severally, to pay, indemnify and hold each Indemnitee harmless from and against any loss, costs, damages and expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of

any misrepresentation by any Assignor in this Agreement, any other Credit Document or in any writing contemplated by or made or delivered pursuant to or in connection with this Agreement or any other Credit Document.

(d) If and to the extent that the obligations of any Assignor under this Section 8.1 are unenforceable for any reason, such Assignor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

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8.2. Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Assignor contained in this Article VIII shall continue in full force and effect notwithstanding the full payment of all the Notes issued under the Credit Agreement, the termination of all Interest Rate Protection Agreements or Other Hedging Agreements and the payment of all other Obligations and notwithstanding the discharge thereof.

ARTICLE IX

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"Acquisition Letters of Credit" shall mean all letters of credit issued in connection with the Stock Purchase Agreement, together with any replacements issued therefor or letters of credit issued in substitution thereof, and shall include all "Acquisition Letters of Credit" as defined in the Credit Agreement.

"Administrative Agent" shall have the meaning provided in the recitals to this Agreement.

"Agreement" shall mean this Security Agreement, as the same may be modified, supplemented or amended from time to time in accordance with its terms.

"Assignor" shall have the meaning provided in the first paragraph of this Agreement.

"Bank Creditors" shall have the meaning provided in the recitals to this Agreement.

"Banks" shall have the meaning provided in the recitals to this Agreement.

"Borrower" shall have the meaning provided in the recitals to this Agreement.

"Cash Collateral Account" shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Collateral Agent for the benefit of the Secured Creditors.

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"Chattel Paper" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Class" shall have the meaning provided in Section 10.2 of this Agreement.

"Collateral" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Contract Rights" shall mean all rights of any Assignor (including, without limitation, all rights to payment) under each Contract.

"Contracts" shall mean all contracts between any Assignor and one or more additional parties (including, without limitation, any Interest Rate Protection Agreement or Other Hedging Agreement), but excluding any contract to

the extent that the terms thereof prohibit (after giving effect to any approvals or waivers) the assignment of, or granting a security interest in, such contract.

"Copyrights" shall mean any United States or foreign copyright owned by any Assignor, including any registrations of any Copyrights, in the United States Copyright Office or the equivalent thereof in any foreign country, as well as any application for a United States copyright registration now or hereafter made with the United States Copyright Office by any Assignor.

"Credit Agreement" shall have the meaning provided in the recitals to this Agreement.

"Credit Document Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Default" shall mean any event which, with notice or lapse of time, or both, would constitute an Event of Default.

"Documents" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Equipment" shall mean any "equipment," as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Assignor and, in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, movable trade fixtures and vehicles now

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or hereafter owned by any Assignor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" shall mean any Event of Default under, and as defined in, the Credit Agreement and shall in any event, without limitation, include any payment default on any of the Obligations after the expiration of any applicable grace period.

"General Intangibles" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Goods" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Indemnitee" shall have the meaning provided in Section 8.1 of this Agreement.

"Instrument" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same; in all stages of production -- from raw materials through work-in-process to finished goods -- and all products and proceeds of whatever sort and wherever located and any portion thereof which may be returned, rejected, reclaimed or repossessed by the Collateral Agent from any Assignor's customers, and shall specifically include all "inventory" as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Assignor.

"Liens" shall mean any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, lessor's interest in a financing lease or analogous instrument, in, of, or on any Assignor's property.

"Marks" shall mean all right, title and interest in and to any United States or foreign trademarks, service marks and trade names now held or hereafter acquired by any Assignor, including any registration of any trademarks and service marks, or the equivalent thereof in any foreign country, in the United States Patent and Trademark Office and any trade dress including logos and/or designs used by any Assignor in the United States or any foreign country.

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"Obligations" shall mean (i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities of each Assignor, now existing or hereafter incurred under, arising out of or in connection with any Credit Document to which it is a party and the due performance and compliance by each Assignor with the terms of each such Credit Document (all such obligations and liabilities under this clause (i), except to the extent consisting of obligations or indebtedness with respect to Interest Rate Protection Agreements or Other Hedging Agreements, being herein collectively called the "Credit Document Obligations"); (ii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities of each Assignor now existing or hereafter incurred under, arising out of or in connection with any Interest Rate Protection Agreement or Other Hedging Agreement with the Secured Creditors including, in the case of Assignors other than the Borrower, all obligations of such Assignor under the Subsidiaries Guaranty in respect of Interest Rate Protection Agreements or Other Hedging Agreements (all such obligations and liabilities under this clause (ii) being herein collectively called the "Other Obligations"); (iii) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral; (iv) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of any Assignor referred to in clauses (i) and (ii) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of re-taking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable attorneys' fees and court costs; and (v) all amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement under Section 8.1 of this Agreement.

"Other Creditors" shall have the meaning provided in the recitals to this Agreement.

"Other Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Patents" shall mean any United States or foreign patent to which any Assignor now or hereafter has title and any divisions or continuations thereof, as well as any application for a United States or foreign patent now or hereafter made by any Assignor.

"Primary Obligations" shall have the meaning provided in Section 7.4(b) of this Agreement.

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"Proceeds" shall have the meaning provided in the Uniform Commercial Code as in effect in the State of New York on the date hereof or under other relevant law and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Assignor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Assignor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Pro Rata Share" shall have the meaning provided in Section 7.4(b) of this Agreement.

"Receivables" shall mean any "account" as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Assignor and, in any event, shall include, but shall not be limited to, all of such Assignor's rights to payment for goods sold or leased or services performed by such Assignor, whether now in existence or arising from time to time hereafter, including, without limitation, rights evidenced by an account, note, contract, security agreement, chattel paper, or other evidence of indebtedness or security, together with (a) all security pledged, assigned, hypothecated or granted to or held by such Assignor to secure the foregoing, (b) all of any Assignor's right, title and interest in and to any goods, the sale of which gave rise thereto, (c) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (d) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith, (e) all books, records, ledger cards, and invoices relating thereto, (f) all evidences of the filing of financing statements and

other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties, and certificates from filing or other registration officers, (g) all credit information, reports and memoranda relating thereto and (b) all other writings related in any way to the foregoing, provided, in each case, that the term Receivable shall not include any Receivable that is transferred to the Receivables Subsidiary pursuant to the Receivables Documents.

"Receivables Documents" shall mean all documentation relating to any Receivables Facility, including without limitation the Receivables Pooling Agreement and the documentation delivered in connection therewith (including any documentation relating to a series of certificates or purchased interests issued and sold pursuant thereto).

"Receivables Facility" shall have the meaning assigned such term in the Credit Agreement, provided that, in connection with any amendment or replacement of a Receivables Facility, the amended or replacement facility shall constitute a "Receivables

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Facility" for purposes hereof (and the definition of Receivables Documents contained herein) regardless of whether the Receivables Amendment Conditions are satisfied in connection therewith.

"Requisite Creditors" shall have the meaning provided in Section 10.2 of this Agreement.

"Secondary Obligations" shall have the meaning provided in Section 7.4(b) of this Agreement.

"Secured Creditors" shall have the meaning provided in the recitals to this Agreement.

"Significant Copyrights" shall mean those Copyrights which the Assignor believes in its reasonable judgment to be material to its business and any Copyright which the failure to maintain would have a material adverse effect upon the value of the Copyrights taken as a whole.

"Significant Marks" shall mean those Marks which the relevant Assignor believes in its reasonable judgment to be material to its business and any Mark which the failure to maintain or to keep valid and subsisting would have a material adverse effect upon the value of the Marks taken as a whole.

"Significant Patents" shall mean those Patents which the relevant Assignor believes in its reasonable judgment to be material to its business and any Patent which the failure to maintain would have a material adverse effect upon the value of the Patents taken as a whole.

"Stock Purchase Agreement" shall mean the Stock Purchase Agreement, dated as of October 12, 1995, among Pechiney S.A., Pechiney International, Howmet Cercast S.A. and Blade Acquisition Corp.

"Termination Date" shall have the meaning provided in Section 10.8 of this Agreement.

"Trade Secret Rights" shall have the meaning provided in Section 5.1 of this Agreement.

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ARTICLE X

MISCELLANEOUS

10.1. Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement, addressed:

- (a) if to any Assignor, at its address set forth opposite its signature below;

(b) if to the Collateral Agent:

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Mr. David G. Dixon
Telephone No.: (312) 732-8142
Facsimile No.: (312) 732-3885

(c) if to any Bank Creditor (other than the Collateral Agent), at such address as such Bank Creditor shall have specified in the Credit Agreement;

(d) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to each Assignor and the Collateral Agent;

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

10.2. Waiver; Amendment. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Assignor directly affected thereby and the Collateral Agent (with the consent of either (x) the Required Banks or, to the extent required by Section 13.12 of the Credit Agreement, all of the Banks, at all times prior to the time on which all Credit Document Obligations have been paid in full or (y) the holders of at least a majority of the outstanding Other Obligations at all times after the time on which all Credit Document Obligations have been paid in full); provided, that any change, waiver, modification or variance affecting the rights and benefits of a single Class of Secured Creditors (and not all Secured Creditors in a like or similar manner) shall also require the written consent of the Requisite Creditors of such Class of Secured Creditors. For the purpose of this

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Agreement, the term "Class" shall mean each class of Secured Creditors, i.e., whether (x) the Bank Creditors as holders of the Credit Document Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Agreement, the term "Requisite Creditors" of any Class shall mean each of (x) with respect to the Credit Document Obligations, the Required Banks and (y) with respect to the Other Obligations, the holders of at least a majority of all obligations outstanding from time to time under the Interest Rate Protection Agreements or Other Hedging Agreements.

10.3. Obligations Absolute. The obligations of each Assignor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Assignor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement, any other Credit Document or any Interest Rate Protection Agreement or Other Hedging Agreement; (c) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any Credit Document or any Interest Rate Protection Agreement or Other Hedging Agreement or any security for any of the Obligations; (d) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement; (e) any furnishing of any additional security to the Collateral Agent or its assignee or any acceptance thereof or any release of any security by the Collateral Agent or its assignee; or (f) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; whether or not any Assignor shall have notice or knowledge of any of the foregoing.

10.4. Successors and Assigns. This Agreement shall be binding upon each Assignor and its successors and assigns and shall inure to the benefit of the Collateral Agent and each other Secured Creditor and their respective successors and assigns; provided, that no Assignor may transfer or assign any or all of its rights or obligations hereunder without the prior written consent of the Collateral Agent. All agreements, statements, representations and warranties made by each Assignor herein or in any certificate or other instrument delivered by such Assignor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement, the other Credit Documents and the Interest Rate Protection Agreements or Other Hedging Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

10.5. Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

10.6. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

10.7. Assignor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Assignor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Assignor under or with respect to any Collateral.

10.8. Termination; Release. (a) After the Termination Date, this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 8.1 hereof shall survive such termination) and the Collateral Agent, at the request and expense of the respective Assignor, will promptly execute and deliver to such Assignor a proper instrument or instruments (including Uniform Commercial Code termination statements on form UCC-3) acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Assignor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitments and all Interest Rate Protection Agreements or Other Hedging Agreements have been terminated, no Note under the Credit Agreement is outstanding (and all Loans have been repaid in full), and all Letters of Credit have been terminated and all Obligations then owing have been paid in full.

(b) In the event that any part of the Collateral is sold (except to Holdings or any of its Subsidiaries) in connection with a sale permitted by Section 9.02 of the Credit Agreement or otherwise released at the direction of the Required Banks (or all Banks if required by Section 13.12 of the Credit Agreement) and the proceeds of such sale or sales or from such release are applied in accordance with the provisions of Section 4.02 of the Credit Agreement, to the extent required to be so applied, such Collateral will be sold free and clear of the Liens created by this Agreement and the Collateral Agent, at the request and expense of the Assignor, will duly assign, transfer and deliver to the Assignor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and has not theretofore been released pursuant to this Agreement and will promptly execute and deliver to such Assignor a proper instrument or instruments (including UCC termination statements on form UCC-3) acknowledging the release of such Collateral pursuant to this Agreement.

(c) At any time that the Assignor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 10.8(a) or (b), as the case may be, it shall deliver to the Collateral Agent a certificate signed by a principal executive officer of such Assignor stating that the release of the respective Collateral is permitted pursuant to such Section 10.8(a) or (b), as the case may be.

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as a result of any release of Collateral by it in accordance with this Section 10.8.

10.9. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

10.10. Severability. My provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.11. The Collateral Agent. 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 and Section 12 of the Credit Agreement. The Collateral Agent shall act hereunder and thereunder on the terms and conditions set forth herein and in Section 12 of the Credit Agreement.

10.12. Benefit of Agreement. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of and be enforceable by each of the parties hereto and its successors and assigns.

10.13. Additional Assignors. It is understood and agreed that any Subsidiary that is required to execute a counterpart of this Agreement after the date hereof pursuant to the Credit Agreement shall automatically become an Assignor hereunder by executing a counterpart hereof and delivering the same to the Collateral Agent.

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10.14. Amendment and Restatement. Upon the execution and delivery of this Agreement by the parties hereto, the Original Security Agreement shall be amended and restated in its entirety by this Agreement, effective as of the date hereof, with all rights, obligations and security interests created under or granted pursuant to the Original Security Agreement continuing from the date thereof.

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

Addresses:

1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attention: Mr. Allan M. Holt
Telephone No.: (202) 347-2626
Facsimile No.: (202) 347-9250

BLADE ACQUISITION CORP.,
as an Assignor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET HOLDINGS CORPORATION,
as an Assignor

By _____
Title:

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET CORPORATION,
as an Assignor

By _____
Title:

357

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

HOWMET MANAGEMENT SERVICES,
INC., as an Assignor

By _____
Title:

475 Steamboat Road

HOWMET THERMATECH CANADA,
as an Assignor

Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

HOWMET-TEMPCRAFT, INC.,
as an Assignor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

HOWMET TRANSPORT SERVICES, INC.,
as an Assignor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

HOWMET SALES, INC.,
as an Assignor

358

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

HOWMET REFURBISHMENT, INC.,
as an Assignor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

TURBINE COMPONENTS CORPORATION,
as an Assignor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

HOWMET CERCAST (USA), INC.,
as an Assignor

475 Steamboat Road
Greenwich, CT 06830
Attention: Mr. Roland A. Paul
Telephone No.: (203) 625-8770
Facsimile No.: (203) 625-8771

By _____
Title:

359

THE FIRST NATIONAL
BANK OF CHICAGO,
as Collateral Agent

One First National Plaza
Chicago, Illinois 60670
Attention: Mr. David G. Dixon
Telephone No.: (312) 732-8142
Facsimile No.: (312) 732-3885

By _____
Title:

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ANNEX A
to
SECURITY AGREEMENT

SCHEDULE OF CHIEF EXECUTIVE OFFICES
AND OTHER RECORD LOCATIONS

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ANNEX G
to
SECURITY AGREEMENT

ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS AND PATENTS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Assignor], a _____ corporation (the "Assignor") with principal offices at _____ hereby assigns and grants to The First National Bank of Chicago as Collateral Agent, with principal offices at One First National Plaza, Chicago, Illinois 60670 (the "Assignee"), a security interest in (I) all of the Assignor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, (ii) all of the Assignor's right, title and interest in and to the United States patents and pending patent applications (the "Patents") set forth on Schedule B attached hereto, in each case together with (iii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks and Patents, (iv) the goodwill of the businesses with which the Marks are associated and (v) all causes of action arising prior to or after the date hereof for infringement of any of the Marks and Patents or unfair competition regarding the same.

THIS ASSIGNMENT OF SECURITY INTEREST is made to secure the satisfactory performance and payment of all the Obligations of the Assignor, as such term is defined in the Security Agreement among the Assignor, the other assignors from time to time party thereto and the Assignee, dated as of December 13, 1995 and

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Page 2

amended as of December 5, 1996 (as amended from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Assignee shall, upon such satisfaction, execute, acknowledge, and deliver to the Assignor an instrument in writing releasing the security interest in the Marks and Patents acquired under this Assignment of Security Interest.

This Assignment of Security Interest has been granted in conjunction

with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Assignment of Security Interest are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Assignment of Security Interest as of the - day of _____, 199__.

[NAME OF ASSIGNOR], Assignor

By _____
Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO, as Collateral Agent, Assignee

By _____
Name:
Title:

368
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ____ day of ____, 199_, before me personally came _____ who, being by me duly sworn, did state as follows: that [s]he is _____ of [Name of Assignor], that [s]he is authorized to execute the foregoing Assignment of Security Interest on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.

Notary Public

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ____ day of ____, 199_, before me personally came _____ who, being by me duly sworn, did state as follows: that [s]he is _____ of The First National Bank of Chicago that [s]he is authorized to execute the foregoing Assignment of Security Interest on behalf of said national banking association and that [s]he did so by authority of the Board of Directors of said national banking association.

Notary Public

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SCHEDULE A

MARK REG. NO. REG. DATE

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SCHEDULE B

PATENT PATENT NO. ISSUE DATE

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ANNEX H

ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES COPYRIGHTS

WHEREAS, [Name of Assignor], a _____ corporation (the

"Assignor"), having its chief executive office at _____, is the owner of all right, title and interest in and to the United States copyrights and associated United States copyright registrations and applications for registration set forth in Schedule A attached hereto;

WHEREAS, THE FIRST NATIONAL BANK OF CHICAGO, as Collateral Agent, having its principal offices at One First National Plaza, Chicago, Illinois 60670 (the "Assignee"), desires to acquire a security interest in, and lien upon, all of Assignor's right, title and interest in and to Assignor's copyrights and copyright registrations and applications therefor; and

WHEREAS, the Assignor is willing to assign and grant to the Assignee a security interest in, and lien upon, the copyrights and copyright registrations and applications therefor described above.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and subject to the terms and conditions of the Security Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, made by the Assignor, the other assignors from time

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Page 2

to time party thereto and the Assignee (as amended from time to time, the "Security Agreement"), the Assignor hereby assigns and grants to the Assignee a security interest in, and lien upon, all of Assignor's right, title and interest in and to Assignor's copyrights and copyright registrations and applications therefor set forth in Schedule A attached hereto (the "Copyrights"), together with (i) all Proceeds (as such term is defined in the Security Agreement referred to below) of the Copyrights, and (ii) all causes of action arising prior to or after the date hereof for infringement of any Copyright.

This Assignment of Security Interest is made to secure the satisfactory performance and payment of all Obligations (as such term is defined in the Security Agreement) of the Assignor and shall be effective as of the date of the Security Agreement. Upon the occurrence of the Termination Date (as such term is defined in the Security Agreement), the Assignee shall, upon such satisfaction, execute, acknowledge, and deliver to Assignor an instrument in writing releasing the security interest in the Copyrights acquired under this Assignment of Security Interest.

This Assignment of Security Interest has been granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that

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Page 3

any provisions of this Assignment are deemed to conflict with Security Agreement, the provisions of the Security Agreement shall govern.

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ANNEX H
Page 4

IN WITNESS WHEREOF, the undersigned have executed this Assignment of Security Interest at New York, New York as of the __ day of _____, 199_ .

[NAME OF ASSIGNOR] , Assignor

By _____
Name:
Title:

THE FIRST NATIONAL

By _____
Name:
Title:

376
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, 199_ before me personally came _____, who being duly sworn, did depose and say that [s]he is _____ of [Name of Assignor], that [s]he is authorized to execute the foregoing Assignment of Security Interest on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.

Notary Public

377
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, 199_ before me personally came _____, who being duly sworn, did depose and say that [s]he is _____ of The First National Bank of Chicago, that [s]he is authorized to execute the foregoing Assignment of Security Interest on behalf of said national banking association and that [s]he did so by authority of the Board of Directors of said national banking association.

Notary Public

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SCHEDULE A

COPYRIGHTS

Any copyrights which Assignor now owns or hereafter acquires, including any copyright registrations or applications.

REGISTRATION NUMBERS	PUBLICATION DATE	COPYRIGHT TITLE
-----	----	-----
379		ANNEX I

SCHEDULE OF ACQUISITION LETTERS OF CREDIT

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Exhibit I

[Letterhead of CT Corporation System]

December 5, 1996

To the Administrative Agent and the Banks party to the Credit Agreement referred to below:

Ladies and Gentlemen:

Reference is made to (i) the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition

Corp. ("Holdings"), Howmet Holdings Corporation ("Parent" and together with Holdings, the "Parent Guarantors"), Howmet Corporation (the "Borrower"), the Banks party thereto from time to time, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as such Credit Agreement may be modified, supplemented or amended from time to time, the "Credit Agreement") and (ii) the Subsidiaries Guaranty, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among certain subsidiaries of the Borrower (collectively, the "Subsidiary Guarantors") (as such Subsidiaries Guaranty may be modified, supplemented or amended from time to time, the "Subsidiaries Guaranty").

Each of the Borrower and the Parent Guarantors, pursuant to Section 13.08 of the Credit Agreement, and each Subsidiary Guarantor pursuant to Section 20 of the Subsidiaries Guaranty has, on an annual basis, designated, appointed and empowered the undersigned, CT Corporation System, with offices currently located at 1633 Broadway, New York, New York 10019, as its authorized designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents which may be served in any such legal action or proceeding with respect to the Credit Agreement or any other Credit Document (as defined in the Credit Agreement) in the courts of the State of New York or of the United States of America for the Southern District of New York.

The undersigned hereby informs you that it accepts such appointment as agent as set forth in the above-referenced Sections of the respective Credit Documents and agrees

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Page 2

with you that the undersigned (i) shall inform the Administrative Agent promptly in writing of any change of its address in New York City, (ii) shall perform its obligations as such process agent in accordance with the provisions of such Sections and (iii) shall forward promptly to the Borrower, the respective Parent Guarantor or the respective Subsidiary Guarantor, as the case may be, any legal process received by the undersigned in its capacity as process agent.

As process agent, the undersigned, and its successor or successors, agree to discharge the above-mentioned obligations and will not refuse fulfillment of such obligations under the above-referenced Sections of the respective Credit Documents.

Our acceptance of this designation and our continued representation is contingent upon our receipt of timely payment of our charges for this service.

Very truly yours,

CT CORPORATION SYSTEM

By _____
Name:
Title:

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EXHIBIT J

OFFICER'S SOLVENCY CERTIFICATE

I, the undersigned, Chief Financial Officer of Blade Acquisition Corp., do hereby certify on behalf of Blade Acquisition Corp. that:

1. This Certificate is furnished to the Banks pursuant to Section 5.13 of the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996 among Blade Acquisition Corp. ("Holdings"), Howmet Holdings Corporation (f/k/a Pechiney Corporation), Howmet Corporation (the "Borrower"), various Lenders from time to time party thereto (the "Banks"), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents (the "Managing Agents"), Bankers Trust Company, as Syndication Agent (the "Syndication Agent"), Citicorp USA, Inc., as Documentation Agent (the "Documentation Agent"), and The First National Bank of Chicago, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent") (such Credit Agreement, as in effect on the date of this Certificate, being herein called the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have

the meanings set forth in the Credit Agreement.

2. For purposes of this Certificate, the terms below shall have the following definitions:

(a) "Fair Value"

The amount at which the assets, in their entirety, of each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries, (on a consolidated basis), as applicable, would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "Present Fair Saleable Value"

The amount that could be obtained by an independent willing seller from an independent willing buyer if the assets of each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its

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EXHIBIT J
Page 2

Subsidiaries (on a consolidated basis), as applicable, are sold with reasonable promptness under normal selling conditions in a current market.

(c) "New Financing"

The Indebtedness incurred or to be incurred by the Borrower and its Subsidiaries under the Credit Documents (assuming the full utilization by the Borrower of the Total Commitments under the Credit Agreement) and the other Documents and all other financings contemplated by the Documents, in each case after giving effect to the Transaction and the incurrence of all financings contemplated therewith.

(d) "Stated Liabilities"

The recorded liabilities (including contingent liabilities) that would be recorded in accordance with generally accepted accounting principles ("GAAP") of each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis), in each case, at December 5, 1996 after giving effect to the Transaction, determined in accordance with GAAP consistently applied, together with, (x) the net change in long-term debt (including current maturities) between December 31, 1995 and the date hereof and (y) without duplication, the amount of all New Financing.

(e) "Identified Contingent Liabilities"

The maximum estimated amount of liabilities reasonably likely to result from pending litigation, asserted claims and assessments, guaranties, uninsured risks and other contingent liabilities of each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis), as applicable, after giving effect to the Transaction (exclusive of such contingent liabilities to the extent reflected in Stated Liabilities).

(f) "Will be able to pay its Stated Liabilities and Identified Contingent Liabilities, as they mature"

For the period from the date hereof through December 5, 2001, each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis), as applicable, will have sufficient assets and cash flow to pay their respective Stated Liabilities and

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EXHIBIT J
Page 3

Identified Contingent Liabilities as those liabilities mature or otherwise become payable.

(g) "Does not have Unreasonably Small Capital"

For the period from the date hereof through December 5, 2001, each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis), as applicable after consummation of the Transaction and all Indebtedness (including the Loans) being

incurred or assumed and Liens created by the Borrower and its Subsidiaries in connection therewith, is a going concern and has sufficient capital to ensure that it will continue to be a going concern.

3. For purposes of this Certificate, I, or officers of the Borrowers under my direction and supervision, have performed the following procedures as of and for the periods set forth below.

- (a) I have reviewed the financial statements referred to in Section 7.05(a) of the Credit Agreement.
- (b) I have reviewed the unaudited consolidated financial statements for Holdings and its Subsidiaries referred to in Section 5.14(a) of the Credit Agreement.
- (c) I have made inquiries of certain officials of Holdings and its Subsidiaries, who have responsibility for financial and accounting matters regarding (i) the existence and amount of Identified Contingent Liabilities associated with the business of Holdings and its Subsidiaries and (ii) whether the unaudited consolidated financial statements referred to in paragraph (b) above are in conformity with GAAP applied on a basis substantially consistent with that of the audited financial statements as at December 31, 1995.
- (d) I have knowledge of and have reviewed to my satisfaction the Credit Documents and the other Documents, and the respective Schedules and Exhibits thereto.
- (e) With respect to Identified Contingent Liabilities, I:
 - 1. inquired of certain officials of Holdings and its Subsidiaries, who have responsibility for legal, financial and accounting matters as to the existence and estimated liability with respect to all contingent liabilities known to them;

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Page 4

- 2. confirmed with officers of Holdings and its Subsidiaries, that, to the best of such officers' knowledge, (i) all appropriate items were included in Stated Liabilities or the listing of Identified Contingent Liabilities and that (ii) the amounts relating thereto were the maximum estimated amount of liabilities reasonably likely to result therefrom as of the date hereof; and
 - 3. I hereby certify that, to the best of my knowledge, liabilities that may arise from any pending litigation, asserted claims and assessments, guarantees, uninsured risks and other contingent liabilities of Holdings and its Subsidiaries (exclusive of such contingent liabilities to the extent reflected in Stated Liabilities) , as of the date hereof are not reasonably likely to have a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of (i) Holdings and its Subsidiaries (on a consolidated basis) or (ii) the Borrower and its Subsidiaries (on a consolidated basis).
- (f) I have examined the Projections relating to the Borrower and its Subsidiaries which have been delivered to the Banks on the date hereof and considered the effect thereon of any changes since the date of the preparation thereof on the results projected therein. After such review, I hereby certify that in my opinion the Projections are reasonable and attainable, and that the Projections support the conclusions contained in paragraph 4 below.
 - (g) I have made inquiries of certain officers of Holdings and its Subsidiaries who have responsibility for financial reporting and accounting matters regarding whether they were aware of any events or conditions that, as of the date hereof, would cause either of (i) Holdings and its Subsidiaries (on a consolidated basis) or (ii) the Borrower and its Subsidiaries (on a consolidated basis), after giving effect to the Transaction and the related financing transactions (including the incurrence of the New Financing), to (i) have assets with a Fair Value or Present Fair Saleable Value that are less than the sum of Stated Liabilities and Identified Contingent Liabilities; (ii) have Unreasonably Small Capital; or (iii) not be able to pay its Stated Liabilities and Identified Contingent Liabilities as they mature or otherwise become payable.

4. Based on and subject to the foregoing, I hereby certify on behalf of each of (i) Holdings and its Subsidiaries (on a consolidated basis), and (ii) the Borrower and its Subsidiaries (on a consolidated basis) that, after giving effect to the Transaction and the related financing transactions (including the incurrence of the New Financing), it is my informed opinion that (a) the Fair Value and Present Fair Saleable Value of the assets of each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis), exceed its Stated Liabilities and Identified Contingent Liabilities; (b) each of (i) Holdings and its Subsidiaries (on a consolidated basis), and (ii) the Borrower and its Subsidiaries (on a consolidated basis), does not have Unreasonably Small Capital; and (c) each of (i) Holdings and its Subsidiaries (on a consolidated basis) and (ii) the Borrower and its Subsidiaries (on a consolidated basis) will be able to pay its Stated Liabilities and Identified Contingent Liabilities, as they mature or otherwise become payable.

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IN WITNESS WHEREOF, I have hereto set my hand this ____ day of December, 1996.

BLADE ACQUISITION CORP.

By _____
Name:
Title:

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EXHIBIT K

ASSIGNMENT AND ASSUMPTION AGREEMENT

Date _____, 19

Reference is made to the Credit Agreement described in Item 2 of Annex I hereto (as such Credit Agreement may hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Unless defined in Annex I hereto, terms defined in the Credit Agreement are used herein as therein defined. _____ (the "Assignor") and _____ (the "Assignee") hereby agree as follows:

1. The Assignor hereby sells and assigns to the Assignee without recourse and without representation or warranty (other than as expressly provided herein), and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof which represents the percentage interest specified in Item 4 of Annex I hereto (the "Assigned Share") of all of the outstanding rights and obligations under the Credit Agreement relating to the facilities listed in Item 4 of Annex I hereto, including, without limitation, [(x) in the case of any assignment of all or any portion of the Total Term Loan Commitment, all rights and obligations with respect to the Assigned Share of such Total Term Loan Commitment,]1/ (y) in the case of any assignment of outstanding Term Loans, all rights and obligations with respect to the Assigned Share of such Term Loans and (z) in the case of any assignment of all or any portion of the Total Revolving Loan Commitment, all rights and obligations with respect to the Assigned Share of such Total Revolving Loan Commitment and of any outstanding Revolving Loans and Letters of Credit. After giving effect to such sale and assignment, the Assignee's Revolving Loan Commitment[, Term Loan Commitment]2/ and the amount of the outstanding Term Loans owing to the Assignee will be as set forth in Item 4 of Annex I hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim: (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the other Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement

1/ Delete bracketed language in Assignment and Assumption Agreements executed after the termination of the Total Term Loan Commitment.

2/ Delete bracketed language in Assignment and Assumption Agreements executed after the termination of the Total Term Loan Commitment.

or the other Credit Documents or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Holdings, Parent, the Borrower or any of its Subsidiaries or the performance or observance by Holdings, Parent, the Borrower or any of its Subsidiaries of any of their obligations under the Credit Agreement or the other Credit Documents to which they are a party or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption Agreement: (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Bank or Agent 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 action under the Credit Agreement: (iii) confirms that it is an Eligible Transferee under Section 13.04(b) of the Credit Agreement; (iv) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent and the Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto: (v) represents that it is not a direct competitor of the Borrower or any of its Subsidiaries; (vi) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank]; and (vii) to the extent legally entitled to do so, attaches the forms described in Section 13.04(b) of the Credit Agreement]3/. Each Assignee further represents that at least one of the following statements concerning each source of funds to be used by it to make the purchase and assumption hereunder (a "Source") is accurate on and as of the Settlement Date:

(a) the Source is an insurance company pooled separate account that is maintained solely in connection with the Assignee's fixed contractual obligations under which the amounts payable, or credited, to an employee benefit plan and to any participant or beneficiary of such plan (including any annuitant) are not affected in any manner by the investment performance of the separate account; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of Prohibited Transaction Class Exemption ("PTCE") 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of the PTCE 91-38 (issued July 12, 1991) and, except as the Assignee has

3/ Include if the Assignee is organized under the laws of a jurisdiction outside of the United States.

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disclosed to the Assignor in writing pursuant to this clause (b), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source is an "investment fund" managed by a "qualified professional asset manager" or "QPAM" (as defined in Part V of PTCE 84-14, issued March 13, 1984), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of PTCE 84-14) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of PTCE 84-14 are satisfied, and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Assignor in writing pursuant to this clause (c); or

(d) the Source is a governmental plan; or

(e) the Source is an "insurance company general account," as such term is defined in the Department of Labor Prohibited Transaction

Class Exemption 95- 60 (issued July 12, 1995) ("PTCE 95-60") and as of the date of this Agreement there is no "employee benefit plan" with respect to which the aggregate amount of such general account's reserves and liabilities for the contracts held by or on behalf of such "employee benefit plan" and all other "employee benefit plans" maintained by the same employer (and affiliates thereof as defined in Section V(a)(1) of PTCE 95-60) or by the same employee organization (in each case determined in accordance with the provisions of PTCE 95-60) exceeds 10% of the total reserves and liabilities of such general account (as determined under PTCE 95-60) (exclusive of separate account liabilities) plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with the state of domicile of such Assignee; or

(f) the Source is not an "employee benefit plan" as defined in Title I, Section 3(3) of ERISA or a "plan" as defined in Section 4975(c) of the Code (collectively a "plan").

As used herein, the terms "employee benefit plan," "governmental plan" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

4. Following the execution of this Assignment and Assumption Agreement by the Assignor and the Assignee, an executed original hereof (together with all attachments) will be delivered to the Administrative Agent. This Assignment and Assumption shall be effective, unless otherwise specified in Item 5 of Annex I hereto (the

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"Settlement Date"), upon the receipt of the consent of the Administrative Agent to the extent required by Section 13.04(b) of the Credit Agreement, receipt by the Administrative Agent of the administrative fee referred to in such Section 13.04(b), and the registration of the transfer as provided by Section 13.17 of the Credit Agreement,

5. Upon the Settlement Date of this Assignment and Assumption, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Assumption Agreement, have the rights and obligations of a Bank thereunder and under the other Credit Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other Credit Documents except with respect to indemnification provisions under the Credit Agreement (including without limitation, Sections 1.10, 1.11, 2.05, 4.04, 13.01 and 13.06).

6. It is agreed that the Assignee shall be entitled to (x) all interest on the Assigned Share of the Loans at the rates specified in Item 6 of Annex I; (y) all Commitment Commission (if applicable) on the Assigned Share of the Total Revolving Loan Commitment and/or Total Term Loan Commitment (if not theretofore terminated) at the rate specified in Item 7 of Annex I hereto; and (z) all Letter of Credit Fees (if applicable) on the Assignee's participation in all Letters of Credit at the rate specified in Item 8 of Annex I hereto, which, in each case, accrue on and after the Settlement Date, such interest and, if applicable, Commitment Commission and Letter of Credit Fees, to be paid by the Administrative Agent directly to the Assignee. It is further agreed that all payments of principal made on the Assigned Share of the Loans which occur on and after the Settlement Date will be paid directly by the Administrative Agent to the Assignee. Upon the Settlement Date, the Assignee shall pay to the Assignor an amount specified by the Assignor in writing which represents the Assigned Share of the principal amount of the respective Loans made by the Assignor pursuant to the Credit Agreement which are outstanding on the Settlement Date, and which are being assigned hereunder. The Assignor and the Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Settlement Date directly between themselves.

7. THIS ASSIGNMENT AND ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have caused their duly

authorized officers to execute and deliver this Assignment and Assumption Agreement, as of the date first above written, such execution also being made on Annex I hereto.

Accepted this _____ day
of _____, 19

[NAME OF ASSIGNOR]
as Assignor

By _____
Title;

[NAME OF ASSIGNEE]
as Assignee

By _____
Title:

Acknowledged:

THE FIRST NATIONAL BANK OF CHICAGO,
as Administrative Agent

By _____
Title: 4/

4/ The consent (not to be unreasonably withheld or delayed) of the Administrative Agent is required for any assignment of Revolving Loan Commitments, and for assignments pursuant to Section 13.04(b)(y) of the Credit Agreement.

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EXHIBIT K
Page 6

[The undersigned hereby consents to the assignment set forth in this Agreement:

HOWMET CORPORATION,
as Borrower

By _____
Title:] 5/

5/ The consent (not to be unreasonably withheld or delayed) of the Borrower is required for assignments of Term Loan Commitments or Revolving Loan Commitments made pursuant to Section 13.04(b)(y) of the Credit Agreement.

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ANNEX FOR ASSIGNMENT AND ASSUMPTION AGREEMENT

ANNEX I

1. Borrower: Howmet Corporation.
2. Name and Date of Credit Agreement:

Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996. among Blade Acquisition Corp., Howmet Holdings Corporation, Howmet Corporation, the Banks party thereto from time to time, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent.

3. Date of Assignment Agreement:

4. Amounts (as of date of item #3 above):

<TABLE>
<CAPTION>

	[Term Loan Commitment	Outstanding Principal of Term Loans	Revolving Loan Commitment
a. Aggregate Amount for all Banks <S>	<C> \$ _____	<C> \$ _____	<C> \$ _____
b. Assigned share	_____ %	_____ %	_____ %
c. Amount of Assigned Share </TABLE>	\$ _____] 6/	\$ _____	\$ _____

5. Settlement Date:

6/ This column should be deleted in the case of Assignment and Assumption Agreements executed after the termination of the Total Term Loan Commitment.

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Annex I
Page 2

6. Rate of Interest to the Assignee; As set forth in Section 1.08 of the Credit Agreement (unless otherwise agreed to by the Assignor and the Assignee) 7/
7. Commitment Commission: As set forth in Section 3.01(a) of the Credit Agreement (unless otherwise agreed to by the Assignor and the Assignee) 8/
8. Letter of Credit Fees to the Assignee: As set forth in Section 3.01(b) of the Credit Agreement (unless otherwise agreed to by the Assignor and the Assignee) 9/

7/ The Borrower and the Administrative Agent shall direct the entire amount of the interest to the Assignee at the rate set forth in Section 1.08 of the Credit Agreement, with the Assignor and Assignee effecting the agreed upon sharing of the interest through payments by the Assignee to the Assignor.

8/ Insert "Not Applicable" in lieu of text if no portion of the Total Revolving Loan Commitment is being assigned. The Borrower and the Administrative Agent shall direct the entire amount of the Commitment Commission to the Assignee at the rate set forth in Section 3.01(a) of the Credit Agreement, with the Assignor and the Assignee effecting the agreed upon sharing of Commitment Commission through payment by the Assignee to the Assignor.

9/ Insert "Not Applicable" in lieu of text if no portion of the Total Revolving Loan Commitment is being assigned. Otherwise, the Borrower and the Administrative Agent shall direct the entire amount of the Letter of Credit Fees to the Assignee at the rate set forth in Section 3.01(b) of the Credit Agreement, with the Assignor and the Assignee effecting the agreed upon sharing of Letter of Credit Fees through payment by the Assignee to the Assignor.

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Annex I
Page 3

9. Notice:

ASSIGNOR;

Attention:
Telephone:
Telecopier:
Reference:

ASSIGNEE;

Attention:
Telephone:
Telecopier:
Reference:

Payment Instructions:

ASSIGNOR:

Attention:
Reference:

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Annex I
Page 4

ASSIGNEE:

Attention:
Reference:

Accepted and Agreed:

[NAME OF ASSIGNEE]

[NAME OF ASSIGNOR]

By _____

By _____

(Print Name and Title)

(Print Name and Title)

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EXHIBIT L

AMENDED AND RESTATED INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT, dated as of December 13, 1995 and amended and restated as of December 5, 1996 (as amended, modified or supplemented from time to time, this "Agreement"), is executed and delivered by THE FIRST NATIONAL BANK OF CHICAGO as Collateral Agent under the Security Agreement referred to hereinbelow (in such capacity, together with its successors in such capacity, the "Collateral Agent"), and MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee under the Pooling and Servicing Agreement referred to hereinbelow (in such capacity, the "Trustee").

BACKGROUND

A. Howmet Corporation ("Howmet") and certain of its subsidiaries (collectively with Howmet, the "Operating Companies") and the Collateral Agent, are parties to that certain Security Agreement dated as of December 13, 1995 and amended and restated as of the date hereof, (as amended, modified or supplemented and in effect from time to time, the "Security Agreement") for the

benefit of certain creditors of the Operating Companies ("Operating Company Creditors") party to the credit agreement referred to therein (the "Credit Agreement").

B. The Operating Companies have entered into that certain Receivables Purchase Agreement (as amended, modified or supplemented and in effect from time to time, the "Purchase Agreement"), dated as of December 13, 1995, by and between the Operating Companies and Blade Receivables Corporation ("Finco"), pursuant to which each of the Operating Companies will sell to Finco substantially all Receivables that it now owns and from time to time hereafter will own, and Howmet may from time to time enter into one or more Contribution Agreements (each, a "Contribution Agreement") with Finco, pursuant to which Howmet will contribute to Finco some or all of its Receivables.

C. Contemporaneously with the sale or contribution of Receivables to Finco pursuant to the Purchase Agreement and any Contribution Agreement, Finco transferred the Receivables and the other Specified Assets (as defined below) to the Trustee pursuant to that certain Pooling and Servicing Agreement (as amended, supplemented, amended and restated, or otherwise modified and in effect from time to time, the "Pooling and Servicing Agreement") dated as of December 13, 1995 among Finco, Howmet, as initial Servicer, and the Trustee.

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EXHIBIT L
Page 2

D. Contemporaneously with the execution and delivery of the Purchase Agreement and the Pooling and Servicing Agreement, and from time to time thereafter, securities ("Certificates") representing beneficial interests in, or obligations secured by, such Specified Assets were or will be issued. Certain of the Certificates may be sold by Finco to investors ("Investors") and/or pledged to secure loans or other extensions of credit made to Finco by lenders (the "Lenders"), all as further provided by the Transaction Documents (as defined below).

E. The Collateral Agent and the Trustee have heretofore entered into an Intercreditor Agreement, dated as of December 13, 1995 (as amended, modified or supplemented prior to the date hereof, the "Original Intercreditor Agreement").

F. The execution and delivery of the Original Intercreditor Agreement was a condition precedent to the effectiveness of the Purchase Agreement, the Pooling and Servicing Agreement and the other Transaction Documents.

G. The requisite parties to the Credit Agreement have authorized the Collateral Agent to amend and restate the Original Intercreditor Agreement in the form of this Agreement, as required by Section 13.18 of the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. (a) Capitalized terms not defined herein that are defined in Appendix A to the Pooling and Servicing Agreement shall for the purposes of this Agreement (including the recitals hereof) have the meanings ascribed to such terms in such Appendix A; provided that the term "Transaction Documents" shall include all supplements to the Pooling and Servicing Agreement and all credit agreements and all other agreements pursuant to which loans or other extensions of credit evidenced or secured by Certificates are from time to time made.

(b) In addition, the following terms shall have the meanings specified below:

"Bank Collateral" means all property and interests in property (other than Specified Assets) now or hereafter acquired by any Operating Company in or upon which a security interest, lien or mortgage is granted by such Operating Company to the Collateral Agent under the Security Agreement or any other collateral document executed in connection with the Credit Agreement.

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EXHIBIT L
Page 3

"Specified Assets" means the Purchased Receivables, the Contributed Receivables and the Related Assets, as more fully described in Section 1.1 of the Purchase Agreement.

2. Authorization. The Collateral Agent confirms that the terms of the Credit Agreement (i) authorize the Collateral Agent to execute, deliver and perform this Agreement, and (ii) provide for all of the parties to the Credit Agreement to be bound by this Agreement.

3. Release of Transferred Assets Collateral. The Collateral Agent hereby releases all liens and security interests of any kind whatsoever which the Collateral Agent (or any trustee or agent acting on its behalf) holds in Specified Assets, to the extent that such Specified Assets would otherwise constitute Bank Collateral. It is understood and agreed that the Collateral Agent shall have no rights to or in any such proceeds that are Specified Assets. The Collateral Agent agrees, upon the reasonable request of the Trustee, to execute and deliver to the Trustee such UCC partial release statements and other documents and instruments, and do such other acts and things, as the Trustee may reasonably request in order to evidence the release provided for in this Section 3; provided, however, that failure to execute and deliver any such partial release statements, documents or instruments, or to do such acts and things, shall not affect or impair the release provided for in this Section 3.

4. Separation of Collateral. (a) The Trustee hereby agrees promptly to return to Howmet (for the benefit of itself and the other Operating Companies) funds or other property other than Specified Assets (or proceeds thereof) which constitute Bank Collateral (or proceeds thereof); provided, that Howmet or the Collateral Agent shall have identified such Bank Collateral or proceeds in writing to the Trustee or an Authorized Officer of the Trustee otherwise has actual knowledge of the identity of such Bank Collateral or proceeds; and provided further that if the Collateral Agent shall so request in a written notice to the Trustee, the Trustee shall return such funds and property to the Collateral Agent instead of to Howmet. For purposes of maintaining the perfection of the Collateral Agent's lien thereon, the Collateral Agent hereby appoints the Trustee as its agent in respect of such funds or other property.

(b) The Collateral Agent hereby agrees to promptly return to the Trustee any funds or other property which constitute Specified Assets (or proceeds thereof), provided, that the Trustee shall have identified such Specified Assets or proceeds in writing to the Collateral Agent or an authorized officer of the Collateral Agent otherwise has actual knowledge of the identity of such Specified Assets or proceeds. For purposes

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EXHIBIT L
Page 4

of maintaining the perfection of the Trustee's interests therein, the Trustee hereby appoints the Collateral Agent as its agent with respect to such Specified Assets and proceeds.

(c) All payments made by an Obligor that is obligated to make payment with respect to both Specified Assets and other Receivables shall be applied against the specified Receivables, if any, that are designated by such Obligor. In the absence of such designation, such payment shall be applied against the oldest outstanding Receivables owed by such Obligor.

(d) Unless the Trustee and Collateral Agent agree otherwise, neither the Trustee nor the Collateral Agent shall send any notice to an Obligor directing it to remit payments in respect of any Receivable to any account other than the Lockbox Accounts or the Concentration Accounts.

(e) In the event that any of the Specified Assets (or proceeds thereof) become commingled with any Bank Collateral (or proceeds thereof), then the Collateral Agent and the Trustee shall, in good faith, cooperate with each other to separate the Specified Assets (and proceeds thereof) from such Bank Collateral (and proceeds thereof); provided, however, that in the case of any assets, if such separation is not possible, the parties hereto agree to share the proceeds of such property proportionately according to the interests of the Collateral Agent and the Trustee therein; provided, further, that the out-of-pocket costs and expenses incurred by the parties hereto to effect such separation and/or sharing (including without limitation fees and expenses of auditors and attorneys) shall be shared by the parties hereto proportionately according to the benefit of such separation and/or sharing to the Collateral Agent and the Trustee (and the parties for which each of them acts) to the extent that such costs and expenses are not reimbursed or otherwise borne by the Operating Companies (it being understood that nothing in this Agreement shall limit the obligation of the Operating Companies to make such reimbursement or bear such costs and expenses in accordance with the terms of the Credit Agreement, the Security Agreement and the Transaction Documents); and provided, further, that this Section 4(e) shall not require any party to this Agreement to take any action which it believes, in good faith, may prejudice its ability to realize the value of, or to otherwise protect, its interests (and the interests of the parties for which it acts).

5. Additional Agreements with Seller Parties. The Collateral Agent agrees, represents and warrants, on behalf of itself and the other parties to the Credit

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EXHIBIT L
Page 5

Agreement (excluding the Operating Companies; the Collateral Agent and such parties being herein called the "Seller Parties") as follows:

(a) The Seller Parties shall not (i) challenge the transfers of Specified Assets from any Operating Company to Finco, whether on the grounds that such transfers were disguised financings or fraudulent conveyances or otherwise, so long as such transfers are carried out in all material respects in accordance with the Transaction Documents, or (ii) assert that any Operating Company and Finco should be substantively consolidated.

(b) Notwithstanding any prior termination of this Agreement, the Seller Parties shall not, with respect to Finco, institute or join any other Person in instituting a proceeding of the type referred in the definition of "Event of Bankruptcy," so long as any Security or any obligation to a Lender shall be outstanding or there shall not have lapsed one year plus one day since the last day on any such Security or obligation shall have been outstanding. The foregoing will not limit the rights of Seller Parties to file any claim or otherwise take any action with respect to any such insolvency proceedings that may be instituted against Finco by a Person other than a Seller Party.

(c) No Seller Party shall assign its rights or obligations under the Credit Agreement to any other Person unless such Person shall have agreed in writing to be bound by the terms of this Agreement as if it were a party hereto.

(d) Subject to any applicable restrictions in the Transaction Documents, the Trustee may (but shall not be required to) enter into one or more premises of any Operating Company, whether leased or owned, at any time during reasonable business hours, without force or process of law and without obligation to pay rent or compensation to such Operating Company, Finco or the Seller Parties and may use any equipment located thereon relating to Records and may have access and use of such Records and any other property to which such access and use are granted under the Transaction Documents, in each case provided that such uses are for the purposes of enforcing the Trustee's rights with respect to the Specified Assets.

6. Additional Agreements of Trustee. The Trustee agrees, represents and warrants as follows:

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EXHIBIT L
Page 6

(a) The Trustee shall not (I) challenge the transfers of the Bank Collateral (other than Specified Assets) from any Operating Company to the Collateral Agent, whether on the grounds that such transfers were disguised financings or fraudulent conveyances or otherwise, so long as such transfers are carried out in all material respects in accordance with the Credit Agreement, the Security Agreement and related documents, or (ii) assert that any Operating Company and Finco should be substantively consolidated.

(b) The Trustee shall not assign its rights or obligations under the Transaction Documents to any other Person unless such Person shall have agreed in writing to be bound by the terms of this Agreement as if it were a party hereto.

(c) The Trustee does not have any security or other interest in any portion of the Bank Collateral (including, without limitation, Receivables) that do not constitute Specified Assets.

7. Reliance. Each of Finco, the Trustee, all Lenders, all Investors and all Seller Parties may rely on this Agreement as if such Person were a party hereto. This Agreement shall remain in effect until the termination of the Trust in accordance with the terms of the Pooling Agreement.

8. Miscellaneous. (a) No delay upon the part of any party to this Agreement and the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any such party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No waiver, amendment or other modification, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and shall be signed by the Collateral Agent and the Trustee.

(b) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of one which so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(c) This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of New York.

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EXHIBIT L
Page 7

(d) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

(e) All notices and other communications for hereunder shall, unless otherwise stated herein, be in writing (including telecommunications and communications by facsimile copy) and mailed, transmitted or delivered, as to each party hereto at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective upon receipt or (i) in the case of notice by mail, three business days after being deposited in the mails, postage prepaid, and (ii) in the case of notice by facsimile copy, upon the earlier to occur of (A) completion of transmission and telephone confirmation of receipt or (B) the recipient's close of business on the date of transmission.

(f) Upon the execution and delivery of this Agreement by the parties hereto, the Original Intercreditor Agreement shall be amended and restated in its entirety by this Agreement, effective as of the date hereof, with all rights and obligations created under or granted pursuant to the Original Intercreditor Agreement continuing from the date thereof.

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EXHIBIT L
Page 8

IN WITNESS WHEREOF, the Collateral Agent and the Trustee have caused this Agreement to be executed and delivered as of the day first above written.

THE FIRST NATIONAL BANK OF
CHICAGO, as Collateral Agent

By:

Name: _____
Title: _____

One First National Plaza
Chicago, Illinois 60670

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EXHIBIT L
Page 9

MANUFACTURERS AND TRADERS
TRUST COMPANY, as Trustee

By:

Name: _____
Title: _____

One M&T Plaza
7th Floor
Buffalo, New York 14203

ACKNOWLEDGED AND AGREED:

BLADE RECEIVABLES CORPORATION

By: _____
Name: _____
Title: _____

HOWMET CORPORATION

By: _____
Name: _____
Title: _____

HOWMET CERCAST (U.S.A.), INC., as Seller

By: _____
Name: _____
Title: _____

HOWMET REFURBISHMENT, INC., as Seller

By: _____
Name: _____
Title: _____

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HOWMET-TEMPCRAFT, INC., as Seller

By: _____
Name: _____
Title: _____

TURBINE COMPONENTS CORPORATION, as Seller

By: _____
Name: _____
Title: _____

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DOCUMENTS TO BE DELIVERED ON OR BEFORE THE RESTATEMENT EFFECTIVE DATE

I. OPERATIVE DOCUMENTS:

2. Notice of Borrowing (Section 1.03(a)) (Ex. A):

- (a) Term Loan;
- (b) Revolving Loan.

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NOTICE OF BORROWING

December 2, 1996

The First National Bank of Chicago, as
Administrative Agent for the Banks
party to the Credit Agreement
referred to below
One First National Plaza

Attention: John Beirne

Ladies and Gentlemen:

The undersigned, Howmet Acquisition Corp., (the "Borrower") Howmet Corporation (as successor by merger to Howmet Acquisition Corp., the "Borrower"), refers to the Credit Agreement, dated as of December 13,1995 (as amended from time to time, the "Credit Agreement"), the terms defined therein being used herein as therein defined), among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., the Borrower, various Banks from time to time party thereto, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and you, as Administrative Agent for such Banks, and hereby gives you notice, irrevocably, pursuant to Section 1.03(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 1.03(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is December 5, 1996.*
- (ii) The aggregate principal amount of the Proposed Borrowing is \$175,000,000.00.
- (iii) The Proposed Borrowing is to consist of a Term Loan.
- (iv) The Loan to be made pursuant to the Proposed Borrowing shall be maintained as a Eurodollar Loan.
- (v) The initial Interest Period for the Proposed Borrowing is till December 31,1996.

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The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Documents are and will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); and

(B) no Default or event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,
HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Name: Jeffrey A. Jankowski
Title: Treasurer

* Shall be a Business Day at least one Business Day in the case of Base Rate Loans and three Business Days in the case of Eurodollar Loans, in each case, after the date hereof.

** Eurodollar Loans may not be incurred prior to the earlier of (x) the 60th day after the Initial Borrowing Date and (y) the Syndication Date.

*** To be included for a Proposed Borrowing of Eurodollar Loans.

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NOTICE OF BORROWING
(REVISED)

December 2, 1996

The First National Bank of Chicago, as
Administrative Agent for the Banks
party to the Credit Agreement
referred to below
One First National Plaza
Chicago, Illinois 60670

Attention: John Beirne

Ladies and Gentlemen:

The undersigned, Howmet Acquisition Corp., (the "Borrower") Howmet Corporation (as successor by merger to Howmet Acquisition Corp., the "Borrower"), refers to the Credit Agreement, dated as of December 13, 1995 (as amended from time to time, the "Credit Agreement"), the terms defined therein being used herein as therein defined), among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., the Borrower, various Banks from time to time party thereto, Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and you, as Administrative Agent for such Banks, and hereby gives you notice, irrevocably, pursuant to Section 1.03(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 1.03(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is December 5, 1996.*
- (ii) The aggregate principal amount of the Proposed Borrowing is \$10,000,000.00.
- (iii) The Proposed Borrowing is to consist of a Revolving Loan.
- (iv) The Loan to be made pursuant to the Proposed Borrowing shall be initially maintained as follows:
 - A. \$5,000,000.00 Base Rate Loan
 - B. \$5,000,000.00 Eurodollar
- (v) The initial Interest Period for the Proposed Eurodollar portion of the Borrowing is December 31, 1996.

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The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Documents are and will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); and

(B) no Default or event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,
HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Name: Jeffrey A. Jankowski
Title: Treasurer

* Shall be a Business Day at least one Business Day in the case of Base Rate Loans and three Business Days in the case of Eurodollar Loans, in each case, after the date hereof.

** Eurodollar Loans may not be incurred prior to the earlier of (x) the 60th day

after the Initial Borrowing Date and (y) the Syndication Date.

*** To be included for a Proposed Borrowing of Eurodollar Loans.

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DOCUMENTS TO BE DELIVERED ON OR BEFORE THE RESTATEMENT EFFECTIVE DATE

I. OPERATIVE DOCUMENTS:

3. Term Notes. (Section 1.05(a)) (Ex. B-1)

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TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to BANK OF NOVA SCOTIA or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

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THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

417

TERM NOTE

\$8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to BANQUE NATIONALE DE PARIS or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

418

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

419

TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to THE FUJI BANK LIMITED, LOS ANGELES AGENCY or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION. FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

420

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

421

TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to MELLON BANK, N.A. or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

422

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

423

TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to BANK OF AMERICA ILLINOIS or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996,

among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

424

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

425

TERM NOTE

\$14,000,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to CITICORP USA, INC. or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of FOURTEEN MILLION DOLLARS (\$14,000,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

426

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

TERM NOTE

\$ 12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to ABN/AMRO BANK N.V. or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

428

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

429

TERM NOTE

\$12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to BANK OF MONTREAL or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the

Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

430

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

431

TERM NOTE

\$12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to CREDIT LYONNAIS, NEW YORK BRANCH or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

432

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

433

TERM NOTE

\$12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware

corporation (the "Borrower"), hereby promises to pay to CREDIT SUISSE or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp.; Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

434

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

435

TERM NOTE

\$12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to DRESDNER BANK AG, NEW YORK BRANCH AND GRAND CAYMAN ISLAND BRANCH or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur

and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

436

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

437

TERM NOTE

\$ 12,250,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to FLEET NATIONAL BANK or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

438

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

439

TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to THE BANK OF NEW YORK or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL

60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

440

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

441

TERM NOTE

\$ 8,500,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to SAKURA BANK, LIMITED, LOS ANGELES AGENCY or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

TERM NOTE

\$14,000,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to THE FIRST NATIONAL BANK OF CHICAGO or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of FOURTEEN MILLION DOLLARS (\$14,000,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

TERM NOTE

\$14,000,000.00

New York, New York
December 5, 1996

FOR VALUE RECEIVED, HOWMET CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to BANKERS TRUST COMPANY or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of The First National Bank of Chicago (the "Administrative Agent") located at One First National Plaza, Chicago, IL 60670 on the Maturity Date (as defined in the Agreement referred to below) the principal sum of FOURTEEN MILLION DOLLARS (\$14,000,000.00) or, if less, the then unpaid principal amount of all Term Loans (as defined in the Agreement) made by the Bank pursuant to the Agreement.

The Borrower promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.08 of the Agreement.

This Note is one of the Term Notes referred to in the Credit Agreement, dated as of December 13, 1995 and amended and restated as of December 5, 1996, among Blade Acquisition Corp., Howmet Holdings Corporation, the Borrower, the lenders from time to time party thereto (including the Bank), Bankers Trust Company, Citicorp USA, Inc. and The First National Bank of Chicago, as Managing Agents, Bankers Trust Company, as Syndication Agent, Citicorp USA, Inc., as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (as from time to time in effect, the "Agreement"), and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Agreement). This Note is secured by the Security Documents (as defined in the Agreement) and is entitled to the benefits of the Guaranties (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

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THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOWMET CORPORATION

By: /s/Jeffrey A. Jankowski

Title: Treasurer

BLADE RECEIVABLES MASTER TRUST
CLASS A CERTIFICATES SERIES 1996-1
CLASS B CERTIFICATES SERIES 1996-1

DESK COPIES OF
PROGRAM DOCUMENTS
FOR
HOWMET CORPORATION
April 18, 1996

FIRST CHICAGO CAPITAL MARKETS, INC.
CREDIT SUISSE

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PROJECT BLADE - TAKEOUT
DESK SET
APRIL 18, 1996

Key To Parties and Counsel

BRC Blade Receivables Corporation
CS Credit Suisse
FNBC The First National Bank of Chicago
HRAW&G Hodgson Russ Andrews Woods & Goodyear
HCI Howmet Cercast (U.S.A.), Inc.
Howmet Howmet Corporation
HRI Howmet Refurbishment, Inc.
HTI Howmet-Tempcraft, Inc.
KKB&R Kummer Kaempfer Bonner & Renshaw
L&W Latham & Watkins
Trustee Manufacturers and Traders Trust Company
PHJ&W Paul, Hastings, Janofsky & Walker
PW Price Waterhouse, LLP
TCC Turbine Components Corporation
VRC Valuation Research Corporation
VSS&P Vorys, Sater, Seymour & Pease

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BLADE RECEIVABLES MASTER TRUST
AMENDED AND RESTATED
POOLING AND SERVICING AGREEMENT

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,
as Transferor,

HOWMET CORPORATION,
as Servicer,

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

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This AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT, dated as of April 18, 1996 (this "Agreement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Howmet"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as Trustee.

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions. Capitalized terms used in this Agreement have the meanings that Appendix A assigns to them, and this Agreement shall be interpreted in accordance with Part B of Appendix A.

SECTION 1.2 Transitional Matters. The Pooling and Servicing Agreement dated as of December 13, 1995 (the "Existing Pooling Agreement") among the parties to this Agreement shall be amended and restated in its entirety to read as set forth in this Agreement. Each reference to the Existing Pooling Agreement in any document shall (unless the context otherwise requires) be deemed to refer to the Existing Pooling Agreement as amended and restated by this Agreement.

ARTICLE II CONVEYANCE OF ASSETS

SECTION 2.1 Creation of the Trust; Conveyance of Certain Assets. (a) Transferor confirms the transfer, assignment, set over, grant and conveyance to Trustee under the Existing Pooling Agreement, and hereby transfers, assigns, sets over, grants and otherwise conveys to Trustee, in its capacity as representative of the Certificateholders and the Purchasers, without recourse (except as expressly provided herein), all of its right, title and interest in, to and under, (i) each Receivable (including each Contributed Receivable) that has been or is hereafter transferred by the Sellers to Transferor (each, a "Transferred Receivable"), (ii) all Related Assets, (iii) all of Transferor's rights to receive payment or pursue remedies under the Seller Transaction Documents (the property described in clauses (ii) and (iii) being called the "Related Transferred Assets"), (iv) all funds from time to time on deposit in each of the Transaction Accounts (including funds deposited in a Transaction Account in connection with the issuance of any prefunded Series) and all funds from time to time on deposit in each of the Bank Accounts representing Collections on, or other proceeds of, the foregoing and, in each case, all certificates and instruments, if any, from time to time evidencing such funds, all investments made with such funds, all claims thereunder or in connection therewith and all interest, dividends, monies, instruments, securities and other property from time to time received, receivable or otherwise distributed in

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respect of or in exchange for any or all of the foregoing, (v) any Enhancements obtained for the benefit of any Series or Purchased Interest and (vi) all moneys due or to become due and all amounts received or receivable with respect to any of the foregoing and all proceeds of the foregoing. Such property, whether now

existing or hereafter acquired, shall constitute the assets of the Trust (collectively, the "Transferred Assets"). The foregoing transfer, assignment, setover, grant and conveyance to the Trust is made to Trustee, on behalf of the Trust, and each reference in this Agreement to such transfer, assignment, setover and conveyance shall be construed accordingly.

(b) In connection with the transfer described in subsection (a), Transferor and Servicer have recorded and filed or caused to be recorded and filed, as an expense of Servicer paid out of the Servicing Fee, financing statements with respect to the Transferred Assets meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the transfer and assignment of the Transferred Assets to the Trust. In connection with the transfer described in subsection (a), Transferor and Servicer further agree to deliver to Trustee each Transferred Asset (including any original documents or instruments included in the Transferred Assets as are necessary to effect such transfer) in which the transfer of an interest is perfected under the UCC or otherwise by possession. Transferor or Servicer shall deliver each such Transferred Asset to Trustee, as an expense of Servicer paid out of the Servicing Fee, immediately upon the transfer of any such Transferred Asset to Trustee pursuant to subsection (a).

(c) In connection with the transfer described above in subsection (a), Servicer shall, on behalf of Transferor, as an expense of Servicer paid out of the Servicing Fee, on or prior to the date hereof, mark the master data processing records evidencing the Receivables with the following legend:

"CERTAIN RECEIVABLES DESCRIBED HEREIN HAVE BEEN SOLD TO BLADE RECEIVABLES CORPORATION ("BRC") PURSUANT TO A RECEIVABLES PURCHASE AGREEMENT, DATED AS OF DECEMBER 13, 1995, AND AMENDED AND RESTATED AS OF APRIL 18, 1996, AMONG HOWMET CORPORATION ("HOWMET"), CERTAIN OF ITS SUBSIDIARIES AND BRC; AND SUCH RECEIVABLES HAVE BEEN TRANSFERRED TO THE BLADE RECEIVABLES MASTER TRUST PURSUANT TO A POOLING AND SERVICING AGREEMENT, DATED AS OF DECEMBER 13, 1995, AND AMENDED AND RESTATED AS OF APRIL 18, 1996, AMONG BRC, AS TRANSFEROR, HOWMET, AS INITIAL SERVICER, AND

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MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE."

(d) Upon the request of Transferor, Trustee will cause Certificates in authorized denominations evidencing the entire interest in the Trust to be duly authenticated and delivered to or upon the order of Transferor pursuant to Section 6.2. Pursuant to the Transferor Certificate, Transferor shall be entitled to receive current and deferred transfer payments at the times and in the amounts specified in the various Supplements and PI Agreements executed from time to time.

(e) If the transfer, assignment, set-over, grant and conveyance described in subsection (a) of this Section 2.1 are deemed to create a security interest in any of the property described in that Section, Transferor hereby (i) grants to the Trustee, for the benefit of the Trustee, the Certificateholders and the Purchasers, a security interest in that property (which shall be deemed to be a first perfected security interest and shall secure Transferor's obligations under the Transaction Documents, the Certificates and the Purchased Interests), and (ii) agrees that this Agreement shall constitute a security agreement under applicable law.

SECTION 2.2 Acceptance by Trustee. Trustee hereby acknowledges its acceptance on behalf of the Trust of all right, title and interest to the Transferred Assets and declares that it shall maintain such right, title and interest, upon the trust herein set forth, for the benefit of all Certificateholders and Purchasers, on the terms and subject to the conditions hereinafter set forth.

SECTION 2.3 Representations and Warranties of Transferor Relating to the Transferred Assets.

(a) Representations and Warranties. At the time that any Receivable or Related Asset is transferred by Transferor to the Trust, Transferor hereby represents and warrants that:

(i) Valid Transfer. Each transfer of Receivables and other Transferred Assets by Transferor to the Trust pursuant to this Agreement constitutes a valid transfer and assignment to the Trust of all right, title and interest of Transferor in, to and under such Receivables and the Related Transferred Assets, free and clear of any Adverse Claim (other than any Permitted Adverse Claim), and constitutes either an absolute transfer of such property to the Trust or a grant of a first priority perfected security interest in such property to the Trust, in

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either case enforceable against creditors of, and purchasers from, Transferor and the Sellers.

(ii) Quality of Title. (A) Immediately before each transfer to be made by Transferor hereunder, each Receivable and Related Transferred Asset that was then to be transferred to the Trust hereunder was owned by Transferor free and clear of any Adverse Claim (other than any Permitted Adverse Claim); and, within two Business Days of the First Issuance Date, Transferor and Servicer will make, or caused to be made, all filings and take all other action under applicable law in each relevant jurisdiction in order to protect and perfect the Trust's interest in such Receivables, such Related Transferred Assets and the funds in the Transaction Accounts against all creditors of, and purchasers from, Transferor and the Sellers.

(B) No effective financing statement or other instrument similar in effect that covers all or part of any Transferred Receivable, any Related Transferred Asset, any other Transferred Asset or any interest in any proceeds thereof is on file in any recording office except financing statements as to which termination statements or releases are filed on the First Issuance Date or within two Business Days after the First Issuance Date and except any filings relating to any Permitted Adverse Claim.

(C) No acquisition of any Receivable or Related Transferred Asset by Transferor or the Trust constitutes a fraudulent transfer or fraudulent conveyance under the United States Bankruptcy Code or applicable state bankruptcy or insolvency laws or is otherwise void or voidable or subject to subordination under similar laws or principles or for any other reason.

(iii) Governmental Approvals. With respect to each Transferred Receivable and Related Transferred Asset, all consents, licenses, approvals or authorizations of, or notices to or registrations, declarations or filings with, any Governmental Authority required to be obtained, effected or made by the Sellers, Servicer or Transferor in connection with the conveyance of such Transferred Receivable and Related Transferred Asset by the Sellers to Transferor, or by Transferor to the Trust, have been duly obtained, effected or given and are in full force and effect.

(iv) Eligible Receivables. (A) On the date on which any Seller transfers a Receivable to Transferor, and Transferor transfers such

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Receivable to the Trust, unless otherwise identified by Servicer in the Daily Report for such date, such Receivable is an Eligible Receivable, and (B) on the date of each Daily Report or Monthly Report that identifies a Receivable as an Eligible Receivable, such Receivable is an Eligible Receivable.

(b) Notice of Breach. The representations and warranties set forth in subsection (a) shall survive the transfer of the Transferred Receivables and the Related Transferred Assets to the Trust. Upon discovery by Transferor, Servicer or Trustee of a breach of any of the representations and warranties set forth in subsection (a), the party discovering the breach shall give written notice to the others within four Business Days following the discovery; provided, however that if such breach arises from a Seller's failure to perform its obligations under the Purchase Agreement and such failure is of the type that may be cured by settlement of a Seller Non-Complying Receivables Adjustment or Seller Dilution Adjustment under Sections 3.1 and 3.5 of the Purchase Agreement, and such settlement shall have (in fact) been made within the time limit specified under such sections, then no breach shall be deemed to have occurred under this Agreement. Trustee's obligations in respect of discovering any breach are limited as provided in Section 11.2(g).

SECTION 2.4 No Assumption of Obligations Relating to Receivables, Related Transferred Assets or Contracts. The transfer, assignment, set over, grant and conveyance described in Section 2.1 does not constitute and is not intended to result in a creation or an assumption by the Trust, Trustee or any Investor Certificateholder of any obligation of Servicer, Transferor, any Seller or any other Person in connection with the Transferred Receivables or the Related Transferred Assets or under the related Contracts or any other agreement or instrument relating thereto. None of Trustee, the Trust, any Investor Certificateholder or any Purchaser shall have any obligation or liability to any Obligor.

SECTION 2.5 Conveyance of Purchased Interests by the Trust. Pursuant to

the terms of a PI Agreement, Trustee, on behalf of the Trust, from time to time may sell, transfer, assign, set over and otherwise convey Purchased Interests to a Purchaser or an Agent for the account of a Purchaser; and Trustee, on behalf of the Trust, is authorized and directed (subject to the applicable terms of Section 6.10), upon the written request of Transferor, to enter into one or more PI Agreements in the form annexed to each such written request. Pursuant to a PI Agreement, Collections allocated to Purchased Interests may be reinvested and such Purchased Interests may be recomputed, each from time to time as provided therein.

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ARTICLE III ADMINISTRATION AND SERVICING

SECTION 3.1 Acceptance of Appointment; Other Matters.

(a) Designation of Servicer. The servicing, administering and collection of the Transferred Receivables and the Related Transferred Assets shall be conducted by the Person designated as Servicer hereunder from time to time in accordance with this section. Until Trustee gives a Termination Notice to Howmet pursuant to Section 10.1, Howmet is designated (and agrees to act) as Servicer.

(b) Delegation of Certain Servicing Activities. In the ordinary course of business, Servicer may at any time delegate its duties hereunder with respect to the Transferred Receivables and the Related Transferred Assets to any Person. Each Person to whom any such duties are delegated in accordance with this Section is called a "Sub-Servicer". Notwithstanding any such delegation, Servicer shall remain liable for the performance of all duties and obligations of Servicer pursuant to the terms of this Agreement and the other Transaction Documents. The fees and expenses of any Sub-Servicers shall be as agreed between Servicer and the Sub-Servicers from time to time and none of the Trust, Trustee, any Certificateholder or any Purchaser shall have any responsibility therefor. Upon any termination of a Servicer pursuant to Section 10.1, all Sub-Servicers designated pursuant to this subsection by such Servicer shall automatically be terminated.

(c) Termination. The designation of Servicer (and each Sub-Servicer) under this Agreement shall automatically terminate upon termination of the Trust pursuant to Section 12.1.

(d) Resignation of Servicer. Howmet shall not resign as Servicer unless it determines that (i) the performance of its duties is no longer permissible under applicable law and (ii) there is no reasonable action that it could take to make the performance of its duties permissible under applicable law. If Howmet determines that it must resign for the reasons stated above, it shall, prior to the tendering of its resignation, deliver to Trustee an Opinion of Counsel confirming the satisfaction of the conditions set forth in clause (i) of the preceding sentence. No resignation by Howmet shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of Servicer in accordance with Section 10.2; provided, however, that if Howmet is prevented by law from continuing to serve as Servicer, Trustee shall assume the responsibilities and obligations of Servicer in accordance with Section 10.2. Trustee shall give prompt notice to the Rating Agencies of the appointment of any Successor Servicer.

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SECTION 3.2 Duties of Servicer and Transferor.

(a) Duties of Servicer in General. Servicer shall service the Transferred Receivables and the Related Transferred Assets and, subject to the terms and provisions of this Agreement, shall have full power and authority, acting alone or through any Sub-Servicer, to do any and all things in connection with such servicing that it may deem necessary or appropriate. Trustee shall execute and deliver to Servicer any powers of attorney or other instruments or documents that are prepared by Servicer and stated in an Officer's Certificate to be, and shall furnish Servicer with any documents in its possession, necessary or appropriate to enable Servicer to carry out its servicing duties. Servicer shall exercise the same care and apply the same policies with respect to the collection and servicing of the Transferred Receivables and the Related Transferred Assets that it would exercise and apply if it owned such Receivables and the Related Transferred Assets, all in substantial compliance with applicable law and in accordance with the Credit and Collection Policy.

Servicer shall take or cause to be taken (and shall cause each Sub-Servicer (if any) to take or cause to be taken) all such actions as Servicer deems reasonably appropriate to collect each Transferred Receivable and Related Transferred Asset, all in accordance with applicable law and the Credit and Collection Policy.

Without limiting the generality of the foregoing and subject to the next preceding paragraph and Section 10.1, Servicer or its designee is hereby authorized and empowered, unless such power and authority is revoked by Trustee on account of the occurrence of a Servicer Default, (i) to instruct Trustee to make withdrawals and payments from the Transaction Accounts as set forth in this Agreement, (ii) to execute and deliver, on behalf of the Trust for the benefit of the Certificateholders and Purchasers, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Transferred Receivables and the Related Transferred Assets, (iii) to make any filings, reports, notices, applications and registrations with, and to seek any consents or authorizations from, the Securities and Exchange Commission and any state securities authority on behalf of the Trust as may be necessary or appropriate to comply with any federal or state securities laws or reporting requirements or other laws or regulations, and (iv) to the extent permitted under and in compliance with the Credit and Collection Policy and with all applicable laws, rules, regulations, judgments, orders and decrees of courts and other governmental authorities (whether federal, state, local or foreign) and all other tribunals, to commence or settle collection proceedings with

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respect to the Transferred Receivables and otherwise to enforce the rights and interests of the Trust and the Certificateholders and Purchasers in, to and under the Transferred Receivables or Related Transferred Assets (as applicable).

(b) Identification and Transfer of Collections. Servicer shall cause Collections and all other Transferred Assets that consist of cash or cash equivalents to be deposited into the Bank Accounts and the Transaction Accounts pursuant to the terms and provisions of Section 3.3 and Article IV. Following notification from any Seller to Servicer or discovery by Servicer that collections of any receivable or other asset that is not a Collection of a Transferred Receivable or a Related Transferred Asset have been deposited into a Bank Account or the Master Collection Account, Servicer shall cause all such collections to be segregated, apart and in different accounts, from the Bank Accounts and the Transaction Accounts. Servicer and, to the extent applicable, Trustee shall hold all such funds in trust, separate and apart from such Person's other funds. On each Business Day, after such misdirected collections have been reasonably identified by Servicer to Trustee, Servicer shall instruct Trustee to, and Trustee shall, turn over to the appropriate Lockbox Bank, applicable Seller or other applicable Howmet Person (or their designees) all such misdirected collections less all reasonable and appropriate out-of-pocket costs and expenses, if any, incurred by Servicer in collecting such receivables.

All payments made by an Obligor that is obligated to make payments with respect to both Receivables included in the Transferred Assets and Receivables not included in the Transferred Assets shall be applied against the Receivables, if any, that are designated by such Obligor by reference to the applicable invoice as the Receivables with respect to which such payments should be applied. In the absence of such designation, such payments shall be applied first against the oldest outstanding Receivables owed by such Obligor.

Following notification from a Lockbox Bank that any item has been returned or is uncollected and that such Lockbox Bank has not been otherwise reimbursed pursuant to the terms of the applicable Lockbox Agreement for any amounts it credited to the relevant Lockbox Account (and then transferred to the Master Collection Account), Servicer shall instruct Trustee to, and Trustee shall, turn over to such Lockbox Bank Collections in such amount from Collections on deposit in the Master Collection Account (and such payments shall have priority over any distributions to Certificateholders and Purchasers).

(c) Modification of Receivables, Etc. So long as no Servicer Default shall have occurred and be continuing, Servicer may adjust, and may permit

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each Sub-Servicer to adjust, in accordance with Section 3.2(a) and the Credit and Collection Policy, the Unpaid Balance of any Transferred Receivable, or otherwise modify the terms of any Transferred Receivable or amend, modify or waive any term or condition of any Contract related thereto, all as it may determine to be appropriate to maximize collection thereof. Servicer shall, or shall cause the applicable Sub-Servicer to, write off Transferred Receivables from time to time in accordance with the Credit and Collection Policy.

(d) Documents and Records. At any time when Howmet is not Servicer, Transferor, to the extent that it is entitled to do so under the Purchase Agreement, shall, upon the request of the then-acting Servicer, cause each Seller to deliver to Servicer, and Servicer shall hold in trust for Transferor and Trustee in accordance with their respective interests, all Records that evidence or relate to the Transferred Receivables and Related Transferred Assets of such Seller.

(e) Certain Duties to the Sellers. Servicer, if other than Howmet, shall, as soon as practicable after a demand by any Seller, deliver to the Seller all documents, instruments and records in its possession that evidence or relate to accounts receivable of the Seller or other Howmet Persons that are not Transferred Receivables or Related Transferred Assets, and copies of all documents, instruments and records in its possession that evidence or relate to Transferred Receivables and Related Transferred Assets.

(f) Identification of Eligible Receivables. The initial Servicer will (i) establish and maintain such procedures as are necessary for determining no less frequently than each Business Day whether each Transferred Receivable qualifies as an Eligible Receivable, and for identifying, on any Business Day, all Transferred Receivables that are not Eligible Receivables, and (ii) include in each Dally Report information that shows whether, and to what extent, the Receivables described in such Dally Report are Eligible Receivables.

(g) Authorization to Act as Transferor's Agent. Without limiting the generality of subsection (a), Transferor hereby appoints Servicer as its agent for the following purposes: (i) specifying accounts to which payments are to be made to Transferor, (ii) making transfers among, and deposits to and withdrawals from, all deposit accounts of Transferor for the purposes described in the Transaction Documents, and (iii) arranging payment by Transferor of all fees, expenses and other amounts payable by Transferor pursuant to the Transaction Documents. Transferor irrevocably agrees that (A) it shall be bound by all actions taken by Servicer pursuant to the preceding sentence, and (B) Trustee and the banks holding all deposit accounts of Transferor are entitled to accept submissions, determinations, selections,

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specifications, transfers, deposits and withdrawal requests, and payments from Servicer on behalf of Transferor.

(h) Grant of Power of Attorney. Transferor and Trustee hereby each grant to Servicer a power of attorney, with full power of substitution, to take in the name of Transferor and Trustee all steps that are necessary or appropriate to endorse, negotiate, deposit or otherwise realize on any writing of any kind held or transmitted by Transferor or transmitted or received by Trustee (whether or not from Transferor) in connection with any Transferred Receivable or Related Transferred Asset. The power of attorney that Transferor and Trustee have granted to Servicer may be revoked by Trustee, and shall be revoked by Transferor, on the date on which Trustee shall be entitled to exercise the powers granted to Trustee pursuant to Section 3. 8(b). In exercising its power granted hereby, Servicer shall take directions from Trustee, if any, arising out of the exercise of the rights granted under Section 11.14.

(i) Turnover of Collections. If Servicer, Transferor or any of their respective agents or representatives shall at any time receive any cash, checks or other instruments constituting Collections, such recipient shall segregate such payments and hold such payments in trust for Trustee and shall, promptly upon receipt (and in any event within two Business Days following receipt), remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to a Bank Account or the Master Collection Account.

(j) Annual Statement as to Compliance. Servicer will deliver to Trustee and each Rating Agency on or before March 31 of each year, beginning with March 31, 1997 an Officer's Certificate stating, as to each signer thereof, that (i) a review of the activities of the Servicer during the preceding calendar year and of performance under this Pooling Agreement has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all its obligations under this Pooling Agreement throughout such year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof and remedies therefor being pursued.

SECTION 3.3 Lockbox Accounts; Concentration Accounts. (a) Each Lockbox Account shall be subject to a Lockbox Agreement substantially in the form of Exhibit A (or such other form acceptable to the Trustee). Unless instructed otherwise by Servicer (or, after the occurrence and continuance of an Early Amortization Event, Trustee), each Lockbox Bank shall be instructed by Servicer to remit, on a daily basis (but subject to the Lockbox Bank's

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customary funds availability schedule), all amounts deposited in the Lockbox Accounts maintained with it to a Concentration Account or the Master Collection Account. Any Concentration Account shall be maintained in the name of Trustee on behalf of the Trust pursuant to a Concentration Account Agreement substantially in the form of Exhibit B (or such other form acceptable to the Trustee). Except

as provided in this Agreement and the applicable Account Agreements, none of any Seller, Transferor, Servicer, or any Person claiming by, through or under any Seller, Transferor or Servicer shall have any control over the use of, or any right to withdraw any item or amount from, any Lockbox Account or Concentration Account. Servicer and Trustee are each hereby irrevocably authorized and empowered, as Transferor's attorney-in-fact, to endorse any item deposited in a lockbox or presented for deposit in any Lockbox Account or Concentration Account requiring the endorsement of Transferor, which authorization is coupled with an interest and is irrevocable. Each Lockbox Account shall be an Eligible Deposit Account.

(b) Servicer shall instruct (or shall cause each Seller to instruct) all Obligor to make all payments due to Transferor or any Seller relating to or constituting Collections (or any proceeds thereof) (i) to lockboxes maintained at the Lockbox Banks for deposit in a Lockbox Account or a Concentration Account or (ii) directly to a lockbox Account. If Transferor or any Seller receives any Collections or any other payment of proceeds of any other Related Transferred Asset, Servicer shall instruct such recipient to (x) segregate such payment and hold it in trust for the benefit of Trustee, and (y) as soon as practicable, but no later than the second Business Day following receipt of such item by such Person, deposit such payment in a Bank Account or the Master Collection Account. Servicer shall, and shall instruct Transferor and the applicable Seller to, use reasonable efforts to prevent the deposit of any amounts other than Collections in any Lockbox Account or Concentration Account. If Servicer is notified by any Seller that any amount other than Collections has been deposited in any Lockbox Account or Concentration Account, Servicer shall promptly instruct the appropriate Account Bank and Trustee to segregate such amount, and shall direct such Account Bank or Trustee (as appropriate) to turn over such amounts to such Seller or other Howmet Person (or their designees) to whom such amounts are owed.

(c) (i) Servicer may, from time to time after the First Issuance Date, designate a new account as a Lockbox Account or a Concentration Account, and such account shall become a Lockbox Account or Concentration Account (and the bank at which such account is maintained shall become a Lockbox Bank or a Concentration Account Bank for purposes of this Agreement); provided that Trustee shall have received not less than 15 Business Days' (or

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such shorter number of days as is acceptable to the Trustee) prior written notice of the account and/or the bank that are proposed to be added as a Bank Account or an Account Bank (as applicable) and, not less than ten Business Days prior to the effective date of any such proposed addition, Trustee shall have received (x) counterparts of a Lockbox Agreement or a Concentration Account Agreement, as applicable, with each new Account Bank, duly executed by such new Account Bank and all other parties thereto and (y) copies of all other agreements and documents signed by the new Account Bank or such other parties with respect to any new Lockbox Account or Concentration Account, as applicable.

(ii) Servicer may, from time to time after the First Issuance Date, terminate an account as a Lockbox Account or a Concentration Account or a bank as an Account Bank; provided that (x) no such termination shall occur unless Trustee shall have received not less than ten Business Days' (or such shorter number of days as is acceptable to the Trustee) prior written notice of the account and/or the bank that are proposed to be terminated as a Bank Account or an Account Bank (as applicable) and, not less than ten Business Days' (or such shorter number of days as is acceptable to the Trustee) prior to the effective date of any such proposed termination, Trustee shall have received counterparts of an agreement, duly executed by such Account Bank and reasonably satisfactory in form and substance to Trustee, pursuant to which such Account Bank agrees that, if it receives any funds or items that constitute Collections on or after the effective date of the termination of such Bank Account or the effective date of its termination as an Account Bank (as the case may be), such Account Bank or former Account Bank (as applicable) shall cause such funds and items to be delivered in the form received to another lockbox or transferred to another Lockbox Account, Concentration Account or the Master Collection Account promptly after such Account Bank or former Account Bank (as applicable) discovers that it has received any such funds or items, and (y) notwithstanding clause (x), Transferor and Servicer may at any time establish alternative collection procedures that do not require the use of Lockbox Accounts with the consent of each Agent and any Enhancement Provider and upon satisfaction of the Modification Condition.

(d) Servicer shall instruct each Concentration Account Bank (if any), to transfer on a daily basis (subject to such Concentration Account Bank's customary funds availability schedule) in same day funds to the Master Collection Account all collected funds on deposit in the Concentration Account maintained with such Concentration Account Bank. All such transfers shall be made in accordance with the relevant Concentration Account Agreement.

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SECTION 3.4 Servicing Compensation. As full compensation for its servicing activities hereunder and under any Supplement or PI Agreement, and as reimbursement for any expense incurred by it in connection therewith, Servicer shall be entitled to receive a monthly servicing fee (the "Servicing Fee") in respect of each Series and Purchased Interest, payable in arrears on each Distribution Date in respect of each Distribution Period (or portion thereof) during which that Series or Purchased Interest is outstanding. The Servicing Fee in respect of any Series or Purchased Interest shall be payable solely as provided in the related Supplement or PI Agreement.

Unless otherwise provided in the applicable Supplement or PI Agreement, the Servicing Fee payable with respect to any Series or Purchased Interest shall be calculated as follows. At any time when Howmet or any of its affiliates is Servicer, the Servicing Fee for any Distribution Period for any Series of Certificates or Purchased Interest shall be equal to one-twelfth of the product of (a) 2%, multiplied by (b) the aggregate Unpaid Balance of the Transferred Receivables as measured on the first Business Day of that Distribution Period, multiplied by (c) the applicable Series Collection Allocation Percentage. If Howmet ceases to be Servicer, the Servicing Fee for a Successor Servicer that is not a Howmet Person for any Distribution Period shall be an amount equal to the greater of (i) the amount calculated pursuant to the preceding sentence and (ii) an alternative amount specified by such Servicer not exceeding the sum of (x) 110% of the aggregate reasonable costs and expenses incurred by such Servicer during such Distribution Period in connection with the performance of its obligations under this Agreement and the other Transaction Documents, and (y) the other costs and expenses that are to be paid out of the Servicing Fee, as described in the next sentence; provided that, without the consent of Trustee and the Required Investors, the amount provided for in clause (x) shall not exceed one-twelfth of 2% of the aggregate Unpaid Balance of the Transferred Receivables as measured on the first Business Day of such Distribution Period. The fees, costs and expenses of Trustee, the Paying Agent, any authenticating agent, the Lockbox Banks, the Concentration Account Banks and the Transfer Agent and Registrar, and certain other costs and expenses payable from the Servicing Fee pursuant to other provisions of this Agreement, and all other fees and expenses that are not expressly stated in this Agreement, any Series Supplement or any PI Agreement to be payable by the Trust or Transferor, other than Federal, state, local and foreign income and franchise taxes, if any, or any interest or penalties with respect thereto, of the Trust, shall be paid out of the Servicing Fee and shall be paid by Servicer from the funds that constitute the Servicing Fee.

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SECTION 3.5 Records of Servicer and Reports to be Prepared by Servicer.

(a) Keeping of Records and Books of Account. Servicer shall maintain at all times accurate and complete books, records and accounts relating to the Transferred Receivables, Related Transferred Assets and Contracts of each Seller and all Collections thereon in which timely entries shall be made. Servicer shall maintain and implement administrative and operating procedures (including an ability to generate duplicates of Records evidencing Transferred Receivables and the Related Transferred Assets in the event of the destruction of the originals thereof), and shall keep and maintain all documents, books, records and other information that Servicer deems reasonably necessary for the collection of all Transferred Receivables and Related Transferred Assets.

(b) Receivables Reviews. Servicer shall provide Trustee access to the documentation regarding the Transferred Receivables when Trustee is required, in connection with the enforcement of the rights of Certificateholders or the Purchasers or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon reasonable request, (ii) during normal business hours, (iii) subject to Servicer's normal security and confidentiality procedures, (iv) at reasonably accessible offices in the continental United States of America designated by Servicer and (v) upon five Business Days' prior notice; provided that no notice shall be required if an Early Amortization Event shall have occurred and be continuing; provided further, that the number of reviews conducted by Trustee, absent an Early Amortization Event or an Unmatured Early Amortization Event, may be limited by the terms of a Supplement (or related Certificate Purchase Agreement) or PI Agreement.

(c) Daily Reports. Prior to 11:00 a.m., New York City time, on each Business Day, Servicer shall prepare and deliver to Trustee and any Agent a report relating to each outstanding Series and Purchased Interest, substantially in the form specified by the applicable Supplement or PI Agreement or in such other form as is reasonably acceptable to Trustee and Servicer (each such report being a "Daily Report") setting out, among other things, the Base Amount and Series Collection Allocation Percentage for that Series or Purchased Interest as of the end of business on the preceding Business Day; provided that if, on any Business Day, Servicer is unable to prepare and deliver a Daily Report to Trustee because of acts of God or the public enemy, riots, acts of war, acts of terrorism, epidemics, fire, failure of communication lines, equipment or power

failure, computer systems failure, flood, embargoes, weather, earthquakes or other unanticipated disruptions of Servicer's ability to monitor the origination and/or preparation of Receivables,

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then (x) the Base Amount for purposes of each outstanding Series and Purchased Interest shall be the lowest Base Amount shown in the related Daily Reports delivered during the immediately preceding month (such amount, an "Estimated Base Amount") and (y) the Series Collection Allocation Percentage for that Series or Purchased Interest shall be the one most recently reported. Servicer may use an Estimated Base Amount and the most recently reported Series Collection Allocation Percentage to prepare the Daily Report until the earlier to occur of (i) the day upon which disruption no longer prevents Servicer from preparing the Daily Report using the actual data required by the Daily Report and delivering it to Trustee, and (ii) the sixth Business Day following the commencement of such disruption. Notwithstanding the foregoing, on an Exempt Holiday, Servicer may elect to not deliver a Daily Report for such day, provided that (i) Servicer shall have given Trustee at least one Business Days' prior written notice of such election, (ii) funds in the Lockbox Accounts are transferred to a Concentration Account or the Trustee, and funds in the Concentration Accounts are transferred to the Trustee, on such day notwithstanding such election, (iii) no funds in any of the Transaction Accounts will be transferred to Transferor on such day, (iv) one or more of the Sellers shall not be open for business on such day, and (v) if any Exempt Holiday is an Interest Payment Date (as defined in any Supplement or PI Agreement), Servicer shall have given Trustee sufficient instructions (as determined by the Trustee) to make all payments to Holders required on such date. "Exempt Holiday" means (i) any of six Business Days between December 24 of one year and January 1 of the next year, and (ii) any of five other days selected by Servicer during any year.

(d) Monthly Report. On each Report Date, Servicer shall prepare and deliver to Trustee and the Rating Agencies a report relating to each outstanding Series and Purchased Interest, substantially in the form specified by the applicable Supplement or PI Agreement or in such other form as is reasonably acceptable to Trustee and Servicer (each such report being a "Monthly Report").

(e) Notice of Seller Change Events; Supplements to Monthly Reports. Sections 1.7 and 1.8 of the Purchase Agreement describe circumstances under which (i) additional Sellers may be added to the Program and (ii) a Seller may terminate its status as Seller under the Program (each such event being a "Seller change Event"). Those Sections of the Purchase Agreement require Howmet to give written notice to Transferor of the occurrence of a Seller Change Event not less than 30 days (or such shorter period as is acceptable to Trustee) prior to the occurrence thereof, and Transferor hereby agrees to give prompt written notice of its receipt of any such notice to Trustee and the Rating Agencies. If the notice is given to Trustee, within five Business Days

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after the receipt of the notice by Trustee (or such later date, as specified in the notice, on which the applicable Seller Change Event shall become effective), Servicer shall deliver to Trustee and the Rating Agencies a supplement to the Monthly Report then in effect for each outstanding Series or Purchased Interest, which supplement shall show (A) the calculation or recalculation of the Required Receivables and the "Applicable Reserve Ratio" (as defined in the applicable Supplement or PI Agreement) to reflect the addition of accounts receivable originated by any Person that is being added to the Program as a Seller, and the exclusion of any Transferred Receivables originated by any such Person that is terminating its status as a Seller (as applicable), and (B) the Loss Discount and the Purchase Discount for any such Person that is being added to the Program as a Seller. For purposes of all calculations hereunder and under the Purchase Agreement, the Required Receivables and (if applicable) the Loss Discount and the Purchase Discount for the relevant Person shown in such supplement shall supersede and/or supplement the calculation of such items in the then outstanding Monthly Report, effective as of the fifth Business Day following Trustee's receipt of such notice (or such later date, as specified in such notice, on which the applicable Seller Change Event shall become effective).

SECTION 3.6 Monthly Servicer's Certificate. On each Report Date, Servicer shall deliver to Trustee, the Paying Agent, Transferor and the Rating Agencies a certificate of an Authorized Officer of Servicer substantially in the form of Exhibit C, with such additions as may be required by any Supplement.

SECTION 3.7 Servicing Report of Independent Public Accountants; Forms 10-Q and 10-K. (a) (i) On or before 120 days after the end of each fiscal year of Transferor (beginning with the end of Transferor's fiscal year 1997), Servicer shall, as an expense of Servicer paid out of the Servicing Fee, cause Ernst & Young or another firm of nationally recognized independent public accountants (which may also render other services to Servicer, the Sellers or Transferor) to

furnish a report to Trustee, Servicer, the Rating Agencies and Transferor (which report shall be addressed to Trustee and shall relate to Transferor's most recently ended fiscal year). The accountants' report shall set forth the results of their performance of the procedures described in Exhibit D with respect to the Monthly Reports and Daily Reports delivered to Trustee pursuant to Section 3.5 during the prior fiscal year.

(ii) Each accountants' report shall state that the accountants have compared the amounts contained in the Monthly Reports and a sample randomly selected from all Daily Reports delivered to Trustee during the period covered by the report with the records (including computer records) from which the amounts were derived and that, on the basis of such

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comparison, the amounts are in agreement with the documents and records, except for such exceptions as they believe to be immaterial and such other exceptions as shall be set forth in the report. Except as provided otherwise in a Supplement, a copy of the accountants' report may be obtained by any Investor Certificateholder by a request in writing to Trustee addressed to the Corporate Trust Office.

(b) In the event that Servicer is required to file Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K or Reports on Form 8-K with the SEC, Servicer shall provide each of the Rating Agencies with copies of such reports promptly after such reports have been filed with the SEC.

SECTION 3.8 Rights of Trustee.

(a) Trustee has the exclusive dominion and control over the Bank Accounts, and Transferor shall take any action that Trustee may reasonably request to effect or evidence such dominion and control. At any time following the occurrence of a Servicer Default, Trustee is hereby authorized to give notice to the Account Banks, as provided in the Account Agreements, of the revocation of Servicer's authority to give instructions or take any other actions with respect to the Bank Accounts that Servicer would otherwise be authorized to give or to take.

(b) At any time following the designation of a Servicer other than Howmet until a Successor Servicer (if other than Trustee) has been appointed:

(i) Trustee may direct any Obligor of Transferred Receivables to pay all amounts payable under any Transferred Receivable or any Related Transferred Assets directly to Trustee or its designee; provided that Trustee shall provide each affected Seller with a copy of such notice at least two Business Days prior to sending it to any Obligor and consult in good faith with each such Seller as to the text of the notice.

(ii) Trustee may direct any Seller to make payment of all amounts payable by such Seller to Transferor under any Transaction Document to which the Seller is a party directly to Trustee or its designee.

(iii) Transferor and Servicer shall, at Trustee's request and as an expense of Servicer paid out of the Servicing Fee, give notice of the Trust's ownership of the Transferred Receivables and the Related Transferred Assets to each Obligor and direct that payments be made directly to Trustee or its designee.

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(iv) Transferor shall, and shall cause the Sellers to, at Trustee's request, (A) assemble all of the Records that are necessary or appropriate to collect the Transferred Receivables and Related Transferred Assets, and shall make the same available to Trustee at one or more places selected by Trustee or its designee, (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to Trustee and shall, promptly upon receipt (and, subject to Section 3.2(i), in no event later than the second Business Day following receipt), remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to a Bank Account or the Master Collection Account and (C) permit, upon not less than two Business Days' prior written notice, any Successor Servicer and its agents, employees and assignees access to their respective facilities and their respective Records.

(c) Each of Transferor and Servicer hereby authorizes Trustee, from time to time after the designation of a Servicer other than Howmet, to take any and all steps in Transferor's name and on behalf of Transferor and Servicer that

are necessary or appropriate, in the reasonable determination of Trustee, to collect all amounts due under any and all Transferred Receivables or Related Transferred Assets, including endorsing the name of Transferor or the applicable Seller on checks and other instruments representing Collections and enforcing such Transferred Receivables and the Related Transferred Assets.

(d) Transferor hereby irrevocably appoints Trustee to act as Transferor's attorney-in-fact, with full authority in the place and stead of Transferor and in the name of Transferor or otherwise, from time to time after the designation of a Servicer other than Howmet, to take (subject to Section 11.14 hereof) any action and to execute any instrument or document that Trustee, in its reasonable determination, may deem necessary to accomplish the purposes of this Agreement, including:

(i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any Transferred Receivable or any Related Transferred Asset;

(ii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with clause (i);

(iii) to file any claims or take any action or institute any proceedings that Trustee in its reasonable determination may deem

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necessary or appropriate for the collection of any of the Transferred Receivables or any Related Transferred Asset or otherwise to enforce the rights of Trustee and the Certificateholders with respect to any of the Transferred Receivables or any Related Transferred Asset; and

(iv) to perform the affirmative obligations of Transferor under any Transaction Document.

Transferor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

SECTION 3.9 Ongoing Responsibilities of Howmet Anything herein to the contrary notwithstanding:

(a) If at any time Howmet shall not be Servicer, it shall deliver all Collections received or deemed received by it or its Subsidiaries to Trustee no later than two Business Days after receipt or deemed receipt thereof and Trustee shall distribute such Collections to the same extent as if such Collections had actually been received from the related Obligor on the applicable dates. So long as Howmet or any of its Subsidiaries shall hold any Collections or deemed Collections required to be paid to Trustee, each of them shall hold such amounts in trust (and separate and apart from its own funds) and shall clearly mark its records to reflect such trust. Howmet hereby grants to Trustee an irrevocable power of attorney, with full power of substitution, coupled with an interest, upon the occurrence of a Servicer Default, to take in the name of Howmet all steps necessary or appropriate to endorse, negotiate or otherwise realize on any writing or other right of any kind held or transmitted by Howmet or transmitted and received by Trustee (whether or not from Howmet) in connection with any Transferred Receivable or Related Transferred Asset.

(b) In addition, if at any time Howmet shall not be Servicer, it shall act (if the Successor Servicer so requests) as the data processing agent of Servicer and, in such capacity, Howmet shall conduct (and shall cause any other necessary Persons to conduct) the data processing functions of the administration of the Transferred Receivables, the Related Transferred Assets and the Collections thereon in substantially the same way that Howmet (or its Sub-Servicers) conducted such data processing functions while Howmet acted as Servicer. Howmet and each such other Person shall be entitled to reasonable compensation for such service to be paid from the Servicing Fee.

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(c) Notwithstanding any termination of Howmet as Servicer hereunder, Howmet shall continue to indemnify Trustee on the terms set out in Section 11.5 with respect to circumstances existing, or actions taken or omitted, prior to such termination.

SECTION 3.10 Further Action Evidencing Transfers. Servicer shall cause all financing statements and continuation statements and any other necessary documents relating to the right, title and interest of Trustee in and to the

Transferred Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the right, title and interest of Trustee hereunder in and to all property comprising the Transferred Assets. Servicer shall deliver to Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Transferor shall cooperate fully with Servicer in connection with the obligations set forth above and will execute any and all documents that are reasonably required to fulfill the intent of this section.

If Transferor or Servicer fails to perform any of its agreements or obligations under any Transaction Document and does not remedy such failure within the applicable cure period, if any, then Trustee or its designee may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Trustee or its designee incurred in connection therewith shall be payable by Servicer as provided in Section 11.5 and (if applicable) by Transferor as provided in Section 73.

ARTICLE IV RIGHTS OF CERTIFICATEHOLDERS AND PURCHASERS; ALLOCATIONS

SECTION 4.1 Rights of Certificateholders and Purchasers. Each Series of Investor Certificates shall collectively represent a fractional undivided beneficial interest (as to any Series, the "Series Interest") in the Trust, and the amount of that undivided beneficial interest shall equal the Series Collection Allocation Percentage for that Series from time to time. Each Certificate within a Series shall represent a partial ownership interest in the related Series Interest, representing the right to receive, to the extent necessary to make the required payments with respect to that Certificate at the times and in the amounts specified in this Article IV and in the related Supplement, the portion of Collections allocable to Investor Certificateholders of such Series pursuant to this Agreement and such Supplement, funds on deposit in the Transaction Accounts allocable to Investor Certificateholders of such Series and funds available pursuant to any related Enhancement. Each "Purchased Interest"

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shall represent a fluctuating undivided ownership interest in the Transferred Assets, purchased pursuant to the PI Agreement related thereto, that shall include the right to receive, to the extent necessary to make required payments to Purchasers at the time and in the amounts specified in the related PI Agreement, the portion of Collections allocable to such Purchased Interest pursuant to this Agreement and the PI Agreement, funds on deposit in the Master Collection Account allocable to the Purchased Interest pursuant to this Agreement and the PI Agreement and funds available pursuant to any related Enhancement. Unless the applicable Supplement or PI Agreement provides otherwise, the Investor Certificates of any Series or class and any Purchased Interest shall not represent any interest in any funds allocable to, or Enhancement for the benefit of, any other Series or Purchased Interest. The "Transferor Certificate" shall represent an interest in the Trust (the "Transferor Interest") consisting of the right to receive current and deferred transfer payments in respect of the various Series and Purchased Interests outstanding from time to time at the times and in the amounts specified in the related Supplements and PI Agreements.

SECTION 4.2 Establishment of Transaction Accounts. (a) On or prior to the date of this Agreement, Trustee has established, and until the Trust is terminated Trustee shall (except as expressly permitted or required below) maintain, in the name of Trustee and for the benefit of the Certificateholders and Purchasers, the following accounts:

(i) account no. 185590981, which shall be called the "Master Collection Account" and into which all Collections and all other Transferred Assets consisting of cash or cash equivalents shall be transferred on a daily basis from the Bank Accounts;

(ii) account no. 185591070, which shall be called the "Carrying Cost Account" and into which funds shall be allocated from time to time to cover carrying costs of each Series and Purchased Interest (including interest payable on, and the Servicing Fee allocated to, each Series and Purchased Interest);

(iii) account no. 185591161, which shall be called the "Equalization Account" and into which funds will from time to time be transferred from the Master Collection Account to compensate for fluctuations in the Base Amounts for the outstanding Series and Purchased Interests; and

(iv) account no. 185591252, which shall be called the "Principal Funding Account" and into which funds will from time to

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time be transferred in anticipation of distributions to Investor Certificateholders or Purchasers on account of their respective principal investments.

(b) In addition, if an Early Amortization Period occurs with respect to any Series or Purchased Interest, Trustee shall establish an additional account which shall be called the "Holdback Account" and into which funds that would otherwise be remitted by Trustee to the Transferor in respect of the Transferor Certificate will be deposited if and to the extent so provided in the related Supplement or PI Agreement.

(c) The Master Collection Account, the Carrying Cost Account, the Equalization Account, the Principal Funding Account, any Holdback Account and any additional accounts required by any Supplement or PI Agreement to be established (unless otherwise indicated in such Supplement or PI Agreement) are collectively called the "Transaction Accounts." Each of the Transaction Accounts shall be established and maintained as an Eligible Deposit Account and shall bear a designation clearly indicating that funds deposited therein are held for the benefit of the Certificateholders and the Purchasers. If any Transaction Account ceases to be an Eligible Deposit Account, Servicer shall cause Trustee to open a substitute Transaction Account that is an Eligible Deposit Account and transfer the funds in the existing Transaction Account to the substitute Transaction Account, and thereafter all references in any Transaction Document to the original Transaction Account shall be deemed instead to refer to the substitute Transaction Account.

(d) The Master Collection Account, the Carrying Cost Account, the Equalization Account, the Principal Funding Account and any Holdback Account shall be held by Trustee for the benefit of all Certificateholders and Purchasers. However, there shall be established within each of the Carrying Cost Account, the Equalization Account, the Principal Funding Account and any Holdback Account an administrative sub-account for each outstanding Series and Purchased Interest. Funds allocated to the Carrying Cost Account, the Equalization Account, the Principal Funding Account and any Holdback Account pursuant to any Supplement or PI Agreement shall be allocated to the applicable Series' or Purchased Interest's sub-account and shall be available solely to the holders of the Certificates in that Series or the Purchaser of that Purchased Interest, as applicable, except to the extent that such funds are subsequently reallocated to another Series or Purchased Interest, or the Transferor, in accordance with the terms of the applicable Supplement or Purchase Agreement and this Agreement. Any additional Transaction Accounts established pursuant to any Supplement or PI Agreement shall be held by Trustee for the benefit of only the related Series or Purchased Interest.

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(e) Trustee shall possess (for its benefit and for the benefit of the Certificateholders and the Purchasers) all right, title and interest in and to all funds on deposit from time to time in each of the Transaction Accounts and in all proceeds thereof. The Transaction Accounts shall be under the sole dominion and control of Trustee for the benefit of the applicable Certificateholders and/or Purchasers. Each of Servicer and Trustee agrees that it shall have no right of setoff against, and no right otherwise to deduct from, any funds held in any of the Transaction Accounts or the Bank Accounts for any amount owed to it by the Trust, any party hereto or any Certificateholder or Purchaser.

SECTION 4.3 Trust-Level Calculations and Funds Allocations.

(a) Allocation of Daily Collections. On each Business Day, Servicer shall determine the amount of collected funds received in the Master Collection Account (other than (i) funds transferred to the Master Collection Account pursuant to any Supplement or PI Agreement and (ii) funds that are required to be returned to Howmet Persons (or their designees) pursuant to Sections 3.2(b) and 3.3(1)) since the preceding Business Day and shall allocate to each outstanding Series and Purchased Interest a share of such funds in an amount equal to the product of the applicable Series Collection Allocation Percentage and the amount of such funds. The portion of such funds allocated to any Series or Purchased Interest shall be further allocated and otherwise dealt with in accordance with the terms of the related Supplement or PI Agreement. In addition, funds initially allocated to a Series or Purchased Interest on any Business Day that are designated as Shared Investor Collections shall be reallocated to other Series or Purchased Interests pro rata based upon the respective Shortfalls (if any) of the other Series and Purchased Interests.

(b) Allocation of Write-Offs and Dilution. In each Monthly Report relating to a Series or Purchased Interest that is in an Early Amortization Period, Servicer shall calculate the amount of (1) Write-Offs (net of Recoveries) and (ii) Dilutions as to which no settlement payment has been made

pursuant to Section 3.3 of the Purchase Agreement, in each case during the related Calculation Period (or the portion of that Calculation Period failing in the Early Amortization Period) and shall allocate to such Series or Purchased Interest a portion of the amounts referred to in clauses (i) and (ii) equal to the product of each such amount and the related Series Loss Allocation Percentage.

SECTION 4.4 Investment of Funds in Transaction Accounts. On any day when funds on deposit in any Transaction Account exceed \$10,000 (after giving effect to the allocations of such funds required by this Article IV and the

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various Supplements and PI Agreements), and at such other times as investment is practicable, Trustee, at the direction of Servicer, shall invest and reinvest monies on deposit in such Transaction Account (in the name of Trustee) in such Eligible Investments as are specified in a notice from Servicer, subject to the restrictions set forth hereinafter. All Eligible Investments made from funds in any Transaction Account, and the interest, dividends and income received thereon and therefrom and the net proceeds realized on the sale thereof, shall be deposited in such Transaction Account. Trustee may liquidate an Eligible Investment prior to maturity if such liquidation would not result in a loss of all or part of the principal portion of such Eligible Investment or if, prior to the maturity of such Eligible Investment, a default occurs in the payment of principal, interest or any other amount with respect to such Eligible Investment. In the absence of negligence of Trustee or willful misconduct by Trustee, Trustee shall have no liability in connection with investment losses incurred on Eligible Investments. It is intended for income tax purposes that the income earned through investment of funds in the Transaction Accounts shall be treated as income of Transferor.

SECTION 4.5 Attachment of Transaction Accounts. If Trustee receives written notice that any Transaction Account has or will become subject to any writ, judgment, warrant of attachment, execution or similar process, Trustee shall (notwithstanding any other provision of the Transaction Documents) promptly notify Transferor, Servicer and the Certificateholders thereof, and shall not deposit or transfer funds into such Transaction Account but shall cause funds otherwise required to be deposited into such Transaction Account to be held in another account pending distribution of such funds in the manner required by the Transaction Documents.

ARTICLE V DISTRIBUTIONS AND REPORTS

DISTRIBUTIONS SHALL BE MADE, AND REPORTS SHALL BE PROVIDED, TO CERTIFICATEHOLDERS AS SET FORTH IN THE APPLICABLE SUPPLEMENT.

ARTICLE VI THE CERTIFICATES

SECTION 6.1 The Certificates. The Investor Certificates in each Series shall be substantially in the forms contemplated by the Supplements pursuant to which the Investor Certificates are issued, and the Transferor Certificate shall be substantially in the form of Exhibit E. Upon issuance, all Certificates shall be executed and delivered by Transferor to Trustee for authentication and redelivery as provided in Sections 6.2 and 6.10. Except to the extent provided otherwise in an applicable Supplement, Investor

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Certificates shall be issued in minimum denominations of \$1,000,000 and in integral multiples of \$100,000 and shall not be subdivided for resale into Certificates smaller than a Certificate, the initial offering price for which would have been at least \$1,000,000.

Each Certificate issued as a Definitive Certificate shall be executed by manual or facsimile signature on behalf of Transferor by its President or any Vice President or by any attorney-in-fact duly authorized to execute the Definitive Certificate on behalf of any such officer. The Definitive Certificates shall be authenticated on behalf of the Trust by manual signature of a duly authorized signatory of Trustee. Definitive Certificates bearing the manual or facsimile signature of the individual who was, at the time when the signature was affixed, authorized to sign on behalf of Transferor or the Trust (as applicable) shall be valid and binding, notwithstanding that the individuals or any of them ceased to be so authorized prior to the authentication and delivery of the Definitive Certificates or does not hold such office on the date of issuance of such Definitive Certificates. No Definitive Certificates shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on the Definitive Certificate a certificate of authentication substantially in the form provided for herein executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, and the certificate of authentication upon any Definitive Certificate shall be conclusive evidence, and the only evidence, that the Definitive Certificate has

been duly authenticated and delivered hereunder and is entitled to the benefits of this Agreement. Except as otherwise provided in the applicable Supplement, all Definitive Certificates shall be dated the date of their authentication.

As provided in any Supplement, Investor Certificates of any Series may be issued and sold pursuant to an exemption from the Securities Act. Any Series sold pursuant to Rule 144A, Regulation S or another exemption under the Securities Act may be delivered in hook-entry form as provided in Sections 6.12 and 6.13.

SECTION 6.2 Authentication of Certificates. Contemporaneously with the initial assignment and transfer of Receivables and other Transferred Assets to the Trust, Trustee shall authenticate and deliver the Transferor Certificate to Transferor. On each Issuance Date, upon the order of Transferor, Trustee shall authenticate and deliver to Transferor the Series of Certificates that are to be issued originally on such Issuance Date pursuant to the applicable Supplement.

SECTION 6.3 Registration of Transfer and Exchange of Certificates. (a) Trustee, as agent for Transferor, shall keep, or shall cause to be kept, at

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the office or agency to be maintained in accordance with the provisions of Section 11.16, a register in written form or capable of being converted into written form within a reasonable time (the "Certificate Register") in which, subject to such reasonable regulations as it may prescribe, a transfer agent and registrar (which may be Trustee) (the "Transfer Agent and Registrar") shall provide for the registration of the Certificates and of transfers and exchanges of the Certificates as herein provided. Transferor hereby appoints Trustee as the initial Transfer Agent and Registrar.

Transferor, or Trustee as agent for Transferor, may revoke the appointment as Transfer Agent and Registrar and remove the then-acting Transfer Agent and Registrar if Trustee or Transferor (as applicable) determines in its sole discretion that the then-acting Transfer Agent and Registrar has failed to perform its obligations under this Agreement in any material respect. The then-acting Transfer Agent and Registrar shall be permitted to resign as Transfer Agent and Registrar upon 30 days' prior written notice to Trustee, Transferor and Servicer; provided that such resignation shall not be effective and the then-acting Transfer Agent and Registrar shall continue to perform its duties as Transfer Agent and Registrar until Trustee has appointed a successor Transfer Agent and Registrar reasonably acceptable to Transferor and such successor has given Trustee written notice that it accepts the appointment. The provisions of Sections 11.1 through 11.5 shall apply to the Transfer Agent and Registrar as if all references to "Trustee" in the applicable provisions of Sections 11.1 through 11.5 were references to the Transfer Agent and Registrar.

It is intended that the registration of Certificates that is described in this Section comply with the registration requirements contained in Section 163 of the Internal Revenue Code.

(b) No transfer of all or any part of the Transferor Certificate shall be made unless (i) either Transferor or any other Holder of the Transferor Certificate shall have given the Rating Agencies and Trustee prior written notice of the proposed transfer, (ii) the Modification Condition shall have been satisfied in connection with the proposed transfer and (iii) either Transferor or any other Holder of the Transferor Certificate shall have delivered to Trustee, the Rating Agencies, each Purchaser and each Enhancement Provider a Tax Opinion for each outstanding Series of Investor Certificates, Purchased Interest and Enhancement (provided that the opinion delivered to any Purchaser or Credit Enhancer shall be limited to the Tax Opinion required by the related Purchased Interest or Series) with respect to such transfer.

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(c) Subject to the requirements of subsection (e), if applicable, having been fulfilled, upon surrender for registration of transfer of any Certificate, and, in the case of Investor Certificates, at any office or agency of the Transfer Agent and Registrar maintained for such purpose, Transferor shall execute, and Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the appropriate class and Series that are in authorized denominations of like aggregate fractional interest in the related Series Interest that bear numbers that are not contemporaneously outstanding.

At the option of an Investor Certificateholder, its Investor Certificates may be exchanged for other Investor Certificates of the same class and Series (and bearing the same interest rate as the Investor Certificate surrendered for registration of exchange) of authorized denominations of like aggregate fractional interests in the related Series Interest and being numbers that are not contemporaneously outstanding, upon surrender of the Investor

Certificates to be exchanged at any such office or agency. Whenever any Investor Certificate is so surrendered for exchange, Transferor shall execute, and Trustee shall authenticate and deliver, the appropriate number of Investor Certificates of the class and Series that the Investor Certificateholder making the exchange is entitled to receive. Every Investor Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to Trustee or the Transfer Agent and Registrar duly executed by the Certificateholder thereof or his attorney-in-fact duly authorized in a writing delivered to the Transfer Agent and Registrar.

No service charge shall be made for any registration of transfer or exchange of Certificates, but the Transfer Agent and Registrar may require the Certificateholder to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Investor Certificates.

All Certificates surrendered for registration of transfer and exchange shall be cancelled and disposed of in a manner satisfactory to Trustee.

(d) Certificates may be surrendered for registration of transfer or exchange at the office of the Transfer Agent and Registrar designated in Section 13.6.

(e) Unless otherwise provided in the applicable Supplement, Certificateholders holding Definitive Certificates shall not sell, transfer or otherwise dispose of the Certificates unless the sale, transfer or disposition is being made pursuant to an exemption from the registration requirements of the

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Securities Act and applicable state securities laws and, prior to the proposed sale, transfer or disposition, the Certificateholder and the proposed transferee each provide Trustee and Transferor with representations and, if requested by Trustee or Transferor, an Opinion of Counsel concerning the proposed sale, transfer or disposition and the availability of the exemption.

(f) The Investor Certificates shall bear such restrictive legends as shall be set forth in the applicable Supplements.

SECTION 6.4 Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate and (b) there is delivered to the Transfer Agent and Registrar and Trustee such security or indemnity as may be required by them and Transferor to hold each of them, the Trust and Transferor harmless, then, in the absence of notice to Trustee that such Certificate has been acquired by a bona fide purchaser, Transferor shall execute and, upon the request of Transferor, Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like class, Series, tenor, terms and principal amount and bearing a number that is not contemporaneously outstanding. In connection with the issuance of any new Certificate under this section, Trustee or the Transfer Agent and Registrar may require the payment by the Certificateholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of Trustee and Transfer Agent and Registrar) connected therewith. Any duplicate Certificate issued pursuant to this section shall constitute conclusive and indefeasible evidence of ownership of an interest in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all Certificates of the same class and Series that are duly issued hereunder.

SECTION 6.5 Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, Transferor, Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Article V and for all other purposes whatsoever, and none of Transferor, Trustee, the Paying Agent, the Transfer Agent and Registrar or any agent of any of them shall be affected by any notice to the contrary; provided that, in determining whether the Holders of the requisite principal amount or Stated Amount (as applicable)

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of Certificates or Purchased Interests have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Certificates and Purchased Interests owned by Transferor, Servicer or any Affiliate thereof shall be disregarded and deemed not to be outstanding, except that, in determining whether Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates and

Purchased Interests that Trustee knows to be so owned shall be so disregarded. Certificates and Purchased Interests so owned that have been pledged in good faith shall not be disregarded and may be regarded as outstanding if the pledgee establishes to the satisfaction of Trustee the pledgee's right so to act with respect to such Certificates or Purchased Interests and that the pledgee is not Transferor, Servicer or an Affiliate thereof.

SECTION 6.6 Appointment of Paying Agent. The Paying Agent initially shall be Trustee. Transferor hereby appoints the Paying Agent as its agent to make distributions to Certificateholders pursuant to the applicable Supplements and to report the amounts of the distributions to Trustee. Any Paying Agent shall have the revocable power to withdraw funds from the Master Collection Account for the purpose of making the distributions. Trustee or, at any time when Trustee is also the Paying Agent, Transferor may revoke such power of the Paying Agent and remove the Paying Agent if Trustee or Transferor (as applicable) determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' prior written notice to Trustee, Transferor, Servicer and the Rating Agencies. Any resignation of the Paying Agent or removal of Trustee as the Paying Agent, and, in either case, appointment of a successor Paying Agent, shall not become effective until the appointment has been accepted by the successor Paying Agent. If no successor Paying Agent shall have been appointed and shall have accepted appointment within 30 days after the giving of the notice of the resignation of the Paying Agent or the removal of Trustee as the Paying Agent, as applicable, the Paying Agent may petition any court of competent jurisdiction to appoint a successor Paying Agent. In the event of the removal of the Paying Agent (other than Trustee), Trustee, without further action, shall automatically be appointed the successor Paying Agent. Upon the resignation or removal of any Paying Agent, Trustee shall appoint a successor Paying Agent (which shall be a bank or trust company) reasonably acceptable to Transferor, which appointment shall be effective on the date on which the Person so appointed gives Trustee written notice that it accepts the appointment. Trustee shall cause the successor Paying Agent or any additional Paying Agent appointed by Trustee to execute and deliver to Trustee an instrument in which it shall agree with Trustee that, as Paying

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Agent, it will hold all sums, if any, held for payment to the Certificateholders and Purchasers in trust for the benefit of the Certificateholders and Purchasers entitled thereto until the sums shall be paid to the Certificateholders and Purchasers. The Paying Agent shall return all unclaimed funds to Trustee, and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to Trustee. The provisions of Sections 11.1 through 11.5 shall apply to the Paying Agent as if all references in the applicable provisions thereof to "Trustee" were references to the Paying Agent.

SECTION 6.7 Access to List of Certificateholders' Names and Addresses. Trustee will furnish or cause to be furnished by the Transfer Agent and Registrar to Transferor, Servicer, any Seller or the Paying Agent, within two Business Days after receipt by Trustee of a written request therefor from Servicer or the Paying Agent, a list in the form Servicer or the Paying Agent may reasonably require of the names and addresses of the Certificateholders as of the most recent Distribution Date. If any Holder or group of Holders of Investor Certificates in any Series evidencing not less than 10% of the aggregate unpaid principal amount of the Series (the "Applicant") applies in writing to Trustee, and the application states that the Applicant desires to communicate with other Certificateholders with respect to their rights under this Agreement, any Supplement or the Certificates and is accompanied by a copy of the communication that the Applicant proposes to transmit, then Trustee, after having been adequately indemnified by the Applicant for its costs and expenses, shall afford or shall cause the Transfer Agent and Registrar to afford the Applicant access during normal business hours to the most recent list of Certificateholders held by Trustee, within five Business Days after the receipt of the application and indemnification. The list shall be as of a date no more than 45 days prior to the date of receipt of the Applicant's request.

Every Certificateholder, by receiving and holding a Certificate, agrees with Trustee that neither Trustee, the Transfer Agent and Registrar, Transferor, Servicer, any Seller nor any of their respective agents shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Certificateholders hereunder, regardless of the sources from which the information was derived.

SECTION 6.8 Authenticating Agent. (a) Trustee may appoint one or more authenticating agents with respect to the Certificates that shall be authorized to act on behalf of Trustee in authenticating the Certificates in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Certificates. Either Trustee or the authenticating agent, if any, then appointed and acting on behalf of Trustee shall authenticate the

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Certificates. Whenever reference is made in this Agreement to the authentication of Certificates by Trustee or Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of Trustee by an authenticating agent and a certificate of authentication executed on behalf of Trustee by an authenticating agent. Each authenticating agent must be acceptable to Transferor.

(b) Any institution succeeding to the corporate agency business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any document or any further act on the part of Trustee, the authenticating agent or any other Person.

(c) An authenticating agent may at any time resign by giving written notice of resignation to Trustee and Transferor. Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to the authenticating agent and Transferor. Upon receiving a notice of resignation or upon a termination, or in case at any time an authenticating agent shall cease to be acceptable to Trustee or Transferor, Trustee may promptly appoint a successor authenticating agent. Any successor authenticating agent, upon acceptance of its appointment, shall become vested with all the rights, powers and duties of its predecessor, with like effect as if originally named as an authenticating agent. No successor authenticating agent shall be appointed unless acceptable to Transferor.

(d) Servicer agrees to pay to each authenticating agent (if any), as an expense of Servicer paid Out of the Servicing Fee, reasonable compensation from time to time for services performed under this section.

(e) The provisions of Sections 11.1, 11.2, 11.3 and 11.4 shall be applicable to any authenticating agent as if the references in the applicable provisions thereof to "Trustee" were references to the authenticating agent.

(f) Pursuant to an appointment made under this section, the Certificates may have endorsed thereon, in lieu of Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

"This is one of the Certificates described in the Supplement dated as of April 18, 1996.

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MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: _____
as Authenticating Agent
for Trustee,

By: _____
Authorized Officer."

SECTION 6.9 Tax Treatment. It is the intent of Transferor and the Investor Certificateholders that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Investor Certificates will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust will not be characterized as an association taxable as a corporation. The provisions of this Agreement and all related Transaction Documents shall be construed to further that intent. Transferor, by entering into this Agreement, and each Investor Certificateholder, by its acceptance of its Investor Certificate, agree to treat the Investor Certificates as indebtedness for purposes of Federal and applicable state and local income and franchise and other taxes measured by or imposed on income. Except to the extent otherwise required by applicable law or any Governmental Authority, Trustee hereby agrees to treat the Trust as a security device only, and shall not file tax returns or obtain an employer identification number on behalf of the Trust.

SECTION 6.10 Issuance of Additional Series of Certificates and Sales of Purchased Interests. (a) Transferor may from time to time issue and direct Trustee to authenticate one or more classes of any newly issued Series of Investor Certificates (a "New Issuance"). In addition, to the extent permitted for any Series of Investor Certificates as specified in the related Supplement, the Investor Certificateholders of the Series may tender their Investor Certificates to Trustee, and Transferor may allocate a portion of the Transferor Interest pursuant to the terms and conditions set forth in the Supplement, in exchange for one or more newly issued Series of Investor Certificates (an "Investor Exchange"). New Issuances and Investor Exchanges collectively are referred to as "Issuances".

(b) Transferor may direct Trustee to authenticate an Issuance by notifying Trustee, in writing, at least five Business Days (or such shorter period as shall be acceptable to Trustee) in advance (an "Issuance Notice") of

the date upon which the Issuance is to occur (an "Issuance Date"). Any Issuance Notice shall state the designation of any Series to be issued on the Issuance Date and, with respect to each class or Series: (i) its initial invested amount (or the method for calculating the initial invested amount), (ii) its interest rate (or the method for allocating interest payments or other cash flows

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to the Series), if any, and (iii) the Enhancement Provider, if any, with respect to the Series.

(c) On the Issuance Date, Transferor shall deliver to Trustee for authentication under Section 6.2, and Trustee shall authenticate and deliver any such class or classes of Series of Investor Certificates only upon delivery to it (and, in the case of item (iv) below, each Rating Agency, Purchaser and any Enhancement Provider) of the following:

(i) a Supplement satisfying the criteria set forth in subsection (d) and in form reasonably satisfactory to Trustee executed by Transferor and Servicer and specifying the principal terms of the Series;

(ii) the applicable Enhancement, if any;

(iii) the agreement, if any, pursuant to which the Enhancement Provider agrees to provide the Enhancement, if any;

(iv) a Tax Opinion for each outstanding Series of Investor Certificates, Purchased Interest and Enhancement (provided that the opinion delivered to any Purchaser or Enhancement Provider shall be limited to the Tax Opinion required by the related Purchased Interest or Series) with respect to such Issuance;

(v) evidence that the Modification Condition has been satisfied with respect to such Issuance;

(vi) an Officer's Certificate of Transferor that on the Issuance Date, after giving effect to the Issuance (and the repayment, on the date of the Issuance Date, of any existing Investor Certificates with funds (including proceeds of sale of the new Series) on deposit in the Principal Funding Account), any requirements set out in the Supplement with respect to any then-outstanding Series with respect to the amount of Certificates that may not, by their terms, be transferred has been satisfied;

(vii) an Officer's Certificate of Servicer stating that no Early Amortization Event or Unmatured Early Amortization Event has occurred and is continuing and that Servicer does not reasonably expect that the Issuance would result in an Early Amortization Event or an Unmatured Early Amortization Event;

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(viii) in the case of an Investor Exchange, any Investor Certificates that are being exchanged in connection therewith;

(ix) any other documents, certificates and Opinions of Counsel as may be required by the applicable Supplement; and

(x) an Officer's Certificate of Servicer to the effect that all conditions specified in clauses (i) through (ix) of this subsection (c) have been satisfied.

Upon satisfaction or waiver of the conditions for any Issuance, Trustee shall cancel any Investor Certificates that are to be cancelled in connection with such Issuance and issue, as provided above, the new Series of Investor Certificates dated the Issuance Date. Any such Series of Investor Certificates shall be substantially in the form specified in the related Supplement and shall bear, upon its face, the designation for the Series to which it belongs, as selected by Transferor. There is no limit to the number of Issuances that may be made under this Agreement.

(d) In conjunction with an Issuance, the parties hereto shall execute a Supplement, which shall specify the relevant terms with respect to any newly issued Series of Investor Certificates, which may include: (i) its name or designation, (ii) the initial invested amount or the method of calculating the initial invested amount, (iii) the applicable interest rate (or formula for the determination thereof), (iv) the Issuance Date, (v) the rating agency or agencies rating the Series, if any, (vi) the name of the Clearing Agency, if any, (vii) the interest payment date or dates and the date or dates from which interest shall accrue, (viii) the method of allocating Collections with respect

to Transferred Receivables for the Series and, if applicable, with respect to any paired Series and the method by which the principal amount of Investor Certificates of the Series shall amortize or accrete and the method for allocating write-offs, (ix) the names of any accounts to be used by the Series and the terms governing the operation of any such account, (x) the terms of any Enhancement with respect to the Series, (xi) the Enhancement Provider, if applicable, (xii) the base rate applicable to the Series, (xiii) the terms on which the Certificates of the Series may be repurchased or remarketed to other investors, (xiv) any deposit into any account provided for the Series, (xv) the number of classes of the Series, and if more than one class, the rights and priorities of each class, (xvi) whether any fees, breakage payments or early termination payments will be included in the funds available to be paid for the Series, (xvii) the subordination of the Series to any other Series, (xviii) whether the Series will be a part of a group or subject to being paired with any other Series, (xix) whether the Series will be prefunded and (xx) any other

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relevant terms of the Series. The terms of the Supplement may modify or amend the terms of this Agreement or the Purchase Agreement (including the related definitions) solely as applied to the new Series.

(e) Except as specified in any Supplement for the related Series, all Investor Certificates of any Series shall rank pari passu and be equally and ratably entitled as provided herein to the benefits hereof (except that the Enhancement provided for any Series shall not be available for any other Series) without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement and the related Supplement.

(f) Transferor may from time to time direct Trustee, on behalf of the Trust, to sell one or more Purchased Interests pursuant to, and direct Trustee to enter into, a PI Agreement. No Purchased Interest shall represent any interest in any Enhancement for the benefit of any Series, any class of Investor Certificates or any other Purchased Interest, any Transaction Account established pursuant to any Supplement or the PI Agreement relating to any other Purchased Interest except to the extent set forth in the PI Agreement with respect to such other Purchased Interest. Each PI Agreement may provide that no Investor Certificateholder, Purchaser under any other PI Agreement or Enhancement Provider shall be a third-party beneficiary thereof or have any benefit or any legal or equitable right, remedy or claim under the PI Agreement.

(g) On or before the date of the initial sale of a Purchased Interest (a "Purchase Date") pursuant to a particular PI Agreement, the parties hereto and the related Purchaser will execute and deliver a PI Agreement that will specify the terms of the Purchased Interest. The obligation of Trustee to execute and deliver the related PI Agreement is subject to the satisfaction or waiver of the following conditions:

(i) on or before the tenth Business Day (or a shorter period as shall be acceptable to the parties) immediately preceding the related Purchase Date, Transferor shall have given Trustee, Servicer, each Rating Agency (if any rated Investor Certificates are outstanding), each Purchaser and each Enhancement Provider (if any) written notice of the sale of the Purchased Interest and the Purchase Date;

(ii) Transferor shall have delivered to Trustee the related PI Agreement, in form satisfactory to Trustee, each executed by each party thereto other than Trustee;

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(iii) the Modification Condition shall have been satisfied with respect to the sale;

(iv) the sale will not contravene any provision of this Agreement, any Supplement, any agreement pursuant to which any Enhancement is provided or any PI Agreement (or any agreement related thereto);

(v) Trustee shall have received an Officer's Certificate of Servicer stating that no Early Amortization Event or an Unmatured Early Amortization Event has occurred and is continuing and that Servicer does not reasonably expect the sale to result in an Early Amortization Event or an Unmatured Early Amortization Event;

(vi) Transferor shall have delivered to Trustee, each Rating Agency, each Purchaser and any Enhancement Provider, a Tax Opinion for each outstanding Series of Investor Certificates, Purchased Interest and Enhancement (provided that the opinion delivered to any Purchaser

or Enhancement Provider shall be limited to the Tax Opinion required by the related Purchased Interest or Series), dated the Purchase Date, with respect to the sale; and

(vii) Transferor shall have delivered to Trustee an Officer's Certificate, dated the Purchase Date for such Purchased Interest, to the effect that all conditions set forth in clauses (i) and (iv) of this subsection (g) for the sale of the Purchased Interest and the execution and delivery of the related PI Agreement have been satisfied.

Upon satisfaction or waiver of the above conditions, Trustee shall execute and, at the written direction of Transferor, deliver the related PI Agreement and any related documents that Transferor shall reasonably request. The terms of the PI Agreement may modify or amend the terms of this Agreement or the Purchase Agreement (including the related definitions) solely as applied to the new Purchased Interest.

(h) Transferor may from time to time direct Trustee to extend any PI Agreement, subject to the satisfaction or waiver of the following conditions:

(i) on or before the tenth Business Day (or a shorter period as shall be acceptable to the parties) immediately preceding the date of the extension, Transferor shall have given Trustee, Servicer, the Rating Agency and any Enhancement Provider written notice of the extension and the date on which the extension shall occur;

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(ii) Transferor shall have delivered to Trustee the required agreements, certificates, documents and filings, in form satisfactory to Trustee, executed by each party thereto other than Trustee;

(iii) the extension will not (A) contravene any provision of this Agreement, any Supplement, any agreement pursuant to which any Enhancement is provided or any PI Agreement (or any agreement related thereto) or (B) constitute, or result in the occurrence of, an Early Amortization Event or an Unmatured Early Amortization;

(iv) Transferor shall have delivered to the Trust, the Rating Agency, each Purchaser and any Enhancement Provider a Tax Opinion for each outstanding Series of Investor Certificates, Purchased Interest and Enhancement (provided that the opinion delivered to any Purchaser or Enhancement Provider shall be limited to the Tax Opinion required by the related Purchased Interest or Series), dated the date of the extension, with respect to the extension;

(v) Transferor shall have delivered to Trustee an Officer's Certificate, dated the date of the extension, to the effect that all conditions set forth in clauses (i) and (iii) of this subsection (h) for the extension of such PI Agreement and the execution and delivery of the related documents has been satisfied; and

(vi) the Modification Condition shall have been satisfied.

SECTION 6.11 Book-Entry Certificates. (a) If provided in any Supplement, the Investor Certificates of any Series, upon original issuance, will be issued in the form of one or more Book-Entry Certificates, to be delivered to the applicable Clearing Agency, by, or on behalf of, Transferor. The Investor Certificates in any Series that are issued as Book-Entry Certificates shall initially be registered on the Certificate Register in the name of the nominee of the Clearing Agency, and no Certificate Owner will receive a Definitive Certificate representing such Certificate Owner's interest in the Investor Certificates, except as provided in Section 6.13. Unless and until Definitive Certificates have been issued to Certificate Owners pursuant to Section 6.13:

(i) the provisions of this section shall be in full force and effect;

(ii) Transferor, Servicer, the Paying Agent, the Transfer Agent and Registrar and Trustee may deal with the Clearing Agency and the

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Clearing Agency Participants for all purposes (including the making of distributions on the Investor Certificates) as the authorized representatives of the Certificate Owners;

(iii) to the extent that the provisions of this section conflict with any other provisions of this Agreement, the provisions of

this section shall control; and

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between the Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants. Unless and until Definitive Certificates are issued pursuant to Section 6.13, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the Investor Certificates to the Clearing Agency Participants.

(b) Investor Certificates that are sold to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act shall be represented by one or more Book-Entry Certificates (the "144A Book-Entry Certificates"), in registered form, without coupons, which will be deposited upon the order of Transferor on the Issuance Date with Trustee as custodian for, and registered in the name of, a nominee of the Clearing Agency.

(c) Investor Certificates that are sold in offshore transactions in reliance on Regulation S shall be represented initially by one or more temporary Book-Entry Certificates (the "Regulation S Temporary Book-Entry Certificates"). The Regulation S Temporary Book-Entry Certificates shall be exchanged on the later of (i) 40 days (or such longer period of time, if any, required under Regulation S) after the later of (A) the Issuance Date and (B) the completion of the distribution of the Certificates, as certified by the Lead Placement Agent and (ii) the date on which the requisite certifications are due to and provided to Trustee (the later of clauses (i) and (ii) is referred to as the "Exchange Date") for permanent Book-Entry Certificates (the "Unrestricted Regulation S Book-Entry Certificates," and together with the Regulation S Temporary Book-Entry Certificates, the "Regulation S Book-Entry Certificates"). The Regulation S Temporary Book-Entry Certificates for any Series shall be issued in registered form, without coupons, and deposited upon the order of Transferor with Trustee as custodian for, and registered in the name of, a nominee of the Clearing Agency for credit to the account of the depositaries for Euroclear and Cedel, which depositaries shall, on behalf of Euroclear and Cedel, hold the interests on behalf of account holders (each a

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"Member Organization"), which have rights in respect of the Certificates credited to their securities accounts with Euroclear or Cedel from time to time.

(d) A Certificate Owner holding an interest in a Regulation S Temporary Book-Entry Certificate may receive payments in respect of the Certificates on the Regulation S Temporary Book-Entry Certificate only after delivery to Euroclear or Cedel, as the case may be, of a written certification substantially in the form of a certification in the form set forth in Exhibit F, and upon delivery by Euroclear or Cedel, as the case may be, to the Transfer Agent and Registrar of a certification or certifications substantially in the form set forth in Exhibit G. The delivery by a Certificate Owner of the certification referred to above shall constitute its irrevocable instruction to Euroclear or Cedel, as the case may be, to arrange for the exchange of the Certificate Owner's interest in a Regulation S Temporary Book-Entry Certificate for a beneficial interest in an Unrestricted Regulation S Book-Entry Certificate after the Exchange Date in accordance with the paragraph below.

After the Exchange Date for any Series in which a Regulation S Temporary Book-Entry Certificate was issued, one or more Unrestricted Regulation S Book-Entry Certificates with no outstanding principal amount shall be issued in registered form, without coupons, and deposited with Trustee as custodian for, and registered in the name of, a nominee of the Clearing Agency. After (i) the Exchange Date for the Regulation S Temporary Book-Entry Certificates for any Series and (ii) receipt by the Transfer Agent and Registrar of written instructions from Euroclear or Cedel, as the case may be, directing the Transfer Agent and Registrar to credit or cause to be credited to either Euroclear's or Cedel's, as the case may be, depository's account a beneficial interest in the Unrestricted Regulation S Book-Entry Certificate for such Series in a principal amount not greater than that of the beneficial interest in the Regulation S Temporary Book-Entry Certificate for such Series, the Transfer Agent and Registrar shall instruct the Clearing Agency to reduce the principal amount of such Regulation S Temporary Book-Entry Certificate and increase the principal amount of such Unrestricted Regulation S Book-Entry Certificate by the principal amount of the beneficial interest in such Regulation S Temporary Book-Entry Certificate being transferred or exchanged, and to credit or cause to be credited to the account of the depository for the Clearing Agency, Euroclear or Cedel (which depository shall hold interests on behalf of Member Organizations or Persons who have an account with the Clearing Agency (each, a "Clearing Agency Participant")), as the case may be, a beneficial interest in such Unrestricted Regulation S Book-Entry Certificate having a principal amount of the Regulation S Temporary Book-Entry Certificate that was reduced upon the transfer or exchange.

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Upon return of the entire principal amount of the Regulation S Temporary Book-Entry Certificate for any Series to Trustee in exchange for beneficial interests in the Unrestricted Regulation S Book-Entry Certificate for that Series, Trustee shall cancel such Regulation S Temporary Book-Entry Certificate by perforation and shall forthwith destroy it.

(e) Transfers within a single Series between different Book-Entry Certificates shall be made in accordance with this subsection (e).

(i) For transfer of a beneficial interest in a Regulation S Book-Entry Certificate for a beneficial interest in a 144A Book-Entry Certificate, if the Certificateholder of a beneficial interest in an Unrestricted Regulation S Book-Entry Certificate wishes at any time to exchange all or part of its beneficial interest in such Unrestricted Regulation S Book-Entry Certificate, or to transfer all or part of its beneficial interest in such Unrestricted Regulation S Book-Entry Certificate to a Person who wishes to take delivery thereof in the form of a beneficial interest in a 144A Book-Entry Certificate, the Certificateholder may, subject to the applicable rules and procedures of Euroclear or Cedel and the Clearing Agency, give directions for the Transfer Agent and Registrar to exchange or cause the exchange or transfer or cause the transfer of all or part of its beneficial interest in a Regulation S Book-Entry Certificate for an equivalent beneficial interest in a 144A Book-Entry Certificate. Upon receipt by the Transfer Agent and Registrar of (A) instructions from Euroclear or Cedel, a Clearing Agency Participant or the Clearing Agency, as the case may be, directing the Transfer Agent and Registrar to debit (or cause to be debited) a reduction in a Regulation S Book-Entry Certificate by the amount of the beneficial interest in such Regulation S Book-Entry Certificate being transferred or exchanged and to credit (or cause to be credited) an increase in the appropriate 144A Book-Entry Certificate by an amount equal to the beneficial interest being exchanged or transferred (such instructions to contain such information as is necessary for the Clearing Agency to effectuate such transfer or exchange (including, but not limited to, information regarding the accounts to be credited and debited)), and (B) in the case of the transfer of a Regulation S Temporary Book-Entry Certificate, a certificate in the form of Exhibit L given by the Certificate Owner, the Transfer Agent and Registrar shall instruct the Clearing Agency to reduce the appropriate Unrestricted Regulation S Book-Entry Certificate by the aggregate principal amount of the beneficial interest being exchanged or transferred, and the Transfer Agent shall instruct the Clearing Agency, concurrently with the reduction, to increase the principal amount of the

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appropriate 144A Book-Entry Certificate by the aggregate principal amount of the beneficial interest being exchanged or transferred, and to take such other action as is necessary or appropriate to effectuate the exchange or transfer of such beneficial interest (including, but not limited to, crediting the increase in the beneficial interest in such 144A Book-Entry Certificate, or causing such increase to be credited to, the appropriate account and debiting the decrease in the beneficial interest in such Regulation S Book-Entry Certificate, or causing such increase to be debited to, the appropriate account).

(ii) For transfers of a beneficial interest in a 144A Book-Entry Certificate for a beneficial interest in a Regulation S Book-Entry Certificate, if a Certificate Owner holding a beneficial interest in a 144A Book-Entry Certificate wishes at any time to exchange all or part of its beneficial interest in such 144A Book-Entry Certificate for a beneficial interest in a Regulation S Book-Entry Certificate, or to transfer all or part of its beneficial interest in such 144A Book-Entry Certificate to a Person who wishes to take delivery thereof in the form of a beneficial interest in a Regulation S Book-Entry Certificate, the Certificateholder may, subject to the applicable rules and procedures of the Clearing Agency, give directions for the Transfer Agent and Registrar to exchange or cause the exchange or transfer or cause the transfer of all or part of its beneficial interest in a Rule 144A Book-Entry Certificate for an equivalent beneficial interest in a Regulation S Book-Entry Certificate. Upon receipt by the Transfer Agent and Registrar of (A) instructions given in accordance with the Clearing Agency's procedures from a Clearing Agency Participant directing the Transfer Agent and Registrar to debit (or cause to be debited) a reduction in a 144A Book-Entry Certificate by the amount of the beneficial interest to be transferred or exchanged and to credit (or cause to be credited) an increase in the appropriate Regulation S Book-Entry Certificate in an amount equal to the beneficial interest being exchanged or transferred, (B) a written order given in accordance with the Clearing Agency's

procedures containing such information as is necessary for the Clearing Agency to effectuate such transfer or exchange (including, but not limited to, information regarding the accounts to be debited and credited) and (C) certificates in the forms of Exhibits H and I, respectively, given by the Certificate Owner and the proposed transferee of the interest, the Transfer Agent and Registrar shall instruct the Clearing Agency to reduce the appropriate 144A Book-Entry Certificate by the aggregate principal amount of the beneficial interest being exchanged or transferred and the Transfer Agent and Registrar shall instruct the Clearing Agency, concurrently

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with the reduction, to increase the principal amount of the appropriate Regulation S Book-Entry Certificate by the aggregate principal amount of the beneficial interest being exchanged or transferred, and to take such other action as is necessary or appropriate to effectuate the exchange or transfer of such beneficial interest (including, but not limited to, crediting the increase in the beneficial interest in such Regulation S Book-Entry Certificate, or causing such increase to be credited to, the appropriate account and debiting the decrease in the beneficial interest in such 144A Book-Entry Certificate, or causing such decrease to be debited to, the appropriate account).

(iii) Notwithstanding any other provisions of this subsection (e), a placement agent for the Investor Certificates may exchange beneficial interests in a Regulation S Temporary Book-Entry Certificate held by it for beneficial interests in the 144A Book-Entry Certificate after delivery by such placement agent of instructions for the exchange substantially in the form of Exhibit J (and such placement agent shall not be required to comply with any other provision of this subsection (e) in connection with such exchange). Upon receipt of the instructions provided in the preceding sentence, the Transfer Agent and Registrar shall instruct the Clearing Agency to reduce the principal amount of the appropriate Regulation S Temporary Book-Entry Certificate to be exchanged and shall instruct the Clearing Agency to increase the principal amount of such appropriate 144A Book-Entry Certificate and credit or cause to be credited to the account of the placement agent a beneficial interest in such 144A Book-Entry Certificate having a principal amount equal to the amount of the beneficial interest in the Regulation S Temporary Book-Entry Certificate being exchanged.

(iv) Except as provided herein, all 144A Book-Entry Certificates (and all Definitive Certificates issued in exchange for a beneficial interest in a 144A Book-Entry Certificate) and all Definitive Certificates issued under Rule 144A or Regulation D under the Securities Act shall bear a legend in substantially the following form:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE

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EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE."

As long as a Definitive Certificate bears such a legend, such Definitive Certificate may only be transferred or exchanged if such

transfer or exchange would be in compliance with the Securities Act as evidenced by a letter in the form of Exhibit K that shall be delivered by the Holder of such Definitive Certificate to the Transfer Agent and Registrar with any request to transfer or exchange such Definitive Certificate; provided, however, that if any transfer is not pursuant to Rule 144A, Rule 144 or Rule 904 under the Securities Act or pursuant to an effective registration statement, the transferor shall provide Transferor and Trustee with an opinion of counsel, in form and

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substance satisfactory to Transferor and Trustee, that such transfer would be in compliance with the Securities Act. Notwithstanding the foregoing, a Definitive Certificate shall not be required to bear such a legend (and the Transfer Agent and Registrar shall issue a Definitive Certificate without such a legend in exchange for a Definitive Certificate that has such a legend) if (i) such Definitive Certificate is transferred pursuant to Rule 144 or an effective registration statement under the Securities Act, and (ii) the Holder of such Definitive Certificate delivers to the Trustee a certificate substantially in the form of Exhibit K.

SECTION 6.12 Notices to Clearing Agency. Whenever notice or other communication to the Investor Certificateholders of any Series represented by Book-Entry Certificates is required under this Agreement, unless and until Definitive Certificates shall have been issued to Certificate Owners pursuant to Section 6.13, Trustee, Servicer and the Paying Agent shall give all such notices and communications specified herein to be given to the Investor Certificateholders of the Series to the Clearing Agency.

SECTION 6.13 Definitive Certificates. If (a) (i) Transferor advises Trustee in writing that Transferor has received notice from the Clearing Agency that the Clearing Agency is no longer willing or able to discharge its responsibilities under any Letter of Representations and (ii) Transferor is unable to locate a qualified successor, (b) Transferor, at its option, advises Trustee in writing that, with respect to any Series, it elects to terminate the Book-Entry system through the Clearing Agency or (c) after the occurrence of a Servicer Default, Certificate Owners representing beneficial interests aggregating not less than 50% of the Invested Amount of the Series advise Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a Book-Entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners of the Series, Trustee shall notify the Clearing Agency of the occurrence of any such event and of the availability of Definitive Certificates of the Series to Certificate Owners of the Series requesting the same. Upon surrender to Trustee of the Book-Entry Certificates for any such Series by the Clearing Agency accompanied by registration instructions from the Clearing Agency for registration, Trustee shall authenticate and deliver Definitive Certificates for that Series to the Certificate Owners of that Series and the Trustee shall recognize the Holders of such Definitive Certificates as Certificateholders under this Agreement. Neither Transferor, the Transfer Agent and Registrar nor Trustee shall be liable for any delay in delivery of the instructions and may conclusively rely on, and shall be protected in relying on, any such instructions from the Clearing Agency.

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SECTION 6.14 Letter of Representations. Notwithstanding anything to the contrary in this Agreement or any Supplement, the parties hereto shall comply with the terms of each Letter of Representations.

ARTICLE VII TRANSFEROR

SECTION 7.1 Representations and Warranties of Transferor Relating to Transferor and the Transaction Documents. On the date hereof and on each Issuance Date and Purchase Date, Transferor hereby represents and warrants for the benefit of Trustee, the Certificateholders, the Purchasers and the Enhancement Providers that:

(a) Organization and Good Standing. Transferor is a corporation duly organized and validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power and authority to acquire, own and transfer the Receivables and the Related Transferred Assets.

(b) Due Qualification. Transferor is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires qualification, licenses or approvals and where the failure so to qualify, to obtain the licenses and approvals or to preserve and maintain the qualification, licenses or approvals would have a Material Adverse Effect.

(c) Power and Authority. Transferor has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement constitutes, and each other Transaction Document to which Transferor is a party when executed and delivered will constitute, a legal, valid and binding obligation of Transferor, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(e) Authorization; No Conflict or Violation. The execution, delivery and performance of, and the consummation of the transactions

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contemplated by, this Agreement and the other Transaction Documents to be signed by Transferor and the fulfillment of the terms hereof and thereof have been duly authorized by all necessary action and will not (i) conflict with, violate, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) its Certificate of Incorporation or Bylaws or (B) any indenture, loan agreement, mortgage, deed of trust or other material agreement or instrument to which Transferor is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim (other than a Permitted Adverse Claim) upon any of its properties pursuant to the terms of any such contract, indenture, loan agreement, mortgage, deed of trust, or other agreement or instrument, other than this Agreement and the other Transaction Documents, or (iii) conflict with or violate any federal, state, local or foreign law or any decision, decree, order, rule or regulation applicable to it or any of its properties of any court or of any federal, state, local or foreign regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or any of its properties, which conflict, violation, breach, default or Adverse Claim (other than a Permitted Adverse Claim), individually or in the aggregate, would have a Material Adverse Effect.

(f) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending or, to the best knowledge of Transferor, threatened against it before any court, regulatory body, arbitrator, administrative agency or other tribunal or governmental instrumentality and (ii) it is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority that, in the case of clauses (i) and (ii), (A) asserts the invalidity of this Agreement or any other Transaction Document, (B) seeks to prevent the transfer of any Receivables or Related Transferred Assets to the Trust, the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document, (C) seeks any determination or ruling that would materially and adversely affect the performance by Transferor of its obligations under this Agreement or any other Transaction Document or the validity or enforceability of this Agreement or any other Transaction Document, (D) seeks to affect materially and adversely the income tax attributes of the transfers hereunder or the Trust under the United States Federal income tax system or any applicable state income tax system or (E) individually or in the aggregate for all such actions, suits, proceedings and investigations would have a Material Adverse Effect.

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(g) Governmental Approvals. All authorizations, consents, orders and approvals of, or other action by, any Governmental Authority that are required to be obtained by Transferor, and all notices to and filings with any Governmental Authority, that are required to be made by it, in the case of each of the foregoing in connection with the transfer of Receivables and Related Transferred Assets to the Trust or the execution, delivery and performance by it of this Agreement and any other Transaction Documents to which it is a party and the consummation of the transactions contemplated by this Agreement, have been obtained or made and are in full force and effect, except where the failure to obtain or make any such authorization, consent, order, approval, notice or filing, individually or in the aggregate for all such failures, would not reasonably be expected to have a Material Adverse Effect.

(h) Offices. Transferor's principal place of business and chief executive office is, and since the date of its incorporation has been, located at the address set forth under Transferor's signature hereto (or at such other locations, notified to Servicer and Trustee in accordance

with Section 7.2(c), in jurisdictions where all action required by Section 7.2(c) has been taken and completed).

(i) Account Banks. The names and addresses of all the Account Banks are specified in Schedule 1 or, after the First Issuance Date, have been provided by Servicer to Trustee pursuant to Section 3.3(c), and the account numbers of the Bank Accounts at such Account Banks have been specified in a letter provided on or prior to the First Issuance Date to Trustee or, after the First Issuance Date, have been provided by Servicer to Trustee pursuant to Section 3.3(c). The Account Agreements to which Transferor is a party constitute the legal, valid and binding obligations of the parties thereto enforceable against such parties in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally and general equitable principles.

(j) Investment Company Act. Transferor is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended.

The representations and warranties set forth in this section shall survive the transfer and assignment of the Transferred Receivables and the other Transferred Assets to the Trust. Upon discovery by Transferor, Servicer or Trustee of a breach of any of the foregoing representations and warranties, the

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party discovering the breach shall give written notice to the other parties to this Agreement within three Business Days following the discovery; provided, however that if such breach arises from a Seller's failure to perform its obligations under the Purchase Agreement and such failure is of the type that may be cured by settlement of a Seller Non-Complying Receivables Adjustment or Seller Dilution Adjustment under Sections 3.1 and 3.5 of the Purchase Agreement, and such settlement shall have (in fact) been made within the time limit specified under such sections, then no breach shall be deemed to have occurred under this Agreement. Trustee's obligations in respect of discovering any breach are limited as provided in Section 11.2(g).

SECTION 7.2 Covenants of Transferor. So long as any Investor Certificates or Purchased Interests remain outstanding (other than any Investor Certificates or Purchased Interests payment for which has been duly provided for in accordance with this Agreement), Transferor shall:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations, judgments, decrees and orders (including those relating to the Transferred Receivables, the Related Transferred Assets, the funds in the Transaction Accounts and the related Contracts and any other agreements related thereto), in each case to the extent the failure to comply, individually or in the aggregate for all such failures, would have a Material Adverse Effect.

(b) Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a Material Adverse Effect.

(c) Location of Offices. Keep its principal place of business and chief executive office at the address referred to in Section 7.1(h) or, upon not less than 30 days' (or such shorter number of days as is acceptable to the Servicer and Trustee) prior written notice given by Transferor to Servicer and Trustee, at such other location in a jurisdiction where all action required pursuant to Section 3.10 shall have been taken and completed. Transferor will at all times maintain its chief executive offices within the United States of America, and will cause Servicer to maintain at all times Servicer's chief executive offices within the United States of America.

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(d) Reporting Requirements of Transferor. Unless Trustee and the Required Investors shall otherwise consent in writing, furnish to Trustee, the Investor Certificateholders and the Rating Agencies:

(i) Early Amortization Events. As soon as possible, and in any event within five Business Days after an Authorized Officer of Transferor has obtained knowledge of the occurrence of any Early Amortization Event or any Unmatured Early Amortization Event, a written statement of an Authorized Officer of Transferor describing the event and the action that Transferor proposes to take with

respect thereto, in each case in reasonable detail,

(ii) Material Adverse Effect. As soon as possible and in any event within five Business Days after an Authorized Officer of Transferor has knowledge thereof, written notice that describes in reasonable detail any Adverse Claim, other than any Permitted Adverse Claim, against the Transferred Assets or any other event or occurrence that, individually or in the aggregate for all such events or occurrences, has had, or would have a substantial likelihood of having, in the reasonable, good faith judgment of Transferor, a Material Adverse Effect,

(iii) Proceedings. As soon as possible and in any event within five Business Days after an Authorized Officer of Transferor has knowledge thereof, written notice of (A) any litigation, investigation or proceeding of the type described in Section 7.1(f) not previously disclosed to Trustee and (B) any material adverse development that has occurred with respect to any such previously disclosed litigation, investigation or proceeding,

(iv) Other. Promptly, from time to time, any other information, documents, records or reports respecting the Transferred Receivables or the Related Transferred Assets or any other information respecting the condition or operations, financial or otherwise, of Transferor, in each case as Trustee may from time to time reasonably request in order to protect the interests of Trustee, the Trust or the Investor Certificateholders under or as contemplated by this Agreement.

(e) Adverse Claims. Except for any conveyances under the Transaction Documents, not permit to exist any Adverse Claim (other

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than Permitted Adverse Claims) to or in favor of any Person upon or with respect to, or cause to be filed any financing statement or equivalent document relating to perfection that covers, any Transferred Receivable, related Contract, Related Transferred Asset or other Transferred Asset, or any interest therein. Transferor shall defend the right, title and interest of the Trust in, to and under the Transferred Assets, whether now existing or hereafter created, against all claims of third parties claiming through or under Transferor.

(f) Extension or Amendment of Receivables; Change in Credit and Collection Policy or Contracts. Not (i) extend, amend or otherwise modify the terms of any Transferred Receivable or Contract (except as permitted by the Credit and Collection Policy) in a manner that would have a material adverse effect on the Investor Certificateholders or the Purchasers, or (ii) permit any Seller to make any change in its Credit and Collection Policy that would have a material adverse effect on the Investor Certificateholders or the Purchasers; provided that Transferor or Servicer, as applicable, may change the terms and provisions of the Credit and Collection Policy if (A) with respect to any material change of collection policies, the change is made with the prior written approval of each Agent, if any, and the Modification Condition is satisfied with respect thereto, (B) with respect to any material change of collection procedures, the change is made with prior written notice to each Agent and no material adverse effect on any Series or Purchased Interest would result, and (C) with respect to any material change in accounting policies relating to Write-Offs, the change is made in accordance with GAAP; and, provided further, that Transferor or Servicer may change the terms and the provisions of a Contract on a prospective basis, and a Seller may enter into a new Contract, so long as such change or new Contract does not have a material adverse affect on the validity, enforceability or collectibility of any then outstanding Transferred Receivable.

(g) Mergers, Acquisitions, Sales, Etc. Not:

(i) except pursuant to the Transaction Documents or in connection with the transactions contemplated by the Acquisition, as defined and described in the Offering Memorandum dated November 22, 1995 for the note offering under and pursuant to the Note Indenture, (A) be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest

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in, any other Person, or (B) directly or indirectly, sell, transfer, assign, convey or lease, whether in one transaction or in a series

of transactions, all or substantially all of its assets, or sell or assign with or without recourse any Receivables or Related Transferred Assets (other than as provided in the Transaction Documents) unless:

(x) (1) the corporation formed by the consolidation or into which Transferor is merged or the Person that acquires by conveyance or transfer the properties and assets of Transferor substantially as an entirety shall be, if Transferor is not the surviving entity, organized and existing under the laws of the United States of America or any state thereof or the District of Columbia, and shall expressly assume, by an agreement supplemental hereto, executed and delivered to Trustee, in form satisfactory to Trustee and each Agent, the performance of every covenant and obligation of Transferor hereunder, including its obligations under Section 7.3, under each Supplement and under each PI Agreement, and (2) Transferor has delivered to Trustee an Officer's Certificate stating that the consolidation, merger, conveyance or transfer and the supplemental agreement comply with this section and an Opinion of Counsel stating that the supplemental agreement is a valid and binding obligation of the surviving entity enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity),

(y) the Modification Condition shall have been satisfied with respect to the consolidation, merger, conveyance or transfer, and the Transferor's independent director shall have approved such consolidation, merger, conveyance or transfer,

(z) Transferor shall have delivered to Trustee, each Rating Agency, each Purchaser and each Enhancement Provider a Tax Opinion for each outstanding Series of

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Investor Certificates, Purchased Interest and Enhancement (provided that the opinion delivered to any Purchaser or Enhancement Provider shall be limited to the Tax Opinion required by the related Purchased Interest or Series), dated the date of the consolidation, merger, conveyance or transfer, with respect thereto, or

(ii) except as contemplated in the Purchase Agreement in connection with Transferor's purchases of Specified Receivables and Related Assets from the Sellers, (A) make, incur or suffer to exist an investment in, equity contribution to, or payment obligation in respect of the deferred purchase price of property or services from, any Person, or (B) make any loan or advance to any Person other than loans to Howmet (which loans shall be made in accordance with Section 3.3 of the Purchase Agreement).

(h) Change in Name. Not change its corporate name or the name under or by which it does business, or permit any Seller to change its corporate name or the name under or by which it does business, unless prior to the change in name, Transferor shall have filed (or shall have caused to be filed) any financing statements or amendments as Servicer or Trustee determines may be necessary to continue the perfection of the Trust's interest in the Transferred Receivables, the Related Transferred Assets and the proceeds thereof.

(i) Amendment of Articles of Incorporation; Change in Business. Not amend Article Sixth, Ninth, Tenth (a), Tenth (d) or Thirteenth (b) of its Articles of Incorporation, or engage in any business other than as contemplated by the Transaction Documents, unless the Modification Condition has been satisfied in connection with the amendment or change in Transferor's business.

(j) Amendments to Purchase Agreement. Except as expressly provided otherwise in this Agreement, make no amendment to the Purchase Agreement that would adversely affect in any material respect the interests of the Investor Certificateholders, the Purchasers or any Enhancement Provider.

(k) Enforcement of Purchase Agreement. Perform all its obligations under and otherwise comply with the Purchase Agreement in all material respects and, if requested by Trustee, enforce, for the

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benefit of the Trust, the covenants and agreements of any Seller in the Purchase Agreement.

(l) Other Indebtedness. Not (i) create, incur or permit to exist any Indebtedness, Guaranty or liability or (ii) cause or permit to be issued for its account any letters of credit or bankers' acceptances, except for (A) Indebtedness incurred pursuant to any Buyer Note, (B) other liabilities specifically permitted to be created, incurred or owed by Transferor pursuant to or in connection with the Transaction Documents, (C) liabilities for reasonable and customary operating expenses in an aggregate amount not to exceed \$150,000 per calendar quarter, (D) liabilities under a tax sharing agreement among Howmet and its Subsidiaries, provided that such agreement is in substantially the form disclosed to the Trustee prior to the date hereof (or in a form otherwise acceptable to the Trustee), and (E) liabilities for taxes not yet due and taxes contested in good faith by proper proceedings, provided that Transferor has maintained adequate reserves with respect thereto in accordance with GAAP.

(m) Separate Corporate Existence. Hereby acknowledge that Trustee and the Investor Certificateholders are, and will be, entering into the transactions contemplated by the Transaction Documents in reliance upon Transferor's identity as a legal entity separate from any Seller, Servicer and any other Person. Therefore, from and after the First Issuance Date, Transferor shall take all reasonable steps to maintain its existence as a corporation separate and apart from Servicer, each Seller and any other Howmet Person. Without limiting the generality of the foregoing, Transferor shall take such actions as shall be reasonably required in order that:

(i) Transferor will not incur any material indirect or overhead expenses for items shared between Transferor and any Howmet Person that are not reflected in the Servicing Fee, other than shared items of expenses not reflected in the Servicing Fee, such as legal, auditing and other professional services, that will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered, it being understood that Howmet will pay all expenses owing by Transferor or any Howmet Person relating to the preparation, negotiation, execution and delivery of the Transaction Documents (and any amendments, modifications or

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supplements thereto), including, without limitation, legal, commitment, agency and other fees.

(ii) Transferor will account for and manage its liabilities separately from those of every other Howmet Person, including payment of all payroll and administrative expenses and taxes (other than taxes that are determined or required to be determined on a consolidated or combined basis) from its own assets.

(iii) Transferor will conduct its business at an office segregated from the offices of each Howmet Person, which office of Transferor may consist of office space shared with a Howmet Person, a portion of which is allocated solely to Transferor.

(iv) Transferor will maintain corporate records, books of account and stationery separate from those of every Howmet Person.

(v) Any annual financial statements of any Howmet Person that are made publicly available and which are consolidated to include Transferor will contain footnotes stating that Howmet and certain of its Subsidiaries has entered into an agreement with Transferor with respect to the sale of the Specified Receivables and indicating that the assets of Transferor will not be available to Howmet or any such Subsidiary unless Transferor's liabilities have been paid in full.

(vi) Transferor's assets will be maintained in a manner that facilitates their identification and segregation from those of any other Howmet Person.

(vii) Transferor shall not, directly or indirectly, be named and shall not enter into an agreement to be named as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of a Howmet Person.

(viii) Any transaction between Transferor and any Howmet Person will be the type of transaction which would be entered into by a prudent Person in the position of Transferor with a Howmet Person, and will be on terms that are at least as

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favorable as may be obtained from a Person that is not a Howmet Person (it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause).

(ix) Except to the extent required by law, neither Transferor nor any Howmet Person will be or will hold itself out to be responsible for the debts of the other.

(n) Taxes. File or cause to be filed, and cause each Person with whom it shares consolidated tax liability to file, all Federal, state and local tax returns that are required to be filed by it, except where the failure to file such returns would not have a Material Adverse Effect, and pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which Transferor shall have set aside adequate reserves on its books in accordance with GAAP and which proceedings would not have a Material Adverse Effect.

The covenants set forth in this section shall survive the transfer and assignment of the Transferred Receivables and the other Transferred Assets to the Trust. Upon discovery by Transferor, Servicer or Trustee of a breach of any of the foregoing covenants, the party discovering the breach shall give written notice to the other parties to this Agreement within three Business Days following such discovery; provided, however that if such breach arises from a Seller's failure to perform its obligations under the Purchase Agreement and such failure is of the type that may be cured by settlement of a Seller Non-Complying Receivables Adjustment or Seller Dilution Adjustment under Sections 3.1 and 3.5 of the Purchase Agreement, and such settlement shall have (in fact) been made within the time limit specified under such sections, then no breach shall be deemed to have occurred under this Agreement. Trustee's obligations in respect of discovering any breach are limited as provided in Section 11.2(g).

SECTION 7.3 Indemnification by Transferor. (a) Transferor hereby agrees to indemnify the Trust, Trustee and each of the successors, permitted transferees and assigns of any such Person and all officers, directors, shareholders, controlling Persons, employees, affiliates and agents of any of the foregoing (each of the foregoing Persons individually being called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims (whether on account of settlement or otherwise, and whether or not the relevant Indemnified Party is a party to any action or

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proceeding that gives rise to any Indemnified Losses (as defined below)), judgments, liabilities and related reasonable costs and expenses (including reasonable attorneys' fees and disbursements) (all of the foregoing collectively being called "Indemnified Losses") awarded against or incurred by any of them that arise out of or relate to Transferor's performance of, or failure to perform, any of its obligations under or in connection with any Transaction Document.

Notwithstanding the foregoing, in no event shall any Indemnified Party be indemnified against any Indemnified Losses (a) resulting from gross negligence or willful misconduct on the part of such Indemnified Party (or the gross negligence or willful misconduct on the part of any of its officers, directors, employees, affiliates or agents), (b) to the extent they include Indemnified Losses in respect of Transferred Receivables and reimbursement therefor that would constitute credit recourse to Transferor for the amount of any Transferred Receivable or Related Transferred Asset not paid by the related Obligor, (c) to the extent they are or result from lost profits, (d) to the extent they are or result from taxes (including interest and penalties thereon) asserted with respect to (i) distributions on the Investor Certificates, (ii) franchise or withholding taxes imposed on any Indemnified Party other than the Trust or Trustee in its capacity as Trustee or (iii) federal or other income taxes on or measured by the net income of the Indemnified Party and costs and expenses in defending against the same, (e) resulting from any breach by such Indemnified Party of its representations, warranties or covenants in the Transaction Documents, or (f) to the extent that they constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this Section is

unavailable to an Indemnified Party or is insufficient to hold it harmless, then Transferor shall contribute to the amount paid by the Indemnified Party as a result of any loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnified Party on the one hand and Transferor on the other hand, but also the relative fault of the Indemnified Party (if any) and Transferor and any other relevant equitable consideration.

(b) Transferor shall be liable to all creditors of the Trust (but not to the Trust, Trustee, Investor Certificateholders or Purchasers) for all liabilities of the Trust to the same extent as it would be if the Trust constituted a partnership under Delaware law and Transferor were a general partner thereof (to the extent Transferred Assets remaining after Investor Certificateholders and Purchasers have been paid in full are insufficient to pay such losses, claims, damages or liabilities). Notwithstanding anything to the contrary

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herein, any such creditor shall be a third party beneficiary of this Section 7.3. Nothing in this provision shall be construed as waiving any rights or claims (including rights of recoupment or subrogation) which the Transferor may have against any third party under this Agreement or applicable laws.

ARTICLE VIII SERVICER

SECTION 8.1 Representations and Warranties of Servicer. On the date hereof and on each Issuance Date and Purchase Date, Servicer hereby makes, and any Successor Servicer also shall be deemed to make by its acceptance of its appointment hereunder, the following representations and warranties for the benefit of Trustee, the Certificateholders, the Purchasers and the Enhancement Providers:

(a) Organization and Good Standing. Servicer is a corporation duly organized and validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power and authority to own its properties and to conduct its business as the properties presently are owned and as the business presently is conducted.

(b) Due Qualification. Servicer is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals, in all jurisdictions in which the servicing of the Transferred Receivables and the Related Transferred Assets as required by this Agreement requires qualification, licenses or approvals and where the failure so to qualify, to obtain the licenses and approvals or to preserve and maintain the qualification, licenses or approvals would have a material adverse effect on its ability to perform its obligations as Servicer under this Agreement or a Material Adverse Effect.

(c) Power and Authority. Servicer has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement constitutes, and each other Transaction Document to which Servicer is a party when executed and delivered will constitute, a legal, valid and binding obligation of Servicer, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization

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or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(e) Authorization; No Conflict or Violation. The execution and delivery by Servicer of this Agreement and the other Transaction Documents to which it is a party, the performance by it of its obligations hereunder and thereunder and the fulfillment by it of the terms hereof and thereof that are applicable to it have been duly authorized by all necessary action and will not (i) conflict with, violate, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) its Certificate of Incorporation or Bylaws or (B) any indenture, loan agreement, mortgage, deed of trust, or other material agreement or instrument to which it is a party or by which it or any of its properties is bound (excluding any such agreement that is terminated on or before the First Issuance Date or under which Servicer has obtained all necessary consents) or (ii) conflict with or violate any federal, state, local or foreign law or any decision, decree, order, rule or regulation applicable to it or any of its properties of any court or of any federal, state, local or foreign

regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or any of its properties, which conflict, violation, breach or default described, individually or in the aggregate, would have a Material Adverse Effect.

(f) Governmental Approvals. All authorizations, consents, orders and approvals of, or other action by, any Governmental Authority that are required to be obtained by Servicer, and all notices to and filings with any Governmental Authority that are required to be made by it, in the case of each of the foregoing in connection with the execution, delivery and performance by it of this Agreement and any other Transaction Documents to which it is a party and the consummation of the transactions contemplated by this Agreement, have been obtained or made and are in full force and effect (other than the filing of the UCC financing statements referred to in Section 2.3(a)(ii)(A), all of which, at the time required in Section 2.3(a)(ii)(A), will be duly made), except where the failure to obtain or make such authorization, consent, order, approval, notice or filing, individually or in the aggregate for all such failures, would not reasonably be expected to have a Material Adverse Effect.

(g) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending or, to the best knowledge of Servicer, threatened against it before any court, regulatory body,

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arbitrator, administrative agency or other tribunal or governmental instrumentality and (ii) it is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority that, in the case of clauses (i) and (ii), (A) seeks to affect adversely the income tax attributes of the transfers hereunder or the Trust under the United States federal income tax system or any state income tax system or (B) individually or in the aggregate for all such actions, suits, proceedings and investigations would have a Material Adverse Effect.

(h) Business; Balance Sheet. Since its incorporation, Transferor has conducted no business other than the purchase of Receivables and Related Assets from the Sellers under the Existing Purchase Agreement, the transfer of such Receivables and Related Assets to the Trust (pursuant to the Existing Pooling Agreement), the offering of Certificates and Purchased Interests and such other activities as are contemplated by the Transaction Documents or that are incidental to the foregoing. The balance sheet of Transferor delivered to Trustee on the date hereof has been prepared in accordance with GAAP and fairly presents the financial condition of Transferor (after taking into account on a pro forma basis the transactions occurring on such date). As of the date hereof, (i) Transferor has no contingent liabilities other than expense reimbursement and indemnity provisions of the Series 1995-1 Supplement to the Existing Pooling Agreement which survive termination thereof, and (ii) Transferor has not received notice from any party to such Supplement of any claim, or of such party's intent to make a claim, under such provisions.

The representations and warranties set forth in this section shall survive the transfer and assignment of the Transferred Receivables and the other Transferred Assets to the Trust. Upon discovery by Transferor, Servicer or Trustee of a breach of any of the foregoing representations and warranties, the party discovering the breach shall give written notice to the other parties to this Agreement within three Business Days following the discovery. Trustee's obligations in respect of discovering any breach are limited as provided in Section 11.2(g).

SECTION 8.2 Covenants of Servicer. So long as any Investor Certificates or Purchased Interests remain outstanding (other than any Investor Certificates or Purchased Interests payment for which has been duly provided for in accordance with this Agreement), Servicer shall:

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(a) Compliance with Laws, Etc. Maintain in effect all qualifications required under applicable law in order to service properly the Transferred Receivables and shall comply in all material respects with all applicable laws, rules, regulations, judgments, decrees and orders, in each case to the extent the failure to comply, individually or in the aggregate for all such failures, would have a Material Adverse Effect.

(b) Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and

qualification would have a Material Adverse Effect.

(c) Notice. As soon as possible (and in any event within five Business Days after an Authorized Officer has knowledge thereof), furnish to Transferor, Trustee, the Investor Certificateholders and the Rating Agencies notice of any of the events described in clauses (i), (ii) and (iii) of Section 7.2(d).

The covenants set forth in this section shall survive the transfer and assignment of the Transferred Assets to the Trust. Upon discovery by Transferor, Servicer or Trustee of a breach of any of the foregoing covenants, the party discovering the breach shall give written notice to the other parties to this Agreement within three Business Days following the discovery. Trustee's obligations in respect of discovering any breach are limited as provided in Section 11.2(g).

SECTION 8.3 Merger or Consolidation of or Assumption of the Obligations of Servicer. Servicer shall not consolidate with or merge into any other Person or convey, transfer or sell all or substantially all of its properties and assets to any Person, unless (a) Servicer is the surviving entity or, if it is not the surviving entity, the Person formed by the consolidation or into which Servicer is merged or the Person that acquires by conveyance, transfer or sale all or substantially all of the properties and assets of Servicer shall be a corporation organized and existing under the laws of the United States of America or any State thereof or the District of Columbia and such corporation shall expressly assume, by an agreement supplemental hereto, executed and delivered to Trustee and in form and substance satisfactory to Trustee, the performance of every covenant and obligation of Servicer hereunder and under the other Transaction Documents to which Servicer is a party, and (b) Servicer shall have delivered to Trustee an Officer's Certificate stating that the consolidation, merger, conveyance, transfer or sale and the supplemental

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agreement comply with this Section 8.3 and an Opinion of Counsel stating that the supplemental agreement is a valid and binding obligation of the surviving entity enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

SECTION 8.4 Indemnification by Servicer. Servicer hereby agrees to indemnify each Indemnified Party forthwith on demand, from and against any and all Indemnified Losses awarded against or incurred by any of them that arise out of or relate to Servicer's performance of, or failure to perform, any of its obligations under or in connection with any Transaction Document.

Notwithstanding the foregoing, in no event shall any Indemnified Party be indemnified against any Indemnified Losses (a) resulting from gross negligence or willful misconduct on the part of such Indemnified Party (or the gross negligence or willful misconduct on the part of any of its officers, directors, employees, affiliates or agents), (b) to the extent they include Indemnified Losses in respect of Transferred Receivables and reimbursement therefor that would constitute credit recourse to Servicer for the amount of any Transferred Receivable or Related Transferred Asset not paid by the related Obligor, (c) to the extent they are or result from lost profits, (d) to the extent they are or result from taxes (including interest and penalties thereon) asserted with respect to (i) distributions on the Investor Certificates, (ii) franchise or withholding taxes imposed on any Indemnified Party other than the Trust or Trustee in its capacity as Trustee or (iii) federal or other income taxes on or measured by the net income of the Indemnified Party and costs and expenses in defending against the same, (e) resulting from any breach by such Indemnified Party of its representations, warranties or covenants in the Transaction Documents, or (f) to the extent that they constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to an Indemnified Party or is insufficient to hold it harmless, then Servicer shall contribute to the amount paid by the Indemnified Party as a result of any loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnified Party on the one hand and Servicer on the other hand, but also the relative fault of the Indemnified Party (if any) and Servicer and any other relevant equitable consideration.

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SECTION 8.5 Servicer Liability. Servicer shall be liable in accordance with this Agreement only to the extent of the obligations specifically undertaken by Servicer in such capacity herein and as set forth herein.

SECTION 8.6 Limitation on Liability of Servicer and Others. No recourse under or upon any obligation or covenant of this Agreement, any Supplement, any PI Agreement, any Certificate or any other Transaction Document, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, shareholder, officer or director, as such, past, present or future, of Servicer or of any successor corporation, either directly or through Servicer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Agreement, any Supplement, any PI Agreement, all other relevant Transaction Documents and the obligations incurred hereunder or thereunder are solely corporate obligations, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by the incorporators, shareholders, officers or directors, as such, of Servicer or of any successor corporation, or any of them, by reason of the obligations, covenants or agreements contained in this Agreement, any Supplement, any PI Agreement, any of the Certificates or any other Transaction Documents, or implied therefrom; and that any and all such personal liability of, either at common law or in equity or by constitution or statute, and any and all such rights and claims against, every such incorporator, shareholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations or covenants contained in this Agreement, any Supplement, any PI Agreement, any of the Certificates or any other Transaction Documents, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement, any PI Agreement and any Supplement. Servicer and any director, officer, employee or agent of Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to service the Transferred Receivables in accordance with this Agreement, any PI Agreement or any Supplement that in its reasonable opinion may involve it in any expense or liability. Servicer may, in its sole discretion, undertake any legal action relating to the servicing, collection or administration of Transferred Receivables and Related Transferred Assets that it may reasonably deem necessary or appropriate for the benefit of the Certificateholders and the Purchasers with respect to this Agreement and the rights and duties of the parties hereto and the interests of the Certificateholders and Purchasers hereunder.

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ARTICLE IX EARLY AMORTIZATION EVENTS

SECTION 9.1 Early Amortization Events. The Early Amortization Events with respect to each Series and Purchased Interest shall be specified in the related Supplement or PI Agreement.

SECTION 9.2 Remedies. Upon the occurrence of an Early Amortization Event, Trustee shall have, in addition to all other rights and remedies available to Trustee under this Agreement or otherwise, (a) the right to apply Collections as provided herein, and (b) all rights and remedies provided under all other applicable laws, which rights, in the case of each and all of the foregoing, shall be cumulative. Trustee shall exercise the rights at the direction of the Investor Certificateholders pursuant to (and subject to the limitations specified in) Section 11.14.

SECTION 9.3 Additional Rights Upon the Occurrence of Certain Events. (a) If a Bankruptcy Event shall occur with respect to Transferor, this Agreement (other than this Section 9.3) and the Trust shall be deemed to have terminated on the day of the Bankruptcy Event. Within seven Business Days of the date of written notice to Trustee of the Bankruptcy Event, Trustee shall:

(i) publish a notice in an Authorized Newspaper that a Bankruptcy Event has occurred with respect to Transferor, that the Trust has terminated, and that Trustee intends to (A) if all amounts owed in respect of all Investor Certificates and Purchased Interests shall have been paid in full or if sufficient funds are on deposit in the Transaction Accounts for such purpose, transfer the Transferred Receivables and Related Transferred Assets to Transferor or (B) in any other event, sell, dispose of or otherwise liquidate the Transferred Receivables and the Related Transferred Assets pursuant to this Agreement in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids (a "Disposition"), and

(ii) send written notice to the Investor Certificateholders and Purchasers describing the provisions of this section and requesting each Investor Certificateholder and Purchaser to advise Trustee in writing whether (A) it wishes Trustee to instruct Servicer not to effectuate a Disposition, (B) it refuses to advise Trustee as to the specific action Trustee shall instruct Servicer to take or (C) it wishes Servicer to effect a Disposition.

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If, after 60 days from the day notice pursuant to subsection (a)(i) is first published (the "Publication Date"), Trustee shall not have received the written instruction described in subsection (a)(ii)(A) from Holders representing at least a majority in interest within the meaning of Internal Revenue Service Revenue Procedure 94-46 (or subsequent authority promulgated by the Internal Revenue Service), determined as if the Trust were classified as a partnership for Federal income tax purposes (a "majority in interest"), of all Series of Investor Certificates and Purchased Interests, Trustee shall instruct Servicer to effectuate a Disposition, and Servicer shall proceed to consummate a Disposition. If, however, Holders representing at least a majority in interest of all Series of Investor Certificates and Purchased Interests instruct Trustee not to effectuate a Disposition, the Trust shall be reconstituted and continue pursuant to the terms of this Agreement.

(b) Notwithstanding the termination of this Agreement and the Trust pursuant to subsection (a), the proceeds from any Disposition of the Transferred Receivables and the Related Transferred Assets pursuant to subsection (a) shall be treated as Collections on the Transferred Receivables and shall be allocated and deposited in accordance with the provisions of Article IV.

(c) Trustee may appoint an agent or agents to assist with its responsibilities pursuant to this section with respect to competitive bids.

(d) Transferor or any of its Affiliates shall be permitted to bid for the Transferred Receivables and the Related Transferred Assets. Trustee may obtain a prior determination from any bankruptcy trustee, receiver or liquidator that the terms and manner of any proposed Disposition are commercially reasonable.

(e) Notwithstanding the termination of this Agreement and the Trust pursuant to subsection (a), Trustee shall continue to have the rights described in Section 9.2 and Article XI, and be subject to direction on terms consistent with those set out in Section 11.14, pending the completion of any Disposition and/or the reconstitution of the Trust.

ARTICLE X SERVICER DEFAULTS

SECTION 10.1 Servicer Defaults. Any of the following events shall constitute a "Servicer Default":

(a) any failure by Servicer in its capacity as Servicer to make any payment, transfer or deposit required by any Transaction Document

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to be made by it or to give instructions or to give notice to Trustee to make such payment, transfer or deposit, which failure continues unremedied for three Business Days,

(b) failure on the part of Servicer in its capacity as Servicer duly to observe or perform in any material respect any other covenants or agreements of Servicer set forth in this Agreement or any other Transaction Document, which failure continues unremedied for a period of 30 days after the date on which written notice of the failure, requiring the same to be remedied, shall have been given to Servicer by Trustee, or to Servicer and Trustee by any Investor Certificateholder or Purchaser,

(c) Servicer shall assign its duties under this Agreement, except as permitted by Sections 3.1(b) and 8.3,

(d) any Daily Report or Monthly Report or any representation, warranty or certification made by Servicer in any Transaction Document or in any certificate or other document or instrument delivered pursuant to any Transaction Document shall prove to have been incorrect in any material respect when made or delivered and results in a material adverse effect on any Investor Certificateholder of any Series or any Purchaser, and which material adverse effect continues for a period of three Business Days and such material adverse effect has not been cured, or

(e) any Bankruptcy Event shall occur with respect to Servicer.

In the event of any Servicer Default, so long as Servicer Default shall not have been remedied, Trustee may (and, at the direction of the Required Investors, shall), by notice then given in writing to Servicer (a "Termination Notice"), terminate all (but not less than all) the rights (other than rights to any earned Servicing Fee, indemnity and exculpation, if any, under this Agreement or any other Transaction Document) and obligations of Servicer as Servicer under this Agreement and in and to the Transferred Receivables, the Related Transferred Assets and the proceeds thereof.

As soon as possible, and in any event within five Business Days, after an Authorized Officer of Servicer has obtained knowledge of the occurrence of any Servicer Default, Servicer shall furnish Trustee, each Agent and the Rating

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Notwithstanding the foregoing, a delay in or failure in performance referred to in subsection (a) for a period of ten Business Days after the applicable grace period, or in subsection (b) or (d) for a period of 30 Business Days after the applicable grace period, shall not constitute a Servicer Default if the delay or failure could not have been prevented by the exercise of reasonable diligence by Servicer and the delay or failure was caused by an act of God or the public enemy, riots, acts of war, acts of terrorism, epidemics, flood, embargoes, weather, landslides, fire, earthquakes or similar causes. The preceding sentence shall not relieve Servicer from using its best efforts to perform its obligations in a timely manner in accordance with the terms of the Transaction Documents, and Servicer shall promptly give Trustee, each Agent and Transferor an Officer's Certificate notifying them of its failure or delay.

SECTION 10.2 Trustee to Act; Appointment of Successor. (a) On and after Servicer's receipt of a Termination Notice pursuant to Section 10.1, Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Termination Notice or otherwise specified by Trustee in writing or, if no such date is specified in the Termination Notice, or otherwise specified by Trustee, until a date mutually agreed upon by Servicer and Trustee. Trustee shall, as promptly as possible after the giving of a Termination Notice, nominate an Eligible Servicer as successor servicer (the "Successor Servicer"); provided that (a) in appointing any Successor Servicer, Trustee shall give due consideration to any Successor Servicer proposed by any Agent and (b) the Successor Servicer shall accept its appointment by a written assumption in a form acceptable to Trustee and each Agent. In the event that a Successor Servicer has not been appointed or has not accepted its appointment at the time when Servicer ceases to act as Servicer, Trustee without further action shall automatically be appointed the Successor Servicer. Trustee may delegate any of its servicing obligations to an affiliate or agent in accordance with Section 3.1(b). If Trustee is prohibited by applicable law from performing the duties of Servicer hereunder, Trustee may appoint, or may petition a court of competent jurisdiction to appoint, a Successor Servicer hereunder. Trustee shall give prompt notice to the Rating Agencies and each Investor Certificateholder upon the appointment of a Successor Servicer.

(b) After Servicer's receipt of a Termination Notice, and on the termination date specified in the Termination Notice or selected by Trustee and Servicer in accordance with subsection (a), all authority and power of Servicer under this Agreement shall pass to and be vested in the Successor Servicer (a "Service Transfer"); and, without limitation, Trustee is hereby authorized and empowered to execute and deliver, on behalf of Servicer, as attorney-in-fact or otherwise, all documents and instruments, and to do and accomplish all other acts or things that Trustee reasonably determines are necessary or appropriate

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to effect the purposes of the Service Transfer. Servicer agrees that it will terminate its activities as Servicer hereunder in a manner that Trustee indicates will facilitate the transition of the performance of such activities to the Successor Servicer. Servicer agrees that it shall use reasonable efforts to assist the Successor Servicer in assuming the obligations to service and administer the Transferred Receivables and the Related Transferred Assets, on the terms and subject to the conditions set forth herein, and to effect the termination of the responsibilities and rights of Servicer to conduct servicing hereunder, including the transfer to such Successor Servicer of all authority of Servicer to service the Transferred Receivables and Related Transferred Assets provided for under this Agreement and all authority over all cash amounts that shall thereafter be received with respect to the Transferred Receivables or the Related Transferred Assets. Servicer shall, within five Business Days after the designation of a Successor Servicer, transfer its electronic records (including software) relating to the Transferred Receivables, the related Contracts and the Related Transferred Assets to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and shall promptly transfer to the Successor Servicer all other records, correspondence and documents necessary for the continued servicing of the Transferred Receivables and the Related Transferred Assets in the manner and at such times as the Successor Servicer shall request. To the extent that compliance with this Section shall require Howmet or any Servicer to disclose to the Successor Servicer information of any kind that Howmet reasonably deems to be confidential, prior to the transfer contemplated by the preceding sentence the Successor Servicer shall be required to enter into such licensing and confidentiality agreements as Howmet shall reasonably deem necessary to protect its interest. All reasonable costs and expenses (including attorneys' fees and disbursements) incurred in connection with transferring the Transferred Receivables, the Related Transferred Assets and all related Records (including the related Contracts) to the Successor Servicer and amending this Agreement and the other Transaction Documents to

reflect the succession as Servicer pursuant to this Section shall be paid by the predecessor Servicer (or, if Trustee serves as Successor Servicer on an interim basis, the preceding Servicer) within 15 days after presentation of reasonable documentation of the costs and expenses.

(c) Upon its appointment and acceptance thereof, the Successor Servicer shall be the successor in all respects to Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities and duties relating thereto placed on Servicer by the terms and provisions hereof (and shall carry out such responsibilities and duties in accordance with standards of reasonable commercial prudence), and all

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references in this Agreement to Servicer shall be deemed to refer to the Successor Servicer.

(d) Unless otherwise agreed by Transferor and Servicer or Successor Servicer, all authority and power granted to Servicer or the Successor Servicer under this Agreement shall automatically cease and terminate upon termination of the Trust pursuant to Section 12.1, and shall pass to and be vested in Transferor and, without limitation, Transferor is hereby authorized and empowered, on and after the effective date of such termination, to execute and deliver, on behalf of the Servicer or the Successor Servicer, as attorney-in-fact or otherwise, all documents and other instruments and to do and accomplish all other acts or things that Transferor reasonably determines are necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer or Successor Servicer agrees to cooperate with Transferor in effecting the termination of the responsibilities and rights of the Servicer or Successor Servicer to conduct servicing of the Transferred Receivables and the Related Transferred Assets. The Servicer or Successor Servicer shall, within five Business Days after such termination, transfer its electronic records relating to the Transferred Receivables and the Related Transferred Assets to Transferor in such electronic form as Transferor may reasonably request and shall transfer all other records, correspondence and documents relating to the Transferred Receivables and the Related Transferred Assets to Transferor in the manner and at such times as Transferor shall reasonably request. To the extent that compliance with this Section shall require the Servicer or Successor Servicer to disclose to Transferor information of any kind that the Servicer or Successor Servicer deems to be confidential, Transferor shall be required to enter into such customary licensing and confidentiality agreements as the Servicer or Successor Servicer shall reasonably deem necessary to protect its interests. All reasonable costs and expenses (including attorneys' fees and disbursements) incurred by Trustee, in its capacity as Successor Servicer, in connection with the termination shall be paid by Transferor within 15 days after presentation of reasonable documentation of the costs and expenses.

SECTION 10.3 Notification of Servicer Default; Notification of Appointment of Successor Servicer. Within four Business Days after an Authorized Officer of Servicer becomes aware of any Servicer Default, Servicer shall give written notice thereof to Trustee and the Rating Agencies, and Trustee shall, promptly upon receipt of the written notice, give notice to the Investor Certificateholders at their respective addresses appearing in the Certificate Register and to the Purchasers. Upon any termination or appointment of a Successor Servicer pursuant to this Article X, Trustee shall give prompt written notice thereof to the Investor Certificateholders at their

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respective addresses appearing in the Certificate Register and to the Purchasers and the Rating Agencies.

ARTICLE XI TRUSTEE

SECTION 11.1 Duties of Trustee. (a) Trustee undertakes to perform the duties and only the duties as are specifically set forth in this Agreement. The provisions of this Article XI shall apply to Trustee solely in its capacity as Trustee, and not to Trustee in its capacity as Servicer if it is acting as Servicer. Following the occurrence of a Servicer Default of which a Responsible Officer has actual knowledge, Trustee shall exercise such of the rights and powers vested in it by this Agreement and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; provided that if Trustee shall assume the duties of Servicer pursuant to Section 10.2, Trustee in performing the duties shall use the degree of skill and attention customarily exercised by a servicer with respect to trade receivables that it services for itself or others. Trustee shall have no power to create, assume or incur indebtedness or other liabilities in the name of the Trust other than as contemplated in, or incidental to the performance of its duties under, the Transaction Documents.

(b) Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to Trustee that are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they are substantially in the form required by this Agreement. Trustee shall give written notice to the Person who furnished any item of the type listed in the preceding sentence of any lack of substantial conformity of any such item to the applicable requirements of this Agreement. In addition, Trustee shall give prompt written notice to the Investor Certificateholders and each Agent of any lack of substantial conformity of any such instrument to the applicable requirements of this Agreement discovered by Trustee that would entitle a specified percentage of the Investor Certificateholders or the Holders of any Series of Certificates or Purchasers or Agents to take any action pursuant to this Agreement. Within two Business Days of its receipt of any Monthly Report, Trustee shall verify the mathematical computations contained therein and shall notify Servicer and each of the Rating Agencies of the accuracy of such computations or of any discrepancies therein (provided that the rounding of numbers will not constitute a discrepancy), whereupon Servicer shall deliver to the Rating Agencies within 5 Business Days thereafter a certificate describing the nature and cause of such discrepancies and the action that Servicer proposes to take with respect thereto. During the first week of each year, Trustee shall provide the Rating Agencies

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with a certificate, signed by a Responsible Officer, to the effect that Trustee is not aware of any Early Amortization Event (or, if it is aware of any Early Amortization Event, specifying the nature of that event).

(c) Subject to subsection (a), no provision of this Agreement shall be construed to relieve Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; provided that:

(i) Trustee shall not be liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of Trustee, unless it shall be proved that Trustee was negligent. in ascertaining the pertinent facts,

(ii) Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction (as applicable) of the Majority Investors, the Required Investors, all Investors, any Agent, or the Required Series Holders relating to the time, method and place of conducting any proceeding for any remedy available to Trustee, or exercising any trust or power conferred upon Trustee, under this Agreement,

(iii) Trustee shall not be charged with knowledge of (A) any failure by Servicer to comply with the obligations of Servicer referred to in subsections (a), (b) or (c) of Section 10.1, (B) any breach of the representations and warranties of Transferor set forth in Section 2.3 or 7.1 or the representations and warranties of Servicer set forth in Section 8.1, (C) any breach of the covenants of Transferor set forth in Section 7.2 or the covenants of Servicer set forth in Section 8.2 or (D) the ownership of any Certificate or Purchased Interest for purposes of Section 6.5, in each case unless a Responsible Officer of Trustee obtains actual knowledge of the matter or Trustee receives written notice of the matter from Servicer or from any Holder,

(iv) the duties and obligations of Trustee shall be determined solely by the express provisions of this Agreement, Trustee shall not be liable except for the performance of the duties and obligations that specifically shall be set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against Trustee and, in the absence of bad faith on the part of Trustee, Trustee may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions that are furnished to Trustee and that conform to the requirements of this Agreement, and

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(v) without limiting the generality of this section or Section 11.2, Trustee shall have no duty (A) to see to any recording, filing, or depositing of this Agreement or any agreement referred to herein or any financing statement evidencing a security interest in the Transferred Receivables or the Related Transferred Assets, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof (except that Trustee (x) shall note in its records the date of filing of each UCC financing statement identified to it in writing as having been filed in connection with the Transaction Documents, or filed in connection with a predecessor receivables securitization and amended and/or assigned in connection with the Transaction Documents, and naming Trustee as secured party or assignee

of the secured party and (y) shall, unless it shall have received an Opinion of Counsel to the effect that no such filing is necessary to continue the perfection of Transferor's or Trustee's interests in the Transferred Receivables and the Related Assets, cause continuation statements to be filed with respect to each such financing statement not less than four years and six months and not more than five years after (1) its filing date and (2) the date of filing of any prior continuation statement), (B) to see to the payment or discharge of any tax, assessment, or other governmental charge or any Adverse Claim or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust, (C) to confirm or verify the contents of any reports or certificates of Servicer delivered to Trustee pursuant to this Agreement that are believed by Trustee to be genuine and to have been signed or presented by the proper party or parties or (D) to ascertain or inquire as to the performance or observance of any of Transferor's or Servicer's representations, warranties or covenants or Servicer's duties and obligations as Servicer.

(d) Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if Trustee reasonably believes that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require Trustee to perform, or be responsible for the manner of performance of, any obligations of Servicer under this Agreement except during the time, if any, that Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, Servicer in accordance with the terms of this Agreement.

(e) Except for actions expressly authorized by this Agreement, Trustee shall take no action reasonably likely to impair the interests of the Trust in any

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Transferred Asset now existing or hereafter created or to impair the value of any Transferred Asset now existing or hereafter created.

(f) Except to the extent expressly provided otherwise in this Agreement, Trustee shall have no power to vary the Transferred Assets.

(g) In the event that the Paying Agent or the Transfer Agent and Registrar shall fail to perform any obligation, duty or agreement in the manner or on the day on which such obligation, duty or agreement is required to be performed by the Paying Agent or the Transfer Agent and Registrar, as the case may be, under this Agreement, Trustee shall be obligated, promptly upon its actual knowledge thereof, to perform the obligation, duty or agreement in the manner so required.

SECTION 11.2 Certain Matters Affecting Trustee. Except as otherwise provided in Section 11.1:

(a) Trustee may rely on and shall be protected in acting on, or in refraining from acting in accordance with, any resolution, Officer's Certificate, opinion of counsel, certificate of auditors or any other certificate, statement, instrument, instruction, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document and any information contained therein believed by it to be genuine and to have been signed or presented to it pursuant to this Agreement by the proper party or parties including, but not limited to, reports and records required by Article III,

(b) Trustee may consult with counsel and any opinion of counsel rendered by counsel reasonably satisfactory to Transferor shall be full and complete authorization and protection in respect of any action taken or permitted or omitted by it hereunder in good faith and in accordance with such opinion of counsel,

(c) Trustee (including in its role as Successor Servicer, if it ever acts in that capacity) shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation or other proceeding hereunder or in relation hereto, at the request, order or direction of any of the Certificateholders, the Purchasers or any Agent, pursuant to the provisions of this Agreement, unless such Certificateholders, the Purchasers or Agent shall have offered to Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; provided that nothing contained herein shall

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relieve Trustee of the obligations, upon the occurrence and continuance of a

Servicer Default that has not been cured, to exercise such of the rights and powers vested in it by this Agreement and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs,

(d) Trustee shall not be personally liable for any action taken, permitted or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement,

(e) Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Required Investors; provided that if the payment within a reasonable time to Trustee of the costs, expenses, or liabilities likely to be incurred by it in connection with making such investigation shall be, in the opinion of Trustee, not reasonably assured to Trustee by the security afforded to it by the terms of this Agreement, Trustee may require reasonable indemnity against such cost, expense, or liability as a condition to proceeding with the investigation. The reasonable expense of every examination shall be paid by Servicer or, if paid by Trustee, shall be reimbursed by Servicer upon demand,

(f) Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, representatives, attorneys or a custodian, and Trustee shall not be responsible for any misconduct or negligence on the part of any agent, representative, attorney or custodian appointed with due care by it hereunder,

(g) except as may be required by Section 11.1(b) and Section 11.1(c) (v) hereof, Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Transferred Assets for the purpose of establishing the presence or absence of defects or for any other purpose,

(h) whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to Trustee shall be subject to the provisions of this Section 11.2,

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(i) Trustee shall have no liability with respect to the acts or omissions of Servicer (except and to the extent Servicer is Trustee), including, but not limited to, acts or omissions in connection with: (A) the servicing, management or administration of the Transferred Receivables or the Related Transferred Assets, (B) calculations made by Servicer whether or not reported to Trustee, and (C) deposits into or withdrawals from any Bank Accounts or Transaction Accounts established pursuant to the terms of this Agreement, and

(j) in the event that Trustee is also acting as Paying Agent or Transfer Agent and Registrar hereunder, the rights and protections afforded to Trustee pursuant to this Article XI shall also be afforded to Trustee acting as Paying Agent or as Transfer Agent and Registrar.

SECTION 11.3 Limitation on Liability of Trustee. Trustee shall at no time have any responsibility or liability for or with respect to the correctness of the recitals contained herein or in the Certificates (other than the certificate of authentication on the Certificates) or the Purchased Interests. Except as set forth in Section 11.15, Trustee makes no representations as to the validity or sufficiency of this Agreement, any PI Agreement, any Supplement, the Certificates (other than the certificate of authentication on the Certificates) or the Purchased Interests, any other Transaction Document or any Transferred Asset or related document. Trustee shall not be accountable for the use or application (i) by Transferor of any of the Certificates or the Purchased Interests or of the proceeds of such Certificates or the Purchased Interests, or (ii) for the use or application of any funds paid to Transferor or to Servicer (other than to Trustee in its capacity as Servicer) in respect of the Transferred Assets or deposited by Servicer in or withdrawn by Servicer from the Bank Accounts, the Transaction Accounts or any other accounts hereafter established to effectuate the transactions contemplated herein or in the other Transaction Documents and in accordance with the terms hereof or thereof.

Except as provided in Section 11.1(c) (v), Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity, or enforceability of any ownership or security interest in any Transferred Asset, or the perfection or priority of such a security interest or the maintenance of any such perfection or priority, or for the generation of the payments to be distributed to Certificateholders or Purchasers under this Agreement, including: (a) the existence and substance of any Transferred Asset or any related Record or any computer or other record thereof, (b) the validity of the transfer of any Transferred Asset to the Trust or of any preceding or intervening transfer, (c) the performance or enforcement of any Transferred Asset, (d) the compliance by Transferor or Servicer with any warranty or

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representation made under this Agreement or in any other Transaction Document and the accuracy of any such warranty or representation prior to Trustee's receipt of actual notice of any noncompliance therewith or any breach thereof, (e) any investment of monies pursuant to Section 4.4 or any loss resulting therefrom, (f) the acts or omissions of Transferor, Servicer or any Obligor, (g) any action of Servicer taken in the name of Trustee, or (h) any action by Trustee taken at the instruction of Servicer; provided that the foregoing shall not relieve Trustee of its obligation to perform its duties (including but not limited to its duties, if any, to act as Servicer in accordance with Section 10.2) under the Agreement in accordance with the terms hereof.

Except with respect to a claim based on the failure of Trustee to perform its duties under this Agreement or based on Trustee's negligence or willful misconduct, no recourse shall be had against Trustee in its individual capacity for any claim (a "Non-Recourse Claim") based on any provision of this Agreement, any other Transaction Document, the Certificates, the Purchased Interests, any Transferred Asset or any assignment thereof. Trustee shall not have any personal obligation, liability, or duty whatsoever to any Certificateholder, any Purchaser or any other Person with respect to any Non-Recourse Claim, and any such claim shall be asserted solely against the Trust or any indemnitor who shall furnish indemnity to the Trust or Trustee as provided in this Agreement.

SECTION 11.4 Trustee May Deal with Other Parties. Subject to any restrictions that may otherwise be imposed by Section 406 of ERISA, Section 4975(e) of the Internal Revenue Code or any other applicable law, Trustee in its individual or any other capacity may deal with the other parties hereto (other than Transferor) and their respective affiliates, with the same rights as it would have if it were not Trustee.

SECTION 11.5 Servicer To Pay Trustee's Fees and Expenses. (a) To the extent not paid by Servicer to Trustee from funds constituting the Servicing Fee, Servicer covenants and agrees to pay to Trustee from time to time, and Trustee shall be entitled to receive, such reasonable compensation as is agreed upon in writing between Trustee and Servicer (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in connection with the Transaction Documents and in the exercise and performance of any of the powers and duties hereunder of Trustee, and Servicer will pay or reimburse Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by Trustee in accordance with any of the provisions of the Transaction Documents to which it is a party (including the reasonable fees and expenses

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of its agents, any co-Trustee and counsel) except any expense, disbursement or advance that may arise from Trustee's negligence or willful misconduct.

(b) In addition, Servicer agrees to indemnify Trustee from, and hold it harmless against, any and all losses, liabilities, damages, claims or expenses incurred by Trustee in connection with the Transaction Documents or in the exercise or performance of any of the powers or duties of Trustee hereunder, other than those resulting from the negligence or willful misconduct of Trustee.

(c) If Trustee is appointed Successor Servicer pursuant to Section 10.2, the provisions of this section shall not apply to expenses, disbursements and advances made or incurred by Trustee in its capacity as Successor Servicer, which shall be paid out of the Servicing Fee. Servicer's covenant to pay the fees, expenses, disbursements and advances provided for in this section shall survive the resignation or removal of Trustee and the termination of this Agreement.

(d) Trustee shall look solely to Servicer for payment of amounts described in this Section 11.5, and Trustee shall have no claim for payment of such amounts against Transferor or the Transferred Assets.

SECTION 11.6 Eligibility Requirements for Trustee. Trustee hereunder shall at all times: (a) be (i) a banking institution organized under the laws of the United States, (ii) a member bank of the Federal Reserve System or (iii) any other banking institution or trust company, incorporated and doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under the authority of the Comptroller of the Currency, and that is supervised and examined by a state or federal authority having supervision over banks, (b) not be an Enhancement Provider, (c) have, in the case of an entity that is subject to risk-based capital adequacy requirements, risk-based capital of at least \$250,000,000 or, in the case of an entity that is not subject to risk-based capital adequacy requirements, a combined capital and surplus of at least \$250,000,000 and (d)

have an unsecured long-term debt rating of at least "A" or its equivalent from at least one nationally recognized statistical rating agency. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for the purpose of this section, the combined capital and surplus of the corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time Trustee shall cease to be eligible in

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accordance with the provisions of this section, Trustee shall resign immediately in the manner and with the effect specified in Section 11.7.

SECTION 11.7 Resignation or Removal of Trustee. (a) Trustee may at any time resign and be discharged from its obligations hereunder by giving 30 days' prior written notice thereof to Transferor, Servicer, the Rating Agencies, the Investor Certificateholders and the Agents. Upon receiving the notice of resignation, Transferor shall promptly appoint, subject to satisfaction of the Modification Condition, a successor Trustee who meets the eligibility requirements set forth in Section 11.6 by written instrument, in duplicate, one copy of which shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and shall have accepted appointment within 30 days after the giving of the notice of resignation, the resigning Trustee, upon notice to each Agent, may petition any court of competent jurisdiction to appoint a successor Trustee.

(b) If at any time Trustee shall cease to be eligible to be Trustee hereunder in accordance with the provisions of Section 11.6 hereof and shall fall to resign promptly after its receipt of a written request therefor by Servicer, or if at any time Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or if a receiver for Trustee or of its property shall be appointed, or any public officer shall take charge or control of Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then Servicer may remove Trustee and, subject to the consent of each Agent (which consent shall not be unreasonably withheld or delayed) and satisfaction of the Modification Condition, promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which shall be delivered to Trustee so removed and one copy to the successor Trustee.

(c) Any resignation or removal of Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 11.7 shall not become effective until (i) acceptance of appointment by the successor Trustee as provided in Section 11.8 hereof, and (ii) such successor Trustee shall have agreed in writing to be bound by any Intercreditor Agreements then in effect.

SECTION 11.8 Successor Trustee. (a) Any successor Trustee appointed as provided in Section 11.7 shall execute, acknowledge and deliver to Transferor, Servicer, the Investor Certificateholders, the Purchasers and the predecessor Trustee an instrument accepting such appointment hereunder and an instrument pursuant to which it agrees to be bound by any existing Intercreditor Agreement, and thereupon the resignation or removal of the predecessor Trustee shall, upon payment of its fees and expenses and other

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amounts owed to it pursuant to Section 11.5, become effective and the successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein. The predecessor Trustee shall deliver to the successor Trustee, at the expense of Servicer, all documents or copies thereof and statements held by it hereunder; and Transferor and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully vesting and confirming in the successor Trustee all such rights, powers, duties and obligations. Servicer shall promptly give notice to the Rating Agencies upon the appointment of a successor Trustee.

(b) No successor Trustee shall accept appointment as provided in this Section 11.8 unless at the time of the acceptance the successor Trustee shall be eligible to become Trustee under the provisions of Section 11.6.

(c) Upon acceptance of appointment by a successor Trustee as provided in this Section 11.8, the successor Trustee shall mail notice of the succession hereunder to all Investor Certificateholders at their addresses as shown in the Certificate Register and to each Rating Agency.

SECTION 11.9 Merger or Consolidation of Trustee. Any Person into which Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which Trustee shall be a party, or any Person succeeding to all or substantially all of the

corporate trust business of Trustee, shall be the successor of Trustee hereunder, if the Person meets the requirements of Section 11.6, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Servicer shall promptly give notice to the Rating Agencies upon any merger or consolidation of Trustee.

SECTION 11.10 Appointment of Co-Trustee or Separate Trustee. (a) Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust may at the time be located, Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons (who may be an employee or employees of Trustee) to act as a co-Trustee or co-Trustees, or separate Trustee or separate Trustees, with respect to all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Certificateholders and the Purchasers, such title to the Trust, or any part thereof, and, subject to the other provisions of this section, such powers, duties, obligations, rights and trusts as Trustee may

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consider necessary or appropriate; provided, that such appointment shall be subject to the prior written consent of Transferor unless an Early Amortization Event or Servicer Termination Event is continuing; and provided further, that in any event Trustee will give Transferor and Servicer prior written notice of such appointment. No co-Trustee or separate Trustee shall be required to meet the terms of eligibility as a successor Trustee under Section 11.6 and no notice to Certificateholders, Agents or Purchasers of the appointment of any co-Trustee or separate Trustee shall be required under Section 11.8.

(b) Every separate Trustee and co-Trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon Trustee shall be conferred or imposed upon and exercised or performed by Trustee and the separate Trustee or co-Trustee jointly (it being understood that the separate Trustee or co-Trustee is not authorized to act separately without Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to Servicer hereunder), Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate Trustee or co-Trustee, but solely at the direction of Trustee,

(ii) no Trustee or co-Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee or co-Trustee hereunder, and

(iii) Trustee may at any time accept the resignation of or remove any separate Trustee or co-Trustee.

(c) Any notice, request or other writing given to Trustee shall be deemed to have been given to each of the then separate Trustees and co-Trustees, as effectively as if given to each of them. Every instrument appointing any separate Trustee or co-Trustee shall refer to this Agreement and the conditions of this Article XI. Each separate Trustee and co-Trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to

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the conduct of, affecting the liability of, or affording protection or indemnity to, Trustee. Every such instrument shall be filed with Trustee and a copy thereof given to Servicer.

(d) Any separate Trustee or co-Trustee may at any time appoint Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Agreement or any other Transaction Document on its behalf and in its name. If any separate Trustee or co-Trustee shall die, become incapable of acting, resign or be removed, all its estates, properties, rights, remedies and trusts shall vest in and be exercised by Trustee, to the extent permitted by law, without the appointment of a new or successor Trustee or co-Trustee.

SECTION 11.11 Tax Returns. No Federal income or other tax or informational return shall be filed on behalf of the Trust unless required by applicable law

or any Governmental Authority. In the event the Trust shall be required to file tax or informational returns, Servicer shall prepare or shall cause to be prepared any tax or informational returns required to be filed by the Trust and shall remit the returns to Trustee for signature at least five Business Days before the returns are due to be filed. Trustee shall promptly sign and deliver the returns to Servicer and Servicer shall promptly file the returns. Subject to the responsibilities of Trustee set forth in any Supplement, Servicer, in accordance with that Supplement, shall also prepare or shall cause to be prepared all tax information required by law to be made available to Certificateholders and Purchasers and shall deliver the information to Trustee at least five Business Days prior to the date it is required by law to be made available to the Certificateholders and Purchasers. Trustee, upon request, will furnish Servicer with all the information known to Trustee as may be reasonably required in connection with the preparation of all tax or informational returns on behalf of the Trust and shall, upon request, execute such returns as Trustee determines are appropriate.

SECTION 11.12 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Agreement, the Certificates, the Purchased Interests or the other Transaction Documents may be prosecuted and enforced by Trustee without the possession of any of the Certificates or Purchased Interests or the production thereof in any proceeding relating thereto, and any such proceeding instituted by Trustee shall be brought in its own name as Trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of Trustee, its agents and counsel, be distributed to the Certificateholders or Purchasers in respect of which such judgment has been obtained in accordance with the related Supplement or PI Agreement.

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SECTION 11.13 Suits for Enforcement. If an Early Amortization Event or a Servicer Default shall occur and be continuing, Trustee, in its discretion may, subject to the provisions of Sections 11.1 and 11.14, proceed to protect and enforce its rights and the rights of the Certificateholders or Purchasers under this Agreement by suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or any other Transaction Document or in aid of the execution of any power granted in this Agreement or any other Transaction Document or for the enforcement of any other legal, equitable or other remedy as Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of Trustee or the Certificateholders or Purchasers. Nothing herein contained shall be deemed to authorize Trustee to authorize or consent to or accept or adopt on behalf of any Certificateholder or Purchaser any plan of reorganization, arrangement, adjustment or composition affecting the Investor Certificates or the rights of any Holder thereof, any Purchased Interests or any Purchaser, or to authorize Trustee to vote in respect of the claim of any Investor Certificateholder or Purchaser in any such proceeding.

SECTION 11.14 Rights of Required Investors To Direct Trustee. The Required Investors shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to Trustee, or exercising any trust or power conferred on Trustee; provided that, subject to Section 11.1, Trustee may decline to follow any such direction if Trustee, being advised by counsel, determines that the action so directed may not be taken lawfully, or if a Responsible Officer or Responsible Officers of Trustee shall determine, in good faith, that the proceedings so directed would be illegal or involve Trustee in personal liability or be unduly prejudicial to the rights of the Investor Certificateholders or Purchasers not giving such direction; and provided further, that nothing in this Agreement shall impair the right of Trustee to take any action deemed proper by Trustee and that is not inconsistent with such direction of the Required Investors.

SECTION 11.15 Representations and Warranties of Trustee. Trustee represents and warrants that:

(a) it is a banking corporation organized, existing and in good standing under the laws of New York and satisfies the eligibility requirements of Section 11.6,

(b) it has full power, authority and right to execute, deliver and perform the Transaction Documents to which it is a party, and has

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taken all necessary action to authorize the execution, delivery and performance by it of the Transaction Documents, and

(c) the Transaction Documents to which it is a party have been duly executed and delivered by Trustee and, in the case of all such Transaction Documents, are legal, valid and binding obligations of Trustee,

enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

SECTION 11.16 Maintenance of Office or Agency. Trustee will maintain, at its address designated pursuant to Section 13.6, an office, offices, agency or agencies where notices and demands to or upon Trustee in respect of the Certificates, the Purchased Interests and the Transaction Documents to which it is a party may be served. Trustee will give prompt written notice to Servicer and to the Certificateholders and Agents of any change in the location of the Certificate Register or any such office or agency.

ARTICLE XII TERMINATION

SECTION 12.1 Termination of Trust. (a) If not earlier terminated pursuant to Section 9.3, the Trust and the respective obligations and responsibilities of Transferor, Servicer and Trustee created hereby (other than the obligation of Trustee to make payments to Certificateholders or Purchasers as hereinafter set forth and the obligations of Servicer contained in Section 11.11) shall terminate, except with respect to the duties and obligations described in Sections 3.9(c), 7.3, 8.4, 11.5, 12.2(b), 13.9, 13.15 and 13.16 upon the earliest to occur of (i) the day on which the Investor Certificateholders, the Purchasers and Trustee shall have been paid all amounts required to be paid to them pursuant to this Agreement and Trustee has disposed of all property held hereunder (including pursuant to Section 12.3) and (ii) the day which is 21 years less one day after the death of the officers and the last survivor of all the lineal descendants of every officer of the Trustee who are living on the date hereof.

(b) Notwithstanding the foregoing, the last payment of the principal of and interest on the Investor Certificates of any Series or any Purchased Interests shall be due and payable no later than the Final Scheduled Payment Date for such Series or Purchased Interests. If, on the Distribution Date immediately prior to the Final Scheduled Payment Date for any Series or Purchased Interests, Servicer determines that the Invested Amount for such Series or Purchased Interests on such Final Scheduled Payment Date (after

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giving effect to all changes therein on such date) will exceed zero, Servicer shall solicit bids for the sale of undivided interests in the Transferred Assets for a purchase price equal to 110% of the Base Amount (or comparable amount) for such Series or Purchased Interests on the Final Scheduled Payment Date for the Series or Purchased Interests (after giving effect to all distributions required to be made on the Final Scheduled Payment Date for the Series or Purchased Interests), provided that the undivided interests so transferred shall not exceed the Series Collection Allocation Percentage (for that Series or Purchased Interest) of the Transferred Assets held by the Trust as of the date of sale. Transferor and its Affiliates shall be entitled to participate in and to receive notice of each bid submitted in connection with the bidding process. Upon the expiration of the period, Servicer shall determine (x) the Highest Bid and (y) the Available Final Distribution Amount for such Series or Purchased Interests. Servicer shall sell such undivided interests in the Transferred Assets on the Final Scheduled Payment Date for that Series or Purchased Interests to the bidder with the Highest Bid and shall deposit the proceeds of such sale in the Master Collection Account for allocation (together with the Available Final Distribution Amount for such Series or Purchased Interests) to the Certificateholders of such Series or the Purchasers of such Purchased Interests.

SECTION 12.2 Final Distribution. (a) Servicer shall give Trustee at least ten days' prior written notice of the date on which the Trust is expected to terminate in accordance with Section 12.1(a). The notice shall be accompanied by a certificate of an Authorized Officer of Servicer setting forth the information specified in Section 3.6 covering the period during the then current calendar year through the date of the notice. Upon receiving the notification from Servicer, Trustee shall give the Certificateholders and/or the Agents (as applicable) written notice as soon as practicable after Trustee's receipt of notice from Servicer, which notice shall specify (i) the Distribution Date (the "Final Distribution Date") upon which final payment with respect to the Certificates is expected to be made and (ii) the amount of any such final payment. Trustee shall give the notice to the Transfer Agent and Registrar and the Paying Agent at the time such notice is given to Certificateholders On the Final Distribution Date, Trustee shall, based upon the Dally Report relating to the Final Distribution Date, cause to be distributed to the Certificateholders the amounts distributable to them on the Final Distribution Date pursuant to the applicable Supplement. Each Certificateholder shall present its Certificate to Trustee and surrender its Certificate for cancellation at the address of Trustee set forth in Section 13.6 not more than ten Business Days after the Final Distribution Date upon which final payment with respect to the Certificates has been made.

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(b) Notwithstanding the termination of the Trust pursuant to Section 12.1(a), all funds then on deposit in the Master Collection Account shall continue to be held in trust for the benefit of the Certificateholders and the Purchasers and the Paying Agent or Trustee shall pay such funds to the Certificateholders and the Purchasers at the time set forth in Section 12.1(a). If any Certificateholder or Purchaser does not claim the portion of such funds to which it is entitled to receive on the Final Distribution Date, interest shall cease to accrue on its Certificate or Purchased Interest (as applicable) and Trustee shall hold such funds in trust for such Person, subject to the further provisions of this Section. In the event that any of the Certificateholders shall not have claimed their final payment with respect to their Certificates within six months after the Final Distribution Date, Trustee shall give a second written notice to the remaining Certificateholders concerning payment of the final distribution with respect thereto and surrender of their Certificates for cancellation. If within one year after the second notice all the Certificates shall not have been surrendered for cancellation, Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds in the Master Collection Account held for the benefit of such Certificateholders. Trustee and the Paying Agent shall pay to Transferor any monies held by them for the payment of principal of or interest on the Certificates that remains unclaimed for two years after the termination of the Trust pursuant to Section 12.1(a). After payment of the monies to Transferor, Certificateholders entitled to the money must look to Transferor for payment as unsecured general creditors unless an applicable abandoned property law designates another Person.

SECTION 12.3 Rights Upon Termination of the Trust. Upon the termination of the Trust pursuant to Section 12.1 and the surrender of the Transferor Certificate by Transferor to Trustee, Trustee shall transfer, assign, set over and otherwise convey to Transferor (without recourse, representation or warranty), all right, title and interest of the Trust in the Transferred Receivables, whether then existing or thereafter created, the Related Transferred Assets and all of the other property and rights previously conveyed to Trustee hereunder, except for amounts held by Trustee pursuant to Section 12.2(b) and except for the rights of RPA Indemnified Parties (other than Transferor and its officers, directors, shareholders, controlling Persons, employees and agents) to indemnification and contribution under Section 9.1 of the Purchase Agreement. Trustee shall execute and deliver the instruments of transfer and assignment (including any document necessary to release the security interest in favor of the Trust (for the benefit of the Certificateholders and the Purchasers) in the Transferred Receivables and Related Transferred Assets, to release any filing evidencing or perfecting such security interest and

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to terminate all powers of attorney created by the Transaction Documents), in each case without recourse, representation or warranty, that shall be reasonably requested by Transferor to vest in Transferor all right, title and interest that Trustee had in the Transferred Assets.

SECTION 12.4 Optional Repurchase of Investor Interests. Any Supplement may provide that on any Distribution Date occurring on or after the date that the Invested Amount of the Series governed by such Supplement is reduced to 10% or less of the initial aggregate principal amount of the Investor Certificates of such Series, Transferor shall have the option, upon the giving of ten days' prior written notice to Servicer, Trustee and the Rating Agencies, to repurchase the undivided interest of such Series in the Trust by depositing into the Principal Funding Account, on such Distribution Date (the "Repurchase Distribution Date"), an amount (the "Repurchase Amount") equal to the unpaid Invested Amount of the Series plus accrued and unpaid interest on the unpaid principal amount of the Series (and accrued and unpaid interest with respect to interest amounts that were due but not paid on a prior Distribution Date) through the day preceding such Distribution Date at the Certificate Rate applicable to such Series. Upon tender of all outstanding Certificates of the Series owned by a Certificateholder, Trustee shall then distribute to such Certificateholder the portion of such amounts owed to such Certificateholder, together with all other amounts on deposit in the Principal Funding Account with respect to that Series which are owed to such Certificateholder, on the next Distribution Date in repayment of the principal amount and all accrued and unpaid interest owing to such Certificateholder. Following the Repurchase Distribution Date, the Certificateholders of the Series shall have no further rights with respect to the Transferred Receivables and Trustee shall execute and deliver the instruments of transfer and assignment (including any document necessary to release the security interest in favor of Trustee (for the benefit of the Certificateholders) in the Transferred Receivables and Related Transferred Assets and to release any filing evidencing or perfecting the security interest), in each case without recourse, representation or warranty,

as shall be reasonably requested by Transferor to vest in Transferor all right, title and interest that Trustee had in the Transferred Assets. In the event that Transferor falls for any reason to deposit the Repurchase Amount for any Series, payments shall continue to be made to the Certificateholders of the Series in accordance with the terms of this Agreement. The provisions, if any, in respect of the optional repurchase of any Purchased Interest shall be set forth in the applicable PI Agreement.

SECTION 12.5 Defeasance and Refinancing of Certificates. Any Supplement may provide that the Certificates issued pursuant to such Supplement may be defeased or refinanced. The terms and conditions under

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which such Certificates may be defeased or refinanced will be set forth in such Supplement.

ARTICLE XIII MISCELLANEOUS PROVISIONS

SECTION 13.1 Amendment, Waiver, Etc. (a) This Agreement and any Supplement may be amended from time to time by Servicer, Transferor and Trustee by a written instrument signed by each of them, without the consent of any of the Certificateholders, the Purchasers or the Agents; provided that such action shall not adversely affect in any material respect the interests of any Certificateholder or Purchaser; and provided further, that any amendment of this Agreement to effect any modification of the Lockbox Account arrangements pursuant to Section 3.3(c)(ii)(y) shall not require the consent of any of the Certificateholders, the Purchasers or the Agents. This Agreement and any Supplement may not be amended unless Transferor shall have delivered the proposed amendment to each Agent and the Rating Agencies at least ten Business Days (or such shorter period as shall be acceptable to each of them) prior to the execution and delivery thereof and the Modification Condition has been satisfied with respect to such amendment; provided, however, that the Modification Condition shall not apply to proposed amendments the purpose of which is to correct any ambiguities or inconsistencies in this Agreement or such Supplement.

(b) Any PI Agreement may be amended from time to time by the parties thereto but without the consent of any Investor Certificateholder; provided that any amendment will not adversely affect in any material respect the interests of the Certificateholders, as evidenced by an Officer's Certificate of Servicer.

(c) The provisions of this Agreement, any Supplement and any PI Agreement may also be amended, modified or waived from time to time by Servicer, Transferor and Trustee with the consent of: (i) in the case of this Agreement or any Supplement, (A) the Required Series Holders of each affected Series and (B) if any Purchased Interest shall or would be adversely affected, each Agent of a Purchaser, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or any Supplement or of modifying in any manner the rights of the Certificateholders or the Purchasers; provided that no amendment shall (w) reduce in any manner the amount of or delay the timing of any distributions to be made to Investor Certificateholders or deposits of amounts to be so distributed or the amount available under any Enhancement without the consent of each affected Certificateholder, (x) change the definition of or the manner of calculating the interest of any Investor Certificateholder without the consent

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of each affected Investor Certificateholder, (y) reduce the aforesaid percentage required to consent to any amendment without the consent of each Investor Certificateholder or (z) adversely affect the rating of any Series or class by any Rating Agency without the consent of the Holders of Investor Certificates of the Series or class evidencing not less than 66 2/3% of the aggregate unpaid principal amount of the Investor Certificates of the Series or class or (ii) in the case of any PI Agreement, (A) each Agent of a Purchaser and the other parties thereto and (B) if any Series of Investor Certificates shall or would be adversely affected, the Required Series Holders of each such adversely affected Series. It is understood that the consent of the Required Series Holders of any Series or the Agent of a Purchaser shall not be required for any amendment, modification or waiver if all amounts owed to the Holders of such Series or such Purchaser (as the case may be) will be paid (and any commitments of such Holders or Purchaser will terminate) prior to, or contemporaneously with, the effectiveness of such amendment, modification or waiver.

Transferor or Trustee shall establish a record date for determining which Certificateholders may give such waivers and consents. No waiver of any Early Amortization Event or other default hereunder given at any time shall apply to any other prior or subsequent Early Amortization Event or default.

(d) Promptly after the execution of any amendment, consent or waiver

described in subsection (b) or (c), Trustee shall furnish written notification of the substance of the amendment, consent or waiver to each Investor Certificateholder and each Agent, and Servicer shall furnish written notification of the substance of the amendment or consent to the Rating Agency and each Enhancement Provider.

(e) It shall not be necessary for the Certificateholders or Purchasers under this section to approve the particular form of any proposed consent, waiver or amendment, but it shall be sufficient if the substance thereof has been approved. The manner of obtaining any waiver, consent or amendment and of evidencing the authorization of the execution thereof by the Certificateholders or Purchasers shall be subject to such reasonable requirements as Trustee may prescribe.

(f) Notwithstanding anything in this section to the contrary, no amendment may be made to this Agreement, any Supplement or any PI Agreement that would adversely affect in any material respect the interests of any Enhancement Provider without the consent of the Enhancement Provider.

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(g) Any Supplement or PI Agreement executed in accordance with the provisions of Section 6.10 shall not be considered an amendment to this Agreement for the purposes of this section.

(h) Prior to the execution of any amendment to this Agreement, Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of the amendment is authorized or permitted by this Agreement and that all conditions precedent to the execution and delivery have been satisfied. Trustee may, but shall not be obligated to, enter into any amendment that affects Trustee's own rights, duties or immunities under this Agreement.

SECTION 13.2 Actions by Certificateholders and Purchasers. (a) By its acceptance of Certificates pursuant to this Agreement and the applicable Supplement, each Certificateholder acknowledges and agrees that, wherever in this Agreement a provision states that an action may be taken or a notice, demand or instruction given by any Series of Investor Certificateholders, any class of Investor Certificateholders or the Investor Certificateholders, the action, notice or instruction may be taken or given by any Holder of an Investor Certificate of the Series or class or by any Investor Certificateholder, respectively, unless the provision requires a specific percentage of the Series or class of Investor Certificateholders or of all Investor Certificateholders By its acceptance of Purchased Interests pursuant to this Agreement and the applicable PI Agreement, each Purchaser acknowledges and agrees that, wherever in this Agreement a provision states that an action may be taken or a notice, demand or instruction given by any Purchasers, the action, notice or instruction may be taken or given by any Purchaser, unless the provision requires a specific percentage of the Purchasers.

(b) By its acceptance of Certificates pursuant to this Agreement and the applicable Supplement, each Certificateholder acknowledges and agrees that any request, demand, authorization, direction, notice, consent, waiver or other act by the Holder of a Certificate shall bind the Holder and every subsequent Holder of the Certificate and of any Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by Trustee or Servicer in reliance thereon, whether or not notation of the action is made upon such Certificate. By its acceptance of Purchased Interests pursuant to this Agreement and the applicable PI Agreement, each Purchaser acknowledges and agrees that any request, demand, authorization, direction, notice, consent, waiver or other act by a Purchaser shall bind the Purchaser and every subsequent Purchaser of the Purchased Interest in respect of anything done or omitted to be done by Trustee or Servicer in reliance thereon.

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(c) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement, any Supplement or any PI Agreement to be given or taken by Certificateholders or any Agent for a Purchaser may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by the Certificateholders or any Agent for a Purchaser in person or by agent duly appointed in writing; and except as herein otherwise expressly provided, the action shall become effective when the instrument or instruments are delivered to Trustee and, when required, to Servicer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement, any Supplement or any PI Agreement and conclusive in favor of Trustee and Servicer, if made in the manner provided in this Section 13.2.

(d) The fact and date of the execution by any Certificateholder or any Agent for a Purchaser of any such instrument or writing may be proved in any

reasonable manner that Trustee deems sufficient.

SECTION 13.3 Limitation on Rights of Certificateholders. (a) The death or incapacity of any Certificateholder shall not operate to terminate this Agreement, any Supplement or the Trust, nor shall the death or incapacity entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) No Certificateholder shall have any right to vote (except as expressly provided otherwise in this Agreement) or in any manner otherwise to control the operation and management of the Trust, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association, nor shall any Certificateholder be under any liability to any third Person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Certificateholder shall have any right by virtue of any provisions of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Transaction Documents (except to the extent any Supplement or related certificate purchase agreement creates independent and non-duplicative rights), unless the Certificateholder previously shall have given to Trustee, and unless the Required Investors shall have made, written request upon Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to Trustee such reasonable indemnity as it may require against the costs,

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expenses and liabilities to be incurred therein or thereby, and Trustee, for 30 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder, every Purchaser and Trustee, that no one or more Certificateholders or Purchasers shall have any right in any manner whatever by virtue of, or by availing itself or themselves of, any provisions of a Transaction Document to affect, disturb or prejudice the rights of any other Investor Certificateholder or Purchaser, or to obtain or seek to obtain priority over or preference to any such other Investor Certificateholder or Purchaser, except to the extent provided in the Transaction Documents, or to enforce any right under the Transaction Documents, except in the manner herein provided and for the equal, ratable and common benefit of all Investor Certificateholders and Purchasers (subject to the priorities set forth in the Transaction Documents). For the protection and enforcement of the provisions of this Section 13.3, each and every Certificateholder, each and every Purchaser and Trustee shall be entitled to such relief as can be given either at law or in equity.

(d) By their acceptance of Certificates pursuant to this Agreement and the applicable Supplement, the Certificateholders agree to the provisions of this Section 13.3.

SECTION 13.4 Limitation on Rights of Purchasers. (a) The death or incapacity of any Purchaser shall not operate to terminate this Agreement, any PI Agreement or the Trust, nor shall the death or incapacity entitle such Purchaser's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) No Purchaser shall have any right to vote (except provided otherwise in this Agreement) or in any manner otherwise to control the operation and management of the Trust, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Purchased Interests, be construed so as to constitute the Purchasers from time to time as partners or members of an association, nor shall any Purchaser be under any liability to any third Person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Purchaser shall have any right by virtue of any provisions of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to any Transaction Document (except to the

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extent a PI Agreement creates independent and non-duplicative rights), unless such Purchaser previously shall have given to Trustee, and unless the Required Investors shall have made, written request upon Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have

offered to Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and Trustee, for 30 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by each Purchaser with every other Purchaser, every Certificateholder and Trustee, that no one or more Purchasers or Certificateholders shall have any right in any manner whatever by virtue of, or by availing itself or themselves of, any provisions of a Transaction Document to affect, disturb or prejudice the rights of any other Investor Certificateholder or a Purchaser, or to obtain or seek to obtain priority over or preference to any such other Investor Certificateholder or Purchaser, except to the extent provided in the Transaction Documents, or to enforce any right under the Transaction Documents, except in the manner herein provided and for the ratable and common benefit of all Investor Certificateholders and Purchasers (subject to the priorities set forth in the Transaction Documents). For the protection and enforcement of the provisions of this Section 13.4, each and every Certificateholder, each and every Purchaser and Trustee shall be entitled to such relief as can be given either at law or in equity.

(d) By their acceptance of Purchased Interests pursuant to this Agreement and the applicable Supplement, the Purchasers agree to the provisions of this Section 13.4.

SECTION 13.5 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 13.6 Notices. All demands, notices, instructions and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, four Business Days after mailing if mailed by registered mail, return receipt requested, or sent by facsimile transmission (a) in the case of Transferor, to its address set forth below its signature hereto, (b) in the case of Howmet, to its address set forth below its signature hereto, and (c) in the case of Trustee, the Paying Agent or the Transfer Agent and Registrar, to the address of Trustee set forth on the

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signature pages hereof; or, as to each party, at such other address or facsimile number as shall be designated by it in a written notice to each other party given in accordance with this Section 13.6. Except to the extent expressly provided otherwise in an applicable Supplement, any notice required or permitted to be mailed to a Certificateholder shall be sent by first-class mail, postage prepaid, to the address of such Certificateholder as shown in the Certificate Register. Except to the extent expressly provided otherwise in the applicable PI Agreement, any notice required or permitted to be mailed to a Purchaser shall be sent by first-class mail, postage prepaid, to the address of such Purchaser as shown in the applicable PI Agreement or at such other address designated by such Purchaser. Except to the extent expressly provided otherwise in an applicable Supplement or PI Agreement, any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given on the fourth Business Day after the notice is so mailed, whether or not a Certificateholder or Purchaser receives the notice. Servicer shall deliver or make available to the Rating Agencies each certificate and report required to be prepared, forwarded or delivered pursuant to Section 3.5 (excluding the Daily Reports) or 3.6 and a copy of any amendment, consent or waiver to this Agreement, at the address of the Rating Agency set forth above or at the other address as shall be designated by the Rating Agency in a written notice to Servicer.

SECTION 13.7 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement or any of the other Transaction Documents shall for any reason whatsoever be held invalid, then the unenforceable covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement or the other Transaction Documents (as applicable) and shall in no way affect the validity or enforceability of the other provisions of this Agreement, the Certificates, the Purchased Interests or any of the other Transaction Documents or the rights of the Certificateholders or the Purchasers.

SECTION 13.8 Certificates Nonassessable and Fully Paid. Except to the extent otherwise expressly provided in Section 7.3 with respect to Transferor, it is the intention of the parties to this Agreement that the Certificateholders shall not be personally liable for obligations of the Trust, that the interests in the Trust represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever and that Certificates upon authentication thereof by Trustee pursuant to Section 6.2 are and shall be deemed fully paid.

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SECTION 13.9 Nonpetition Covenant. Notwithstanding any prior termination of this Agreement, each of Trustee, Servicer, Transferor, the Paying Agent, the Authenticating Agent and the Transfer Agent and Registrar (and each Investor Certificateholder or Purchaser by its acceptance of a Certificate or Purchased Interest) agrees that it shall not, with respect to the Trust or Transferor, institute or join any other Person in instituting any proceeding of the type referred to in the definition of "Bankruptcy Event" so long as any Certificates or Purchased Interests issued by the Trust shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Certificates or Purchased Interests shall have been outstanding. The foregoing shall not limit the right of Servicer, Transferor, the Paying Agent, the Authenticating Agent and the Transfer Agent and Registrar to file any claim in or otherwise take any action with respect to any such insolvency proceeding that was instituted against Transferor or the Trust by any Person other than Servicer, Transferor, the Paying Agent, the Authenticating Agent or the Transfer Agent and Registrar. In addition, each of Servicer, the Paying Agent, the Authenticating Agent, the Transfer Agent and Registrar and (as to the Trust) Transferor agree that all amounts owed to them by the Trust or Transferor shall be payable solely from amounts that become available for such payment pursuant to this Agreement and the Receivables Purchase Agreement, and no such amounts shall constitute a claim against the Trust or Transferor to the extent that they are in excess of the amounts available for their payment.

SECTION 13.10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Trustee, the Investor Certificateholders or the Purchasers, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and are not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 13.11 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SECTION 13.12 Third-Party Beneficiaries. This Agreement will inure to the benefit of and be binding upon the parties hereto and the Certificateholders, the Purchasers, the Enhancement Providers and their

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respective successors and permitted assigns. Except as otherwise expressly provided in this Agreement, nothing contained in this Agreement shall confer any rights upon any Person that is not a party to, or a permitted assignee of a party to, this Agreement.

SECTION 13.13 Integration. This Agreement and the other Transaction Documents contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and thereof and shall together constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

SECTION 13.14 Binding Effect; Assignability; Survival of Provisions. This Agreement shall be binding upon and inure to the benefit of Transferor, Servicer and Trustee and their respective successors and permitted assigns; provided, that Transferor shall not delegate any of its obligations hereunder. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the termination of the Trust pursuant to Section 12.1. The rights and remedies with respect to (a) any breach of any representation and warranty made by Transferor in Section 2.3 or Section 7.1, (b) any breach of any representation and warranty made by Servicer in Section 8.1 and (c) the indemnification and payment provisions in Sections 3.9, 7.3, 8.4, 11.5 and 12.2(b) shall be continuing and shall survive any termination of this Agreement.

SECTION 13.15 Limitation on Liability of Certain Persons. No recourse under or upon any obligation or covenant of this Agreement, any Supplement, any PI Agreement, any Certificate or any other Transaction Document, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, shareholder, officer or director, as such, past, present or future, of Transferor or of any successor corporation, either directly or through Transferor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Agreement, any Supplement, any PI Agreement, all other relevant Transaction Documents and the obligations incurred hereunder or thereunder are solely corporate obligations, and that no such personal liability

whatsoever shall attach to, or is or shall be incurred by the incorporators, shareholders, officers or directors, as such, of Transferor or of any successor corporation, or any of them, by reason of the obligations, covenants or agreements contained in this Agreement, any Supplement, any PI Agreement, any of the Certificates or any other Transaction Documents, or implied therefrom; and that any and all such personal liability of, either at

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common law or in equity or by constitution or statute, and any and all such rights and claims against, every such incorporator, shareholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations or covenants contained in this Agreement, any Supplement, any PI Agreement, any of the Certificates or any other Transaction Documents, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement, any PI Agreement and any Supplement. Transferor and any director, officer, employee or agent of Transferor may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Payments to be made by Transferor pursuant to this Agreement shall be paid to the extent that funds are available to make the payments after all amounts to be paid to the Certificateholders and the Purchasers pursuant to the applicable Supplement and PI Agreement shall have been paid, and there shall be no recourse to Transferor for all or any part of any amounts payable pursuant to any Transaction Document if the funds are at any time insufficient to make all or part of any such payments. The provisions of this section shall survive the termination of this Agreement.

SECTION 13.16 Recourse to Transferred Assets. The Certificates do not represent an obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. Except as expressly provided otherwise in this Agreement, the Certificates and Purchased Interests are limited in right of payment to the Transferred Assets.

SECTION 13.17 Submission to Jurisdiction. EACH PARTY HERETO HEREBY IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK, NEW YORK OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS, (B) IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF THE ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN THE STATE OR FEDERAL COURT, (C) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF THE ACTION OR PROCEEDING, AND (D) IN THE CASE OF TRANSFEROR AND HOWMET, IRREVOCABLY APPOINTS THE PROCESS AGENT AS ITS AGENT TO RECEIVE ON BEHALF OF IT AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS THAT MAY BE SERVED IN ANY ACTION OR PROCEEDING. THE SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF THE PROCESS TO TRANSFEROR OR HOWMET IN CARE OF THE PROCESS AGENT AT THE PROCESS AGENT'S ADDRESS, AND TRANSFEROR HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT THE SERVICE ON ITS BEHALF. AS AN ALTERNATIVE METHOD OF SERVICE, EACH OF TRANSFEROR AND SERVICER ALSO

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IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY ACTION OR PROCEEDING BY THE MAILING OF COPIES OF THE PROCESS TO TRANSFEROR OR SERVICER (AS APPLICABLE) AT ITS ADDRESS SPECIFIED HEREIN. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY PARTY HERETO TO BRING ANY ACTION OR PROCEEDING AGAINST ANY OR ALL OF THE OTHER PARTIES HERETO OR ANY OF THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 13.18 Waiver of Jury Trial. EACH PARTY HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATING TO THE TRANSACTION DOCUMENTS, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), ACTIONS OF ANY OF THE PARTIES HERETO OR ANY OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THE TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

SECTION 13.19 Certain Partial Releases. If any Seller is discontinued as a Seller pursuant to Section 1.8(a) or 1.8(c) of the Purchase Agreement, Trustee shall, upon the request (and at the expense) of Howmet, execute and deliver to Howmet such statements of partial release and/or amendment relating to the UCC-1 financing statements filed against such Seller pursuant to the Purchase Agreement as shall be prepared by Howmet and provided to Trustee to evidence such termination; provided that Trustee shall have received (i) an Officer's Certificate of Servicer to the effect that all conditions to such termination specified in subclauses (i), (ii) and (iii) of such Section 1.8(a) have been satisfied (and shall not have received notice from any Investor

Certificateholder, Purchaser or Agent to the contrary) and (ii) an Opinion of Counsel to the effect that the filing of such statements of partial release and/or amendment will not impair the validity, perfection or priority of Transferor's or Trustee's rights in and to (A) any Receivables or Related Assets conveyed prior to the effective date of such termination or (B) any Receivables or Related Assets generated by Howmet on or after the effective date of such termination. In addition, after a termination that complies with the requirements set Out in the preceding sentence, Trustee shall, upon the request (and at the expense) of Howmet, execute and deliver to Howmet the termination statements relating to the UCC-1 financing statements filed against the Seller pursuant to the Purchase Agreement as shall be prepared by Howmet and provided to Trustee to evidence the termination; provided that Trustee shall have received an Officer's Certificate of Servicer to the effect that Trustee no longer holds any right, title or interest in the Transferred

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Receivables generated by the terminated Seller. In connection with a termination described in Section 1.8(c) of the Purchase Agreement, Trustee shall, if demanded by Transferor, convey all of its right, title and interest in all (but not less than all) of the Transferred Receivables (and Related Transferred Assets with respect thereto) originated by the terminating Seller to a Person designated by the terminating Seller, provided that such conveyance by Trustee shall be made only against receipt by Trustee from the purchaser, in cash, of a release price of not less than the aggregate Unpaid Balance of the released Receivables. No such release and conveyance by Trustee shall, however, be permitted if as a result thereof any Howmet Person would acquire the released Transferred Receivables.

[Remainder of page intentionally left blank.]

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

BLADE RECEIVABLES CORPORATION,
as Transferor

By: /s/ Roland Paul

Name: Roland Paul
Title: Vice President

Address: c/o Nevada Corporate Management, Inc
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Facsimile: (702) 892-3906

HOWMET CORPORATION,
as Initial Servicer

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 861-4746

MANUFACTURERS AND TRADERS TRUST
COMPANY,
as Trustee

By: /s/ Russell T. Whitley

Name: Russell T. Whitley

Title: ASST. VICE PRESIDENT

Address: 1 M&T Plaza, 7th Floor
Buffalo, New York 14203-2399

Attention: Russell Whitley
Telephone: (716) 842-5602
Facsimile: (716) 8424474

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EXHIBIT A
to Pooling Agreement

FORM OF
LOCKBOX ACCOUNT LETTER AGREEMENT

__, 1995

[NAME OF LOCKBOX BANK]
[ADDRESS OF LOCKBOX BANK]

Ladies and Gentlemen:

By this letter agreement, (a) _____ ("Seller") irrevocably transfers exclusive ownership and control of its lockbox[es] numbered _____ ([each, a] [the] "Lockbox" [and collectively referred to herein as the "Lockboxes"]) and the corresponding demand deposit account[s] numbered _____ ([each, a] [the] "Lockbox Account" [and collectively referred to herein as the "Lockbox Accounts"]) maintained with you to Blade Receivables Corporation ("BRC"), and (b) BRC irrevocably transfers all of its rights and title to and interest in the Lockbox[es] and the Lockbox Account[s] acquired hereby to Manufacturers and Traders Trust Company, as trustee (the "Trustee") for the benefit of (i) certain holders of certificates and purchased interests (collectively, the "Holders") issued by the Trustee under a Pooling and Servicing Agreement, dated as of _____, 1995 (the "Pooling Agreement"), among BRC, Howmet Corporation ("Howmet") as initial Servicer, and the Trustee and (ii) BRC (to the extent of BRC's residual interest in the Transferred Assets (as defined in the Pooling Agreement)). Seller acknowledges and agrees that BRC is transferring to the Trustee the rights, titles and interests transferred by Seller to BRC as provided above, and each of Seller and BRC agrees to cooperate fully with the Trustee and its agents and representatives (including, without limitation, the Servicer referred to hereinafter) in the exercise of such rights. The transfers described in this paragraph are effective on and as of the date of this letter agreement.

By executing this letter agreement, you acknowledge the existence of the Trustee's right to dominion and control over the Lockbox[es] and the Lockbox Account[s] and its ownership of and security interest in the Lockbox[es], all moneys and instruments delivered to the Lockbox[es], the Lockbox Account[s] and the amounts from time to time on deposit therein, and agree that, from and after the date hereof, you shall maintain the Lockbox[es] and the Lockbox Account[s] and shall hold all such moneys and instruments and such amounts for the benefit and subject to the interests of the Trustee (for the benefit of itself, the Holders and BRC (to the extent described above)). You also acknowledge that your

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execution of this letter agreement is a condition precedent to continued maintenance of the Lockbox Account[s] with you. The Lockbox Account[s] [is] [are] to be maintained in the name of "Manufacturers and Traders Trust Company, as Trustee."

Seller and BRC hereby irrevocably instruct you, and the Trustee, by its acknowledgement hereof, hereby instructs you, at all times from and after the date hereof until your receipt of contrary and/or terminating instructions from the Trustee, to remit, on a daily basis, in immediately available funds, all available amounts deposited in the Lockbox Account[s] to the following account (the "Master Collection Account") or such other account as the Trustee or the Servicer may specify:

Manufacturers and Traders Trust Company
One M&T Plaza, 7th Floor
Buffalo, New York 14203-2399
ABA #022000046
CC # 880
For credit to the
Manufacturers and Traders Trust Company, as Trustee
Account No. _____

No such transfer of funds shall either reflect the rounding off of any funds so transferred or constitute a partial remittance except for (i) amounts applied to fees and expenses under the terms of this letter agreement, and (ii) amounts deducted for returned checks that were previously deposited in [a] (the) Lockbox Account and with respect to which funds were previously transferred to the Master Collection Account.

All transfers referred to above shall be made by you irrespective of, and without deduction for, any counterclaim, defense, recoupment or set-off (except as expressly permitted otherwise by this letter agreement) and shall be final, and you agree that you will not seek to recover any amount from the Trustee, BRC, or the Servicer for any reason once any payment or transfer has been made.

The Trustee's instructions with respect to the Lockbox(es) and the Lockbox Account(s) may be given through a Servicer that the Trustee may appoint from time to time and will notify you thereof in writing, and you agree to follow the instructions of such Servicer with the same effect as if such instructions were given by the Trustee directly (subject to any limitations on such appointment imposed by the Trustee that are communicated in writing to you) until such time as the Trustee notifies you of the revocation of the Servicer's authority to act for the Trustee. The initial servicer will be Howmet. The Trustee and the Servicer shall each provide to you a list of their respective employees authorized to issue instructions and give notices with respect to the Lockbox(es) and the Lockbox Account(s), which lists may be revised from time to time, and you shall be entitled to rely on (and to assume) the authority of any employee of the Trustee or the Servicer identified on such lists, and are hereby authorized to act on any notice given on behalf of the

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Trustee or the Servicer by any such employee, subject to any limitations on the appointment of the Servicer and the revocation of the Servicer's authority as provided above.

Seller and BRC also hereby irrevocably notify you that, at all times from and after the date hereof until your receipt of contrary and/or terminating instructions from the Trustee, the Trustee shall be entitled (subject to your rights set forth herein) to exercise in the place and stead of Seller and BRC (or either of them) any and all rights of Seller and BRC in respect of or in connection with the Lockbox(es), this letter agreement and the Lockbox Account(s), including, without limitation (i) the right to specify that payments are to be made out of or in connection with the Lockbox Account(s) to different accounts or at different times than those specified above (subject to your customary and then-current procedures for lockbox processing) and (ii) the right to require preparation of duplicate monthly bank statements on the Lockbox Account(s) for mailing directly to an address specified by the Trustee.

By executing this letter agreement you acknowledge that you have not heretofore received a notice, writ, order or any form of legal process from any other person asserting, claiming or exercising, any right of set-off, banker's lien or other purported form of claim with respect to the items collected from the Lockbox(es), the Lockbox Account(s) or any funds from time to time therein or in transit thereto, and agree to immediately inform the Trustee in writing of any such action in the future.

By executing this letter agreement, you irrevocably waive and agree not to assert, any right to setoff against, or otherwise deduct from, any items collected from the Lockbox(es), the Lockbox Account(s) or any funds from time to time therein or in transit thereto; provided, however, that you may (i) debit [a] [the] Lockbox Account for any items deposited in [such] [the] Lockbox Account that are returned or otherwise not collected in accordance with your customary practices for the chargeback of returned items and (ii) apply funds in the Lockbox Account(s) for reimbursement of any fees and expenses incurred by you in connection with this letter agreement, to the extent that such fees and expenses are not paid or reimbursed by Seller.

Seller shall pay, or reimburse you for, customary and reasonable fees and expenses incurred by you in the maintenance and operation of the Lockbox Account(s) in accordance with this letter agreement. The Trustee will have no liability to you or the Servicer for any costs, fees or charges under your usual and customary procedures or this letter agreement.

You also agree that, notwithstanding anything to the contrary herein: (i) you shall promptly notify all relevant postmasters that the Trustee is authorized to have access to the Lockbox [es]; and (ii) you shall promptly notify the Trustee of your failure to receive timely payment of any fee under this letter agreement.

You may terminate this letter agreement by cancelling the Lockbox Account(s) and Lockbox(es), which cancellation and termination shall become effective only upon sixty days'

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prior written notice thereof from you to the Trustee. Upon the termination of this letter agreement, you will close the Lockbox Account[s] and transfer any monies remaining therein to the Master Collection Account. You agree that you shall forward all incoming mail addressed to (any of) the Lockbox[es] or [the] Lockbox Account[s] and all wire transfers and deposits to (any of) the Lockbox Account[s] that you receive after such cancellation in the form received to another lockbox or to another lockbox account or the Concentration Account or to such other address or account as the Trustee (or the Servicer on behalf of the Trustee) shall specify, promptly after you discover that you have received any such mail or transfers. 'This letter agreement may also be terminated upon written notice to you by the Trustee. Except as expressly set forth in this paragraph, this letter agreement may not be terminated or amended without the prior written consent of the Trustee.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail, postage prepaid, by facsimile or by overnight courier, to the intended person at the address or facsimile number of such person set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such person in a written notice to the other parties hereto given in accordance with the requirements of this paragraph. All notices and other communications hereunder shall also be provided to the Trustee and shall be addressed as follows until you receive written notice from the Trustee to the contrary:

Manufacturers and Traders Trust Company
One M&T Plaza
Buffalo, New York 14203

Attention: Corporate Trust and Agency Services
Telephone: (716) 842-5602
Facsimile: (716) 842-4474.

All notices and communications provided for hereunder shall be effective, (i) if personally delivered, when received, (ii) if sent by certified mail, four business days after having been deposited in the mail, postage prepaid and properly addressed, (iii) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means and (iv) if sent by overnight courier, two business days after having been given to such courier unless sooner received by the addressee.

This letter agreement shall be binding upon you and your successors and assigns and shall inure to the benefit of Seller, BRC, and the Trustee and their respective successors, transferees and assigns; provided, however, that you may not assign your rights and duties under this letter agreement without the prior written consent of the Trustee.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, not including the choice of law rules thereof.

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Please acknowledge your agreement to the terms set forth in this letter agreement by signing five (5) copies of this letter agreement in the space provided below and returning such copies to us at the address indicated below for Seller.

Very truly yours,

[NAME OF SELLER]

By: _____
Title: _____

Address: C/O Howmet Corporation
475 Steamboat Road
Greenwich, CT 06830

Attention: Jeff Jankowski
Telephone: (203) 625-8744
Facsimile: (203) 8614746

BLADE RECEIVABLES CORPORATION

By: _____

Title: _____

Address: C/O Howmet Corporation
475 Steamboat Road
Greenwich, CT 06830

Attention: Jeff Jankowski
Telephone: (203) 625-8744
Facsimile: (203) 8614746

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The undersigned hereby acknowledges and agrees to the foregoing letter agreement as of this __ day of _____, 1995.

[NAME OF LOCKBOX BANK]

By: _____

Title: _____

Address: _____

Attention: _____

Telephone: _____

Facsimile: _____

The undersigned hereby acknowledges and agrees to the foregoing letter agreement dated as of the __ day of _____, 1995

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

By: _____

Title: _____

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EXHIBIT B
to Pooling Agreement

FORM OF CONCENTRATION ACCOUNT AGREEMENT

[NAME OF CONCENTRATION BANK]
[ADDRESS OF CONCENTRATION BANK]

Ladies and Gentlemen:

By this letter agreement, (a) _____ ("Seller") irrevocably transfers exclusive ownership and control of its demand deposit account numbered _____ the "Concentration Account" maintained with you to Blade Receivables Corporation ("BRC"), and (b) BRC irrevocably transfers all of its rights and title to and interest in the Concentration Account acquired hereby to Manufacturers and Traders Trust Company, as trustee (the "Trustee") for the benefit of (i) certain holders of certificates and purchased interests (collectively, the "Holders") issued by the Trustee under a Pooling and Servicing Agreement, dated as of _____, 1995 (the "Pooling Agreement"), among BRC, Howmet Corporation ("Howmet") as initial Servicer, and the Trustee and (ii) BRC (to the extent of BRC's residual interest in the Transferred Assets (as defined in the Pooling Agreement). Seller acknowledges and agrees that BRC is transferring to the Trustee the rights, titles and interests transferred by Seller to BRC as provided above, and each of Seller and BRC agrees to cooperate fully with the Trustee and its agents and representatives (including, without limitation, the Servicer referred to hereinafter) in the exercise of such rights. The transfers described in this paragraph are effective on and as of the date of this letter agreement.

By executing this letter agreement, you acknowledge the existence of the Trustee's right to dominion and control over the Concentration Account and its ownership of and security interest in the Concentration Account, all moneys and instruments delivered to the Concentration Account and the amounts from time to time on deposit therein, and agree that, from and after the date hereof, you shall maintain the Concentration Account and shall hold all such moneys and instruments and such amounts for the benefit and subject to the interests of the

Trustee. You also acknowledge that your execution of this letter agreement is a condition precedent to continued maintenance of the Concentration Account with you. The Concentration Account is to be maintained in the name of "Manufacturers and Traders Trust Company, as Trustee."

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Seller and BRC hereby irrevocably instruct you, and the Trustee, by its acknowledgement hereof, hereby instructs you, at all times from and after the date hereof until your receipt of contrary and/or terminating instructions from the Trustee, to remit, on a daily basis, in immediately available funds, all available amounts deposited in the Concentration Account to the following account (the "Master Collection Account") or such other account as the Trustee or the Servicer may specify:

Manufacturers and Traders Trust Company
One M&T Plaza, 7th Floor
Buffalo, New York 14203-2399
ABA # 022000046
CC # 880
For credit to the
MANUFACTURERS AND TRADERS TRUST COMPANY,
AS TRUSTEE
Account No. _____

No such transfer of funds shall either reflect the rounding off of any funds so transferred or constitute a partial remittance except for (i) amounts applied to fees and expenses under the terms of this letter agreement, and (ii) amounts deducted for returned checks that were previously deposited in the Concentration Account and with respect to which funds were previously transferred to the Master Collection Account.

All transfers referred to above shall be made by you irrespective of, and without deduction for, any counterclaim, defense, recoupment or set-off (except as expressly permitted otherwise by this letter agreement) and shall be final, and you agree that you will not seek to recover any amount from the Trustee, BRC or the Servicer for any reason once any payment or transfer has been made.

The Trustee's instructions with respect to the Concentration Account may be given through a Servicer that the Trustee may appoint from time to time and will notify you thereof in writing, and you agree to follow the instructions of such Servicer with the same effect as if such instructions were given by the Trustee directly (subject to any limitations on such appointment imposed by the Trustee that are communicated in writing to you) until such time as the Trustee notifies you of the revocation of the Servicer's authority to act for the Trustee. The initial servicer will be Howmet. The Trustee and the Servicer shall each provide to you a list of their respective employees authorized to issue instructions and give notices with respect to the Concentration Account, which lists may be revised from time to time, and you shall be entitled to rely on (and to assume) the authority of any employee of the Trustee or the Servicer identified on such lists, and are hereby authorized to act on any notice given on behalf of the Trustee or the Servicer by any such employee, subject to any limitations on the appointment of the Servicer and the revocation of the Servicer's authority as provided above.

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Seller and BRC also hereby irrevocably notify you that, at all times from and after the date hereof until your receipt of contrary and/or terminating instructions from the Trustee, the Trustee shall be entitled (subject to your rights set forth herein) to exercise in the place and stead of Seller and BRC (or either of them) any and all of the rights of Seller and BRC in respect of or in connection with this letter agreement and the Concentration Account, including, without limitation (i) the right to specify that payments are to be made out of or in connection with the Concentration Account to different accounts or at different times than those specified above (subject to your customary and then-current procedures for account processing) and (ii) the right to require preparation of duplicate monthly bank statements on the Concentration Account for mailing directly to an address specified by the Trustee.

By executing this letter agreement you acknowledge that you have not heretofore received a notice, writ, order or any form of legal process from any other person asserting, claiming or exercising any right of set-off, banker's lien or other purported form of claim with respect to the items collected from the Concentration Account or any funds from time to time therein or in transit thereto, and agree to immediately inform the Trustee in writing of any such action in the future.

By executing this letter agreement, you irrevocably waive and agree not to assert any right to setoff against, or otherwise deduct from, any items collected from the Concentration Account or any funds from time to time therein or in transit thereto; provided, however, that you may (i) debit the Concentration Account for any items deposited in the Concentration Account that

are returned or otherwise not collected in accordance with your customary practices for the chargeback of returned items, and (ii) apply funds in the Concentration Account for reimbursement of any fees and expenses incurred by you in connection with this letter agreement, to the extent that such fees and expenses are not paid or reimbursed by WRO.

WRO shall pay, or reimburse you for, customary and reasonable fees and expenses incurred by you in the maintenance and operation of the Concentration Account in accordance with this letter agreement. The Trustee will have no liability to you or the Servicer for any costs, fees or charges under your usual and customary procedures or this letter agreement. You will not be liable for any actions taken in accordance with the instructions of the Trustee or the Servicer.

You also agree that, notwithstanding anything to the contrary herein, you shall promptly notify the Trustee of your failure to receive timely payment of any fee under this letter agreement.

You may terminate this letter agreement by cancelling the Concentration Account, which cancellation and termination shall become effective only upon sixty days' prior written notice thereof from you to the Trustee. Upon the termination of this letter agreement, you will close the Concentration Account and transfer any monies remaining therein to the Master

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Collection Account. You agree that you shall forward all wire transfers and deposits to the Concentration Account that you receive after such cancellation in the form received to the Master Collection Account or to such other address or account as the Trustee (or the Servicer on behalf of the Trustee) shall specify, promptly after you discover that you have received any such transfers. This letter agreement may also be terminated upon written notice to you by the Trustee. Except as expressly set forth in this paragraph, this letter agreement may not be terminated or amended without the prior written consent of the Trustee.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail, postage prepaid, by facsimile or by overnight courier, to the intended person at the address or facsimile number of such person set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such person in a written notice to the other parties hereto given in accordance with the requirements of this paragraph. All notices and other communications hereunder shall also be provided to the Trustee and shall be addressed as follows until you receive written notice from the Trustee to the contrary:

Manufacturers and Traders Trust Company
One M&T Plaza
Buffalo, New York 14203

Attention: Corporate Trust and Agency Services
Telephone: (716) 842-5602
Facsimile: (716) 842-4474.

All notices and communications provided for hereunder shall be effective, (i) if personally delivered, when received, (ii) if sent by certified mail, four business days after having been deposited in the mail, postage prepaid and properly addressed, (iii) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means and (iv) if sent by overnight courier, two business days after having been given to such courier unless sooner received by the addressee.

This letter agreement shall be binding upon you and your successors and assigns and shall inure to the benefit of Seller, BRC and the Trustee and their respective successors, transferees and assigns; provided, however, that you may not assign your rights and duties under this letter agreement without the prior written consent of the Trustee.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, not including the choice of law rules thereof.

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Please acknowledge your agreement to the terms set forth in this letter agreement by signing five (5) copies of this letter agreement in the space provided below and returning such copies to us at the address indicated below for WRO.

Very truly yours,

[NAME OF SELLER]

By: _____
Title: _____

Address: c/o Howmet Corporation
475 Steamboat Road
Greenwich, CT 06830

Attention: Jeff Jankowski, Treasurer
Telephone: (203) 625-8744
Facsimile: (203) 861-4746

BLADE RECEIVABLES CORPORATION

By: _____
Title: _____

Address: C/O Howmet Corporation
475 Steamboat Road
Greenwich, CT 06830

Attention: Jeff Jankowski, Treasurer
Telephone: (203) 625-8744
Facsimile: (203) 861-4746

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The undersigned hereby acknowledges and agrees to the foregoing letter agreement as of this ___ day of November, 1995.

[NAME OF CONCENTRATION BANK]

By: _____
Title: _____

Address:

Telephone:
Facsimile:

The undersigned hereby acknowledges and agrees to the foregoing letter agreement dated as of the ___ day of November, 1995.

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

By: _____
Title: _____

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EXHIBIT C
to Pooling Agreement

FORM OF
MONTHLY SERVICER'S CERTIFICATE

TO: MANUFACTURERS AND TRADERS TRUST COMPANY
[Paying Agent]
BLADE RECEIVABLES CORPORATION
[Name of Rating Agency]

HOWMET CORPORATION (the "Servicer") hereby certifies that:

(A) This Certificate is being delivered pursuant to Section 3.6 of the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996, (as the same may be amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, as Transferor, Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee.

(B) As of the date of this Certificate, the Authorized Officer (as defined in the Pooling Agreement) that is executing this Certificate is not aware of the occurrence and continuance of any Early Amortization Event or Unmatured Early Amortization Event (each as defined in the Pooling Agreement). [If an Early Amortization Event or Unmatured Early Amortization Event has occurred and is continuing, specify each such Early Amortization Event or Unmatured Early Amortization Event (as applicable) of which the Authorized Officer executing this Certificate is aware and the nature and status thereof and further certify, on behalf of the Servicer, that such information is true and accurate in all material respects.]

IN WITNESS WHEREOF, Servicer has caused this Certificate to be executed by its duly authorized officer this __ day of _____, 19 .

HOWMET CORPORATION

By: _____
Title: _____

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EXHIBIT D
to Pooling Agreement

ANNUAL AGREED-UPON PROCEDURES

MONTHLY REPORTS

Select at random four Monthly Reports prepared during the fiscal year and:

1. Compare/reconcile the following Monthly Report items with the Servicer's original source documents noted below for five selected operating units (letters refer to the applicable section of the Monthly Report):

A. Monthly Receivable Activity:

1. Monthly Sales Journal
2. Cash Application Journal
3. Aged Trial Balance
4. Journal entries and related support affecting cash application or receivables
5. Receivable Write-off Approval List
6. Lockbox Bank Statements and PC generated Lockbox Reports
7. Credit Memo Report

D. Loss Reserve Ratio:

1. Schedule A of the Monthly Report
2. Applicable Daily Report for Cutoff Date
3. Previous Monthly Reports

E. Dilution Reserve Ratio:

1. Section A of the Monthly Report
2. Previous Monthly Reports

G. Carrying Cost Receivables Reserve:

1. Section C of the Monthly Report
2. Carrying Cost Worksheet

H. Loss to Liquidation Ratio:

1. Receivable Write-off Approval List
2. Aged Trial Balance
3. Journal entries and related back-up on write-offs and recoveries

4. Previous Monthly Reports

I. Discount Rate:

1. Carrying Cost Worksheet

Schedule A. Aged Receivables Ratio:

1. Section A of the Monthly Report
2. Previous Monthly Reports
3. Aged Trial Balance Summary - invoices only, and

2. Recalculate the mathematical accuracy of Sections A,B,C,D,E,F,G,H,J and K and Schedule A.

For each quarter end date that a Monthly Report is obtained, obtain the accounts receivable Write-Off Report for five selected operating units and randomly select a total of five write-offs greater than \$1000 individually. Then obtain the write-off documentation and verify that the write-offs had been approved and were deleted from the Aged Trial Balance Report.

DAILY REPORTS

Select at random ten Daily Reports prepared during the fiscal year (of which not more than two shall relate to any single fiscal month) and:

1. Compare/reconcile the following Daily Report items with the Servicer's original source documents noted below for five selected operating units (letters refer to the applicable section of the Daily Report):

A. Daily Receivable Activity:

1. Daily Sales Summary
2. Cash Application Journal
3. Aged Trial Balance
4. Journal entries and related support affecting cash applications or receivables
5. Receivable Write-off Approval List
6. Lockbox Bank Statement and PC generated Lockbox Reports

B. Net Eligible Receivables Calculation (if not closing period):

1. Ineligible Receivables Program Reports

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C. Excess Concentration Balances:

1. Ineligible Receivables Program Reports

Schedule A (if settlement date):

1. Most recent Monthly Report
2. Daily Report last day prior to settlement date, and

2. Recalculate the mathematical accuracy of sections A-C and Schedule A.

CREDIT DOCUMENTATION

Select at random two fiscal month ends during the fiscal year and:

1. Direct the Servicer to prepare a Credit File Contents Schedule (the "Credit Schedule") that summarizes the contents of the credit files for each customer we select for testing. The Credit Schedule will include the following information as of the cut-off date selected: customer name, customer account number, customer statement, approved credit limit, date of credit limit approval, name and title of

highest authority that approved the credit limit and other supporting documentation in support of extension of the credit limit (e.g., Dun & Bradstreet report, customer financial statement and bank or trade references), and

2. For each customer selected:

- A. Compare the customer's account receivables balance with the approved credit limit to verify that the balance is less than or equal to the approved limit
- B. Compare the customer's account balance per the Credit Schedule with the balance per the Account Receivable Aged Trial Balance
- C. Compare the date of the customer , s most recent invoice indicated on the customer's statement to the date of the credit approval to verify that the date of the invoice is the date of or subsequent to, but within one year of the date of, credit approval

page 3

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- D. Note that at least one of the following items is included with the credit documentation: Dun & Bradstreet Credit Report or other credit report, bank or trade reference, financial statements or a memorandum or workpapers regarding credit evaluation/justification.

For each of the ten Daily Reports selected:

1. Invoices: Obtain the detail Aged Trial Balance Report for five selected operating units and randomly select a total of 15 different invoices and verify the invoice date, amount and customer name with a system generated copy of the invoice;

2. Dilutions and Credits: Obtain the detail Aged Trial Balance Report for five selected operating units and randomly select a total of 15 different credit names and verify the credit memo date, amount and customer name with a system generated copy of the credit memo;

3. Cash Application: Randomly select a total of 15 individual cash receipts comprising the cash collection amount and verify the bank receipt date with the receipt date and application amount on the Daily Report, adjusted for available balances;

4. Ineligible Receivables: Obtain the Aged Trial Balance for five selected operating units and randomly select a total of ten customers that have balances over 90 days past due and calculate the customer balances over 90 days past due as a percentage of the customer's total balance. If this calculated percentage is more than 50%, determine if the customer is classified as part of the Ineligible Receivables;

5. Aging Reports: Using the 15 invoices selected in paragraph 1 above, find that the invoice is in the appropriate aging category on the Aged Trial Balance; and

6. Purchase Options: Using the 15 invoices selected in paragraph 1 above, verify the purchase order reference number on the invoice with the purchase order (if available).

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EXHIBIT E
to Pooling Agreement

FORM OF
TRANSFEROR CERTIFICATE

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE

SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. IN ADDITION TO THE RESTRICTIONS SET FORTH ABOVE, RESALE, TRANSFER OR DISPOSITION OF THIS CERTIFICATE IS PROHIBITED TO THE EXTENT SET FORTH IN THE POOLING AGREEMENT (AS DEFINED BELOW).

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BLADE RECEIVABLES MASTER TRUST

TRANSFEROR CERTIFICATE

THIS CERTIFIES THAT BLADE RECEIVABLES CORPORATION is the registered owner of an interest in the Blade Receivables Master Trust (the "Trust"), which was created pursuant to the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), by and among BLADE RECEIVABLES CORPORATION, a Nevada corporation, as Transferor ("Transferor"), HOWMET CORPORATION, as initial Servicer (in such capacity, the "Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (in such capacity, together with its successors and assigns in such capacity, the "Trustee"). This Certificate is the duly authorized Transferor Certificate designated and issued under the Pooling Agreement. To the extent not otherwise defined herein, capitalized terms have the meanings assigned to them in Appendix A to the Pooling Agreement. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement, to which terms, provisions and conditions the holder of this Certificate by virtue of the acceptance hereof assents and by which the holder is bound.

This Certificate shall not bear interest.

The Pooling Agreement may be amended and the rights and obligations of the parties thereto and of the holder of this Certificate modified as set forth in the Pooling Agreement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the holder hereof to any benefit under the Pooling Agreement or under any other Transaction Document or be valid for any purpose.

This Certificate is limited in right of payment to the Transferred Assets.

Transferor may not transfer, assign, exchange or otherwise convey or pledge, hypothecate or otherwise grant a security interest in this Certificate or any interest represented hereby except in compliance with the terms, conditions and restrictions set forth in the Pooling Agreement.

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This Certificate shall be construed in accordance with the laws of the State of New York, without reference to its conflict of laws principles, and all obligations, rights and remedies under, or arising in connection with, this Certificate shall be determined in accordance with the laws of the State of New York.

This Certificate amends and restates in its entirety the Transferor Certificate dated December 13, 1995 and issued to Transferor under the Pooling and Servicing Agreement, dated as of December 13, 1995, by and among Transferor, Servicer and Trustee.

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IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

By: _____
Title: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is the Transferor Certificate referred to in the Pooling Agreement.

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Title: _____

Dated: _____, 199_

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EXHIBIT F
to Pooling Agreement

FORM OF CERTIFICATE TO BE GIVEN BY CERTIFICATE OWNER

[Euroclear
151 Boulevard Jacqmain
B-1210 Brussels. Belgium]

[Cedel, Societe anonyme
67 Boulevard Grand-Duchesse Charlotte
L-1331 Luxembourg]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, (the "Certificates").

This is to certify that as of the date hereof, and except as set forth below, the beneficial interest in the Certificates held by you for our account is owned by persons that are not U.S. persons (as defined in Rule 901 under the Securities Act of 1933, as amended).

The undersigned undertakes to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Certificates held by you in which the undersigned has acquired, or intends to acquire, a beneficial interest in accordance with your operating procedures if any applicable Statement herein is not correct on such date. In the absence of any such notification, it may be assumed that this certification applies as of such date.

[This certification excepts beneficial interests in and does not relate to U.S. \$_____ principal amount of the Certificates appearing in your books as being held for our account but that we have sold or as to which we are not yet able to certify.]

We understand that this certification is required in connection with certain Securities laws in the United States of America. If administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy thereof to any interested party in such proceedings.

Dated: _____, * By: _____,
Account Holder

* Certification must be dated on or after the 15th day before the date of the Euroclear or Cedel certificate to which the certification relates.

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EXHIBIT G
to Pooling Agreement

[Trustee and Transfer Agent and Registrar]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, (the "Certificates").

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "Member Organizations") as of the date hereof, \$ _____ principal amount of the Certificates is owned by persons (a) that are not U.S. persons (as defined in Rule 901 under the Securities Act of 1933, as amended (the "Securities Act")) or (b) who purchased their Certificates (or interests therein) in a transaction or transactions that did not require registration under the Securities Act.

We further certify (a) that we are not making available herewith for exchange any portion of the related Regulation S Temporary Book-Entry Certificate excepted in such certifications and (b) that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by them with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

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We understand that this certification is required in connection with certain securities laws of the United States of America. If administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy hereof to any interested party in such proceedings.

Date: _____ * Yours faithfully,

* To be dated no earlier than the Effective Date.

By: _____
 [Morgan Guaranty Trust Company of
 New York, Brussels Office, as
 Operator of the Euroclear Clearance
 System] [Cedel, societe anonyme]

page 2

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EXHIBIT H
 to Pooling Agreement

FORM OF CERTIFICATE TO BE GIVEN BY TRANSFEREE
 OF BENEFICIAL INTEREST IN A REGULATION S TEMPORARY
 BOOK-ENTRY CERTIFICATE

[Euroclear
 151 Boulevard Jacqmain
 B-1210 Brussels, Belgium]

[Cedel, societe anonyme
 67 Boulevard Grand-Duchesse Charlotte
 L-1331 Luxembourg]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, (the "Certificates").

This is to certify that as of the date hereof, and except as set forth below, for purposes of acquiring a beneficial interest in the Certificates, the undersigned certifies that it is not a U.S. person (as defined in Rule 901 under the Securities Act of 1933, as amended).

The undersigned undertakes to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Certificates held by you in which the undersigned intends to acquire a beneficial interest in accordance with your operating procedures if any applicable statement herein is not correct on such date. In the absence of any such notification, it may be assumed that this certification applies as of such date.

We understand that this certification is required in connection with certain securities laws in the United States of America. If administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy thereof to any interested party in such proceedings.

Dated: _____, By: _____

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EXHIBIT I
to Pooling Agreement

FORM OF TRANSFER CERTIFICATE FOR EXCHANGE OR
TRANSFER FROM 144A BOOK-ENTRY CERTIFICATE TO
REGULATION S BOOK-ENTRY CERTIFICATE

[Trustee and Transfer Agent and Registrar]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 (the "Agreement"), among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, (the "Certificates").

Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

This letter relates to U.S. \$ _____ principal amount of Certificates that are held as a beneficial interest in the 144A Book-Entry Certificate (CUSIP No.) with DTC in the name of [insert name of transferor] (the "Transferor"). The Transferor has requested an exchange or transfer of the beneficial interest for an interest in the Regulation S Book-Entry Certificate (CUSIP No.) to be held with [Euroclear] [Cedel] through DTC.

In connection with the request and in receipt of the Certificates, the Transferor does hereby certify that the exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Agreement and the Certificates and:

(a) pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), and accordingly the Transferor does hereby certify that:

(i) the offer of the Certificates was not made to a person in the United States of America,

[(ii) at the time the buy order was originated, the transferee was outside the United States of America or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States of America,

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(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States of America,] *

(iii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable,

(iv) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. and

(b) with respect to transfers made in reliance on Rule 144 under the Securities Act, the Transferor does hereby certify that the Certificates are being transferred in a transaction permitted by Rule 144 under the Securities Act.

This certification and the statements contained herein are made for your benefit and the benefit of the issuer and the [placement agent].

[Insert name of Transferor]

Dated: _____

By: _____

Title: _____

* Insert one of these two provisions, which come from the definition of "offshore transactions" in Regulation S.

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EXHIBIT J
to Pooling Agreement

FORM OF PLACEMENT AGENT EXCHANGE INSTRUCTIONS

Depository Trust Company
55 Water Street
50th Floor
New York, New York 10041

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 (the "Agreement"), among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee. (the "Certificates").

Pursuant to Section 6.11 of the Agreement, _____ (the "Placement Agent") hereby requests that \$_____ aggregate principal amount of the Certificates held by you for our account and represented by the Regulation S Temporary Book-Entry Certificate (CUSIP No.) (as defined in the Agreement) be exchanged for an equal principal amount represented by the 144A Book-Entry Certificate (CUSIP No.) to be held by you for our account.

Dated: _____

[placement agent]

By: _____

Title: _____

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EXHIBIT K
to Pooling Agreement

FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR
REGISTRATION OF TRANSFER OF DEFINITIVE 144A CERTIFICATES

[Trustee and Transfer Agent and Registrar]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (the "Agreement"), among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (the "Certificates").

This letter relates to \$_____ principal amount of Certificates held in definitive form by _____ (the "Transferor").

The Transferor has requested the Trustee by written order to exchange or register the transfer of a Certificate (the "Transfer Certificate"). In connection with such request, the Transferor hereby certifies that it is familiar with the Agreement and all other documents governing or relating to the Certificates and that the transfer of the Transfer Certificate does not require registration under the Securities Act of 1933, as amended (the "Securities Act") because:*

[] the Transfer Certificate is being acquired for the Transferor's own account, without transfer.

the Transfer Certificate is being transferred to a "qualified institutional buyer" (as defined in Rule 144A) in reliance on Rule 144A or pursuant to an exemption from registration in accordance with Rule 904 under the Securities Act.

the Transfer Certificate is being transferred in accordance with Rule 144 under the Securities Act, or pursuant to an effective registration statement under the Securities Act.

* Check applicable box.

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the Transfer Certificate is being transferred in reliance on and in compliance with an exemption from the registration requirements of the Securities Act, other than Rule 14A, Rule 144 or Rule 904 under the Securities Act. An opinion of counsel to the effect that such transfer does not require registration under the Securities Act accompanies this letter.

[Transferor]

By: _____
Title: _____

Dated: _____

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EXHIBIT L
to Pooling Agreement

FORM OF TRANSFER CERTIFICATE
FOR EXCHANGE OR TRANSFER FROM REGULATION S
TEMPORARY BOOK-ENTRY CERTIFICATE TO RULE 144A
BOOK-ENTRY CERTIFICATE

[Trustee and Transfer Agent and Registrar]

Re: [Description of Certificates] issued pursuant to the Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 (the "Agreement"), among BLADE RECEIVABLES CORPORATION, HOWMET CORPORATION and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee, (the "Certificates").

Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

This letter relates to U.S. \$_____ principal amount of Certificates that are held as a beneficial interest in a Regulation S Temporary Book-Entry Certificate (CUSIP No. -) (the "Regulation S Certificate") with DTC in the name of [insert name of transferor] (the "Transferor"). The Transferor has requested an exchange or transfer of the beneficial interest in the Regulation S Certificate for an interest in a 144A Book-Entry Certificate (CUSIP No. -) (the "144A Certificate") to be held with [Euroclear] [Cedel] through DTC.

In connection with such request, the Transferor hereby certifies that (a) its beneficial interest in the Regulation S Certificate is being transferred or exchanged in accordance with (i) the provisions set forth in the Pooling Agreement, (ii) Rule 144A under the Securities Act, and (iii) any applicable securities laws of any state of the United States or any other jurisdiction, and (b) if the Transferor's beneficial interest is being transferred, such beneficial interest is being transferred to a transferee that the Transferor reasonably believes is purchasing the beneficial interest in the 144A Certificate for its own account or an account with respect to which the transferee exercises sole investment discretion and the transferee and any such account is a "qualified institutional buyer" within the meaning of Rule 144A

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This certification and the statements contained herein are made for your benefit and the benefit of the issuer and the [placement agent].

[Insert name of Transferor]

Dated: _____ By: _____

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SCHEDULE 1
to Pooling Agreement

ACCOUNT BANKS - LOCKBOX BANKS

ACCOUNT BANKS - CONCENTRATION ACCOUNT BANK

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HOWMETCORP.
TAX ID # 132838093
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BANK	BANK CONTACTS	ADDRESS	AC TYPE	AC #	LO#	AGREEMENTS
Citibank	Peter Pellegrine Phone # 212 559-9700 Fax # 212 7934806	Peter Pellegrine Citibank 399 Park Avenue 10th Fl., Zone 3 New York, NY 10022	Concentration	4086-5864	NA	Resolutions Incumbency Forms Concentration Agree Wire Agreements
Bank of Montreal	L. Cynthia Semenic Phone#514-877-8685 Fax #514-877-8933	L. Cynthia Semenic Bank of Montreal Crop. Banking 129 St. Jacques 12-FI. Montreal, Quebec H2Y-1L6	Lockbox	4619436	70371	Resolutions Incumbency L/B Agreements Wire Agreements
Harris Bank	Bill C. Broot Phone #312-461-7162 Fax #312-461-2117	Mary Rafacz Harris Bank 115 S. LaSalle Street 12th Floor Chicago, IL 60603	Pipeline	331-5308	N/A	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Chase Manhattan	Steven Epstein Phone #212-552-1314 Fax #212-582-4786	Carolyn V. Weiss Chase Manhattan Bank 1 Chase Manhattan Plaza - 50th Fl. New York, NY 10081	Howmet Wires	FX91G- 455946	30142	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Fleet Bank	Kerry McElhiney Phone #61 7-282-3064 Fax #617-292-2506	Linda Hartunian Fleet Nat'l. Bank of CT. 1 Landmark Square MSN 790 Stamford CT 06904	Lockbox	5044-4083	N/A	Resolutions Incumbency Forms L/B Agreements Wire Agreements
First interstate Bank	John Albanesus Phone #212-836-4136 Fax #212-593-5241	John H. Albanesus First interstate Bank 685 3rd Avenue Fifth Floor New York, NY 10022-	Lockbox	101133031 001614265	600551 53509	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Wachovia Bank	Michael Daves Blanca Rodriguez Phone #404-322-1094 Fax #404-322-6894	Blanca Rodriguez Wachovia Corp. Serv. 181 Peach Tree Street Atlanta, GA 30303	Lockbox	1866075276	75280	Resolutions Incumbency Forms L/B Agreements Wire Agreements

COMMENT

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Modified

Modified

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HOWMETCORP.

TAX ID # 132838093

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BANK	BANK CONTACTS	ADDRESS	AC TYPE	AC #	LO#	AGREEMENTS
PNC	Michele Weisman Phone #212 559-5361 Fax #212 557-5461	Jean Kisling PNC 2 PNC Plaza #32 620 Liberty Avenue Pittsburgh PA 15265	EDI	1264083	N/A	Resolutions Incumbency Forms L/B Agreements Wire Agreements
NBD	Steve Kremenski Phone #313 225-1646 Fax #313-225-2089	Steve Kremenski NBD 611 Woodward Avenue Detroit MI 46226	Pipeline Lockbox	03667-73 0001- 153701 - 010	2414	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Bank of Montreal	L. Cynthia Sememic Phone #514 877-8685 Fax #514 877-8933	L. Cynthia Semenic Bank of Montreal Corp. Banking 129 St. Jacques-12 Fl. Montreal, Quebec H2Y 1 L8	Lockbox	4613-806	70231	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Harris Bank	Bill C. Broot Phone #312 461-7162 Fax #312 461 -2117	Nary Rafacz Harris Bank 115 S. LaSalle Street 12WFI. Chicago, IL 60600	Pipeline Lockbox	292-077-5	71250	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Chase ManhaNan	Steven Epstein Phone #212 552-1314 Fax #212 582-4786	Carolyn V. Weiss Chase ManhaNan Bank 1 Chase ManhaNan Plaza - 50th Floor New York, NY 10081	Howmet FX Wires	91 G- 455946	N/A	Resolutions
Wachovia Bank	Michael Davis Blanca Rodriguez Phone #404 332-1 094 Fax #404 332-6894	Blanca Rodriguez Wachovia Corp. Sent. 191 Peach Tree St. Atlanta GA30003	Lockbox	8735- 071434	75085 951294	Resolutions Incumbency Form L/B Agreements Wire Agreements
PNC	Michele Weisman Phone #212 557-5362 Fax #212 557-5461	Jean Kisling PNC 2 PWC Plaza Fl 32 620 Liberty Avenue Pittsburgh, PA 1 5205	EDI	1000-312 295	N A	Resolutions Incumbency Form L/B Agreements Wire Agreements

HOWMET CERCAST USA

Tax ID # 06-1245785

BANK	BANK CONTACTS	ADDRESS	A/C TYPE	A/C #	L/B #	AGREEMENTS
Harris Bank	Phone # 312 461-7162 Fax #312461-2117	Maw Rafacz Harris Bank	Lockbox	290-075-8	71916 71966	Resolutions Incumbency

COMMENT

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Comments

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HOWMET CERCAST USA
Tax ID # 06-1245785
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BANK	BANK CONTACTS	ADDRESS	A/C TYPE	A/C #	L/B #	AGREEMENTS
	Bill C. Broot	1155 LaSalle Street 12WFI Chicago, 111 60603			71896	L/B Agreements Wire Agreements
Wachovia Bank	Michael Davis Blanca Rodriquez Phone #404 332-1094 Fax #404 332-6894	Blanca Rodriquez Wachovia Corp. Serv. 191 Peach Tree St. Atlanta, GA 30303	Lockbox	1867- 075366	951378 951386 951391	Resolutions Incumbency Form L/B Agreements Wire Agreements

HOWMET TEMPCRAFT
ID # 34-0908274

BANK	BANK CONTACTS	ADDRESS	A/C Type	A/C #	IL/B 3	AGREEMENTS
Socociety National Bank	John Avallone Phone # 216 689-6351 Fax# 216 689-4421	John Avallone Key Corp. 127 Public Square Mail Code Ohio 1270725	Lockbox	001099- 4687	71284	Resolutions Incumbency Forms L/B Agreements Wire Agreements

TURBINE COMPONENTS
CORP
Tax ID # 06-0863947

BANK BANK CONTACTS ADDRESS A/C TYPE A/C # L/B # AGREEMENTS

Fleet Bank	Kerry McElhney Phone # 617 292-3064 Fax # 617-292-2566	Linda Hartman Fleet Natl Bk of CT. 1 Landmark Sq. MSK 759 Stamford CT 06904	Lockbox	5044-4115	30815	Resolutions Incumbency Forms L/B Agreements Wire Agreements
Bank of New Haven	Frank Gentilesco Phone # 203 498-3532	Frank Genrilesco Bank of New Haven 430 Forbes Ave New Haven 06512	Lockbox	1310958	9512	Resolutions Incumbency Forms L/B agreements Wire Agreements

Comments

Modified

COMMENTS

New A/C
Modified
L/B

New A/C

New A/C
Modified
L/B

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PROJECT BLADE - TAKEOUT

APPENDIX A

DEFINITIONS

A. Defined Terms. As used in the Purchase Agreement, the Pooling Agreement or any Supplement:

"Account Agreements" means the Concentration Account Agreements and the Lockbox Agreements.

"Account Banks" means the Concentration Account Banks and the Lockbox Banks.

"Acquisition" means Howmet Acquisition Corporation, a Delaware corporation.

"Acquisition Loan" means the loan, in the principal amount of \$100,000,000, made by Transferor to Acquisition, the obligation to repay which loan has been assumed by Howmet (as successor by merger to Acquisition).

"Adverse Claim" means any claim of ownership interest or any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other) or other security interest.

"Affiliate" means, with respect to a Person, any other Person directly or

indirectly controlling, controlled by or under common control with such Person.

"Agent" means, with respect to a Series or Purchased Interest, any Person(s) designated as the agent(s) for the Certificateholders or the Purchaser in the related Supplement or PI Agreement.

"Aggregate Unpaid Balance" is defined in Section 2.1(b) of the Purchase Agreement.

"Amortization Period" is defined, for purposes of any Series or Purchased Interest, in the related Supplement or PI Agreement.

"Applicant" is defined in Section 6.7 of the Pooling Agreement.

"Authorized Newspaper" means a newspaper of general circulation in the Borough of Manhattan, The City of New York printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays and holidays.

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"Authorized Officer" means, with respect to Transferor, Servicer or any Seller, the Chief Executive Officer, the President, the Treasurer, the Chief Financial Officer, any Vice President and any Assistant Treasurer.

"Available Final Distribution Amount" means, (i) with respect to any Series, the amount that would be available in the Master Collection Account on the Final Scheduled Payment Date for the Series for distribution to the Certificateholders of such Series, and (ii) with respect to any Purchased Interests, the amount that would be available in the Master Collection Account on the Final Scheduled Payment Date for the Purchased Interests for distribution to the Purchasers of such Purchased Interests.

"Bank Accounts" means the Lockbox Accounts and the Concentration Accounts.

"Bankruptcy Event" means, for any Person, any of the following events:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the Like for such Person or any substantial part of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of (i) in the case of any Person other than Transferor, 60 days and (ii) in the case of Transferor, 10 days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect, or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or the like, for such Person or any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due.

"Base Amount" is defined, for purposes of any Series or Purchased Interest, in the applicable Supplement or PI Agreement.

"Book-Entry Certificates" means certificates evidencing a beneficial interest in the Investor Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 6.11 of the Pooling Agreement; provided that after the occurrence of a condition whereupon book-entry registration and transfer are no

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longer permitted and Definitive Certificates are to be issued to the Certificate Owners. such certificates shall no longer be "Book-Entry Certificates."

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks in New York, New York and Chicago, Illinois are not authorized or required to be closed for business.

"Buyer" is defined in the preamble to the Purchase Agreement.

"Buyer Note" is defined in Section 3.2 of the Purchase Agreement.

"Calculation Period" means a fiscal month of Howmet.

"Carrying Cost Account" is defined in Section 4.2 of the Pooling Agreement.

"Carrying Costs" means, for any period, (a) interest or yield payable with respect to any Series or Purchased Interest for that period, (b) the aggregate Servicing Fee for the period in the applicable amount provided for in Section 3.4 of the Pooling Agreement, (c) the operating expenses described in Section 7.2(1) of the Pooling Agreement for the period and (d) other fees, costs and expenses incurred by Transferor and Trustee for the period and paid to Persons other than Howmet Persons in connection with their duties under the Transaction Documents (in the case of Trustee, to the extent not included in the Servicing Fee).

"Certificate" means any Investor Certificate or the Transferor Certificate.

"Certificateholder" means the Person in whose name a Certificate is registered in the Certificate Register.

"Certificate Owner" means, with respect to a Book-Entry Certificate, the Person who is the owner of such Book-Entry Certificate, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

"Certificate Register" means the register maintained pursuant to Section 6.3 of the Pooling Agreement.

"Clearing Agency" means, with respect to any Book-Entry Certificate, any Person designated as such by Transferor, which person must be registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934.

"Clearing Agency Participant" is defined in Section 6.11(d) of the Pooling Agreement.

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"Closing Date" means December 13, 1995.

"Collections" means all funds that are received by any Seller, Transferor, Servicer or Trustee from or on behalf of any Obligor in payment of any amounts owed (including invoice prices, finance charges, interest and all other charges, if any) in respect of any Transferred Receivable or Related Asset, or otherwise applied to repay or discharge any Transferred Receivable (including insurance payments that any Seller, Transferor or Servicer applies in the ordinary course of its business to amounts owed in respect of such Transferred Receivable and net proceeds of sale or other disposition of repossessed goods that were the subject of such Transferred Receivable).

"Concentration Account" means any bank account that is maintained in accordance with, and to perform the functions contemplated for Concentration Accounts in, Section 3.3 of the Pooling Agreement.

"Concentration Account Agreement" means a letter agreement, substantially in the form of Exhibit B to the Pooling Agreement (or such other form as to which the Modification Condition has been satisfied), among Transferor, Servicer, a Concentration Account Bank and Trustee that relates to one or more Concentration Accounts, as it may be amended, supplemented or otherwise modified from time to time.

"Concentration Account Banks" means any of the banks at which one or more Concentration Accounts are maintained from time to time.

"Contra Account" means, at any time and with respect to any Obligor, the maximum accrued refund, rebate or other incentive payment that such Obligor may be owed by the Sellers on account of sales incentive programs.

"Contract" means an agreement between a Seller and any Person pursuant to which such Person is obligated to make payments in respect of any Receivable or Related Asset.

"Contributed Receivables" means all right, title and interest of Howmet in the Receivables (and Related Security in connection therewith) contributed by Howmet to Buyer.

"Contribution Agreement" means any Contribution Agreement, substantially in the form of Exhibit D to the Purchase Agreement, between Howmet and Buyer, as it may be amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the Purchase Agreement and the Pooling Agreement.

"Corporate Trust Office" means the principal office of Trustee in Buffalo, New York, at which at any particular time its corporate trust business shall be principally administered.

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"Credit and Collection Policy" means (a) so long as no Successor Servicer has been appointed, with respect to any Seller, its credit and collection policies and practices relating to the Contracts and Receivables of such Seller that such Seller has provided to Transferor and Trustee prior to the First Issuance Date, as such credit and collection policies may be modified without violating Section 6.3(b) of the Purchase Agreement or Section 7.2(f) of the Pooling Agreement or (b) with respect to any Successor Servicer, its collection policies and practices with respect to receivables like the Receivables.

"Cut-Off Date" means the last day of any Calculation Period.

"Daily Report" is defined in Section 3.5 of the Pooling Agreement.

"Definitive Certificates" means any Certificate other than a Book-Entry Certificate.

"DCR" means Duff & Phelps Credit Rating Co.

"Dilution" means any reduction in the balance of a Receivable or check issued by any Seller to an Obligor on account of discounts, incorrect billings, credits, rebates, allowances, chargebacks, returned or repossessed goods, allowances for early payments or any other reduction in the balance of a Receivable for a reason unrelated to the inability of the Obligor to pay the Receivable; provided that if the Receivables owed by an Obligor shall have been reduced by a Contra Account for purposes of determining whether such Receivables constitute Eligible Receivables, any rebate to such Obligor represented by such Contra Account shall not be included in Dilution.

"Discount Rate" is defined in Section 2.2(c) of the Purchase Agreement.

"Disposition" is defined in Section 9.3(i) of the Pooling Agreement.

"Distribution Date" means the 15th day of each calendar month (or, if not a Business Day, the next Business Day).

"Distribution Period" means each period from one Distribution Date to the next Distribution Date.

"Dollars" means dollars in lawful money of the United States of America.

"Domestic Person" means any Person that has a place of business located in the United States or Puerto Rico or otherwise is subject to the jurisdiction of one or more civil courts of the United States (other than by reason of contractual submission to such jurisdiction).

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"Early Amortization Event" means, with respect to any Series or Purchased Interest, any event identified as an Early Amortization Event in the related Supplement or PI Agreement.

"Early Amortization Period" is defined, for purposes of any Series or Purchased Interest, in the related Supplement or PI Agreement.

"Eligible Deposit Account" means (a) a segregated trust account maintained at a national bank with a long-term debt rating of at least A (or, in the case of a Bank Account, BBB) from S&P, (b) a deposit account maintained with a bank that has an unsecured long-term debt rating of A, or a short-term rating of at least A-1, from S&P or (c) another deposit account as to which the Modification Condition has been satisfied.

"Eligible Investments" means any of the following:

(a) deposit accounts that are established and maintained at a financial institution, the short-term debt securities or certificates of deposit of which have at the time of investment the highest short-term debt or certificate of deposit rating (as the case may be) available from the Rating Agencies (or, if no outstanding Investor Certificates are rated, such rating available from S&P), and that are held in the name of Trustee in trust for the benefit of the Certificateholders, subject to the exclusive custody and control of Trustee and for which Trustee has sole signature authority; provided that this clause shall not apply to the Lockbox Accounts or to the Transaction Accounts;

(b) marketable obligations of the United States of America, the full and timely payment of principal and interest on which is backed by the full faith and credit of the United States of America, that have a maturity date not later than the next succeeding Distribution Date;

(c) marketable obligations directly and fully guaranteed by the United States of America, the full and timely payment of principal and interest on which is backed by the full faith and credit of the United States of America, that have a maturity date not later than the next succeeding Distribution Date;

(d) banker's acceptances, certificates of deposit and other interest-bearing obligations denominated in Dollars (subject to the proviso at the end of this definition), that have a maturity date not later than the next succeeding Distribution Date;

(e) repurchase agreements (i) that are entered into with any financial institution having the ratings referred to in clause (a) and (ii) that are secured by a perfected first priority security interest in an obligation of the type described in clause

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(b) or (c); provided that such obligation may mature later than the next succeeding Distribution Date if such bank is required to repurchase such obligation not later than the next succeeding Distribution Date; and provided further, that (i) the market value of the obligation with respect to which such bank has a repurchase obligation, determined as of the date on which such obligation is originally purchased, shall equal or exceed 102% of the repurchase price to be paid by such bank and (ii) Trustee or a custodian acting on its behalf shall have possession of the instruments or documents evidencing such obligations;

(f) guaranteed investment contracts entered into with any financial institution, the short-term debt securities of which have the highest short-term debt rating available from the Rating Agencies (or, if no outstanding Investor Certificates are rated, such rating available from S&P), that, in each case, have a maturity date not later than the next succeeding Distribution Date;

(g) commercial paper (except for commercial paper issued by any Howmet Person) rated at the time of investment not less than "A-1 +" or the equivalent thereof by the Rating Agencies (or, if no outstanding Investor Certificates are rated, by S&P) and having a maturity date not later than the next succeeding Distribution Date; and

(h) freely redeemable shares in open-end money market mutual funds (including such mutual funds that are offered by the Person who is acting as Trustee or by any agent of such Person) that (i) maintain a constant net-asset value and (ii) at the time of such investment have been rated not less than "AAAm" or the equivalent thereof by S&P;

provided that (A) Trustee shall only acquire banker's acceptances and certificates of deposit of, and enter into repurchase agreements with, institutions whose short-term obligations have been rated not less than "A-1+" or the equivalent thereof by the Rating Agencies (or, if no outstanding Investor Certificates are rated, by S&P) and whose long-term obligations have been rated not less than "AA-" by S&P, (B) the securities, banker's acceptances, certificates of deposit, other obligations and repurchase agreements described above shall only constitute "Eligible Investments if and to the extent that Servicer is satisfied that Trustee will have a perfected security interest therein for the benefit of the Certificateholders and (C) notwithstanding anything to the contrary herein or in the other Transaction Documents, the term "Rating Agency," whenever used in this definition of "Eligible Investments", shall be deemed to not include DCR to the extent that an investment is rated by S&P, but not by DCR.

"Eligible Obligor" means, for purposes of any Series (unless otherwise specified in the related Supplement) at any time, an Obligor that satisfies the following criteria:

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(a) it is a Domestic Person and is not (except as otherwise specified for any Series in the related Supplement) (i) the United States government or any of its agencies or instrumentalities or (ii) a state or local government agency or instrumentality;

(b) it is not a direct or indirect Subsidiary of Howmet or any other Person with respect to which Howmet or any of its Subsidiaries owns, directly or indirectly, 50% or more of the entity's equity interests;

(c) with respect to which no Bankruptcy Event had occurred and was continuing as of the end of the most recent Calculation Period and is continuing; provided that this clause shall not apply if a bankruptcy court has approved the Obligor's payment of its obligations on the Receivables;

(d) as of the end of the most recent Calculation Period, no more than 50% of all Receivables of the Obligor were (for reasons other than disputes) aged more than 90 days past their respective due dates;

(e) as of the end of the most recent Calculation Period, none of the Receivables of the Obligor were evidenced by promissory notes; and

(f) it is not an Obligor with whom the applicable Seller has a "cash in advance" or "cash on account" arrangement (but may be an Obligor that the applicable Seller bills in advance in accordance with that Seller's customary practices, and not on account of concerns about the creditworthiness of the Obligor).

"Eligible Receivable" means, for purposes of any Series (unless otherwise specified in the related Supplement) at any time, a Transferred Receivable:

(a) that arises from the sale of goods or services by a Seller in the ordinary course of its business;

(b) that represents a bona fide obligation resulting from a sale of goods that have been shipped or services that have been performed and is due and payable not more than 120 days after the date on which the invoice for services or merchandise, the sale of which gave rise to such Receivable, is provided or delivered;

(c) that, as of that time, has not been written off and is not aged more than 90 days past its original due date;

(d) that constitutes an account or a general intangible for the payment of money and not an instrument or chattel paper;

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(e) the Obligor of which is an Eligible Obligor;

(f) with regard to which both the representation and warranty of Transferor in Section 2.3(a)(ii) of the Pooling Agreement and the representation and warranty of the relevant Seller in Section 5.1(k) of the Purchase Agreement are true and correct;

(g) the transfer of which (including the sale by the applicable Seller to Transferor and the transfer by Transferor to the Trust) does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance that applies to the applicable Seller, Transferor or the Trust, and the sale, assignment or transfer of which, and the granting of a security interest in which, does not require the consent of the Obligor thereof or any other Person, other than any such consent that has been obtained;

(h) that is denominated and payable only in Dollars in the United States of America and is non-interest bearing; provided that a Receivable shall not be deemed to be interest-bearing solely as a result of the applicable Seller's imposition of an interest or other charge on any such Receivable that remains unpaid for some specified period (but such interest charge or other charge shall not be included in the Unpaid Balance of a Receivable for purposes of calculating the Base Amount);

(i) that arises under a Contract that has been duly authorized and that, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the Obligor of such Receivable enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;

(j) that is not subject to any asserted reduction, cancellation, or refund or any dispute, offset, counterclaim, lien or defense whatsoever (including any Contra Account or any other potential reduction on account of any offsetting account payable of Transferor or the applicable Seller to an Obligor or funds of an Obligor held by Transferor or the Seller); provided that a Receivable that is subject only in part to any of the foregoing shall be an Eligible Receivable to the extent not subject to reduction, cancellation, refund, dispute, offset, counterclaim, lien or other defense;

(k) that, together with the Contract related thereto, was created in

accordance with, and conforms in all material respects with, all applicable laws, rules, regulations, orders, judgments, decrees and determinations of all courts and other governmental authorities (whether Federal, state, local or foreign and including usury laws);

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(l) that satisfies all applicable requirements of the Credit and Collection Policy of the applicable Seller; and

(m) that has not been compromised, adjusted, satisfied, subordinated, rescinded or modified (including by extension of time or payment or the granting of any discounts, allowances or credits), except as permitted by Section 7.2(f) of the Pooling Agreement.

"Eligible Servicer" means (a) Howmet, (b) Trustee or (c) an entity that, at the time of its appointment as Servicer, (i) is servicing a portfolio of trade receivables, (ii) is legally qualified and has the capacity to service the Receivables, (iii) has demonstrated the ability to service professionally and competently a portfolio of trade receivables similar to the Receivables in accordance with high standards of skill and care, (iv) is qualified to use the software that is then being used to service the Receivables or obtains the right to use or has its own software that is adequate to perform its duties under the Pooling Agreement and (v) as to which the Modification Condition has been satisfied.

"Enhancement" means, with respect to any Series or Purchased Interest, any surety bond, letter of credit, guaranteed rate agreement, maturity guaranty facility, cash collateral account or guaranty, tax protection agreement, interest rate swap or other contract or agreement for the benefit of Certificateholders of the Series or Purchaser of the Purchased Interest.

"Enhancement Provider" means the Person providing any Enhancement, other than any Certificateholders, the Certificates of which are subordinated to any Series or class of Certificates.

"Equalization Account" is defined in Section 4.2 of the Pooling Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"Estimated Base Amount" is defined in Section 3.5 of the Pooling Agreement.

"Exchange Date" is defined in Section 6.11(c) of the Pooling Agreement.

"Exempt Holiday" is defined in Section 3.5(c) of the Pooling Agreement.

"Exempt Obligor" means an Obligor that is (a) the United States government or any of its agencies or instrumentalities, (b) a state or local government agency or instrumentality, (c) Howmet, (d) a direct or indirect Subsidiary of Howmet, (e) any other Person with respect to which Howmet or any of its Subsidiaries owns, directly or indirectly, 50% or more of the equity interests of such Person, and (f) for purposes of any Supplement or PI Agreement, any other Person specified in such Supplement or PI Agreement as an Exempt Obligor;

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provided that each of the following requirements must be satisfied with respect to such Obligor (x) such Obligor has been instructed to make all payments in respect to its receivables to a location other than to any of the Bank Accounts, (y) such Obligor can reasonably be expected to follow such instructions and (z) none of the data included in the Daily Reports, Monthly Reports or other information supplied to the Trustee or Holders includes any information about such Obligor or its receivables.

"Existing Pooling Agreement" is defined in Section 1.2 of the Pooling Agreement.

"Existing Purchase Agreement" is defined in the first recital to the Purchase Agreement.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any successor thereto or to the functions thereof.

"Final Distribution Date" is defined in Section 12.2(a) of the Pooling Agreement.

"Final Scheduled Payment Date" is defined, for purposes of any Series, in the applicable Supplement, and for purposes of any Purchased Interest, in the applicable PI Agreement.

"First Issuance Date" means December 13, 1995.

"GAAP" means United States generally accepted accounting principles.

"Governmental Authority" means the United States of America, any state or other political subdivision thereof and any entity in the United States of America or any applicable foreign jurisdiction that exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranty" means any agreement or arrangement by which any Person directly or indirectly guarantees, endorses, agrees to purchase or otherwise becomes contingently liable upon any liability of any other Person (other than by endorsements of instruments in the course of collection) or guarantees the payment of distributions upon the shares of any other Person.

"Highest Bid" means the highest cash purchase offer for a Series received by Servicer pursuant to Section 12.1 of the Pooling Agreement.

"Holdback Account" is defined in Section 4.2 of the Pooling Agreement.

"Holder" means the Person in whose name a Certificate is registered in the Certificate Register or a Person who holds a Purchased Interest.

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"Howmet" means Howmet Corporation, a Delaware corporation.

"Howmet Person" means Howmet and each of its Affiliates (other than Transferor).

"Impermissible Qualification" means, relative to the opinion or certification of any independent public accountant as to any financial statement of Howmet, any qualification or exception to such opinion or certification that is of a "going concern" or similar nature.

"Indebtedness" of any Person means all of that Person's obligations for borrowed money, obligations evidenced by bonds, debentures, notes or other similar instruments, obligations as lessee under leases that are required by GAAP to be recorded as capitalized leases and obligations to pay the deferred purchase price of property or services.

"Indemnified Losses" is defined in Section 7.3 of the Pooling Agreement.

"Indemnified Party" is defined in Section 7.3 of the Pooling Agreement.

"Initial Cut-Off Date" means the Business Day immediately preceding the First Issuance Date.

"Intercreditor Agreement" means an intercreditor agreement, in form and substance satisfactory to the Trustee, between the Trustee and a secured creditor of a Seller.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Invested Amount" is defined, with respect to any Series or Purchased Interest, in the related Supplement or PI Agreement.

"Investor Certificateholder" means the Person in whose name an Investor Certificate is registered in the Certificate Register.

"Investor Certificates" means the Certificates issued pursuant to any Supplement.

"Investor Exchange" is defined in Section 6.10(a) of the Pooling Agreement.

"Issuance" is defined in Section 6.10(a) of the Pooling Agreement.

"Issuance Date" is defined in Section 6.10(b) of the Pooling Agreement.

"Issuance Notice" is defined in Section 6.10(b) of the Pooling Agreement.

"Lead Placement Agent" means any Person designated as such by Transferor in connection with the issuance of any Investor Certificates.

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"Letter of Representations" means the agreement among Transferor, Trustee and the applicable Clearing Agency, with respect to any Book-Entry Certificates, as the same may be amended, supplemented or otherwise modified from time to

time.

"Lockbox Accounts" means the bank accounts, maintained at those certain locations described in Schedule 1 to the Pooling Agreement, into which Collections from Receivables are deposited, and any bank account that is hereafter created in accordance with, and to perform the functions contemplated for "Lockbox Accounts" in, Section 3.3 of the Pooling Agreement.

"Lockbox Agreement" means any of the letter agreements delivered in connection with the Pooling Agreement and any other letter agreement, substantially in the form of Exhibit A to the Pooling Agreement (or such other form as to which the Modification Condition is satisfied), among a Lockbox Bank, one or more Sellers, Servicer and Trustee that relates to one or more Lockbox Accounts, as they may be amended, supplemented or otherwise modified from time to time.

"Lockbox Bank" means any of the banks at which one or more Lockbox Accounts are maintained from time to time.

"Loss to Liquidation Ratio" means, as calculated in each Monthly Report, a fraction (a) the numerator of which is the aggregate Unpaid Balance of Receivables (net of recoveries) that were written off as uncollectible or (without duplication) converted into promissory notes during the three preceding Calculation Periods in accordance with the Credit and Collection Policy, and (b) the denominator of which is the aggregate amount of collections on the Receivables received during such three Calculation periods.

"Majority Investors" means Holders of Investor Certificates and Purchasers that collectively evidence more than 50% of the outstanding principal amount of all Investor Certificates and Purchased Interests.

"Mandatory Terminating Seller" is defined in Section 1.8(c) of the Purchase Agreement.

"Master Collection Account" is defined in Section 4.2 of the Pooling Agreement.

"Material Adverse Effect" means, with respect to Transferor, any Howmet Person, any Servicer and any event or circumstance at any time, a material adverse effect on (a) the ability of that Person to perform its obligations under any Transaction Document in any material respect or (b) the validity, enforceability or collectibility of any Receivables, Related Assets or Contracts that, individually or in the aggregate, represent or evidence a right to payment in excess of 5% of the aggregate Unpaid Balance of the Receivables at such time; provided, that for the purpose of determining whether any Adverse Claim or other event

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would result in a Material Adverse Effect, the effect of such event or circumstance shall be considered in the aggregate with the effect of all other Adverse Claims (including Permitted Adverse Claims) or other events and circumstances occurring or existing at the time of such determination.

"Member Organization" is defined in Section 6.11(c) of the Pooling Agreement.

"Modification Condition" means, with respect to any action, that each Rating Agency has confirmed in writing that such action will not result in a reduction or withdrawal of the rating of any outstanding Series with respect to which it is a Rating Agency, or if no outstanding Investor Certificates have been rated, the Trustee shall have consented in writing to such action; provided, however, that the definition may be modified by a Supplement or PI Agreement with respect to the related Series or Purchased Interest and subsequent Series and Purchased Interests.

"Monthly Report" is defined in Section 3.5(d) of the Pooling Agreement.

"Net Invested Amount" is defined, for purposes of any Series, in the applicable Supplement.

"New Issuance" is defined in Section 6.10(a) of the Pooling Agreement.

"Noncomplying Receivables and Dilution Adjustment" is defined in Section 3.1(b) of the Purchase Agreement.

"Obligations" means (a) all obligations of Buyer, the Sellers and the Servicer to the Trustee, the Trust, any other Indemnified Party, the Investor Certificateholders and their respective successors, permitted transferees and assigns, arising under or in connection with the Transaction Documents, and (b) all obligations of a Seller to Buyer, any other RPA Indemnified Party and their respective successors, transferees and assigns, arising under or in connection with the Transaction Documents, in each case howsoever created, arising or

evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

"Obligor" means a Person obligated to make payments on a Receivable.

"Officer's Certificate" means, unless otherwise specified in the Pooling Agreement or in any Supplement, a certificate signed by an Authorized Officer of Transferor or the initial Servicer, as the case may be, or, in the case of a Successor Servicer, a certificate signed by the President, any Vice President, Assistant Treasurer or the financial controller (or an officer holding an office with equivalent or more senior responsibilities) of such Successor Servicer, that, in the case of any of the foregoing, is delivered to Trustee.

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"Opinion of Counsel" means a written opinion of counsel, who shall be reasonably acceptable to Trustee and, if any outstanding Investor Certificates have been rated and if the Rating Agencies are addressees, the Rating Agencies.

"Paying Agent" means any paying agent appointed pursuant to Section 6.6 of the Pooling Agreement and shall initially be Trustee.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permitted Adverse Claims" means (a) ownership or security interests arising under the Transaction Documents, (b) liens for taxes, assessments or charges of any governmental authority (other than Tax or ERISA Liens) and liens of landlords, carriers, warehousemen, mechanics and materialmen imposed by law in the ordinary course of business, in each case (i) for amounts not yet due or (ii) which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP, provided that the aggregate amount secured by all liens referred to in this clause (ii) does not exceed \$1,000,000 (or for purposes of any Series or Purchased Interest, any different amount that may be specified in the applicable Supplement or PI Agreement) and (c) any Tax or ERISA Lien, the existence of which does not give rise to an Early Amortization Event.

"Permitted Terminating Seller" is defined in Section 1.8(a) of the Pooling Agreement.

"Person" means an individual, partnership, limited liability company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, government or any agency or political subdivision thereof or any other entity.

"PI Agreement" means an agreement or agreements executed and delivered in connection with the sale of a Purchased Interest, as amended, supplemented or otherwise modified from time to time.

"Pooling Agreement" means the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 among Transferor, as transferor, Howmet, as Servicer, and Trustee, as it may be amended, supplemented or otherwise modified from time to time.

"Previously Terminated Seller Amount" is defined in Section 1.8 of the Purchase Agreement.

"Principal Funding Account" is defined in Section 4.2 of the Pooling Agreement.

"Private Holder" shall mean, in respect of any Certificate or Purchased Interest, each holder of a right (including a participation right) to receive interest, principal or other

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payments with respect to such Certificate or Purchased Interest or any other right which the Transferor reasonably determines would be treated as an interest in a partnership within the meaning of Treasury Regulation Section 1.7704-1 assuming the Trust were classified as a partnership for Federal income tax purposes, other than certificates (or other such interests) with respect to which an opinion is rendered that such certificates (or other such interests) will be treated as debt for federal income tax purposes and any holder of a right to receive any amount in respect of the Transferor Certificate. A Person holding more than one interest in the Trust, each of which separately would cause such Person to be a Private Holder, shall be treated as a single Private Holder. Any Person that owns an interest in a Private Holder that is or would be a partnership, an S corporation or a grantor trust under the Internal Revenue Code (as reasonably determined by Transferor) shall be treated as a Private

Holder.

"Pro Forma Financial Data" is defined in Section 5.1(i) of the Purchase Agreement.

"Process Agent" is defined in Section 10.7 of the Purchase Agreement.

"Program" means the transactions contemplated in the Transaction Documents.

"Publication Date" is defined in Section 9.3(a) of the Pooling Agreement.

"Purchase" means each purchase of Receivables and Related Assets by Transferor from a Seller under the Purchase Agreement.

"Purchase Agreement" means the Amended and Restated Receivables Purchase Agreement, dated as of April 18, 1996, among the Sellers and Transferor, as it may be amended, supplemented or otherwise modified from time to time.

"Purchase Date" is defined in Section 6.10(g) of the Pooling Agreement.

"Purchase Discount Reserve Ratio" is defined in Section 2.2(b) of the Purchase Agreement.

"Purchase Price" is defined in Section 2.1(b) of the Purchase Agreement.

"Purchase Price Credit" is defined in Section 3.1(d) of the Purchase Agreement.

"Purchase Price Percentage" is defined in Section 2.2(a) of the Purchase Agreement.

"Purchase Termination Date" means the earlier to occur of (a) the date specified by the Sellers pursuant to Section 8.1 of the Purchase Agreement and (b) any event referred to in Section 8.2 of the Purchase Agreement.

"Purchased Assets" is defined in Section 1.1 of the Purchase Agreement.

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"Purchased Interest" is defined in Section 4.1 of the Pooling Agreement.

"Purchased Receivables" is defined in Section 1.1 of the Purchase Agreement.

"Purchaser" means a purchaser, or any owner by permitted assignment, of a Purchased Interest.

"Rating Agency" means each statistical rating agency, if any, that, at the request of the Seller or Transferor, has rated any then-issued and outstanding Series of Investor Certificates.

"Receivable" means, for purposes of any Series (unless otherwise specified in the related Supplement), any right of any Seller to payment, whether constituting an account, chattel paper, instrument, general intangible or otherwise, arising from the sale of goods, services or future services by such Seller and includes the right to payment of any interest or finance charges and other obligations with respect thereto; provided that "Receivable" shall not include any such right to payment from an Exempt Obligor

"Receivables Pool" means at any time all Receivables then held by the Trust.

"Record Date" means the Business Day that is three Business Days prior to a Distribution Date.

"Records" means all Contracts, purchase orders, invoices and other agreements, documents, books, records and other media for the storage of information (including tapes, disks, punch cards, computer programs and databases and related property) maintained by Transferor, the Sellers or Servicer with respect to the Transferred Assets and/or the related Obligors.

"Recoveries" means all Collections received by the Trust in respect of any Write-Off held by the Trust.

"Regulation S Book-Entry Certificate" is defined in Section 6.11(c) of the Pooling Agreement.

"Regulation S Temporary Book-Entry Certificate" is defined in Section 6.11(c) of the Pooling Agreement.

"Related Assets" is defined in Section 1.1 of the Purchase Agreement.

"Related Contributed Assets" is defined in Section 2.1 of any Contribution Agreement.

"Related Purchased Assets" is defined in Section 1.1 of the Purchase Agreement.

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"Related Security" means, with respect to any Receivable, (a) all of the applicable Seller's right, title and interest in and to the goods, if any, relating to the sale that gave rise to the Receivable, (b) all other security interests or liens and property subject thereto from time to time purporting to secure payment of the Receivable, whether pursuant to the Contract related to the Receivable or otherwise, and (c) all letters of credit, guarantees and other agreements or arrangements of whatever character from time to time supporting or securing payment of the Receivable, whether pursuant to the Contract related to the Receivable or otherwise.

"Related Transferred Assets" is defined in Section 2.1(a) of the Pooling Agreement.

"Report Date" means the Business Day that is three Business Days prior to a Distribution Date.

"Repurchase Amount" is defined in Section 12.4 of the Pooling Agreement.

"Repurchase Distribution Date" is defined in Section 12.4 of the Pooling Agreement.

"Required Investors" means Holders of Investor Certificates and Purchasers that evidence at least 66-2/3% of the total outstanding principal amount of Investor Certificates and Purchased Interests; provided, however, that the definition may be modified by a Supplement or PI Agreement with respect to the related Series or Purchased Interest and subsequent Series and Purchased Interests.

"Required Receivables" is defined, for purposes of any Series, in the applicable Supplement.

"Required Series Holders" means with respect to any action to be taken by Investor Certificateholders of any Series, unless otherwise specified in a Supplement with respect to the related Series, Investor Certificateholders that evidence at least 66-2/3% of the principal amount of those Certificates.

"Responsible Officer" means, when used with respect to Trustee, (a) any officer within the Corporate Trust Office (or any successor group of Trustee), including any vice president, assistant vice president or any officer or assistant trust officer of Trustee customarily performing functions similar to those performed by the persons who hold the office of vice president, assistant vice president, or assistant secretary and (b,) any other officer within the Corporate Trust Office with direct responsibility for the administration of the Pooling Agreement or to whom any corporate trust matter is referred at Trustee's Corporate Trust Office because of his knowledge of and familiarity with the particular subject.

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"Revolving Period" means, with respect to any Series, the period before the commencement of the earliest of any applicable amortization period, accumulation period or early amortization period (other than a prepayment accumulation period with respect to a partial prepayment of any such Series) for any such Series; provided that the Revolving Period for any such Series shall be suspended during a prepayment accumulation period with respect to a partial prepayment of any such Series.

"RPA Indemnified Losses" is defined in Section 9.1 of the Purchase Agreement.

"RPA Indemnified Party" is defined in Section 9.1 of the Purchase Agreement.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.

"SEC" means the Securities and Exchange Commission.

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

"Seller" means each Person from time to time party to the Purchase Agreement as a "Seller."

"Seller Assignment Certificate" means an assignment by a Seller, substantially in the form of Exhibit C to the Purchase Agreement, evidencing Transferor's acquisition of the Receivables (excluding the Contributed Receivables) and Related Assets generated by the Seller, as it may be amended, supplemented or otherwise modified from time to time.

"Seller Change Event" is defined in Section 3.5(e) of the Pooling Agreement.

"Seller Dilution Adjustment" is defined in Section 3.5(b) of the Purchase Agreement.

"Seller Guaranty" means the Guaranty, dated December 13, 1995, by Howmet of the Obligations of the other Sellers, as it may be amended, supplemented or otherwise modified from time to time.

"Seller Maturity Date" is defined in Section 3.2 of the Purchase Agreement.

"Seller Noncomplying Receivable" means a Transferred Receivable that does not meet the criteria set forth in the definition of Eligible Receivables.

"Seller Noncomplying Receivables Adjustment" is defined in Section 3.5(a) of the Purchase Agreement.

"Seller Receivables Review" is defined in Section 6.1(c) of the Purchase Agreement.

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"Seller Transaction Documents" means the Purchase Agreement, the Seller Assignment Certificates and the Account Agreements.

"Senior Interest" is defined in each Buyer Note.

"Series" means any series of Investor Certificates issued pursuant to Section 6.10 of the Pooling Agreement.

"Series Collection Allocation Percentage" means, for any Series or Purchased Interest at any time, the percentage equivalent of a fraction the numerator of which is the Required Receivables for that Series or Purchased Interest and the denominator of which is the sum of the Required Receivables for all then outstanding Series and Purchased Interests.

"Series Interest" is defined in Section 4.1 of the Pooling Agreement.

"Series Loss Allocation Percentage" means, for any Series or Purchased Interest for purposes of any Monthly Report, the percentage equivalent of a fraction the numerator of which is the Invested Amount of that Series or Purchased Interest and the denominator of which is the sum of the Invested Amounts of all then outstanding Series and Purchased Interests, in each case determined as of the beginning of the related Calculation Period (or such other date as may be specified in the related Supplement or PI Agreement).

"Servicer" means at any time the Person then authorized pursuant to Article III of the Pooling Agreement to service, administer and collect Receivables and Related Transferred Assets.

"Servicer Default" is defined in Section 10.1 of the Pooling Agreement.

"Service Transfer" is defined in Section 10.2(b) of the Pooling Agreement.

"Servicing Fee" is defined in Section 3.4 of the Pooling Agreement.

"Shared Investor Collections" means any funds identified as such in any Supplement or PI Agreement.

"Shortfall" is defined, for any Series or Purchased Interest, in the related Supplement or PI Agreement.

"Specified Assets" is defined in Section 1.1 of the Purchase Agreement.

"Specified Receivables" is defined in Section 1.1 of the Purchase Agreement.

"Sub-Servicer" is defined in Section 3.1 of the Pooling Agreement.

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"Subsidiary" means, with respect to any Person, any corporation of which

more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person.

"Successor Servicer" is defined in Section 10.2(a) of the Pooling Agreement.

"Supplement" means each supplement to the Pooling Agreement executed by Transferor, Servicer and Trustee to specify the terms of a Series of Certificates, as the same may be amended, supplemented or otherwise modified from time to time.

"Tax or ERISA Lien" means a lien arising under Section 6321 of the Internal Revenue Code or Section 302(f) or 4068 of ERISA.

"Tax Opinion" means, with respect to any action and any Series of Investor Certificates or Purchased Interest, an Opinion of Counsel meeting the requirements specified in the related Supplement or PI Agreement.

"Terminating Seller" is defined in Section 1.8(a) of the Purchase Agreement.

"Termination Effective Date" is defined in Section 1.8(d) of the Purchase Agreement.

"Termination Notice" is defined in Section 10.1 of the Pooling Agreement.

"Transaction Accounts" is defined in Section 4.2 of the Pooling Agreement.

"Transaction Documents" means the Purchase Agreement, the Pooling Agreement, the Seller Guaranty, each Supplement, each PI Agreement, each Contribution Agreement and each other agreement designated as a Transaction Document in any Supplement or PI Agreement, as the same may from time to time be amended, supplemented, amended and restated or otherwise modified in accordance with the terms of the Transaction Documents.

"Transfer Agent and Registrar" means any transfer agent and registrar appointed pursuant to Section 6.3 of the Pooling Agreement and shall initially be Trustee.

"Transferor" means Blade Receivables Corporation, a Nevada corporation.

"Transferor Certificate" is defined in Section 4.1 of the Pooling Agreement, substantially in the form of Exhibit E to the Pooling Agreement, as such Exhibit may be amended, supplemented or modified from time to time in accordance with the terms of the Transaction Documents.

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"Transferor Interest" is defined in Section 4.1 of the Pooling Agreement.

"Transferred Assets" is defined in Section 2.1 of the Pooling Agreement.

"Transferred Receivable" is defined in Section 2.1 of the Pooling Agreement.

"Trust" means the trust created by the Pooling Agreement, which shall be known as the Blade Receivables Master Trust.

"Trustee" means Manufacturers and Traders Trust Company, in its capacity as agent for the Certificateholders and the Purchasers, or its successor-in-interest, or any successor trustee appointed as provided in the Pooling Agreement.

"Turnover Days" means, at any time, the product of (a) the sum of the beginning and ending Unpaid Balances of Receivables during the immediately preceding Calculation Period divided by two, multiplied by (b) the number of days in the immediately preceding Calculation Period, divided by the aggregate amount payable pursuant to invoices giving rise to Receivables that were generated during the preceding Calculation Period.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Unmatured Early Amortization Event" means any event that, with the giving of notice or lapse of time, or both, would become an Early Amortization Event.

"Unpaid Balance" of any Receivable means at any time the unpaid amount thereof as shown in the books of Servicer at such time.

"Unrestricted Regulation S Book-Entry Certificate" is defined in Section

6.11(c) of the Pooling Agreement.

"Voluntary Terminating Seller" is defined in Section 1.8(b) of the Purchase Agreement.

"Write-Off" means any Receivable that, consistent with the applicable Credit and Collection Policy, has been written off as uncollectible.

"144A Book-Entry Certificate" is defined in Section 6.12(b) of the Pooling Agreement.

B. Other Interpretative Matters. For purposes of any Transaction Document, unless otherwise specified therein: (1) accounting terms used and not specifically defined therein shall be construed in accordance with GAAP; (2) terms used in Article 9 of the New York

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UCC, and not specifically defined in that Transaction Document, are used therein as defined in such Article 9; (3) the term "including means "including without limitation," and other forms of the verb "to include" have correlative meanings; (4) references to any Person include such Person's permitted successors and assigns; (5) in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; (6) the words "hereof", "herein" and "hereunder" and words of similar import refer to such Transaction Document as a whole and not to any particular provision of such Transaction Document; (7) references to "Section ", "Schedule" and "Exhibit" in such Transaction Document are references to Sections , Schedules and Exhibits in or to such Transaction Document; (8) the various captions (including any table of contents) are provided solely for convenience of reference and shall not affect the meaning or interpretation of such Transaction Document; and (9) references to any statute or regulation refer to that statute or regulation as amended from time to time, and include any successor statute or regulation of similar import.

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PROJECT BLADE - TAKE OUT

SERIES 1996-1 SUPPLEMENT
to AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,
as Transferor,

HOWMET CORPORATION,
as Servicer,

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

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This SERIES 1996-1 SUPPLEMENT, dated as of April 18, 1996 (this "Supplement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada

corporation, as Transferor, HOWMET CORPORATION, a Delaware corporation ("Howmet"), as Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as Trustee.

Pursuant to the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, and as supplemented hereby, the "Pooling Agreement"), among Transferor, Servicer and Trustee, Transferor may from time to time direct Trustee to issue and authenticate, on behalf of the Trust, one or more Series of Certificates in one or more Groups of Series representing undivided interests in the Transferred Assets. Certain terms applicable to a Series are to be set forth in a Supplement. This Supplement is a "Supplement" as that term is defined in the Pooling Agreement.

Pursuant to this Supplement, Transferor and Trustee shall create a Series of Certificates and specify certain of their terms.

ARTICLE I DEFINITIONS; INCORPORATION OF TERMS

SECTION 1.1 Definitions. (a) Capitalized terms used and not otherwise defined herein are used as defined in Appendix A to the Pooling Agreement. This Supplement shall be interpreted in accordance with the conventions set forth in Part B of that Appendix A.

(b) Each reference in this Supplement to funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account (or similar phrase) refers only to funds in the administrative sub-accounts of those Accounts that are allocated to the Series in Group I. Unless the context otherwise requires, in this Supplement: (i) each reference to a "Daily Report" or "Monthly Report" refers to a Daily Report or Monthly Report for Group I; (ii) each reference to the "Servicing Fee" refers to the Servicing Fee allocable to Group I; (iii) each reference to the "Series Collection Allocation Percentage" or the "Series Loss Allocation Percentage" refers to Group I's Series Collection Allocation Percentage or Series Loss Allocation Percentage, and (iv) each reference to the Transaction Documents shall include a reference to the Certificate Purchase Agreements.

(c) Each capitalized term defined below relates only to the Series 1996-1 Certificates and to no other Series of Certificates (except to the extent that certain of such terms are explicitly used as defined herein in any Supplement relating to another Series in Group I). Whenever used in this Supplement, the following words and phrases shall have the following meanings:

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"ABR Tranche" means, at any time, the portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Alternate Base Rate.

"Acquisition Amount" is defined in Section 2.3.

"Additional Amounts" means (a) as to the Series 1996-1 Certificates, the Prepayment Premium and other amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class A Certificate Purchase Agreement and amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class B Certificate Purchase Agreement, and (b) as to any other Series in Group I, any amounts identified as "Additional Amounts" in the related Supplement.

"Adjusted Eligible Receivables" means, on any Business Day, the result of (a) the aggregate Unpaid Balance of Eligible Receivables held by the Trust on that day, minus (b) the Unapplied Cash held by the Trust on that day, plus (c) the Aggregate Retained Balances, in each case as shown in the Daily Report for such day.

"Affected Party" shall mean, with respect to any Structured Lender, any Support Bank of such Structured Lender.

"Aged Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date for the related Calculation Period, a fraction (expressed as a percentage) having (a) a numerator that is the sum of (i) the aggregate Unpaid Balance of Receivables that remained outstanding 121 to 150 days after their respective due dates, as determined as of the Cut-Off Date for such Calculation Period, plus (ii) the aggregate Unpaid Balance of Receivables that were written off as uncollectible during the most recently ended Calculation Period and that, if not so written off, would have been outstanding not more than 120 days after their respective due dates, as determined as of that Cut-Off Date, and (b) a denominator that is the aggregate amount payable pursuant to invoices giving rise to Receivables that were generated during the Calculation Period that occurred five Calculation Periods prior to the most recently ended Calculation

Period. as determined as of the Cut-Off Date for such prior Calculation Period.

"Agent" means The First National Bank of Chicago, in its capacity as Agent under (and as defined in) the Certificate Purchase Agreements, together with its respective successors in such capacity. The Agent is an "Agent" for purposes of the Pooling Agreement.

"Aggregate Retained Balances" means, on any Business Day, the aggregate of the balances retained in Lockbox Accounts or Concentration Accounts for items in the process of collection but for which funds have not been made available by the related Lockbox Bank or Concentration Account Bank, provided that (i) no notice of insufficient funds or similar

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situation shall exist with respect thereto and (ii) the Unpaid Balance of Receivables shall have been reduced by an amount equal to such balances.

"Alternate Base Rate" means, on any day, a fluctuating rate of interest per annum equal to the higher of:

- (a) the rate of interest announced, from time to time, by Agent as its prime commercial rate for United States dollar loans made in the United States for any day, and
- (b) the Federal Funds Rate.

Any change in the interest rate resulting from a change in the prime commercial rate announced by the Agent shall become effective without prior notice to Transferor or the Servicer as of 12:01 a.m., New York City time, on the Business Day on which each change in the prime commercial rate is announced by the Agent. The prime commercial rate is a reference rate and does not necessarily represent the lowest or best rate actually charged by the Agent to any customer. The Agent may make commercial loans or other loans at rates of interest at, above or below the prime commercial rate.

"Amortization Period" means the period (x) beginning on the earlier of (i) the date on which a termination notice is given by the Sellers pursuant to Section 8.1 of the Purchase Agreement and (ii) the first day of the Calculation Period that begins on June 1, 2000, and (y) ending on the earlier of (i) the Expected Final Payment Date and (ii) the date, if any, on which an Early Amortization Period begins; provided that there will be no Amortization Period if an Early Amortization Period commences on or prior to the date specified above for the beginning of the Amortization Period.

"Applicable Ratings Factor" means the Class A Ratings Factor or the Class B Ratings Factor, as specified in each calculation where the Applicable Ratings Factor is used.

"Approval Condition" means, with respect to any event or change in the terms applicable to this Supplement or the Series 1996-I Certificates, such event or change shall have been approved in writing, prior to becoming effective, by the Agent and the Majority Class B Purchasers.

"ASA Measuring Period" means, for any Cut-Off Date falling in a Group Amortization Period, the Calculation Period ending on that Cut-Off Date (or the portion thereof falling after the Group Amortization Calculation Date, in the case of the first Cut-Off Date falling in the Group Amortization Period).

"Available Subordinated Amount" means, at any time during a Group Amortization Period, the amount calculated pursuant to Section 4.6.

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"Base Amount" means, on any Business Day, the result of the following formula:

$$[\text{NER} \times \text{SCAP} \times (100\% - \text{CBRR})] - \text{CASD} - \text{CCRR}$$

where:

- NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day;
- SCAP = the Series Collection Allocation Percentage for that Business Day;
- CBRR = the Class B Reserve Ratio in effect for that Business Day;
- CASD = the Class A Subordination Deficit for that Business Day; and
- CCRR = the Carrying Cost Receivables Reserve as reported in the Daily

Report for such day.

"Basic Concentration Limit" means, with respect to a Concentration Unit on any day, (i) if such Concentration Unit includes a Special Obligor, the Special Concentration Limit for such Special Obligor, and (ii) otherwise, the Concentration Limit applicable to the Parent for such Concentration Unit.

"Carrying Cost Receivables Reserve" means, on any Business Day, the result of:

(a) the Current Carrying Costs; plus

(b) the product of (i) the Class A Invested Amount, multiplied by (ii) 1.5 times the weighted average of the interest rates on Class A Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(c) the product of (i) the Class B Invested Amount, multiplied by (ii) 1.5 times the weighted average of the interest rates on the Class B Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(d) the product of (i) the Series Collection Allocation Percentage on the next preceding Distribution Date, multiplied by (ii) the aggregate Unpaid Balance of Receivables on the next preceding Distribution Date, multiplied by (iii) 2%, multiplied by (iv) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(e) if there is any Series in Group I in addition to the Series 1996-1 Certificates, the Carrying Cost Receivables Reserve Increments for each such other Series in Group I (as defined, and calculated as provided, in the related Supplement); minus

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(f) the balance on deposit in the Carrying Cost Account at the beginning of that Business Day.

"Category One Balance" is defined in Section 4.10.

"Category One Eligibles" is defined in Section 4.10.

"Category One Obligors" means the following persons: Alfa Romeo Avio S.p.A., ABB Power Generation Ltd., Boeing Canada Technology Ltd., Fiat Avio S.p.A., General Electric Canada Inc., Hitachi Ltd., KLM Royal Dutch Airlines, Mitsubishi Heavy Industries America, Inc., Mitsui & Co. USA, Inc., Motoren-Und Turbinen-Union Munchen GmbH, Pratt & Whitney Canada Inc., Rolls-Royce PLC, Siemens A.G. KWU, and Walbar of Canada Inc.

"Category Three Balance" is defined in Section 4.10.

"Category Three Eligibles" is defined in Section 4.10.

"Category Three Excess Concentration" is defined in Section 4.10.

"Category Three Obligors" means Foreign Obligors that are not Category One Obligors or Category Two Obligors.

"Category Two Balance" is defined in Section 4.10.

"Category Two Eligibles" is defined in Section 4.10.

"Category Two Excess Concentration" is defined in Section 4.10.

"Category Two Obligors" means Foreign Obligors (other than Category One Obligors) with principal places of business in Canada, Germany, Italy, Netherlands, Switzerland, England or Sweden.

"Certificate Purchase Agreements" means the Class A Certificate Purchase Agreement and the Class B Certificate Purchase Agreement.

"Certificate Rate" means, at any time, the weighted average of the interest rates on all outstanding Series 1996-1 Certificates at that time.

"Certificate Spread" means:

(a) with respect to the Class A Certificates, (i) .50% per annum in the case of Eurodollar Tranches, and (ii) 0% per annum in the case of the ABR Tranche; and

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(b) with respect to the Class B Certificates, (i) .80% per annum in the case of the Eurodollar Tranche, and (ii) 0% per annum in the case of the ABR Tranche.

"Class A Certificate" is defined in Section 2.1. Each Class A Certificate shall be substantially in the form of Part 1 of Exhibit A.

"Class A Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class A) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class A Certificates and the Agent.

"Class A Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) 1.333 times the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) two times the "Benchmark Percentage" for purposes of clause (d) of that definition, and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (B) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times (y) the excess of four over the number of Special Obligors.

"Class A Invested Amount" means, at any time, the sum of the purchase prices paid for Class A Purchases made pursuant to the Class A Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a) the aggregate amount of all distributions that have been made to the Holders of the Class A Certificates on account of principal, and (b) the amount of all Investor Write-Offs that have been applied to reduce the Class A Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class A Invested Amount).

"Class A Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class A Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution Horizon Variable for that Cut-Off Date.

"Class A Purchases" means Purchases made in respect of Class A Certificates.

"Class A Ratings Factor" means 2.0.

"Class A Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class A Ratings Factor.

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"Class A Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class A Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class A Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class A Minimum Reserve Ratio and (b) the Class A Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period; provided that during the period from the date hereof to the first Distribution Date thereafter the Class A Reserve Ratio shall be 26.01%.

"Class A Subordination Deficit" means, on any Business Day, the positive result (if any) of (a) the Class A Required Reserves, minus (b) the sum of (i) the Class B Required Reserves plus (ii) the outstanding principal amount of all Subordinated Classes (all calculated as of the beginning of that Business Day); provided that at any time when no Senior Class is outstanding the Class A Subordination Deficit shall equal zero.

"Class B Certificate" is defined in Section 2.1. Each Class B Certificate shall be substantially in the form of Part 2 of Exhibit A.

"Class B Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class B) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class B Certificates and the Agent.

"Class B Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) 1.5 times the "Benchmark Percentage" for purposes of clause (d) of the definition of "Concentration Limit," and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (B) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times the excess (if any) of 2.75 over the number of Special Obligors.

"Class B Invested Amount" means, at any time, the sum of the purchase prices paid for Class B Purchases made pursuant to (and as defined in) the Class B Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a) the aggregate amount of all distributions that have been made to the Holders of the Class B Certificates on account of principal, and (b) the amount of all Investor Write-Offs that have been applied to reduce

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the Class B Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class B Invested Amount).

"Class B Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class B Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution Horizon Variable for that Cut-Off Date; provided that in no event shall the Class B Minimum Reserve Ratio be less than 15%.

"Class B Purchases" means Purchases made in respect of Class B Certificates.

"Class B Ratings Factor" means 1.5.

"Class B Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class B Ratings Factor.

"Class B Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class B Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class B Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class B Minimum Reserve Ratio and (b) the Class B Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period, provided that during the period from the date hereof to the first Distribution Date thereafter the Class B Reserve Ratio shall be 21.01%.

"Class Invested Amount" means (a) with respect to Class A, the Class A Invested Amount, (b) with respect to Class B, the Class B Invested Amount and (c) with respect to any other Senior Class or Subordinated Class of Certificates, the amount identified as its "Class Invested Amount" in the Supplement for such Senior Class or Subordinated Class of Certificates.

"Concentration Limit" means:

- (a) 100% for any Tier-1 Obligor;
- (b) 100% for any Tier-2 Obligor;
- (c) 15% for any Tier-3 Obligor;
- (d) 10% for any Tier-4 Obligor; and

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- (e) 4% for any Tier-5 Obligor

Each of the percentages above is called a "Benchmark Percentage".

"Concentration Unit Excess Concentration" is defined in Section 4.10.

"Concentration Unit" means, on any day, each Obligor and its Affiliates, if any, that are Obligors; it being understood that each Obligor shall belong to only one Concentration Unit, and that a single Obligor can be a Concentration Unit.

"Current Carrying Costs" means, during any Distribution Period, the sum of

(i) the amount of interest on the Series 1996-1 Certificates that will be payable on the next Interest Payment Date and any other Interest Payment Date falling not later than one week after such Interest Payment Date, (ii) the amount of the Servicing Fee that will be payable on or before the next Distribution Date plus (iii) the Current Carrying Costs Increments for each other Series in Group I (as defined, and calculated as provided in, the Supplement for each such Series.)

"Daily Group Collections" is defined in Section 4.2.

"Deferred Portion" means, on any day with respect to Group I, the portion of the Acquisition Amount for the Series of Certificates in Group I as to which payment has been deferred, which portion shall equal the product of (a) the Series Collection Allocation Percentage times (b) the sum of the following amounts (as shown in the Daily Report for such day): (i) the Excess Concentration Balances, plus (ii) the aggregate unpaid balance of Receivables that are not Eligible Receivables (including any such Receivables that are ineligible due to the attachment of Adverse Claims), plus (iii) the Carrying Cost Receivables Reserve, plus (iv) the Class B Reserve Ratio times the Net Eligible Receivables, plus (v) the Class A Subordination Deficit (it being understood that the Deferred Portion may vary from day to day); provided that the Deferred Portion shall be fixed as of the Group Amortization Calculation Date.

"Dilution Horizon Variable" means, at any time, a fraction having (a) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables and generated during the two Calculation Periods ending on the most recent Cut-Off Date (as of that Cut-Off Date) and (b) a denominator equal to the Adjusted Eligible Receivables as of the most recent Cut-Off Date.

"Dilution Ratio" means, as calculated in each Monthly Report as of the most recent Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator equal to the aggregate amount of Dilution on the Receivables occurring during the Calculation Period ending on the most recent Cut-Off Date, and (b) a denominator equal to the aggregate amounts payable pursuant to invoices giving rise to Receivables that were generated during the second preceding Calculation Period (so that, for example, if the Calculation Period

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specified in clause (a) corresponded to the March fiscal month, the Calculation Period in this clause (b) would be the one corresponding to the January fiscal month).

"Dilution Reserve Ratio" means as calculated in each Monthly Report, the result (expressed as a percentage) calculated in accordance with the following formula:

$$\{(ARF \times ADR) + [(HDR-ADR) \times (HDR/ADR)]\} \times DHV$$

where:

ADR = the average of the Dilution Ratios during the period of 12 consecutive Calculation Periods ending on the related Cut-Off Date;

ARF = the Applicable Ratings Factor;

DHV = the Dilution Horizon Variable; and

HDR = the highest average of the Dilution Ratios for any two consecutive Calculation Periods within the 12 consecutive Calculation Periods ending on the related Cut-Off Date.

"Distribution Period" means a period from and including a Distribution Date to but excluding the next Distribution Date.

"Early Amortization Period" means the period beginning on the date (if any) specified in Section 6.2 and ending on the day on which the Series Invested Amount has been reduced to zero. The term "Early Amortization Period" means each of the Early Amortization Period and any period identified as an "Early Amortization Period" in the Supplement for any other Series in Group I.

"Eurodollar Tranche" means, during any Interest Period, any portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Reserve-Adjusted Eurodollar Rate.

"Excess Concentration Balances" means, on any day, the sum of (i) the sum of the Concentration Unit Excess Concentrations for all Groups, plus (ii) the Category Two Excess Concentration, plus (iii) the Category Three Excess Concentration, plus (iv) the Total Foreign Concentration Excess.

"Excess Foreign Obligor Balances" is defined in Section 4.10.

"Expected Final Payment Date" means December 15, 2000.

"Federal Funds Rate" means (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for the day (or, if the day is not a Business Day, the immediately

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183 preceding Business Day) by the Federal Reserve Bank of New York; provided that if the rate is not so published for any Business Day, the rate for purposes of this clause will be the average of the quotations for the day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it, plus (b) 100 basis points.

"Final Scheduled Payment Date" means December 15, 2001.

"First Step Excess" is defined in Section 4.10.

"First Step Residual" is defined in Section 4.10.

"Foreign Obligor" is defined in Section 4.10.

"Fourth Step Excess" is defined in Section 4.10.

"Fully Funded Date" means the first date falling in a Group Amortization Period or when all Series in Group I are in a Series Amortization Period and on which there are funds on deposit in the Carrying Cost Account and the Principal Funding Account that, in the aggregate, equal or exceed the Investor Repayment Amount and any Servicing Fee payable to anyone other than a Howmet Person on the first Distribution Date falling after that date.

"Group Amortization Calculation Date" means the day before a Group Amortization Period begins.

"Group Amortization Period" means the period (if any) commencing on the first day on which all outstanding Series in Group I are in Early Amortization Periods.

"Group Initial Invested Amount" means, at any time, the sum of the Series Initial Invested Amounts of each Series in Group I at that time.

"Group Invested Amount" means, at any time, the sum of the Series Invested Amounts of each Series in Group I at that time.

"Group I" means a group of Series, including Series 1996-1 and each other Series that is identified in its Supplement as belonging to Group I.

"Guarantor" means Howmet, in its capacity as the guarantor under the Seller Guaranty.

"Holdback Account Termination Date" is defined in Section 4.4.

"Holder" means a Holder (as defined in the Pooling Agreement) of a Certificate in any Series in Group I.

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"Howmet" is defined in the preamble.

"Howmet Credit Agreement" means the Credit Agreement dated as of December 13, 1995 among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., Howmet Acquisition Corp., the financial institutions named therein and The First National Bank of Chicago, as Administrative Agent and a Managing Agent, Bankers Trust Company, as Syndication Agent and a Managing Agent, and Citicorp USA, Inc., as Documentation Agent and a Managing Agent. as the same may from time to time be amended or supplemented.

"Intercreditor Provisions" means the following provisions of the Howmet Credit Agreement (as such Agreement was in effect on the Closing Date): Section 9.12 and the definitions of Intercreditor Agreement, Investor Certificates, Purchased Interest, Receivables Amendment Conditions, Receivables Bridge Facility, Receivables Documents, Receivables Facility, Receivables Facility Assets, Receivables Maximum Funded Amount, Receivables Pooling Agreement, Receivables Purchasers, Receivables Stated Amount and Receivables Subsidiary.

"Interest Payment Date" means (a) as to the Series 1996-1 Certificates, any date upon which interest is payable with respect to the ABR Tranche or any Eurodollar Tranche, as specified in Section 4.1, and (b) as to any interest

payable on any other Series in Group I, the date specified as the "Interest Payment Date" in the related Supplement.

"Interest Period" means

(a) for Class A Certificates, (i) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to each Eurodollar Tranche (if any) from time to time, each period from the date upon which that Eurodollar Tranche was first designated as such pursuant to the Class A Certificate Purchase Agreement (or the end of the next preceding Interest Period for the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for a Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day); and

(b) for Class B Certificates, (i) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to the Eurodollar Tranche (if any) from time to time, each period from the date upon which the Eurodollar Tranche was first designated as such pursuant to the Class B Certificate Purchase Agreement (or the end of the next preceding Interest Period for

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the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for the Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

"Invested Amount" means, at any time:

(a) for purposes of calculating the Series Loss Allocation Percentage for Group I, the Group Invested Amount; and

(b) for purposes of the application of Sections 6.13 and 12.4 of the Pooling Agreement to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount.

"Investor Allocable Dilution" means, for any ASA Measuring Period, the product of the aggregate amount of Dilution for that ASA Measuring Period as to which neither the applicable Seller nor the Guarantor has made any payment required by Section 3.1 of the Purchase Agreement or the Seller Guaranty on account of Seller Dilution Adjustments, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocable Dilution Adjustments" is defined in Section 4.8.

"Investor Allocable Loss Amount" means, for any ASA Measuring Period, the product of the Loss Amount for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the beginning of that ASA Measuring Period.

"Investor Allocable Recoveries" means, for any ASA Measuring Period, the product of the Net Recoveries for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocation Percentage" means:

(x) on any Business Day that does not fall in a Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of that Business Day, and (b) the denominator of which is the Base Amount as of that Business Day;

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(y) on any Business Day falling in any Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed

100%) (a) the numerator of which is the Net Invested Amount as of the beginning of the Series Amortization Period, and (b) the denominator of which is the Base Amount as of that Business Day; and

(z) on any Business Day falling in the Group Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of the Group Amortization Calculation Date, and (b) the denominator of which is the Base Amount as of the Group Amortization Calculation Date.

"Investor Ownership Percentage" means, on any day with respect to Group I, a fraction (expressed as a percentage, which in any event may not exceed 100%), (x) the numerator of which is the Acquisition Amount on such day and (y) the denominator of which is the product of (a) the Series Collection Allocation Percentage times (b) the excess of (i) the Unpaid Balance of Receivables on such day over (ii) the Unapplied Cash on such day; provided that the Investor Ownership Percentage shall be fixed as of the Group Amortization Calculation Date; and provided further that if the Investor Ownership Percentage is being calculated on any day when a Series in Group I is in an accumulation, amortization or early amortization period, the Investor Ownership Percentage shall not be less than the Investor Ownership Percentage immediately prior to the commencement of such period.

"Investor Repayment Amount" means, on any Business Day, the sum of (a) the principal amount of the Series 1996-1 Certificates and all other Series in Group I then outstanding, plus (b) the interest and any Additional Amounts known to be payable on the Series 1996-1 Certificates and all other Series in Group I on or before the first Distribution Date falling after that date.

"Investor Write-Offs" means, as calculated in any Monthly Report relating to a Calculation Period falling completely or partially in a Group Amortization Period:

(a) if the Available Subordinated Amount is greater than zero at the end of the related ASA Measuring Period, zero; and

(b) if the Available Subordinated Amount is zero at the end of the related ASA Measuring Period (taking into account any reduction in the Available Subordinated Amount shown in such Monthly Report), the excess (if any) of (x) the sum of the Investor Allocable Loss Amount and the Investor Allocable Dilution minus Investor Allocable Recoveries for the related ASA Measuring Period, over (y) the Available Subordinated Amount as of the beginning of that ASA Measuring Period.

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"Loss Amount" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Receivables held by Trust that became Write-Offs during that ASA Measuring Period, minus (b) the amount of Recoveries received during that ASA Measuring Period.

"Loss Reserve Ratio" means, as calculated in each Monthly Report, the result (expressed as a percentage) of (a) the Applicable Ratings Factor multiplied by (b) the highest average of the Aged Receivables Ratio for any three consecutive Calculation Periods that occurred during the preceding 12 consecutive Calculation Periods ending on the most recent Cut-Off Date multiplied by (c) a fraction having (i) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables generated during the four Calculation Periods preceding or ending on the most recent Cut-Off Date, and (ii) a denominator equal to the Adjusted Eligible Receivables, as of the most recent Cut-Off Date, multiplied by (d) the Payment Term Multiplier.

"Majority Class B Purchasers" is defined in Section 8.1 of the Class B Certificate Purchase Agreement.

"Net Eligible Receivables" means, at any time, (a) the Adjusted Eligible Receivables, minus (b) the Excess Concentration Balances; it being understood that the amount of Eligible Receivables will be reduced by Adverse Claims that attach to Receivables otherwise satisfying the requirements of the definition of Eligible Receivable.

"Net Invested Amount" means, on any Business Day, the Group Invested Amount, minus the balance on deposit in the Equalization Account and the Principal Funding Account with respect to Series in Group I.

"Net Recoveries" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Recoveries received in that ASA Measuring Period minus (b) the amount of Receivables that became Write-Offs in that ASA Measuring Period.

"Note Indenture" means the Indenture dated as of December 13, 1995 by and between Howmet, as successor to the obligations thereunder of Howmet

Acquisition Corp., and Marine Midland Bank, as Trustee, under and pursuant to which certain senior subordinated notes have been issued, as the same may at any time be amended or supplemented.

"Parent" means, with respect to any Concentration Unit, the Domestic Person in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit; provided that if there is no Domestic Person in such Concentration Unit, "Parent" shall mean the Obligor in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit.

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"Past Due Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator that is the aggregate Unpaid Balance of Receivables that remain outstanding 61 to 91 days after their respective due dates, as determined as of such Cut-Off Date, and (b) a denominator that is the aggregate Unpaid Balance of Receivables as of such Cut-Off Date.

"Payment Term" shall mean, with respect to any Receivable, the number of days between its invoice date and its due date.

"Payment Term Multiplier" shall mean (a) 1.0, if the Payment Term Variable is less than 41, (b) 1.17, if the Payment Term Variable is equal to or more than 41 but less than 51, (c) 1.25, if the Payment Term Variable is equal to or more than 51 but less than 61, and (d) 1.5, if the Payment Term Variable is equal to or more than 61 but less than 91; provided, however, that if the Payment Term Variable equals or exceeds 91, the Payment Term Multiplier for such Receivable shall be determined by calculating the sum of (x) 1.5, and (y) 0.05, for each 5-day increment by which the Payment Term Variable exceeds 91, it being understood that the same number shall apply for all Payment Term Variables that fall within a five-day range.

"Payment Term Variable" shall mean, as calculated in each Monthly Report as of the most recently ended Cut-Off Date, the quotient of:

(x) the sum of (1) the product of the Outstanding Balance of each Receivable as of such Cut-Off Date times (2) the Payment Term with respect to such Receivable; divided by

(y) the aggregate Outstanding Balance of all Receivables as of such Cut-Off Date.

"Prepayment Accumulation Period" means a period beginning on the day that Transferor gives a Prepayment Notice to Trustee of a prepayment of the Series 1996-1 Certificates pursuant to Section 4.9 (and does not notify Trustee that it intends to cause the Series Interest to be conveyed as described in subsection 4.9(b)) and ending on the earlier to occur of (a) the day when amounts sufficient for that prepayment have been accumulated pursuant to Section 4.3 and r the end of the Revolving Period for the Series 1996-1 Certificates.

"Prepayment Notice " is defined in Section 4.9.

"Prepayment Premium" means, with respect to any prepayment pursuant to Section 4.9 or 7.1 or as a result of an Early Amortization Event, the net present value (as of the date of such prepayment) of the amount of interest that would have accrued on the amount of principal prepaid from the date of prepayment through the one year anniversary of the date

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hereof at an interest rate equal to the applicable Certificate Spread in respect of the Eurodollar Tranche(s), discounted to such prepayment date at a rate per annum, compounded monthly, equal to the Reserve Adjusted Eurodollar Rate in effect on the date on which notice of prepayment is given to the Holders of the Series 1996-1 Certificates being prepaid.

"Principal Deposit Amount" means, with respect to any Series in any Calculation Period falling in a Series Amortization Period, the amount determined in accordance with the Supplement for that Series. The Principal Deposit Amounts for the Series Amortization Periods that may apply to the Series 1996-1 Certificates are:

(a) for any Calculation Period falling in the Amortization Period or the Early Amortization Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount; and

(b) for any Calculation Period falling in a Prepayment Accumulation Period for the Series 1996-1 Certificates, the amount of principal to be prepaid.

"Principal Payment Date" means (a) for the Series 1996-1 Certificates, (i) any date on which any prepayment is to be made pursuant to Section 4.9, (ii) the end of each Interest Period in respect of the next maturing Eurodollar Tranche and/or ABR Tranche, in such order as the Agent shall select so as to minimize "breakage costs," (iii) each Distribution Date falling in an Early Amortization Period (beginning with the Distribution Date falling in the Calculation Period after the Calculation Period in which the Early Amortization Period begins) and (iv) any Distribution Date falling after the commencement of the Amortization Period, and (b) for any other Series in Group I, each date specified as a "Principal Payment Date" in the related Supplement. The Refinancing Date is not a Principal Payment Date.

"Purchase" means any Purchase as defined in either of the Certificate Purchase Agreements.

"Reference Bank" means The First National Bank of Chicago.

"Refinancing Date" is defined in subsection 4.9(b).

"Required Purchasers" is defined in Section 9.9 of the Certificate Purchase Agreements.

"Required Receivables" means, on any Business Day, collectively for all Series in Group I:

(a) So long as a Group Amortization Period has not commenced, the result of the following formula:

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$$\frac{190 \text{ GIIA} + \text{CCRR}}{\text{---}} \times \frac{\text{R}}{\text{---}} = \text{NER}$$

(1-CARR)

where:

- CARR = the Class A Reserve Ratio in effect for that Business Day;
- CCRR = the Carrying Cost Receivables Reserve as reported in the Daily Report for that Business Day;
- GIIA = the Group Initial Invested Amount;
- NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day; and
- R = the aggregate Unpaid Balance of Receivables held by Trustee as reported in the Daily Report for that Business Day.

(b) If a Group Amortization Period has commenced, the result of the following formula:

$$\text{AGIIA} + \text{ASA} + \text{UCCRR}$$

where:

- AGIIA = the adjusted Group Initial Invested Amount on that Business Day (which shall equal the Group Initial Invested Amount, reduced (but not below zero) by the amount of all Investor Write-Offs (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Group Invested Amount));
- UCCRR = the Unfunded Carrying Cost Receivables Reserve on that Business Day; and
- ASA = the Available Subordinated Amount on that Business Day.

"Required Series Holders" means the Required Purchasers.

"Reserve-Adjusted Eurodollar Rate" means for any Interest Period, the rate per annum obtained by dividing (i) the arithmetic average (rounded upward to the nearest 1/100 of one percent) of the offered quotation, if any, to first class banks in the interbank Eurodollar market by the Reference Bank for U.S. dollar deposits of amounts in same day funds comparable to the principal amount of the Investor Certificate of the Reference Bank with maturities comparable to such Interest Period as of approximately 10:00 a.m. (New York time) on the second Business Day prior to the first day of that Interest Period by (ii) a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable on

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such second preceding Business Day to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D of the Federal Reserve Board (or any successor category of liabilities under Regulation D).

"Revolving Period" means, with respect to any Series in Group I, the period beginning on the Closing Date and ending on the day before the first day of an accumulation period, an amortization period or an early amortization period (other than a prepayment accumulation period with respect to a partial prepayment of such Series) for such Series; provided that the Revolving Period for such Series shall be suspended during a prepayment accumulation period with respect to a partial prepayment of such Series.

"Second Step Excess" is defined in Section 4.10.

"Second Step Residual" is defined in Section 4.10.

"Senior Class" means each of Class A and each class of any other Series in Group I that is identified in its Supplement as a Senior Class.

"Series Allocable Dilution Adjustments" means, for any ASA Measuring Period, the product of the aggregate amount of payments pursuant to Section 3.1 of the Purchase Agreement or pursuant to the Seller Guaranty on account of Seller Dilution Adjustments received during that ASA Measuring Period relating to Dilution that occurred prior to that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period.

"Series Amortization Period" means (a) as to Series 1996-1, the Amortization Period, any Prepayment Accumulation Period and any Early Amortization Period and (b) as to any other Series in Group I any period identified in the related Supplement as a "Series Amortization Period."

"Series Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series.

"Series Initial Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Initial Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series; provided that from and after the date on which the Series Invested Amount for any Series is reduced to zero, the Series Initial Invested Amount for that Series will also equal zero.

"Series 1996-1 Certificates" means the Class A Certificates and the Class B Certificates.

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"Series 1996-1 Holder" means a Holder of a Series 1996-1 Certificate.

"Series 1996-1 Initial Invested Amount" means (i) during the Revolving Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (ii) thereafter, the Series 1996-1 Invested Amount as of the last day of the Revolving Period; provided that after the principal amount of the Series 1996-1 Certificates and interest and any Additional Amounts known to be payable in respect of such Series are reduced to zero, the Series 1996-1 Initial Invested Amount will equal zero.

"Series 1996-1 Invested Amount" means, at any time, the sum of the Class A Invested Amount plus the Class B Invested Amount.

"Special Concentration Limit" means:

(i) with respect to the Tier-5 Obligor that owes the highest aggregate Unpaid Balance of Eligible Receivables, 7%; and

(ii) with respect to the Tier-5 Obligor that owes the second highest aggregate Unpaid Balance of Eligible Receivables, 5%.

"Special Obligor" means, at any time, the two Tier-5 Obligors that owe the highest aggregate Unpaid Balances of Receivables and are designated in the most recent Monthly Report as "Special Obligors"; provided that in the case of any Obligor (other than Westinghouse Electric Corp.), the Approval Condition shall have been satisfied with request to such designation.

"Specified Rating Agency" means S&P.

"Stated Amount" means as to any Certificate, the maximum principal amount that may be required to be funded by the Holder of such Certificate.

"Structured Lender" shall mean Falcon Asset Securitization Corporation, Alpine Securitization Corp. and any other Holder of a Certificate (x) whose principal business consists of issuing commercial paper, medium term notes or other securities to fund its acquisition and maintenance of receivables, accounts, instruments, chattel paper, general intangibles and other similar assets or interests therein and (y) which is required by any nationally recognized rating agency which is rating such securities to obtain from its principal debtors an agreement similar to that set forth in Section 13.9 of the Pooling Agreement in order to maintain such rating.

"Subordinated Class" means each of Class B and each class of any other Series in Group I that is identified in its Supplement as a Subordinated Class.

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"Support Bank" shall mean any bank or other financial institution extending or having a commitment to extend funds to or for the account of any Structured Lender (including by agreement to purchase an assignment of, or participation in, the Certificate held by such Person) under a liquidity or credit support agreement which relates to the Certificate purchased by such Structured Lender.

"Third Step Excess" is defined in Section 4.10.

"Third Step Residual" is defined in Section 4.10.

"Tier-1 Obligor" means any Obligor that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1+" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "AAA" (or its equivalent).

"Tier-2 Obligor" means any Obligor (other than a Tier-I Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "A+" (or its equivalent).

"Tier-3 Obligor" means any Obligor (other than a Tier-1 Obligor or a Tier-2 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-2" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB+" (or its equivalent).

"Tier-4 Obligor" means any Obligor (other than a Tier-1 Obligor, a Tier-2 Obligor or a Tier-3 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-3" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB-" (or its equivalent).

"Tier-5 Obligor" means any Obligor other than a Tier-1 Obligor, a Tier-2 Obligor, a Tier-3 Obligor or a Tier-4 Obligor.

"Total Dollar Limit" is defined in Section 4.10.

"Total Foreign Concentration Excess" is defined in Section 4.10.

"Tranche" means each of the ABR Tranche and each Eurodollar Tranche.

"Transferor Indemnified Losses" is defined in Section 7.3.

"Transferor Indemnified Party" is defined in Section 7.3.

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"Transferor Payment Percentage" means, on any Business Day, the difference of 100% minus the Investor Allocation Percentage on that Business Day.

"Unapplied Cash" means, on any Business Day, available funds received in the Master Collection Account and reflected in the Daily Report for that Business Day that have not been applied as Collections on a particular Receivable on or prior to the time as of which that Daily Report is prepared.

"Unfunded Carrying Cost Receivables Reserve" means, on any Business Day falling in a Group Amortization Period, the difference (but not less than zero) of (a) the Carrying Cost Receivables Reserve as of the Group Amortization Calculation Date, minus (b) the aggregate Collections deposited into the Carrying Cost Account during the portion of the Group Amortization Period up to and including that Business Day.

"Unmatured Early Amortization Event" means an event that, with the giving of notice or lapse of time (or both) will constitute an Early Amortization Event.

SECTION 1.2 Modification Condition. (a) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the definition of the term "Modification Condition" shall be as follows:

"Modification Condition" means, with respect to any action, that (i) each Rating Agency has confirmed in writing that such action will not result in a reduction or withdrawal of the rating of any outstanding Series or Purchased Interest that was rated by such Rating Agency, and (ii) if any Series or Purchased Interest has not been rated, the Required Series Holders for that Series or the Agent for such Purchased Interest (as the case may be) shall have consented in writing to such action.

(b) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the term "Required Investors" shall be as follows:

"Required Investors" means the Required Series Holders for each Series and the Agent for each Purchased Interest."

SECTION 1.3 Incorporation of Terms. The terms of the Pooling Agreement are incorporated in this Supplement as if set forth in full herein. As supplemented by this Supplement, the Pooling Agreement is in all respects ratified and confirmed and both together shall be read, taken and construed as one and the same agreement. If the terms of this Supplement and the terms of the Pooling Agreement conflict, the terms of this Supplement shall control with respect to the Series 1996-1 Certificates.

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ARTICLE II DESIGNATION

SECTION 2.1 Designation. There is hereby created a Series to be known as the "Series 1996-1 Certificates," consisting of two classes: the \$47,500,000 Variable Rate Class A, Trade Receivables Backed Certificates, Series 1996-1 (the "Class A Certificates"), which shall be a Senior Class; and the \$7,500,000 Variable Rate Class B, Trade Receivables Backed Certificates, Series 1996-1 (the "Class B Certificates"), which shall be a Subordinated Class. Subject to the conditions set forth in Article III, Trustee shall authenticate and deliver the Class A Certificates and the Class B Certificates, to or upon the order of Transferor in the aggregate principal amount indicated for each above. Notwithstanding the terms of Section 61 of the Pooling Agreement, the Class A Certificates will be issued in minimum denominations of \$5,000,000 and in integral multiples of \$1,000,000 and the Class B Certificates will be issued in minimum denominations of \$2,500,000 and in integral multiples of \$500,000.

SECTION 2.2 Group I. The Series 1996-1 Certificates are included in Group I. Consequently, the Series 1996-1 Certificates will share a single Series Collection Allocation Percentage (determined using the Required Receivables as defined herein), a single Series Loss Allocation Percentage (determined using the Invested Amount as defined herein), and if a Group Amortization Period occurs, a single Available Subordinated Amount (determined as provided herein) with the other Series in Group I. Collections, Investor Allocable Dilution, Investor Allocable Loss Amounts and Investor Write-Offs will be allocated collectively to Group I in accordance with such shared Series Collection Allocation Percentage and Series Loss Allocation Percentage, as applicable, and will be further allocated among Series included in Group I (and the various Senior Classes and Subordinated Classes) in accordance with this Supplement. The Servicing Fee with respect to all Series in Group I shall be paid in accordance with this Supplement and shall be determined in accordance with Section 3.4 of the Pooling Agreement using the collective Series Collection Allocation Percentage for Group I. The Series in Group I share a collective Series Interest, the amount of which equals the shared Series Collection Allocation Percentage for Group I.

Subsection 12.1(b) of the Pooling Agreement shall not apply to any Series in Group I and shall be superseded for all such Series by Section 7.2 of this Supplement. All terms of this Supplement applying generally to Group I shall survive the repayment in full or other termination of the Series 1996-1 Certificates until such time as all Series in Group I have been repaid in full and any revolving purchase commitments made by the Holders relating to Certificates in any such Series have been terminated (or, if earlier, on the Final Scheduled Payment Date for the last Series in Group I). Such terms of general applicability include all of Article IV (excluding Sections 4.1 and 4.9), Article V, Section 7.2 and Article VIII and all related definitions.

SECTION 2.3 Investor Ownership Percentage. The Investor Certificates in Group I represent an undivided interest in the portion of the Transferred Assets allocable to Group I,

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which undivided interest (expressed as a percentage) shall equal the Investor Ownership Percentage. The amount payable on any day by the Holders of such Investor Certificates for the acquisition of such undivided interest (the "Acquisition Amount") shall equal the Group Invested Amount plus the Deferred Portion (it being understood that the Acquisition Amount may vary from day to day); provided that Acquisition Amount shall be fixed as of the Group Amortization Calculation Date.

The Deferred Portion of the Acquisition Amount shall be subject to a holdback and shall be paid to the extent (and only to the extent) Daily Group Collections are not required to pay amounts described in clauses first through fourth of Section 4.3 or Section 4.4 (as applicable), it being understood that the Holders of Series 1996-1 Certificates shall not be liable to pay any portion of the Deferred Portion not paid out of Daily Series Collections.

ARTICLE III CONDITIONS TO ISSUANCE; USE OF PROCEEDS

SECTION 3.1 Conditions to Issuance. Trustee will not authenticate the Series 1996-1 Certificates unless all conditions to the issuance of the Series 1996-1 Certificates under Section 6.10 of the Pooling Agreement shall have been satisfied or waived by the Purchasers.

SECTION 3.2 Use of Proceeds. The proceeds from the issuance of the Series 1996-1 Certificates shall be used first to repay the Series 1995-1 Certificates in full and second for general corporate purposes of Transferor (including, but not limited to, purchasing Receivables, repaying indebtedness and/or making distributions to Howmet).

ARTICLE IV PAYMENTS AND ALLOCATIONS

SECTION 4.1 Interest; Additional Amounts.

(a) Subject to Section 4.1 of the Class A Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class A Certificates to an ABR Tranche and up to four Eurodollar Tranches. Subject to Section 4.1 of the Class B Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class B Certificates to an ABR Tranche and a Eurodollar Tranche. Interest on an ABR Tranche shall be payable on each Distribution Date, and interest on a Eurodollar Tranche shall be payable at the end of the applicable Interest Period, except that interest on the amount of any principal repaid on any other date shall be payable on the date of the repayment. If, any such day is not a Business Day, interest shall instead be due on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

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(b) Interest on a Eurodollar Tranche shall accrue during any Interest Period at a rate per annum equal to the Reserve Adjusted Eurodollar Rate plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 360 days.

(c) Interest on an ABR Tranche shall accrue at the Alternate Base Rate in effect from time to time plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 365 or 366 days, as the case may be.

(d) Interest with respect to the Series 1996-1 Certificates due but not paid on any Distribution Date or the last day of an Interest Period, as the case may be, will bear additional interest on the amount at 2% per annum above the Alternate Base Rate to the extent permitted by law, which additional interest shall be due on demand.

(e) Additional Amounts shall also be payable with respect to the Series 1996-1 Certificates as specified in the Certificate Purchase Agreements and to the extent (but only to the extent) that funds become available for payment of such Additional Amounts in accordance with Sections 4.2, 4.3 and 4.4.

SECTION 4.2 Daily Calculations and Group Allocations. On each Business Day, Servicer shall calculate the Series Collection Allocation Percentage for Group I (and, if necessary for that calculation, the Required Receivables), the Current Carrying Costs and, prior to the Group Amortization Period, the Base Amount. On each Business Day prior to the Group Amortization Period, Servicer shall also determine whether the Net Invested Amount is greater than, equal to or less than the Base Amount.

Pursuant to Section 4.3 of the Pooling Agreement, Servicer shall allocate the Series Collection Allocation Percentage of available funds received in the Master Collection Account (other than any Shared Investor Collections) since the preceding Business Day's allocation to the shared Series Interest of Group I. The portion of funds so allocated, together with any funds released from the Equalization Account or any Principal Funding Account in accordance with Section 4.5 on that Business Day, are called the "Daily Group Collections."

SECTION 4.3 Allocations of Daily Group Collections (Other Than in a Group Amortization Period). On each Business Day (other than an Exempt Holiday or a Business Day falling in a Group Amortization Period or after the Fully Funded Date), Servicer shall allocate the Daily Group Collections (or, if less, the aggregate amount of Daily Group Collections required to fund the items described in priorities first through fourth below) to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account until the amount allocated to the Carrying Cost Account equals the Current Carrying Costs;

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second, if the Net Invested Amount is greater than the Base Amount, to the Equalization Account in an amount sufficient to reduce the Net Invested Amount to an amount equal to the Base Amount; provided that during a Series Amortization Period in respect of any Series, funds that would otherwise be required to be deposited in the Equalization Account pursuant to this priority second shall instead be deposited in the sub-account of the Principal Funding Account for such Series (and, if there is more than one such Series, shall be divided ratably between such sub-accounts, on the basis of the respective Principal Deposit Amounts of each such Series), but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount (and any remaining amount not deposited in any sub-account of the Principal Funding Account because of this limitation shall be shared among the other sub-accounts for such Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the applicable Principal Deposit Amount, and any remaining amount shall be deposited in the Equalization Account); and provided further that no deposit shall be made to a sub-account of the Principal Funding Account pursuant to the immediately preceding proviso (and such proviso shall not apply notwithstanding the existence of a Series Amortization Period) unless, after giving effect thereto, the Net Invested Amount would equal the Base Amount;

third, during any Series Amortization Period, to the applicable sub-account of the Principal Funding Account until the amount on deposit in that sub-account equals the applicable Principal Deposit Amount; provided that

(i) the amount allocated to all Investor Certificates. in the aggregate pursuant to this priority third on any Business Day shall not exceed the product of (x) the Investor Ownership Percentage, multiplied by (y) the excess of the Daily Group Collections over the amounts allocated on that Business Day pursuant to priorities first and second, and

(ii) if more than one Series in Group I is in a Series Amortization Period, the amount so allocated shall be divided ratably between such subaccounts, on the basis of the respective Principal Deposit Amounts of each such Series, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount for any such Series (and any remaining amount not deposited in any sub-account of the Principal Funding Account because of this limitation shall be shared among the other sub-accounts for Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the Principal Deposit Amount for any such other Series); and

fourth, to hold in the Master Collection Account the amount, if any, necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders.

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On such Business Day, Servicer shall allocate and pay the remainder of Daily Group Collections to make current and/or deferred transfer payments to Transferor in respect of the Transferor Certificate, provided that Transferor may, from time to time, direct Servicer to direct Trustee to hold all or part of the funds to be paid pursuant to this sentence in the Master Collection Account to be applied as Daily Group Collections on the following Business Day.

If, on any day, the amount of Collections that is then allocated to the Carrying Cost Account exceeds the amount of Collections that is then required to be allocated to the Carrying Cost Account, the Servicer shall reallocate such Collections on such day to one or more of the obligations described in the first paragraph of this Section in priorities second through fourth, and in the preceding paragraph, in the order of priority set forth therein.

In addition, if, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section) for allocation under priority fourth are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor as deferred transfer payments.

SECTION 4.4 Allocations of Daily Group Collections During a Group Amortization Period. On each Business Day (other than an Exempt Holiday) falling in a Group Amortization Period and prior to or on the Fully Funded Date, Servicer shall allocate the Daily Group Collections to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account to the extent that the balance therein is less than the amount of Current Carrying Costs (other than any Servicing Fee payable to any Howmet Person) payable on the Distribution Date relating to the Calculation Period during which such Business Day falls;

second, to the Principal Funding Account and to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) in the following amounts:

(a) the amount to be transferred to the Principal Funding Account shall equal the product of (i) the Investor Allocation Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first, provided that the aggregate amount so deposited shall in no event exceed the lesser of (x) the Group Invested Amount

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and (y) the Investor Ownership Percentage times the aggregate Unpaid Balance of Receivables as of the Group Amortization Calculation Date; and

(b) the amount to be transferred to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) shall equal the product of (i) the Transferor Payment Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first;

the amount allocated to the Principal Funding Account pursuant to clause (a) of this priority second shall be divided among the sub-accounts for each Series in Group I as follows:

(1) first such amount shall be divided among the sub-accounts for each Series that has an outstanding Senior Class, on the basis of the respective Principal Deposit Amounts of each such Senior Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Senior Class; and

(2) any remaining amount shall be divided among the sub-accounts for each Series that has an outstanding Subordinated Class, on the basis of the respective Principal Deposit Amounts of each such Subordinated Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Subordinated Class;

third, to hold in the Master Collection Account the amount necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders;

fourth, to pay any Servicing Fee payable to any Howmet Person on the Distribution Date relating to the Calculation Period during which such Business Day falls; and

fifth, the balance to Transferor, provided that prior to the Holdback Account Termination Date, amounts payable to Transferor pursuant

to this priority fifth shall be deposited into the Holdback Account and held as provided below.

The "Holdback Account Termination Date" shall be the earlier to occur of (i) the date that falls twelve months after the beginning of the Group Amortization Period and (ii) the Fully Funded Date. If at any time prior to the Holdback Account Termination Date, the amount of funds on deposit in the Holdback Account exceeds the difference of (1) the Investor Repayment Amount minus (2) the amount of funds then held in the Carrying Cost Account and the Principal Funding Account that are available to pay the Investor Repayment

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Amount, then the amount of such excess funds shall be released from the Holdback Account and paid to Transferor as deferred transfer payments. On each Business Day in a Group Amortization Period prior to the Holdback Account Termination Date, Servicer shall calculate the aggregate Investor Allocable Dilution for the Group Amortization Period as to which no Series Allocable Dilution Adjustments have been received. Such amount (or, if less, the aggregate amount of funds in the Holdback Account) shall be transferred to the Master Collection Account and applied to the items listed in the first paragraph of this Section as priorities first through fifth, in that order (except that no such funds shall be allocated to Transferor or the Holdback Account pursuant to priority second and the amount allocable to the Principal Funding Account shall not be limited by application of the Investor Allocation Percentage). On the Holdback Account Termination Date, all remaining funds in the Holdback Account shall be paid to Transferor.

If, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section, for allocation under priority third are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor in respect of the Transferor Certificate as deferred transfer payments.

SECTION 4.5 Withdrawals from the Equalization Account and Principal Funding Account. On any Business Day (other than an Exempt Holiday) prior to the Group Amortization Period on which no Early Amortization Event or Unmatured Early Amortization Event has occurred with respect to any Series in Group I, Servicer may instruct Trustee in writing to withdraw funds from the Equalization Account and apply such funds as Daily Group Collections, so long as the Net Invested Amount would not exceed the Base Amount after giving effect to such transfer and application. On the first day of any Series Amortization Period or Group Amortization Period, Servicer shall instruct Trustee to withdraw the entire balance in the Equalization Account and apply the same as Daily Group Collections on that day. On the first day of the Group Amortization Period, Servicer shall instruct Trustee likewise to withdraw the entire balance in the Principal Funding Account and apply the same as Daily Group Collections on that day.

SECTION 4.6 Available Subordinated Amount. (a) If a Group Amortization Period begins, Servicer shall promptly calculate the Available Subordinated Amount as of the Group Amortization Calculation Date and report such amount in the Daily Report for the first day in the Group Amortization Period. Servicer shall also calculate the Available Subordinated Amount as of each Cut-Off Date falling in the Group Amortization Period, such calculation to be reflected in the related Monthly Report.

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(b) The Available Subordinated Amount as of the Group Amortization Calculation Date shall equal the product of (x) the Investor Allocation Percentage, multiplied by (y) the result of:

(i) the product of the Unpaid Balance of Receivables held by Trustee at the opening of business on the Group Amortization Calculation Date, multiplied by the Series Collection Allocation Percentage on that date; minus

(ii) the sum of (A) the lesser of the Base Amount and the Net Invested Amount and (B) the Carrying Cost Receivables Reserve at the opening of business on the Group Amortization Calculation Date.

(c) The Available Subordinated Amount, as of any Cut-Off Date in the Group Amortization Period, shall equal the result of:

(i) the Available Subordinated Amount as of the preceding Cut-Off Date (or as of the Group Amortization Calculation Date, in the case of the

first Cut-Off Date falling in the Group Amortization Period); minus

(ii) the Investor Allocable Loss Amount with respect to the ASA Measuring Period ending on that Cut-Off Date; minus

(iii) any Investor Allocable Dilution with respect to the ASA Measuring Period ending on that Cut-Off Date; plus

(iv) subject to Sections 4.7 and 4.8, the Investor Allocable Recoveries and Investor Allocable Dilution Adjustments with respect to the ASA Measuring Period ending on that Cut-Off Date.

(d) Notwithstanding the foregoing, in no event shall the Available Subordinated Amount at any time be less than zero or greater than the initial Available Subordinated Amount calculated pursuant to subsection (b).

SECTION 4.7 Write-Offs and Recoveries. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Write-Offs and the Investor Allocable Recoveries for the most recently ended ASA Measuring Period.

(b) If the Investor Write-Offs calculated in any Monthly Report exceed zero, the Group Invested Amount shall be reduced by the amount of the Investor Write-Offs with effect on the related Distribution Date. Any such reduction shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts) until all such Class Invested Amounts have been reduced to zero.

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Any remaining reduction shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts).

(c) If the Group Invested Amount has been reduced on account of any Investor Write-Offs, then any Investor Allocable Recoveries with respect to any Calculation Period ending after the reduction takes place shall be applied to reinstate the Group Invested Amount, to the extent of such prior reductions that have not previously been reinstated, with effect on the related Distribution Date. Any such reinstatement shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts) until all prior reductions to such Class Invested Amounts on account of Investor Write-Offs have been reinstated. Any remaining reinstatement shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts).

(d) If Investor Allocable Recoveries are applied pursuant to subsection (c) to reinstate the Group Invested Amount on any Distribution Date, then Investor Allocable Recoveries shall be applied to increase the Available Subordinated Amount on the same Distribution Date only to the extent of the excess, if any, of the Investor Allocable Recoveries, minus the amount of Investor Allocable Recoveries so applied.

(e) The outstanding principal amount of any Senior Class or Subordinated Class shall be reduced by any reduction, and increased by any reinstatement, of its Class Invested Amount pursuant to this Section 4.7 or Section 4.8, in the amount of such reduction or reinstatement.

SECTION 4.8 Certain Dilution in a Group Amortization Period. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Allocable Dilution and the Series Allocable Dilution Adjustments for the most recently ended ASA Measuring Period.

(b) If the Investor Allocable Dilution calculated in any Monthly Report is greater than zero, and there are funds in the Holdback Account, then those funds (up to an amount equal to the amount of the Investor Allocable Dilution) shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

(c) If the Available Subordinated Amount or the Group Invested Amount has been reduced on account of any Investor Allocable Dilution, then (i) any Series Allocable Dilution Adjustments with respect to any Calculation Period ending after the reduction takes place and (ii) any additional funds deposited in the Holdback Account (the "Investor Allocable Dilution

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Adjustments") shall be allocated (x) first, to reinstate the Group Invested Amount (with the same allocation among Senior Classes and Subordinated Classes as is described in subsection 4.7(c)), and (y) second, to reinstate the Available Subordinated Amount, in each case to the extent not previously reinstated pursuant to Section 4.7 or this Section 4.8. Any funds so allocated on any day shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

SECTION 4.9 Optional Early Pay Out. (a) On any Business Day falling in the Revolving Period, Transferor may provide notice to Trustee of its intention to accumulate funds to cause the Series 1996-1 Certificates to be prepaid in full or (as provided in the next sentence) in part. There may be a single partial prepayment of Class A Certificates, provided that (i) such prepayment (in the aggregate for all Class A Certificates) shall not exceed \$10,000,000, (ii) such prepayment shall be made after the first anniversary of the date hereof, and (iii) the amount prepaid shall reflect a reduction in the Unpaid Balance of Receivables due to the sale of a Seller (or all or substantially all of its assets) or the loss of a major customer by the Sellers. When amounts sufficient for such prepayment have been accumulated, Transferor may provide notice to Trustee (the "Prepayment Notice") of the date, at least three business days after the date of such Prepayment Notice, when the prepayment shall occur. Trustee shall notify the affected Holders promptly upon receiving such Prepayment Notice. In the event of any such prepayment of the Series 1996-1 Certificates occurring at any time during the one-year period commencing on the date hereof, the Holders of such Series 1996-1 Certificates shall be entitled to receive a Prepayment Premium. Except as expressly provided in this subsection 4.9(a), the Series 1996-1 Certificates may not be partially prepaid. The Series 1996-1 Certificates, once prepaid, may not be reinstated.

(b) Commencing upon the date specified in the notice to the Trustee referred to in subsection (a) (until an amount equal to the amount to be prepaid, plus the related Prepayment Premium, if any, and other applicable Additional Amounts have been accumulated), amounts shall be set aside for purposes of that prepayment in accordance with Section 4.3, except that no such amounts shall be set aside if Transferor notifies Trustee that Transferor intends to cause the Series 1996-1 Certificates to be prepaid by causing the portion of the Series Interest for Group I attributable to the Series 1996-1 Certificates to be conveyed to one or more Persons (who may be the Holders of a new Series issued substantially contemporaneously with such prepayment) for a cash purchase price in an amount equal to the sum of (i) the outstanding principal amount of the Series 1996-1 Certificates, plus (ii) to the extent not available in the Carrying Cost Account, accrued and unpaid interest on the Series 1996-1 Certificates through the day of such prepayment (the "Refinancing Date"), plus (iii) to the extent not available from funds set aside pursuant to priority fourth of Section 4.3, the Additional Amounts, if any, owed with respect to the

Series 1996-1 Certificates. No such conveyance shall, however, be permitted if as a result thereof, Transferor, Howmet or any of their Affiliates would acquire such portion of the Series Interest or the underlying Receivables. In the case of any such conveyance, the purchase price shall be deposited in the Principal Funding Account and shall be distributed to the Agent, for further distribution to the Holders, on the Refinancing Date in accordance with the terms of Section 5.2. Upon deposit of the purchase price in the Principal Funding Account, the Series 1996-1 Holders shall have no further rights with respect to the Transferred Assets.

(c) Any prepayment pursuant to this Section 4.9 shall be made on the later to occur of (i) the date specified in the notice of prepayment and (ii) the date on which sufficient funds (including funds to cover any related Additional Amounts) have been accumulated pursuant to Section 4.3 or 4.4 or obtained by a conveyance described in subsection 4.9(b).

(d) The Class B Certificates may not be prepaid until the Class A Certificates have been repaid in full. In addition no Class B Certificates (or Certificates in any other Subordinated Class) may be prepaid if any Senior Class is outstanding and, after giving effect to that payment, the Net Invested Amount would exceed the Base Amount.

SECTION 4.10 Foreign Obligors; Calculation of Excess Concentrations. (a) Notwithstanding clause (a) of the definition of Eligible Obligor, Persons that are not Domestic Persons (such Persons being "Foreign Obligors") may be Eligible Obligors.

(b) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) whether the members of the Concentration Unit are Domestic Persons, Category One Obligor, Category Two Obligor or Category Three Obligor.

(ii) such Concentration Unit's Basic Concentration Limit times the Adjusted Eligible Receivables for such day (such product being such Concentration Unit's "Total Dollar Limit").

(iii) the aggregate Unpaid Balance of Eligible Receivables owed by Domestic Persons in such Concentration Unit.

(iv) an amount (whether positive or negative) equal to (A) the Total Dollar Limit for such Concentration Unit minus (B) the amount determined pursuant to clause (iii). Any such positive sum is the "First Step Residual." The absolute value of any such negative sum is the "First Step Excess. "

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(v) an amount (the "Category One Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category One Obligor in such Concentration Unit.

(vi) an amount equal to 4% of the Adjusted Eligible Receivables on such day.

(vii) the lesser of (A) the First Step Residual (or, if there is no First Step Residual, zero) and (B) the amount determined pursuant to clause (vi).

(viii) an amount (the "Second Step Excess") equal to (A) the Category One Balance minus (B) the amount determined pursuant to clause (vii); provided that if such sum is a negative number, the Second Step Excess will be zero.

(ix) an amount (the "Second Step Residual") equal to (A) the First Step Residual minus (B) the Category One Balance plus (C) the Second Step Excess; provided that if such sum is a negative number, the Second Step Residual will be zero.

(x) an amount (the "Category Two Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Two Obligor in such Concentration Unit.

(xi) an amount equal to 2% of Adjusted Eligible Receivables on such day.

(xii) the lesser of (A) the Second Step Residual and (B) the amount determined pursuant to clause (xi).

(xiii) an amount (the "Third Step Excess") equal to (A) the Category Two Balance minus (B) the amount determined pursuant to clause (xii); provided that if such sum is a negative number, the Third Step Excess will be zero.

(xiv) an amount (the "Third Step Residual") equal to (A) the Second Step Residual minus (B) the Category Two Balance plus (C) the Third Step Excess; provided that if such sum is a negative number, the Third Step Residual will be zero.

(xv) an amount (the "Category Three Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Three Obligor in such Concentration Unit.

(xvi) the lesser of (A) the Third Step Residual and (B) the amount determined pursuant to clause (xi).

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(xvii) an amount (the "Fourth Step Excess") equal to (A) the Category Three Balance minus (B) the amount determined pursuant to clause (xvi); provided that if such sum is a negative number, the Fourth Step Excess will be zero.

(xviii) the sum of the First Step Excess, the Second Step Excess, the Third Step Excess and the Fourth Step Excess, such sum being the "Concentration Unit Excess Concentration" for such Concentration Unit.

(c) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) an amount (the "Category One Eligibles") equal to (A) the Category One Balance for such Concentration Unit minus (B) the Second Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category One Eligibles will be zero.

(ii) an amount (the "Category Two Eligibles") equal to (A) the Category Two Balance minus (B) the Third Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category Two Eligibles will be zero.

(iii) an amount (the "Category Three Eligibles") equal to (A) the Category Three Balance minus (B) the Fourth Step Excess for such Concentration Unit; provided that if such sum is a negative number, the Category Three Eligibles will be zero.

(d) On each Business Day, Servicer shall determine:

(i) the sum of the Category One Eligibles for all Concentration Units.

(ii) the sum of the Category Two Eligibles for all Concentration Units.

(iii) the sum of the Category Three Eligibles for all Concentration Units.

(iv) an amount (the "Category Two Excess Concentration") equal to (A) the amount determined pursuant to clause (ii) minus (B) 10% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number, the Category Two Excess Concentration shall be zero.

(v) an amount (the "Category Three Excess Concentration") equal to (A) the amount determined pursuant to clause (iii) minus (B) 5% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number the Category Three Excess Concentrations shall be zero.

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(vi) the sum of the amounts in clauses (i), (ii) and (iii).

(vii) the sum of the Category Two Excess Concentration and the Category Three Excess Concentration.

(viii) the sum of (A) the amount determined pursuant to clause (vi) minus the amount determined pursuant to clause (vii).

(ix) an amount (the "Total Foreign Concentration Excess") equal to (A) the amount determined pursuant to clause (viii), minus (B) 35% of the Adjusted Eligible Receivables; provided that if such sum is a negative number, the Total Foreign Concentration Excess shall be zero.

(e) With respect to (i) all Category One Obligors or Category Two Obligors, and (ii) each Category Three Obligor that owes Eligible Receivables in excess of \$1,000,000 or that is located in a jurisdiction where Obligors owe an aggregate amount of Eligible Receivables in excess of \$2,000,000, Servicer and Transferor shall, and shall cause the Sellers to, take all actions reasonably necessary to perfect and/or protect Transferor's and/or the Trustee's interests in such Receivables under the laws of the jurisdiction in which such Obligors are located.

(f) Within the four weeks following each anniversary of the Closing Date, Servicer shall (i) cause counsel satisfactory to the Required Purchasers, at the expense of Howmet, to contact local counsel in each jurisdiction in which Obligors referred to in clause (e) are located, for purposes of determining whether there has been a change in the laws of such jurisdiction regarding the assignment of Receivables and (ii) take such actions as are required under Section 4.10(e) with respect to any such change. Nothing in this Section 4.10(f) shall limit the obligations of Servicer and Transferor under Section 4.10(e) at any other time.

(g) Contemporaneously with the delivery of each Monthly Report, Servicer shall provide Trustee with a certificate, signed by an appropriate officer, showing (i) any Obligor that is not a Domestic Person and either owes Receivables in an aggregate amount exceeding \$1,000,000 as of the most recent Cut-Off Date or is a party to a contract with a Seller expiring more than one year after such Cut-Off Date, and (ii) any jurisdiction outside the United States in which Obligors owe an aggregate amount of Receivables exceeding \$2,000,000, determined as of such Cut-Off Date.

(h) All documents executed and delivered to, or for the benefit of, Trustee pursuant to this Section shall be Transaction Documents for all purposes (including for purposes of Section 6.1).

SECTION 4.11 Tax Opinion. If any Tax Opinion is required to be delivered in connection with the Series 1996-1 Certificates, the term "Tax Opinion" shall have the meaning specified below:

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"Tax Opinion" means, with respect to any action, an Opinion of Counsel to the effect that, for Federal income tax and applicable state income and franchise tax purposes, (a) such action will not cause the Investor Certificates of Series 1996-1 debt or partnership interests, (b) such action will not cause the Trust to be treated as other than an association (or publicly traded partnership) taxable as a corporation, (c) such action should not be treated as a taxable event to any Series 1996-1 Investor Certificateholder or Certificate Owner.

SECTION 4.12 Reset of Benchmark Percentages and Special Concentration Limits. Transferor may from time to time (i) increase or decrease any Benchmark Percentage used in the definition of Concentration Limit, (ii) change the percentages specified in the definition of Special Concentration Limit with respect to the two Tier-5 Obligor that owe the highest aggregate Unpaid Balances of Eligible Receivables, or (iii) designate an additional Obligor as a "Special Obligor," in each case (other than the designation of Westinghouse Electric Corp. as a Special Obligor) if the Approval Condition is satisfied. It is understood and agreed that any such changes in the Benchmark Percentages or the Special Concentration Limits or the addition of a Special Obligor may change the calculation of the Class A Concentration Factor, the Class B Concentration Factor, the Class A Minimum Reserve Ratio and the Class B Minimum Reserve Ratio.

ARTICLE V DISTRIBUTIONS AND REPORTS

SECTION 5.1 Distributions. On each Distribution Date and, with respect to clause (b), on each Principal Payment Date, other than a Distribution Date that is also a Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders, the following amounts:

(a) accrued and unpaid interest on the ABR Tranches and any additional interest payable to the Series 1996-1 Holders pursuant to Section 4.1 or to the Holders of any other Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total amount of interest owed to each Subordinated Class);

(b) on each Principal Payment Date, all funds deposited in each sub-account of the Principal Funding Account on or prior to the most recent Cut-Off Date shall be distributed in reduction of the related Series Invested Amounts; all such amounts on deposit in the Series 1996-1 sub-account of the Principal Funding Account shall be paid to the Holders of Class A Certificates until they have been paid or provided for in full before any such amounts are paid to the Holders of Class B Certificates, and no such amounts shall be paid to the Holders of any Subordinated Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Invested

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Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day);

(c) if, on the Expected Final Payment Date or any Distribution Date falling in a Group Amortization Period, the funds on deposit in the Carrying Cost Account (less any Servicing Fee payable on that day to anyone other than a Howmet Person) will be equal to or greater than the Invested Amount (after giving effect to all distributions required by subsections (a) and (b)), then an amount equal to such remaining Invested Amount shall be withdrawn from the Carrying Cost Account and distributed in reduction of the Invested Amount; and

(d) any Additional Amounts payable with respect to Certificates in any Series in Group I to the extent that funds have been allocated for those Additional Amounts pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 (and in the event of any shortfall, Additional Amounts shall be paid first to each Senior Class, ratably in accordance with the total Additional Amounts owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total Additional Amounts owed to each Subordinated Class).

On each Distribution Date, Trustee shall also, in accordance with instructions set out in the applicable Daily Report, distribute the Servicing Fee to the Servicer to the extent that funds are available for that purpose in the Carrying Cost Account.

On each Interest Payment Date (other than any Distribution Date, which shall be governed by subsection (a) above), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute interest payable on that date to the Holders of any Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, any such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total amount of interest owed to each Subordinated Class).

Any amounts payable to the Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder.

SECTION 5.2 Special Distributions on the Refinancing Date. On the Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders the following amounts:

(a) all interest accrued on the Certificates in any Series in Group I through the Refinancing Date, to the extent funds are available for such payment in the Carrying

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Cost Account or have been deposited in the Principal Funding Account pursuant to Section 4.9;

(b) all funds deposited in the Principal Funding Account pursuant to Section 4.9, provided that no such amounts shall be paid to the Holders of the Class B Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Net Invested Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day); and

(c) any Additional Amounts to the extent that funds for those Additional Amounts have been allocated pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 or deposited in the Principal Funding Account pursuant to Section 4.9.

Amounts payable to Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder. Promptly following receipt of the amounts payable to the Holders of Certificates pursuant to this Section, such Holders shall tender such Certificates to the Trustee.

SECTION 5.3 Payments in Respect of Transferor Certificate. On each day on which funds are allocated for this purpose pursuant to Sections 4.3 and 4.4 (and subject to the terms of Section 4.4 relating to the Holdback Account), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to Transferor, in respect of the Transferor Certificate, all funds allocated for that purpose in accordance with those Sections. In addition, after the Group Invested Amount has been repaid in full and all interest and Additional Amounts owed to the Holders have been paid, any additional funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account shall similarly be paid to Transferor in respect of the Transferor Certificate.

SECTION 5.4 Daily Reports and Monthly Reports. Each Daily Report and Monthly Report shall be substantially in the applicable form set out in Exhibit B or C or in such other form as may be required by any other Supplement relating to a Series in Group I or otherwise satisfactory to Servicer and Trustee and consistent with the terms of this Supplement, each such other Supplement and the Pooling Agreement. Copies of each Monthly Report shall be provided free of charge by the Trustee to purchasers of Series 1996-1 Certificates in connection with the initial distribution thereof and may be obtained free of charge upon request from the Trustee (and presentation of a confirmation evidencing the purchase of such beneficial interest) by subsequent purchasers.

SECTION 5.5 Annual Tax Information. On or before February 15 of each

calendar year, beginning with calendar year 1997, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to each Person who at any time during the preceding calendar year was

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a Holder the information for the preceding calendar year, or the applicable portion thereof during which the Person was a Holder, as is required to be provided by an issuer of indebtedness under the Internal Revenue Code to the holders of the issuer's indebtedness and such other customary information as is necessary to enable such Holders to prepare their Federal income tax returns. Servicer's obligations under the preceding sentence shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent to the specified Persons pursuant to the Pooling Agreement or any requirements of the Internal Revenue Code as from time to time in effect. Notwithstanding anything to the contrary contained in this Agreement, Trustee shall, to the extent required by applicable law, from time to time furnish to the appropriate Persons a Form 1099-INT within the period required by applicable law.

SECTION 5.6 Periodic Perfection Certificate. On or before December 1 of each calendar year, beginning with calendar year 1996, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to Trustee and the Agent an Officer's Certificate setting forth a list of all changes in (a) the name, identity or corporate structure of Transferor or any Seller and (b) the chief executive office of Transferor or any Seller (or in the place of business of Transferor or any Seller that has only one place of business) that have taken place since the date of the Officer's Certificate most recently delivered pursuant to this Section 5.6 (or since the Closing Date, in the case of the first such Officer's Certificate to be delivered), or indicating that no such events have taken place, and stating in each case what filings of UCC financing statements, or amendments thereto, relating to the Transaction Documents have been made in connection with each such event (identifying the date and filing index numbers for each). Any financing statement identified in such an Officer's Certificate delivered to Trustee shall be deemed to have been identified to Trustee in writing for purposes of subsection 11.1(c)(v) of the Pooling Agreement. If any such new UCC financing statements are filed, Servicer shall cause Trustee to be named as secured party (in the case of any filing against Transferor) or assignee of the secured party (in the case of any filing against a Seller). Notwithstanding the foregoing, if any "Event of Default" or "Potential Event of Default" under (and as defined in) the Howmet Credit Agreement occurs, Servicer shall deliver an Officer's Certificate covering the matters described above to Trustee and Agent not later than 10 days after the occurrence of such event, and for so long as any such event remains outstanding, Servicer shall deliver such an Officer's Certificate on the last Business Day falling in each of March, June, September and December.

ARTICLE VI EARLY AMORTIZATION EVENTS

SECTION 6.1 Early Amortization Events. Each of the following shall constitute an "Early Amortization Event":

(a) (i) failure on the part of Transferor or Servicer to make any payment of the principal amount of the Series 1996-1 Certificates when due, or to make any payment of any interest on the Series 1996-1 Certificates or to make any deposit required by

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the terms of any Transaction Document on or before two Business Days after the date such payment or deposit is required to be made, or to make any other payment, except any payment of the Servicing Fee to a Howmet Person, required by the terms of any Transaction Document on or before three Business Days after the date such payment is required to be made; or (ii) failure on the part of any Seller to duly observe or perform subsection 6.1(f), 6.1(h), 6.1(j), 6.3(a), 6.3(b), 6.3(c) or 6.3(e) of the Purchase Agreement or Transferor to duly observe or perform subsection 7.2(c), 7.2(e), 7.2(f), 7.2(h), 7.2(i), 7.2(j) or 7.2(k) of the Pooling Agreement or clause (i) or (ii) of subsection 7.2(d) of the Pooling Agreement, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of five Business Days; or (iii) failure on the part of Transferor, Servicer or any Seller duly to observe or perform any other covenant or agreement set forth in any Transaction Document, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of 30 days; or (iv) Guarantor gives notice of termination of the Seller Guaranty;

(b) any representation or warranty made by a Seller in subsection 5.1(d), 5.1(k), 5.1(o) or 5.1(r) of the Purchase Agreement or by Transferor in subsection 2.3(a)(i), 2.3(a)(ii) or 7.1(i) of the Pooling Agreement shall prove to have been incorrect in any material respect when

made, and continues to be incorrect in any material respect for a period of five Business Days, or any other representation or warranty made by Transferor, Servicer or any Seller in any Transaction Document shall prove to have been incorrect in any material respect when made, and continues to be incorrect in any material respect for a period of 30 days; provided that a mistake in the representation of a Receivable as an Eligible Receivable or the breach of a representation and warranty with respect to a Receivable shall not constitute an Early Amortization Event unless and until the applicable Seller has failed to make the cash payments (if any) owed under Sections 3.1 and 3.5 of the Purchase Agreement in respect of such mistake or breach (it being understood that certain of such mistakes or breaches may result in a non-cash adjustment under the Purchase Agreement);

(c) a Bankruptcy Event shall occur with respect to Transferor, Servicer, Guarantor or any Seller, or Transferor shall become unable, for any reason, to transfer Receivables or other Transferred Assets to the Trust in accordance with the provisions of this Agreement and the Pooling Agreement; provided that if, at the time any event that would, with the passage of time, become a Bankruptcy Event occurs as a result of a bankruptcy proceeding being filed against Transferor or any Seller, then, on and after the day on which the bankruptcy proceeding is filed until the earlier to occur of the dismissal of the proceeding and the commencement of an Early Amortization Period, Transferor shall not purchase Receivables and Related Assets from the affected Seller or, if Transferor is the subject of the proceeding, transfer Receivables and Related Transferred Assets to the Trust;

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(d) the Trust or Transferor shall be required to be registered as an "investment company" under and within the meaning of the Investment Company Act of 1940, as amended;

(e) the Net Invested Amount exceeds the Base Amount for a period of two or more consecutive Business Days;

(f) a Servicer Default shall have occurred and shall not have been remedied;

(g) Howmet shall cease to own, directly or indirectly, 100% of the issued and outstanding capital stock of Transferor;

(h) the Internal Revenue Service or the PBGC shall have filed one or more Tax or ERISA Liens against the assets of Transferor or any Seller (including Receivables) in an aggregate amount exceeding \$250,000 unless such amounts (i) are bonded in a manner that satisfies the Approval Condition or (ii) relate to taxes in an aggregate amount not exceeding \$1,000,000 which are contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained under GAAP;

(i) the cessation of, or the failure to create, a valid first-priority perfected ownership or security interest in favor of Trustee in the Receivables or the rights of Transferor under the Purchase Agreement, which cessation or failure has a substantial likelihood of having a Material Adverse Effect;

(j) the Series 1996-1 Invested Amount is not paid in full on the Expected Final Payment Date;

(k) Transferor's net worth (as calculated in accordance with GAAP) shall at any time be less than 17% of the aggregate Unpaid Balance of the Receivables at such time and such condition continues for five consecutive Business Days; provided that for purposes of calculating Transferor's net worth, any and all amounts owed to Transferor by any Howmet Person shall be excluded from such calculation;

(l) any foreclosure or similar proceeding in respect of any adverse claim on any Buyer Note or the Transferor's common stock shall have been commenced; or title to any Buyer Note or Transferor's common stock shall pass to the holders of such adverse claim, it being understood that the grant of a security interest in the stock of Transferor or any Buyer Note to a creditor of a Seller that is party to an Intercreditor Agreement shall not be an Early Amortization Event;

(m) the average of the Aged Receivables Ratio for any three consecutive Calculation Periods shall be greater than 2.50%;

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(n) the average of the Past Due Receivables Ratio for any three consecutive Calculation Periods shall exceed 5.75%;

(o) the average of the Dilution Ratio for any three consecutive Calculation Periods shall be greater than 6.75%; or

(p) the Intercreditor Provisions shall be amended without written notice thereof having been provided to the Agent no later than five Business Days prior to the effective date of such amendment.

SECTION 6.2 Early Amortization Period. Upon the occurrence and continuance of any Early Amortization Event described in subsection 6.1(c), an Early Amortization Period shall commence without any notice or other action on the part of Trustee or the Series 1996-1 Holders, immediately upon the occurrence of such Early Amortization Event, except that if an Early Amortization Event described in subsection 6.1(c) occurs as the result of the occurrence of a Bankruptcy Event with respect to one or more Sellers, the Receivables originated by which made up less than 10% of the aggregate Unpaid Balance of Receivables held by the Trust as of the date of the commencement of the proceeding that gave rise to the first such Bankruptcy Event, then an Early Amortization Period shall not commence unless Required Series Holders declare it to have commenced. Upon the occurrence and continuance of any other Early Amortization Event, after the applicable grace period, if any, and if the action or event that gave rise to such Early Amortization Event has not been waived by the Required Series Holders, Trustee may (and, at the direction of the Required Series Holders, shall) by notice then given in writing to Transferor and Servicer, declare that an Early Amortization Period has commenced as of the date of Transferor's receipt of the notice. In the event of any prepayment of the Series 1996-1 Certificates prior to the first anniversary of the date hereof as a result of the occurrence of an Early Amortization Event, the Holders thereof shall be entitled to receive a Prepayment Premium.

ARTICLE VII OPTIONAL REDEMPTION; TERMINATION; INDEMNITIES

SECTION 7.1 Optional Redemption of Investor Interests. On any Distribution Date occurring during an Early Amortization Period with respect to the Series 1996-1 Certificates on or after the date that the Series 1996-1 Invested Amount is reduced to 10% or less of the sum of the Stated Amounts for the Series 1996-1 Certificates, Transferor shall have the option to redeem the Series 1996-1 Series Interest. The purchase price will be an amount equal to the Invested Amount plus accrued and unpaid interest (and accrued and unpaid interest with respect to interest that was due but not paid on any prior Distribution Date) through the day preceding the Distribution Date at the applicable interest rate (as specified in Section 4.1) plus the aggregate amount by which the Invested Amount has been reduced on account of Investor Write-Offs (and not subsequently reinstated) plus (if such redemption occurs prior to the first anniversary of the date hereof) the applicable Prepayment Premium. Upon the tender of the outstanding Certificates of the Series by the Holders to Trustee,

Trustee shall distribute the amounts, together with all funds on deposit in the Principal Funding Account that are allocable to the Series 1996-1 Certificates, to the Holders of the Series on the next Distribution Date in repayment of the principal amount and accrued and unpaid interest owing to the Holders. Following any redemption, the Holders of the Series shall have no further rights with respect to the Transferred Assets. In the event that Transferor falls for any reason to deposit in the Principal Funding Account the aggregate purchase price for the Series 1996-1 Certificates, payments shall continue to be made to the Holders of the Series in accordance with the terms of the Pooling Agreement and this Supplement.

SECTION 7.2 Termination. Notwithstanding Section 12.1 of the Pooling Agreement, the last payment of the principal of and interest on the Certificates of any Series in Group I shall be due and payable no later than the Final Scheduled Payment Date for that Series. If, on the Distribution Date immediately prior to the Final Scheduled Payment Date for any such Series, Servicer determines that the Series Invested Amount for the Series on the applicable Final Scheduled Payment Date (after giving effect to all changes therein on such date) will exceed zero, Servicer shall, as soon as practicable, solicit bids for the sale of interests in the Receivables in an amount equal to the product of (i) the outstanding balance of Receivables, times (ii) the Series Collection Allocation Percentage, times (iii) the Investor Allocation Percentage, times (iv) a fraction the numerator of which is the applicable Series Invested Amount and the denominator of which is the Group Invested Amount. Transferor shall be entitled to participate in and to receive notice of each bid submitted in connection with the bidding process. Upon the expiration of the period, Servicer shall determine (x) the highest bid for such Receivables and (y) the Available Final Distribution Amount for the Series. Servicer shall sell the interests in the Transferred Assets on the Final Scheduled Payment Date for the applicable Series to the bidder with the Highest Bid and shall deposit the proceeds of such sale in the Master Collection Account for allocation to the Holders. The

priorities specified in Section 5.1 shall apply to any such distribution.

SECTION 7.3 Indemnification by Transferor. Transferor hereby agrees to indemnify the Trust, Trustee, each Holder of a Series 1996-1 Certificate and each of the successors, permitted transferees and assigns of any such Person and all officers, directors, shareholders, controlling Persons, employees, affiliates and agents of any of the foregoing (each of the foregoing Persons individually being called a "Transferor Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims (whether on account of settlements or otherwise, and whether or not the relevant Transferor Indemnified Party is a party to any action or proceeding that gives rise to any Transferor Indemnified Losses (as defined below)), judgments, liabilities and related reasonable costs and expenses (including reasonable attorneys' fees and disbursements) (all of the foregoing collectively being called "Transferor Indemnified Losses") awarded against or incurred by any of them that arise out of or relate to this Agreement, any other Transaction Document or any of the transactions contemplated herein or therein or the use of proceeds herefrom or therefrom (including any Transferor Indemnified Losses (i) relating to any Adverse Claim, without regard to whether

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such Adverse Claim was a Permitted Adverse Claim, or (ii) arising from any failure to make any filing or obtain any consent as required by the Federal Assignment of Claims Act with respect to any Receivables).

Notwithstanding the foregoing, in no event shall any Transferor Indemnified Party be indemnified for any Transferor Indemnified Losses (a) resulting from gross negligence or willful misconduct on the part of such Transferor Indemnified Party (or the gross negligence or willful misconduct on the part of any of its officers, directors, employees, affiliates or agents), (b) to the extent they include Transferor Indemnified Losses in respect of Receivables and reimbursement therefor that would constitute credit recourse to Transferor for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor, (c) to the extent they are or result from lost profits, (d) to the extent they are or result from taxes (including interest and penalties thereon) asserted with respect to (i) distributions on the Series 1996-1 Certificates, (ii) franchise or withholding taxes imposed on any Transferor Indemnified Party other than the Trust or the Trustee in its capacity as Trustee or (iii) federal or other income taxes on or measured by the net income of such Transferor Indemnified Party and costs and expenses in defending against the same, (e) resulting from any breach by such Transferor Indemnified Party of its representations, warranties or covenants in the Transaction Documents, or (f) to the extent that they constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to a Transferor Indemnified Party or is insufficient to hold a Transferor Indemnified Party harmless, then Transferor shall contribute to the amount paid by the Transferor Indemnified Party as a result of any loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Transferor Indemnified Party on the one hand and Transferor on the other hand, but also the relative fault of such Transferor Indemnified Party (if any) and Transferor and any other relevant equitable considerations.

SECTION 7.4 Indemnification by Servicer. Servicer agrees that the Agent and each Holder of a Series 1996-1 Certificate shall be an "Indemnified Party" for purposes of Section 8.4 of the Pooling Agreement.

ARTICLE VIII MISCELLANEOUS

SECTION 8.1 Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

SECTION 8.2 Counterparts. This Supplement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

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SECTION 8.3 SEVERABILITY OF PROVISIONS. If any one or more of the provisions or terms of this Supplement shall for any reason whatsoever be held invalid, then the unenforceable provision(s) or term(s) shall be deemed severable from the remaining provisions or terms of this Supplement and shall in no way affect the validity or enforceability of the other provisions or terms of this Supplement.

SECTION 8.4 AMENDMENT, WAIVER, ETC. This Supplement may be amended,

subject to SECTION 13.1 of the Pooling Agreement and SECTION 10.1 of each Certificate Purchase Agreement, from time to time by Servicer, Transferor and Trustee by a written instrument signed by each of them

SECTION 8.5 TRUSTEE. Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplement or for or in respect of the recitals contained herein, all of which recitals are made solely by Transferor and Servicer.

SECTION 8.6 INSTRUCTIONS IN WRITING. All instructions given by Servicer to Trustee pursuant to this Supplement shall be in writing, and may be included in a Daily Report or Monthly Report.

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IN WITNESS WHEREOF, Transferor, Servicer and Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

BLADE RECEIVABLES CORPORATION,
as Transferor

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: c/o Nevada Corporate
Management, Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Facsimile: (702) 892-3906

HOWMET CORPORATION, as Servicer

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 8614746

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: /s/ Russell T. Whitley

Name: Russell T. Whitley

Title: ASST. VICE PRESIDENT

Address: One M&T Plaza, 7th Floor
Buffalo, New York 14203

Attention: Russell Whitley
Facsimile: (716) 8424474

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EXHIBIT A - Part 1
to the Series 1996-1 Supplement

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND

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WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. [If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY FALCON ASSET SECURITIZATION CORPORATION TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN EIGHT PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES) IN RESPECT OF THE CLASS A, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS A, SERIES 1996-1 CERTIFICATE

Date: _____ Maximum Principal Amounts
\$ _____

THIS CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-I Certificates (the "Supplement"). This Certificate is one of the duly authorized Class A, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the

Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class A, Series 1996-1 Certificates are a Senior Class and are therefore entitled to share in the benefits of the subordination of the Class B, Series 1996-1 Certificates and Certificates in any other Subordinated Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

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By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Class A, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

By: _____
Title: _____

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class A, Series 1996-1 Certificates referred to in the Pooling Agreement, as supplemented by the Supplement.

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Title: _____

Dated: _____, 1996

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PURCHASES AND REPAYMENTS

Amount Purchased	Principal Amount of Purchase Repaid	Outstanding Principal Balance	Stated Amount
-----	-----	-----	-----
	Interest		

Base Eurodollar Period (if Base Eurodollar Base Eurodollar
Rate Rate applicable) Rate Rate Rate Rate Reduction Net

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EXHIBIT A - Part 2
to the Series 1996-1 Supplement

FORM OF CLASS B, SERIES 1996-1 CERTIFICATE

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

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EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. [If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY ALPINE SECURITIZATION CORP. TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR

CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN THREE PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES) IN RESPECT OF THE CLASS B, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS B. SERIES 1996-1 CERTIFICATE

Date: _____ \$ _____

THIS CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Delaware corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class B, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class B, Series 1996-1 Certificates are a Subordinated Class and are therefore subordinated to the Class A, Series 1996-1 Certificates, Series 1996-1 Certificates and Certificates in any other Senior Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income

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and franchise and other taxes measured by or imposed on income, the Class B, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

<CAPTION>			REPAID		BALANCE		STATED AMOUNT
AMOUNT PURCHASED							
<S>	Interest		<C>	<C>	<C>	<C>	<C>
Base	Eurodollar	Period (if	Base	Eurodollar	Base	Eurodollar	
Rate	Rate	applicable)	Rate	Rate	Rate	Rate	Reduction Net

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EXHIBIT B

FORM OF DAILY REPORT

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BLADE RECEIVABLES CORPORATION
DAILY REPORT

* Unprotected items must be hand input *

* All amounts labeled "less" must be input as negative *

* DO NOT DELETE ROWS OR COLUMNS!! *

BLADE RECEIVABLES CORPORATION

DAILY REPORT

Daily Report Date 15-Apr-96
Preceding Daily Report Date 12-Apr-96
Prepared by

Pre-Liquidation
27-Mar-97
09:15 AM

page 1

<TABLE>

<CAPTION>

A. DAILY RECEIVABLES ACTIVITY

HOWMET
TOTAL

<S>	<C>
1. BEGINNING DAILY RECEIVABLES BALANCE	90,651,196
2. Plus: New Invoices	2,370,337
3. Less: Cash Collections Applied to Reduce Receivables Balance (including New Checks in the Process of Collection)	(5,875,318)
4. Less: Dilution	(121,492)
5. Less: Write-offs	0
6. Less: Misc. Adjustments (Non-Dilutive)	0
7. ENDING DAILY RECEIVABLES BALANCE	87,024,723

B. NET ELIGIBLE RECEIVABLES

1. ENDING DAILY RECEIVABLES BALANCE	87,024,723
Less: Accounts of Ineligible Obligors	
2. Less: Bankrupt accounts	(4,096)
3. Less: Federal/State Government accounts	0
4. Less: "Cash in advance" or "cash on account" customers	(26,189)
5. Less: Ineligible due to notes receivable	0
6. Less: Accounts with over 50% of unpaid balance > 90 days from Due Date	(826,109)

Less: Specific Ineligible Receivables	
7. Less: Receivables > 90 days from due date	(5,671,092)
8. Less: Receivables with original due date >120 days from date invoice is delivered	0
9. Less: Receivables otherwise not eligible (due to denomination in currency other than dollars, invalid contract, change in business, breach of warranty, consent requirement, violation of law, improper modification, etc.)	0
10. Less: Balance of disputed invoices (or, if less, the aggregate amount of disputes)	(2,711,217)
11. Less: Contra balances (weekly)	(205,059)
12. INELIGIBLE RECEIVABLES	(9,443,761)
13. ELIGIBLE RECEIVABLES	77,580,962
14. Less: Unapplied Cash (balance in MCA not applied to Receivables)	491,536
15. Plus: Aggregate Retained Balances (balances in lockbox and concentration accounts for which there has been a reduction in receivables balance)	0
16. ADJUSTED ELIGIBLE RECEIVABLES	77,089,426
17. Less: Excess Concentration Balances (See attached supporting calculations)	0
18. Less: Adverse Claims	0
19. NET ELIGIBLE RECEIVABLES	77,089,426

</TABLE>

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C. CARRYING COST RECEIVABLES RESERVE

Carrying Cost Receivables Reserve = (C.1) + (C.2) + (C.7) - (C.11)

<TABLE>

<S>	<C>
1. Current Carrying Costs (i.e. Interest and Servicing fee due on next interest payment date and any interest payment date ending within a week thereof)	456,335
2. ESTIMATED FUTURE INTEREST (C.3 x(C.4 x C.5) X C.6)	1,249,507
3. Invested Amount (see E.1)	60,000,000
4. Volatility Factor (GIVEN BY RATING AGENCY)	1.50
5. Certificates Rate (Benchmark rate plus spread)	5.9500%

</TABLE>

<TABLE>

<CAPTION>

<S>	\$ Outstanding	LIBOR rate	ABR rate	Spread	Base Rate:
	<C>	<C>	<C>	<C>	<C>
Series 1996-1 Certificates (LIBOR Tranche A)	47,500,000	5.4102%		0.5000%	5.9102%
Series 1996-1 Certificates (LIBOR Tranche B)	7,500,000	5.4023%		0.8000%	6.2023%
Series 1996-1 Certificates (LIBOR Tranche C)	0	5.5000%		0.5000%	0.0000%
Series 1996-1 Certificates (LIBOR Tranche D)	0	5.5000%		0.5000%	0.0000%
Series 1996-1 Certificates (ABR Tranche)	0		8.2500%	0	0.0000%
Total	55,000,000				

</TABLE>

<TABLE>

<S>	<C>	<C>
6. (2 X Turnover days Dvd. by 360)		0.2333
	Turnover Days	42
7. ESTIMATED FUTURE SERVICING (C.8 x C.9 x C.10 x C.6)		444,733
8. Series Collection Allocation Percentage (on next preceeding distribution date (see E.9))		100.00%
9. Aggregate unpaid balance of Receivables held by Trust on next preceeding Distribution date (from monthly report)		95,300,000
10. Percentage		2.00%
11. Carrying Cost Account beginning balance (see preceding day's Daily Report K.6)		428,544
12. CARRYING COST RECEIVABLES RESERVE	1,722,031	1,722,031

</TABLE>

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<TABLE>

<CAPTION>

D. NET INVESTED AMOUNT

<S>	<C>	<C>
1. Outstanding Principal Amount of Certificates (see E.1)	55,000,000	
2. Less: Amount in Equalization Account (see yesterday's L.11)	(9,932,393)	
3. Less: Amount in Principal Funding Account (see yesterday's M.5)	0	

4. NET INVESTED AMOUNT		-----	45,067,607
E. SERIES COLLECTION ALLOCATION PERCENTAGE			
1. INITIAL INVESTED AMOUNT		55,000,000	
2. Carrying Cost Receivables Reserve (see C.12))		1,722,031	
3. One minus Class B Reserve Ratio (see F.1)		78.99%	
4. Ending Daily receivables balance (see A.7)		87,024,723	
5. Net Eligibles Receivables (see B.21)		77,089,426	
6. REQUIRED RECEIVABLES FOR SERIES 1996-1 ((E.1 + E.2) / E.3) x (E.4 / E.5))		81,063,901	
7. Required Receivables for all other series		0	
8. REQUIRED RECEIVABLES FOR ALL SERIES (E.6 + E.7)		81,063,901	
9. SERIES COLLECTION ALLOCATION PERCENTAGE (E.6 / E.8)		100.0%	
F. BASE AMOUNT AND ASSET SURPLUS / SHORTFALL			
1. Memo: "Class B Reserve Ratio" (see effective Settlement Statement)		21.01%	
2. NET ELIGIBLE RECEIVABLES (from B.21)		77,089,426	
3. Times: Series Collection Allocation Percentage (see E.9)		100.0%	77,089,426
4. Times: 100% less "Class B Reserve Ratio"		78.99%	60,892,938
5. Less: Class A Subordination Deficit (see effective Settlement Statement)		--	
6. Less: Carrying Cost Receivables Reserve (see C.(12))		1,722,031.18	
7. BASE AMOUNT			-----
			59,170,906
8. Less: Net Invested Amount (see D.4)		45,067,607	-----
9. ASSET SURPLUS/SHORTFALL			14,103,300
			=====
G. CARRYING COST CASH REQUIRED AMOUNT			
1. Current Carrying Costs (See C.1)		456,335	
2. CARRYING COST CASH REQUIRED AMOUNT (see G.1)		456,335	
3. Beginning Balance in Carrying Cost Account (see C.11)		428,544	
4. Carrying Cost Account Surplus (Deficit) (G.3-G.2)		(27,791)	
			=====

</TABLE>

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<TABLE>

<CAPTION>

H. DAILY CASH ALLOCATIONS

<S>

1. Amount Transferred from Concentration Account to Master Collection Account			<C>	2,726,390
2. Plus: Funds held in Master Collection Account pursuant to clause (i) of Fifth Priority (prior Day)				0
3. Plus: Excess funds released from Carrying Cost Account (see G.4 (if positive))				0
4. Plus: Release of funds from Equalization Account (see L.6)				9,712,788
5. Plus: Reinvestment earnings (interest in Trust Accounts)				0
6. FUNDS AVAILABLE FOR ALLOCATION				-----
				12,439,178
				=====

<CAPTION>

	Amounts required per priority	Allocated funds (from H.6 above)	Excess/Shortfall
	-----	-----	-----
<S>	<C>	<C>	<C>
First, Allocation to Carrying Cost Account (until funds allocated thereto equals CARRYING COST CASH REQUIRED AMOUNT from G.4 above (if negative))	27,791	27,791	0
Second, Prior to Series Amortization Period, If Net Invested Amount exceeds the Base Amount, allocation to Equalization Account in an amount sufficient to reduce the Net Invested Amount to an amount equal to the Base Amount In early Series Amortization Period, allocation to a sub-account of the Principal Funding Account for the related series.	0	0	0
Third, During any Series Amortization Period, to the applicable sub-account of the Principal Funding Account until the amount on deposit in the account equals the applicable Principal Deposit Account	0	0	0
Fourth, Held for payments of other amounts payable to the holders of the Series 1995-1 Certificates on the next distribution date.	0	0	

Fifth, (i) Cash set aside in MCA as requested by BRC	0	0
(ii) Payment to BRC	0	12,411,386

<S>		<C>
I. INVESTED AMOUNT		
1. BEGINNING INVESTED AMOUNT (yesterday's ending amount)		55,000,000
2. Less: Principal Payments		0
3. Less: Reductions on Account of write-offs or dilution		0

4. ENDING INVESTED AMOUNT		55,000,000
		=====

J. MASTER COLLECTION ACCOUNT (MCA)		
1. BEGINNING MCA BALANCE (yesterday's (J.11) ending balance)		0
2. Plus: Cash Collections (see H.1)		2,726,390
3. Plus: Excess cash released from Carrying Cost Account (see G.4)		0
4. Plus: Excess funds reallocated to MCA from Equalization Account (see L.6)		9,712,788
5. Plus: Reinvestment earnings (see H.5)		0
6. Less: Cash allocated to Carrying Cost Account (see First priority)		(27,791)
7. Less: Cash allocated to Principal Funding Account (see Second priority)		0
8. Less: Cash allocated to Equalization Account or Principal Funding Account (see Third priority)		0
9. Less: Payments made pursuant to Fourth priority		0
10. Less: Payment to BRC (see Fifth priority (clause II))		(12,411,386)

11. ENDING MCA BALANCE		0
		=====

K. CARRYING COST ACCOUNT		
1. BEGINNING CARRYING COST ACCOUNT BALANCE (yesterday's ending balance (see C.11))		428,544
2. Plus: Cash allocated today pursuant to First priority in Daily Cash Allocations (see I. First priority)		27,791
3. Less: Payment of interest on Certificates (on Distribution or Interest Payment Date)		0
4. Less: Payment of Servicing Fee and other Carrying Costs		0
5. Less: Release of any excess cash for today's daily allocation (see G.4 (if positive))		0

6. ENDING CARRYING COST ACCOUNT BALANCE		456,335
		=====

</TABLE>

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L. EQUALIZATION ACCOUNT

<TABLE>		
<CAPTION>		
DETERMINATION OF AMOUNT REQUIRED TO BE DEPOSITED INTO EQUALIZATION ACCOUNT TODAY		
<S>		<C>
1. Amount required to be deposited into Equalization Account today (F.8 (if negative))		0
2. Cash available for deposit into Equalization Account today (H.6 minus First Priority)		12,411,386

3. Amount actually deposited into Equalization Account today (minimum of L.1, L.2)		0
DETERMINATION OF SURPLUS OF FUNDS IN EQUALIZATION ACCOUNT TODAY		
4. Asset Surplus [see F.8 (if positive)]		14,103,300
5. Beginning Equalization Account Balance (see L.7)		9,712,788

6. EXCESS FUNDS IN EQUALIZATION ACCOUNT (if F.8>0, then the lesser of L.4 and L.5)		9,712,788

EQUALIZATION ACCOUNT BALANCE		
7. BEGINNING EQUALIZATION ACCOUNT BALANCE (Yesterday's ending balance (L.11))		9,712,788
8. Plus: Today's deposit to Equalization Account (see L.3)		0
9. Less: Excess funds reallocated from Equalization Account to Master Collection Acct (see L.6)		9,712,788
10. Less: Cash reallocated from Equalization Acct to Principal Funding Acct (pursuant to 4.5 of Supplement)		0
11. ENDING EQUALIZATION ACCOUNT BALANCE (L.7 + L.8 - L.9 - L.10)		0
		=====

M. PRINCIPAL FUNDING ACCOUNT		
1. BEGINNING PRINCIPAL FUNDING ACCOUNT BALANCE (yesterday's ending balance (M.5))		0.00
2. Plus: Cash allocated to Principal Funding Account (see Second, and Third priorities)		0.00
3. Less: Prepayment of Certificates		0.00
4. Plus: Cash reallocated from Equalization Account to Principal Funding Account (see L.10)		0.00
5. ENDING PRINCIPAL FUNDING ACCOUNT BALANCE		0.00

=====

N. NONCOMPLYING RECEIVABLES AND DILUTION ADJUSTMENTS AND SELLER ADJUSTMENTS

1. Seller Dilution Adjustments (see A.4)	(121,492)
2. Seller Noncomplying Receivables Adjustments	0
3. Minus Customer payment (if any) BRC received yesterday on account of Seller	0
4. Noncomplying Receivables that have already been adjusted	0
5. Minus Previous 5 Days Noncomplying Receivables and Dilution Adjustments	0
6. NONCOMPLYING RECEIVABLES AND DILUTION ADJUSTMENTS	(121,492)

O. PURCHASE PRICE

1. New Invoices (as of the close of business on the preceding business day) (from A.2)	2,370,337
2. Purchase Price Percentage (see effective Monthly Report)	98.69%
3. Purchase Price = Net New Invoices (see O.1) x Purchase Price Percentage (see O.2)	2,339,285
4. Minus Noncomplying Receivables and Dilution Adjustments (see N.5)	(121,492)
5. Purchase Price Payable (O.3 - O.4)	2,217,794
6. Payment of Purchase Through Reduction of Acquisition Loan	0
7. Payment of Purchase Price through Cash consideration (see H. fifth)	12,411,386
8. Payment of Purchase Price through increase in Buyer Note	(10,193,593)
9. Total Consideration for Purchase of New Receivables	2,217,794

</TABLE>

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P. NET WORTH TEST

<TABLE>

<S>

1. Net Worth of Transferor at least 17% of Total Receivables

<C>
YES / NO

Yes

<CAPTION>

Q BUYER NOTES

<S>

1. BEGINNING BUYER NOTES PRINCIPAL BALANCE	0
2. Plus: Increase in BUYER NOTE principal balance for payment of Purchase Price (see O.9)	(10,193,593)
3. Less: Decrease in BUYER NOTE principal balance (but not below zero) if O.9 < 0	0
5. ENDING BUYER NOTE PRINCIPAL BALANCE	(10,193,593)

<C>

<CAPTION>

SERVICER'S INSTRUCTIONS TO TRUSTEE

SCHEDULE A

I. Cash Flows Summary

<S>

1. Funds to be allocated to Carrying Cost Account from Master Collection Account (see J.6)	27,791
2. Payment of Carrying Costs from Carrying Cost Account (on Distribution or Interest Payment Date)	0
(a) Interest on Series 1996-1 Certificates (on Distribution or Interest Payment Date) (see II-A below)	0
3. Funds to be allocated to Principal Funding Account from Master Collection Account (see J.7)	0
4. Payments of Additional Amounts (see II-A)	0
5. Funds to be allocated to Equalization Account from Master Collection Account (see J.8)	0
6. Funds to be reallocated to Master Collection Account from Equalization Account (see L.9)	9,712,788
7. Funds to be allocated to Principal Funding Account from Equalization Account (see L.10)	0
8. Payment to Transferor from Master Collection Account (see J.10)	(12,411,386)
9. Funds to be allocated to MCA from Carrying Cost Account (K.5)	0

<C>

<CAPTION>

II-A. Summary of Cash Flows to Agent

	Principal	Interest	Other	Breakage	Total
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
1.	0	0	0	0	0

<CAPTION>

III. Summary Wire Transfer Instructions for Trustee

<S>

1. From Master Collection Acct # to Carrying Cost Acct #	27,791
----------------------------------------------------------	--------

<C>

2. From Master Collection Acct # to Principal Funding Acct #	0
3. From Master Collection Acct # to Equalization Acct #	0
4. From Master Collection Acct # to Transferor Acct #	12,411,386
5. From Carrying Cost Acct # to Servicer Acct #	0
6. From Carrying Cost Acct # to Agent Acct #	0
7. From Equalization Acct # to Master Collection Acct #	9,712,788
8. From Equalization Acct # to Principal Funding Acct #	0
9. From Principal Funding Acct # to Agent Acct #	0
10. Funds to be allocated to MCA from Carrying Cost Account (G.4)	0

</TABLE>

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EXHIBIT C

Form of Monthly Report

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MONTHLY REPORT

 * Unprotected items must be hand input *

* All amounts labeled "less" must be input as negative *

MONTHLY REPORT

Report Date	31-Mar-96	27-Mar-97
Preceding Report Date	26-Feb-96	09:17 AM
Prepared by	-----	

<TABLE>

<CAPTION>

A. MONTHLY RECEIVABLES ACTIVITY

	TOTAL

<S>	<C>
1. BEGINNING MONTHLY RECEIVABLES BALANCE	101,866
2. Plus: New Invoices	80,362
3. Less: Cash Collections	(84,975)
4. Less: Total Dilution	(1,953)
5. Less: Write-offs	0
6. ENDING MONTHLY RECEIVABLES BALANCE	95,300

B. TURNOVER DAYS

1. Turnover Days = ((a + b) / 2 x c (days in fiscal month)) / d	
(a). Aggregate Receivables Balance as of beginning of most recent Calculation Period (see A.1)	101,866
(b). Aggregate Receivables Balance as of most recent Cut-Off Date (see A. 6)	95,300
(c). Days in Fiscal Month	35
(d). Aggregate Invoices generated during preceding Calculation Period (see A.2)	80,362
2. TURNOVER DAYS (TD)	43

C. INVESTOR CERTIFICATES

1. INVESTED AMOUNT	
Series 1996-1 A Certificates	\$ 47,500,000
Series 1996-1 B Certificates	7,500,000
Total Invested Amount	----- \$ 55,000,000
2. INTEREST RATES (AS OF MOST RECENT DISTRIBUTION DATE):	
Series 1996-1 Certificates (LIBOR Tranche A)	
Series 1996-1 Certificates (LIBOR Tranche B)	
Series 1996-1 Certificates (ABR Tranche)	
Certificate Spread for Tranche A LIBO Rate Loans	0.80%
Certificate Spread for Tranche B LIBO Rate Loans	0.50%
Certificate Spread for ABR Loans	0.00%

</TABLE>

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D. CLASS A LOSS RESERVE RATIO

<TABLE>

<CAPTION>

	TOTAL

<S>	<C>
1. LOSS RESERVE RATIO = (a x b x (c / d)) x p	
where:	
(a) the Applicable Ratings Factor	2.00
(b) highest 3-mon. average of the "Aged Receivables Ratio" for any three consecutive Calculation Periods that occurred during the preceding 12 calculation periods ending on most recent Cut-Off Date (See L)	1.564%
(c) Sum of total Receivables generated for the preceeding four prior Calculation Periods	273,209,000
(d) Adjusted Eligible Receivables on most recent Cut Off Date (see line B.16 of Daily Report for most recent Cut-Off Date)	80,230,778
(p) Payment Term Multiplier (See L)	1

2. CLASS A LOSS RESERVE RATIO	10.650%

<CAPTION>	
E. CLASS A DILUTION RESERVE RATIO	TOTAL

<S>	<C>
1. DILUTION RESERVE RAT. = = { (a x b) + [(c - b) x (c / b)] } x d	13.78%

where:	
[a] = the Applicable Ratings Factor	2.00
[b] = the average of the Dilution Ratios during the 12 consecutive Calculation Periods ending on the related Cut-Off Date	3.33%
[c] = the highest Dilution Ratio for any Calculation Period within the 12 consecutive Calculation Periods ending on the related Cut-Off Date, and	4.12%
[d] = the Dilution Horizon Variable for such Seller Group (total Receivables generated during the two Calculation Periods ending on a most recent Cut-Off Date divided by Adjusted Eligible Receivables on most recent Cut-Off Date (see line B.16 of Daily Report for most recent cut-off date))	1.806
<CAPTION>	
F. CLASS A RESERVE RATIO	
THE CLASS A RESERVE RATIO EQUALS THE GREATER OF (i) CLASS A MINIMUM REQUIRED RESERVE RATIO, AND (ii) THE SUM OF THE LOSS RESERVE RATIO AND DILUTION RESERVE RATIO.	
	TOTAL

<S>	<C>
1. Class A Minimum Required Reserve Ratio = = a + (b x c)	26.01%
where:	
(a) = the "Concentration Factor" for the Cut-Off Date (which equals the greatest of (i) 1.3333 times the "Benchmark Percentage" then in effect for purposes of clause (3) of the definition of Excess Concentration Balances, (ii) two times the "Benchmark Percentage" for purposes of clause (4) of that definition, (iii) the sum of (A) all Special Concentration Limits, then in effect with respect to Tier-5 Obligors, plus (B) the product of the "Benchmark Percentage" then in effect for purposes of clause (5) of the definition of Class A Incremental Concentration Balance times the excess of four over. the number of Special Obligors.	20.00%
(b) average of "Dilution Ratios" over the preceding 12 Calculation Periods	3.33%
(c) Dilution Horizon Variable (see E.1(d))	1.806
Provided that the Minimum Required Reserve Ratio shall not be less than 20%	
2. Loss Reserve Ratio + Dilution Reserve Ratio	
where:	
(a) Loss Reserve Ratio (from D1 above) equals	10.65%
(b) Dilution Reserve Ratio (from E1 above) equals	13.78%
3. CLASS A REQUIRED RESERVE RATIO (SUM OF RESERVE RATIOS)	24.43%

4. CLASS A RESERVE RATIO (GREATER OF F1 AND F3)	26.01%

</TABLE>	

G. CLASS B LOSS RESERVE RATIO

<TABLE>

<CAPTION>

	TOTAL

<S>	<C>
1. LOSS RESERVE RATIO = $(a \times b \times (c / d) \times p$	
where:	
(a) the Applicable Ratings Factor	1.50
(b) highest 3-mon. average of the "Aged Receivables Ratio" for any three consecutive Calculation Periods that occurred during the preceding 12 calculation periods ending on most recent Cut-Off Date (See L)	1.564%
(c) Sum of total Receivables generated for the preceeding four prior Calculation Periods	273,209,000
(d) Adjusted Eligible Receivables on most recent Cut Off Date (see line B.16 of Daily Report for most recent Cut-Off Date)	80,230,778
(p) Payment Term Multiplier (See L)	1

2. CLASS B LOSS RESERVE RATIO

7.990%

H. CLASS B DILUTION RESERVE RATIO

TOTAL

	TOTAL

1. DILUTION RESERVE RAT. = ${ (a \times b) + [(c - b) \times (c / b)] } \times d$	10.78%
where:	
[a] = the Applicable Ratings Factor	1.50
[b] = the average of the Dilution Ratios during the 12 consecutive Calculation Periods ending on the related Cut-Off Date	3.33%
[c] = the highest Dilution Ratio for any Calculation Period within the 12 consecutive Calculation Periods ending on the related Cut-Off Date, and	4.12%
[d] = the Dilution Horizon Variable for such Seller Group (total Receivables generated during the two Calculation Periods ending on a most recent Cut-Off Date divided by Adjusted Eligible Receivables on most recent Cut-Off Date (see line B.16 of Daily Report for most recent cut-off date))	1.806

I. CLASS B RESERVE RATIO

THE CLASS B RESERVE RATIO EQUALS THE GREATER OF (i) CLASS B MINIMUM REQUIRED RESERVE RATIO, AND (ii) THE SUM OF THE LOSS RESERVE RATIO AND DILUTION RESERVE RATIO.

	TOTAL

1. Class B Minimum Required Reserve Ratio = $a + (b \times c)$	21.01%
where:	
(a) = the "Concentration Factor" for the Cut-Off Date (which equals the greatest of (i) the "Benchmark Percentage" then in effect for purposes of clause (c) of the definition of Excess Concentration Balances, (ii) 1.5 times the "Benchmark Percentage" for purposes of clause (d) of that definition, (iii) the sum of (A) all Special Concentration Limits, then in effect with respect to Tier-5 Obligors, plus (B) the product of the "Benchmark Percentage" then in effect for purposes of clause (e) of the definition of Excess Concentration Balances times the excess of 2.75 over the number of Special Obligors.	15.00%
(b) average of "Dilution Ratios" over the preceding 12 Calculation Periods	3.33%
(c) Dilution Horizon Variable (see H.1(d))	1.806
Provided that the Minimum Required Reserve Ratio shall not be less than 15%	
2. Loss Reserve Ratio + Dilution Reserve Ratio	
where:	
(a) Loss Reserve Ratio (from G1 above) equals	7.99%
(b) Dilution Reserve Ratio (from H1 above) equals	10.78%
3. CLASS B REQUIRED RESERVE RATIO (SUM OF RESERVE RATIOS)	18.77%
4. CLASS B RESERVE RATIO (GREATER OF I1 AND I3)	21.01%

</TABLE>

J. CLASS A SUBORDINATION DEFICIT

THE CLASS A SUBORDINATION DEFICIT EQUALS THE POSITIVE RESULT (IF ANY) OF (a) CLASS A REQUIRED RESERVE PLUS (b) THE CLASS A INCREMENTAL CONCENTRATION BALANCE, MINUS THE SUM OF THE CLASS B REQUIRED RESERVE PLUS THE OUTSTANDING PRINCIPAL AMOUNT OF ALL SUBORDINATED CLASSES.

<TABLE>		
<S>		<C>
1. Class A Reserve Ratio (See F.4.)		26.01%
2. Class A Incremental Concentration Balance		0.000%
3. Class B Reserve Ratio (See I.4.)		21.01%
4. Outstanding Principal - Subordinated Classes (See C)		\$ 7,500,000
Subordinated Classes (expressed as a percentage of total Invested Amount)		13.64%
5. Sum of Class B Required Reserve and Subordinated Classes (Sum J3 and J4)		34.65%
SUBORDINATION DEFICIT (J3 LESS J5 IF POSITIVE)		0.00%
</TABLE>		

K. LIQUIDATION EVENTS

1. EARLY AMORTIZATION EVENT (SEE SECTION 6.1 OF THE SERIES 1996-1 SUPPLEMENT TO THE POOLING AND SERVICING AGREEMENT)

Triggered ?	----- NO -----
-------------	----------------------

If yes, explain below.

2. SERVICER DEFAULTS (SEE SECTION 10.1 OF THE POOLING AND SERVICING AGREEMENT)

Triggered ?	----- NO -----
-------------	----------------------

If yes, explain below.

3. RECEIVABLE PERFORMANCE TRIGGERS

3 month average "Aged Receivables Balance" > 2.50% ?	----- NO -----
------------------------------------------------------	----------------------

3 month average ratio of 61-90 days past due to Receivables Pool > 5.75% ?	----- NO -----
----------------------------------------------------------------------------	----------------------

3 month average Dilution Ratio > 6.75% ?	----- NO -----
------------------------------------------	----------------------

L. AGED RECEIVABLES RATIO

<TABLE>

<CAPTION>

TOTAL	121 TO	NET	
-----	150 DAYS	WRITE-OFFS	INVOICE
	PAST DUE		-----
<S>	<C>	<C>	<C>
PRECEDING CUT-OFF DATE	1,158,000	0	80,362,000
2ND PREC. CUT-OFF DATE			64,518,000
3RD PREC. CUT-OFF DATE			57,076,000
4TH PREC. CUT-OFF DATE			71,253,000
5TH PREC. CUT-OFF DATE			50,239,000

<S>	<C>	<C>	<C>
AGED RECEIVABLES RATIO =	Receivables 121 to 150 days past due as of the		
(preceding Calculation Period)	most recent Cut-Off Date plus "Write-Offs"	=	1,158,000
	-----		-----

= $\frac{\text{-----}}{\text{-----}}$
 2.3050%
 $\frac{\text{-----}}{\text{-----}}$

<CAPTION>

AGED RECEIVABLES RATIO:

-----	TOTAL
<S>	<C>
Preceding Calculation Period (from above)	2.3050%
2nd Preceding Calculation Period (from preceding Settlement Statement)	1.3780%
3rd Preceding Calculation Period (from 2nd preceding Settlement Statement)	1.0089%

PRECEDING MONTH'S 3-MONTH ROLLING AVERAGE OF AGED RECEIVABLES RATIO

2nd preceding month's 3-month average of Aged Receivables Ratio	1.5640%
3rd	1.1918%
4th	1.1783%
5th	1.2600%
6th	1.1789%
7th	1.2528%
8th	1.2681%
9th	1.4164%
10th	1.5290%
11th	1.4770%
12th	1.3368%
	1.2444%

HIGHEST 3-MONTH AVERAGE OVER PAST 12 MONTHS

1.564%

PAYMENT TERM MULTIPLIER (refer to weighted average payment terms)

1

<CAPTION>

Weighted Average Payment Terms

Payment Term Multiplier

Current Weighted Average Payment Term

-----	<C>	<C>
<S>	<C>	<C>
Less Than 41 Days	1	39.43
41 to 50 Days	1.17	
51-60 Days	1.25	
Up to 90 Days	1.5	

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 M. DILUTION RATIO

SCHEDULE B

<TABLE>

<CAPTION>

TOTAL

<S>	<C>
Dilution Ratio = $\frac{\text{Total Dilution in Calculation Period}}{\text{Total invoices generated during the Preceding Calculation Period}}$	1,948,000
	57,076,000
= $\frac{\text{-----}}{\text{-----}}$	3.413%

767,000

<CAPTION>

Dilution Ratio

	Rolling Avg.
-----	1 Month Dilution Ratio
	2 Month Dilution Ratio

<S>	<C>	<C>
PRECEDING MONTH'S DILUTION RATIO (FROM ABOVE)	3.413%	3.213%
2nd preceding month's Dilution Ratio	3.013%	2.814%
3rd	2.615%	2.647%
4th	2.679%	2.222%
5th	1.765%	2.182%
6th	2.599%	3.577%
7th	4.555%	4.118%
8th	3.680%	4.036%
9th	4.391%	4.062%
10th	3.733%	3.584%
11th	3.434%	3.747%
12th	4.059%	3.839%
13th	3.618%	

(a) AVERAGE DILUTION RATIO OVER THE LAST 12 MONTHS 3.328%
 (b) HIGHEST 2-MO. ROLLING AVERAGE OF DILUTION RATIO OVER THE MOST RECENT 12 MONTHS 4.118%

N. PURCHASE PRICE CALCULATION

Purchase Price Percentage = 100% - (Loss Discount + Purchase Discount Reserve Ratio) 98.69%
 Loss Discount = Loss to Liquidation Ratio = a / b 0.000%

a) aggregate unpaid balance of Receivables (net of recoveries) written off or evidenced by promissory notes during the three preceeding Calculation Periods
 b) aggregate Collections during three preceeding Calculation Periods

Loss Discount -----
 0.000%

	Net Write Offs/Promissory Notes	Collections
	-----	-----
Preceding Month	0	63,235,000
2nd Preceding Month	0	55,609,000
3rd Preceding Month	0	57,640,000

PURCHASE DISCOUNT RESERVE RATIO = (TD/360 X DR) +PD 1.313%

TD = Turnover Days for Receivables originated during the preceeding Calculation Period 42.936
 DR = a fraction, the numerator of which is 12 times accrued Carrying Costs for the preceeding Calculation Period and the denominator of which is the unpaid balance of Receivables as of the last day of the preceeding Calculation Period 6.0%

Carrying Costs = 475,008
 EOM Receivables = 95,300,000
 PD = 0.60% 0.60%
 </TABLE>

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PROJECT BLADE - TAKEOUT

AMENDED AND RESTATED
 RECEIVABLES PURCHASE AGREEMENT

dated as of April 18, 1996

between

HOWMET CORPORATION

and

CERTAIN SUBSIDIARIES OF HOWMET CORPORATION
 as Sellers

and

BLADE RECEIVABLES CORPORATION
 as Buyer

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This AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT, dated as of April 18, 1996 (this "Agreement"), is made among HOWMET CORPORATION, a Delaware corporation ("Howmet"), certain subsidiaries of Howmet that are listed on the signature pages hereto or that become party hereto in accordance with the terms hereof (together with Howmet, the "Sellers"), and BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Buyer"). Except as otherwise defined herein, capitalized terms have the meanings assigned to them in Appendix A to the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996, among Buyer, as Transferor, Howmet, as Servicer, and Manufacturers and Traders Trust Company, as Trustee, and this Agreement shall be interpreted in accordance with the conventions set forth in Part B of such Appendix A.

WHEREAS, the Sellers and Buyer entered into a Receivables Purchase Agreement dated as of December 13, 1995 (the "Existing Purchase Agreement"), pursuant to which the Sellers agreed to sell Receivables that they owned on December 13, 1995, and from time to time thereafter owned, to Buyer, and Buyer agreed to purchase such Receivables from the Sellers from time to time;

WHEREAS, (i) Buyer, Howmet and the Trustee entered into the Existing Pooling Agreement pursuant to which Buyer transferred its interest in the Receivables to the Trust and (ii) the Pooling Agreement amends and restates the Existing Pooling Agreement in its entirety;

WHEREAS, pursuant to the Pooling Agreement, Buyer intends to transfer its interests in the Receivables sold pursuant hereto, together with Receivables contributed to Buyer by Howmet from time to time, to the Trust in order to, among other things, finance its purchases of Receivables hereunder; and

WHEREAS, the Sellers and Buyer wish to amend and restate the Existing Purchase Agreement in its entirety, effective upon the date hereof, to read as set forth in this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

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ARTICLE I
AGREEMENT TO PURCHASE AND SELL

SECTION 1.1 Agreement to Purchase and Sell. On the terms and subject to the conditions set forth in this Agreement (including the conditions to purchases set forth in Article IV), each Seller agrees to sell, transfer, assign, set over and otherwise convey to Buyer and Buyer agrees to purchase from each Seller, at the times set forth in Section 1.2, all of such Seller's right, title and interest in, to and under:

(a) each Receivable of such Seller that existed and were owing to such Seller as at the closing of such Seller's business on the Initial Cut-Off Date,

(b) each Receivable created by such Seller (other than Contributed Receivables) that arises during the period from and including the closing of such Seller's business on the Initial Cut-Off Date to but excluding the earlier to occur of (i) the Purchase Termination Date and (ii) the Termination Effective Date (if any) for such Seller,

(c) all Related Security with respect to all Receivables (other than Contributed Receivables) of such Seller,

(d) all proceeds of the foregoing, including all funds received by any Person in payment of any amounts owed (including invoice prices, finance charges, interest and all other charges, if any) in respect of any Receivable described above (other than a Contributed Receivable) or Related Security with respect to any such Receivable, or otherwise applied to repay or discharge any such Receivable (including insurance payments that a Seller or the Servicer applies in the ordinary course of its business to amounts owed in respect of any such Receivable (it being understood that property insurance covering inventory is not so applied and is not included in this grant) and net proceeds of any sale or other disposition of repossessed goods that were the subject of any such Receivable) or other collateral or property of any Obligor or any other party directly or indirectly liable for payment of such Receivables, and

(e) all Records relating to any of the foregoing.

As used herein, (i) "Purchased Receivables" means the items listed above in clauses (a) and (b), (ii) "Related Purchased Assets" means the items listed above in clauses (c), (d) and (e), (iii) "Related Assets" means the Related Purchased Assets and the Related Contributed Assets, (iv) "Purchased Assets" means the Purchased Receivables and the Related Purchased Assets, (v) "Specified Assets" means the Purchased Receivables, the Contributed Receivables and the Related Assets, and (vi) "Specified Receivables" means the Purchased Receivables and the Contributed Receivables. It is understood and agreed that

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Howmet may (but shall not be required to) contribute Receivables and Related Assets to Buyer from time to time, pursuant to one or more Contribution Agreements substantially in the form of Exhibit D hereto.

SECTION 1.2 Timing of Purchases.

(a) Initial Closing Date Purchases. All of the Purchased Assets of the Sellers that existed at the closing of Howmet's business on the Initial Cut-Off Date were sold automatically to Buyer on the Closing Date.

(b) Regular Purchases. Except to the extent otherwise provided in Section 8.1, 8.2 or (with respect to any Seller) Section 1.8, after the closing of Howmet's business on the Initial Cut-Off Date until the closing of Howmet's business on the Business Day immediately preceding the Purchase Termination Date, all Receivables and the Related Assets of the Sellers shall be deemed to have been sold to Buyer pursuant hereto immediately (and without further action by any Person) upon the creation of the Receivable, unless the Receivable and Related Assets are contributed to Buyer at such time pursuant to a Contribution Agreement.

SECTION 1.3 Consideration for Purchases. On the terms and subject to the conditions set forth in this Agreement, Buyer agrees to make Purchase Price payments to the Sellers in accordance with Article III.

SECTION 1.4 No Recourse. Except as specifically provided in this Agreement, the sale and purchase of Purchased Assets under this Agreement shall be without recourse to the Sellers; it being understood that (i) each Seller shall be liable to Buyer for all representations, warranties, covenants and indemnities made by such Seller pursuant to the terms of this Agreement, all of which obligations are limited so as not to constitute recourse to such Seller for the credit risk of the Obligors, and (ii) Howmet shall be liable to Buyer to the extent specified in the Seller Guaranty.

SECTION 1.5 No Assumption of Obligations Relating to Receivables, Related Assets or Contracts. None of Buyer, the Servicer nor the Trustee shall have any obligation or liability to any Obligor or other customer or client of a Seller (including any obligation to perform any of the obligations of such Seller under any Receivable, related Contracts or any other related purchase orders or other agreements). No such obligation or liability is intended to be assumed by Buyer, the Servicer or the Trustee hereunder, and any assumption is expressly disclaimed.

SECTION 1.6 True Sales. The Sellers and Buyer intend the transfers of the Specified Assets hereunder to be true sales by the Sellers to Buyer that are

absolute and irrevocable and that provide Buyer with the full benefits of ownership of such Specified Assets, and none of the Sellers nor Buyer intends the transactions contemplated hereunder to be, or for any purpose to be characterized as, loans from Buyer to any Seller.

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SECTION 1.7 Addition of Sellers. Any Subsidiary of Howmet may become a Seller hereunder and sell its accounts receivable and property of the types that constitute Related Assets hereunder to Buyer if the Modification Condition is satisfied with respect to such addition. Howmet and its Subsidiary that is proposed to be added as a Seller shall give to Buyer, the Trustee and the Rating Agencies not less than 30 days' (or such shorter number of days as is acceptable to Trustee) prior written notice of the effective date of the addition of the Subsidiary as a Seller. Once the notice has been given, any addition of a Subsidiary of Howmet as a Seller pursuant to this section shall become effective on the first Business Day following the expiration of the notice period (or such later date as may be specified in the notice) on which (i) the Modification Condition has been satisfied, (ii) Howmet has given the notice described in Section 3.5(e) of the Pooling Agreement to Buyer, (iii) the Servicer shall have delivered to the Trustee a supplement to the Monthly Report then in effect as described in Section 3.5(e) of the Pooling Agreement and Howmet shall have confirmed in writing to the Trustee that the Seller Guaranty covers Obligations of such Subsidiary, and (iv) such Subsidiary and the parties hereto shall have executed and delivered the agreements, instruments and other documents and the amendments or other modifications to the Transaction Documents, in form and substance reasonably satisfactory to Buyer and the Trustee, that Buyer or the Trustee reasonably determines are necessary or appropriate to effect the addition.

SECTION 1.8 Termination of Status as a Seller. (a) At any time when more than one Person is a Seller, a Seller may terminate its obligation to sell its Receivables and Related Assets to Buyer if such Seller (a "Terminating Seller") is either a Voluntary Terminating Seller or a Mandatory Terminating Seller.

(b) A "Voluntary Terminating Seller" is a Seller that satisfies the following requirements:

(i) such Seller shall have given Buyer, the Trustee and the Rating Agencies not less than 30 days' (or such shorter period as is acceptable to the Trustee) prior written notice of its intention to terminate its obligation to sell its Receivables and Related Assets to Buyer (the date on which such notice is given being the "Terminating Seller Notice Date"),

(ii) an Authorized Officer of the Terminating Seller shall have certified that the termination by the Terminating Seller of its status as a Seller will not have a Material Adverse Effect,

(iii) both immediately before and after giving effect to the termination by the Terminating Seller, no Early Amortization Event or Unmatured Early Amortization Event shall have occurred and be continuing or shall reasonably be expected to occur, and

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(iv) either (x) such Seller is a Permitted Terminating Seller or (y) the Modification Condition is satisfied with respect to the termination by such Seller.

"Permitted Terminating Seller" means a Voluntary Terminating Seller that satisfies the following requirements:

(x) the aggregate Unpaid Balance of such Seller's Receivables on the Cut-Off Date immediately preceding its Terminating Seller Notice Date would not exceed 20% of the aggregate Unpaid Balance of all Receivables (calculated as of such Cut-Off Date), and (y) the aggregate Unpaid Balance of such Seller's Receivables on such Cut-Off Date, together with the Previously Terminated Seller Amount in respect of the Sellers terminated pursuant to this subsection 1.8(b) at any time during the one-year period ending on such Cut-Off Date, would not exceed 25 % of the sum of the Previously Terminated Seller Amount and the aggregate Unpaid Balance of all Receivables (calculated as of such Cut-Off Date) .

"Previously Terminated Seller Amount" means, on any day, the aggregate Unpaid Balance of Receivables originated by all Permitted Terminating Sellers previously terminated pursuant to this subsection 1.8(b), calculated with

respect to any Seller as of the Cut-Off Date immediately preceding its Terminating Seller Notice Date.

(c) A "Mandatory Terminating Seller" is a Seller that has ceased to be a Subsidiary of Howmet or that has sold all or substantially all of its assets to any Person (other than a Howmet Person). Howmet shall give Buyer, the Trustee and the Rating Agencies not less than 10 days' (or such shorter period as is acceptable to the Trustee) prior written notice of circumstances that would cause a Seller to become a Mandatory Terminating Seller.

(d) Each Terminating Seller shall have a "Termination Effective Date," determined as follows. The Termination Effective Date for a Voluntary Terminating Seller shall be the first date on which the conditions specified in subsection 1.8(b) are satisfied. The Termination Effective Date for a Mandatory Terminating Seller shall be the date on which such Seller ceases to be a Subsidiary of Howmet or has sold all or substantially all of its assets to any Person (other than a Howmet Person). As of the Termination Effective Date for any Terminating Seller, such Terminating Seller shall be relieved of its obligation to sell, and Buyer shall be relieved to its obligation to buy, Receivables (and Related Assets with respect thereto) originated by such Terminating Seller on or after such date. Such Terminating Seller shall not be relieved of its other Obligations, to the extent such Obligations relate to Receivables (and Related Assets with respect thereto) originated prior to such Termination Effective Date, except that (i) any Mandatory Terminating Seller shall not be bound by subsection 6.3(d) on and after its Termination Effective Date, and (ii) a Terminating Seller shall be released from all of its Obligations after the aggregate Unpaid Balance of Receivables originated by such Seller and included in the Receivables Pool is reduced to zero (whether by sale, payment or write-off of such Receivables, provided that

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any write-offs are made in a manner consistent with such Seller's prior practices and the Credit and Collection Policy). Notwithstanding such release, the Obligations of such Terminating Seller under Section 9.1 shall be deemed to survive for purposes of the Seller Guaranty, and Howmet shall remain liable under the Seller Guaranty for any claims that would have arisen under Section 9.1 against such Terminating Seller but for such release.

(e) A Terminating Seller may require Buyer to exercise its rights under Section 13.19 of the Pooling Agreement to cause the Trustee to convey all of its right, title and interest in all (but not less than all) of the Specified Receivables (and Related Assets with respect thereto) originated by such Terminating Seller to a Person designated by such Terminating Seller against receipt, in cash, of a release price (the "Release Price") of not less than the aggregate Unpaid Balance of the released Receivables. Any such Terminating Seller, upon receipt by the Trustee of the Release Price, shall be released from all of its Obligations. No such release and conveyance shall, however, be permitted if as a result thereof, any Howmet Person would acquire any of such Terminating Seller's Specified Receivables. Notwithstanding such release, the Obligations of such Terminating Seller under Section 9.1 shall be deemed to survive for purposes of the Seller Guaranty, and Howmet shall remain liable under the Seller Guaranty for any claims that would have arisen under Section 9.1 against such Terminating Seller but for such release.

(f) A Terminating Seller may (i) sell its Buyer Note to Howmet or any other Seller for a purchase price equal to the present value of the outstanding principal amount thereof or (ii) transfer its Buyer Note to Howmet as a dividend.

ARTICLE II CALCULATION OF PURCHASE PRICE

SECTION 2.1 Calculation of Purchase Price. (a) On each Business Day (including the Closing Date), the Servicer shall deliver to Buyer, the Trustee and How met a Daily Report with respect to Buyer's purchases of Receivables from the Sellers:

(i) that are to be made on the Closing Date (in the case of the Daily Report to be delivered on the Closing Date) or

(ii) that were made on the immediately preceding Business Day (in the case of each subsequent Daily Report).

(b) On each day when Receivables are purchased by Buyer from a Seller pursuant to Article I, the "Purchase Price " to be paid to such Seller on such day for the Purchased Receivables and Related Purchased Assets that are to be sold by such Seller on such day shall be determined in accordance with the following formula:

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PP = AUB x PPP

where:

PP = the aggregate Purchase Price for the Purchased Receivables and Related Purchased Assets to be purchased from such Seller on such day,

AUB = the "Aggregate Unpaid Balance" of the Purchased Receivables that are to be purchased from such Seller on such day. For purposes of this calculation, "Aggregate Unpaid Balance" shall mean (i) for purposes of calculating the Purchase Price to be paid to such Seller on the Closing Date, the sum of the Unpaid Balance of each Purchased Receivable generated by such Seller, as measured as at the closing of such Seller's business on the Initial Cut-Off Date, and (ii) for purposes of calculating the Purchase Price on each Business Day thereafter, the sum of the Unpaid Balance of each Purchased Receivable to be purchased from such Seller on such day, calculated at the time of such Receivable's sale to Buyer, and

PPP = the Purchase Price Percentage applicable to the Purchased Receivables to be purchased from such Seller on such day, as determined pursuant to Section 2.2.

SECTION 2.2 Definitions and Calculations Related to Purchase Price Percentage.

(a) "Purchase Price Percentage" for the Purchased Receivables to be sold by a Seller on any day during a Distribution Period shall mean the percentage determined in accordance with the following formula:

$$PPP = 100\% - (LLR + PDRR)$$

where:

PPP = the Purchase Price Percentage in effect during such Distribution Period,

LLR = the Loss to Liquidation Ratio (expressed as a percentage) in effect during such Distribution Period, and

PDRR = the Purchase Discount Reserve Ratio (expressed as a percentage) in effect during such Distribution Period, as determined on such day pursuant to subsection (below).

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The Purchase Price Percentage, the Loss to Liquidation Ratio and the Purchase Discount Reserve Ratio shall be recomputed by the Servicer on each Report Date, in each case as of the then most recent Cut-Off Date, and shall become effective on the next Distribution Date.

(b) "Purchase Discount Reserve Ratio" for the Purchased Receivables to be sold by a Seller on any day during a Distribution Period shall mean a percentage determined in accordance with the following formula:

$$PDRR = (TD/360 \times DR) + PD$$

where:

PDRR = the Purchase Discount Reserve Ratio in effect during such Distribution Period,

TD = the Turnover Days during the Calculation Period preceding the first day of such Distribution Period,

DR = the Discount Rate (expressed as a percentage) in effect during such Distribution Period as determined pursuant to subsection (c) below, and

PD = a profit discount equal to 0.60%.

(c) "Discount Rate" for the Purchased Receivables to be sold by a Seller on any day during a Distribution Period shall mean a fraction (expressed as a percentage) having (i) a numerator equal to 12, multiplied by an amount equal to the accrued Carrying Costs for the Calculation Period preceding the first day of such Distribution Period, and (ii) a denominator equal to the

aggregate Unpaid Balance of the Purchased Receivables as of the last day of the Calculation Period preceding the first day of such Distribution Period.

ARTICLE III
PAYMENT OF PURCHASE PRICE; SERVICING, ETC.

SECTION 3.1 Purchase Price Payments. (a) On the Closing Date and on the Business Day following each day on which any Purchased Receivables and Related Assets are purchased by Buyer pursuant to Article I, on the terms and subject to the conditions of this Agreement, Buyer shall pay to the Sellers such Purchase Price for such Receivables and Related Assets purchased on such day by Buyer by (i) in the case of the Purchase Price for Purchased Receivables originated by Howmet, by reducing the outstanding principal amount of the Acquisition Loan by the amount of such Purchase Price, (ii) making a cash payment to

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Servicer (for the account of the Sellers) to the extent that Buyer has cash available to make the payment pursuant to Section 3.3 and (iii) if the Purchase Price to be paid for the Purchased Receivables and Related Assets of any Seller exceeds the amount of any cash payment for the account of such Seller on such day pursuant to clause (ii), by automatically increasing the principal amount outstanding under such Seller's Buyer Note by the amount of the excess; provided that the Purchase Price owed to each Seller (other than Howmet) on the Closing Date shall be paid by increasing the principal amount outstanding under each such Seller's Buyer Note by the amount of the Purchase Price for such Seller's Receivables; and provided further, that Buyer shall not make any cash payments in respect of Purchased Receivables originated by Howmet pursuant to clause (ii) until the outstanding principal amount of the Acquisition Loan has been reduced to zero.

The obligation of Buyer to pay the Purchase Price for Purchased Receivables that has been deferred pursuant to the preceding paragraph shall be evidenced by Buyer Notes. Howmet and each other Seller agree that, prior to the Seller Maturity Date, Buyer shall be required to make payments in respect of the payment obligations evidenced by the Buyer Notes only to the extent that it has cash available under Section 3.3.

(b) Except as provided in a Supplement or PI Agreement, on each Business Day, the "Noncomplying Receivables and Dilution Adjustment" shall be equal to the sum of (A) the aggregate Seller Dilution Adjustments in respect of all Sellers, if any, for the immediately preceding Business Day, as shown in the Daily Report for such day, plus (13) the aggregate Seller Noncomplying Receivables Adjustments in respect of all Sellers, if any, for the immediately preceding Business Day, as shown in the Daily Report for such day, in the case of each of clauses (A) and (B), as the amounts are determined pursuant to Section 3.5. If the Noncomplying Receivables and Dilution Adjustment is positive on any day, Buyer shall reduce the Purchase Price payable to each Seller on such day pursuant to subsection (a) above by the amount of the Noncomplying Receivables and Dilution Adjustment that is attributable to such Seller.

(c) If on any day the sum of the Seller Dilution Adjustments and the Seller Noncomplying Receivables Adjustments attributable to any Seller (as determined pursuant to Section 3.5) exceeds the Purchase Price payable by Buyer to such Seller pursuant to subsection (a) above on such day, or if such day falls on or after the earlier of (i) the Purchase Termination Date and (ii) the Termination Effective Date (if any) for such Seller, then the principal amount of such Seller's Buyer Note shall be reduced automatically by the amount of such excess.

(d) If, on any day prior to the Purchase Termination Date, the principal amount of a Seller's Buyer Note is zero and such Seller is not a Terminating Seller, then the amount of the excess of the sum of the Seller Dilution Adjustments and the Seller Noncomplying Receivables Adjustments attributable to such Seller (as determined pursuant to Section 3.5) on such day over the Purchase Price payable by Buyer to Servicer (for the account of such

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Seller) on such day pursuant to subsection (a) above (the "Purchase Price Credit") shall be credited against the Purchase Price payable by Buyer for subsequent Purchases of Receivables and Related Assets of such Seller by Buyer. If any such Purchase Price Credit has not been fully applied on or prior to the fifth Business Day after the creation of such Purchase Price Credit, then, on the Business Day that follows the end of the five Business Day period, such Seller shall pay to Servicer (for the account of Buyer) in cash the remaining unapplied amount of the Purchase Price Credit (and each such payment shall be deemed a Collection in accordance with Section 3.5).

(e) If, on any day on or after the Purchase Termination Date, or, with respect to any Seller, the date such Seller becomes a Terminating Seller, the principal amount of any Seller's Buyer Note has been reduced to zero, an amount equal to the sum of any Seller Dilution Adjustments and the Seller Noncomplying Receivables Adjustments, if any, in respect of such Seller (as determined pursuant to Section 3.5) shall be paid by such Seller to Servicer (for the account of Buyer) in cash on the next succeeding Business Day (and each such payment shall be deemed a Collection in accordance with Section 3.5).

(f) Amounts received by Servicer pursuant to this Section 3.1 for the account of Sellers shall be allocated among the Sellers in accordance with Section 3.3. Servicer shall maintain a bookkeeping account (the "Seller Account") for purposes of tracking:

(i) the Purchase Price payable to each Seller in respect of Purchased Receivables sold by it to Buyer (including the extent to which cash and non-cash payments made by Buyer should be allocated to each Seller),

(ii) the extent to which such Purchase Price should be reduced on account of such Seller's Seller Dilution Adjustments and the Seller Noncomplying Receivables Adjustments (including any allocation of a Purchase Price Credit),

(iii) the extent to which payments (whether cash or non-cash) by Buyer in respect of a negative Noncomplying Receivables and Dilution Adjustment should be allocated to each Seller, and

(iv) cash payments made to and by each Seller in respect of the items described above.

Servicer shall maintain sufficient records with respect to the Seller Account such that, on any day, it would be able to calculate each of the items set forth above. Intercompany accounts resulting from the items described above and any payments made by Howmet pursuant to the Seller Guaranty will be settled in accordance with the intercompany cash management system customarily employed by Howmet and its Subsidiaries.

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SECTION 3.2 The Buyer Notes. (a) On the date hereof, Buyer will deliver to each Seller a promissory note, substantially in the form of Exhibit A, payable to the order of each such Seller (each such promissory note, as the same may be amended, supplemented, endorsed or otherwise modified from time to time, together with any promissory note issued from time to time in substitution therefor or renewal thereof in accordance with the Transaction Documents, being herein called a "Buyer Note"), that is subordinated to all Senior Interests now or hereafter arising under or in connection with the Pooling Agreement. Each Buyer Note is payable in full on the date that is twelve months after the date on which all Investor Certificates and Purchased Interests have been repaid in full and the Revolving Periods for all Investor Certificates and Purchased Interests have terminated (the "Seller Maturity Date"). Each Buyer Note bears interest at a rate per annum equal to the higher of the applicable federal mid-term rate and applicable federal short-term rate in effect under Section 1274(d) of the Internal Revenue Code (the "Applicable Federal Rate"), determined as of each Cut-Off Date. Buyer may prepay all or part of the outstanding balance of any Buyer Note from time to time without any premium or penalty, unless the prepayment would result in a default in Buyer's payment of any other amount required to be paid by it under any Transaction Document.

(b) Howmet shall make all appropriate recordkeeping entries with respect to the Buyer Notes or otherwise to reflect the payments on and adjustment of the Buyer Notes. Howmet's books and records shall constitute rebuttable presumptive evidence of the principal amount of and accrued interest on each Buyer Note at any time. Each Seller hereby irrevocably authorizes Howmet to mark its Buyer Note "CANCELED" and return it to Buyer upon the final payment thereof.

SECTION 3.3 Application of Collections' and Other Funds. If, on any day, Buyer receives any distributions on account of the Transferor Certificate pursuant to the Pooling Agreement, Buyer shall apply the funds as follows:

(a) first, to pay its existing expenses and to set aside funds for the payment of expenses that are then accrued (including operating expense and amounts due under its tax sharing agreement with Howmet),

(b) second, to repay amounts owed by Buyer to each Terminating Seller under its Buyer Note,

(c) third, to pay the Purchase Price as adjusted pursuant to Section 3.1 for Receivables and Related Assets purchased by Buyer from the Sellers (other than Howmet) on such day (in the case of the Closing

Date) or the next preceding Business Day,

(d) fourth, to repay amounts owed by Buyer to the Sellers (other than Terminating Sellers and Howmet) under the Buyer Notes of such Sellers,

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(e) fifth, to pay the Purchase Price as adjusted pursuant to Section 3.1 for Receivables and Related Assets purchased by Buyer from Howmet on such day (in the case of the Closing Date) or the next Business Day,

(f) sixth, to repay amounts owed by Buyer to Howmet under Howmet's Buyer Note,

(g) seventh, to pay amounts owed pursuant to Section 3.1(f), and

(h) eighth, to make loans to Howmet or to declare and pay dividends to Howmet to the extent permitted by law and the Transaction Documents.

SECTION 3.4 Servicing of Receivables and Related Assets. Consistent with Buyer's ownership of the Specified Receivables and the Related Assets, as between the parties to this Agreement, Buyer shall have the sole right to service, administer and collect the Specified Receivables, to assign the right and to delegate the right to others. Without limiting the generality of Section 10.11, each Seller hereby acknowledges and agrees that Buyer shall assign to the Trustee for the benefit of the Investor Certificate holders and the Purchasers the rights and interests sold and assigned by the Sellers to Buyer hereunder and agrees to cooperate fully with the Servicer and the Trustee in the exercise of the rights. As more fully described in Section 7.4(b) and in the Pooling Agreement, the Trustee may exercise the rights in the place of Buyer (as assignee or otherwise) only after the designation of a Servicer other than Howmet pursuant to Section 10.2 of the Pooling Agreement. At Trustee's request, each Seller will (A) assemble all of the Records that are necessary or appropriate to collect the Specified Receivables and Related Assets, and shall make the same available to Trustee at one or more places selected by Trustee or its designee, (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to Trustee and shall, promptly upon receipt (and in no event later than the second Business Day following receipt), remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to a Bank Account or the Master Collection Account and (c) permit, upon not less than two Business Days' prior written notice, any Successor Servicer and its agents, employees and assignees access to such Seller's facilities and Records.

SECTION 3.5 Adjustments for Noncomplying Receivables. Dilution and Cash Discounts. (a) if at any time any of Buyer, the Servicer, the Trustee or a Seller shall determine that any Receivable identified by the Servicer as an Eligible Receivable on the date of Purchase thereof by Buyer or the contribution thereof to Buyer was in fact a Seller Noncomplying Receivable on such date, or that any of the representations and warranties made by the related Seller in Section 5.1 (k) with respect to such Receivable was not true on such date, such Seller shall be deemed to have received on the date of such determination a Collection of such Receivable in an amount equal to the Unpaid Balance of such Receivable (the sum of all such amounts for such Seller on any day being called the "Seller

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Noncomplying Receivables Adjustment" for such Seller for such day), and such Seller Noncomplying Receivables Adjustment shall be settled in the manner provided for in Section 3.1.

(b) If on any day the aggregate Unpaid Balance of any Specified Receivable sold or contributed to Buyer on or before such date by a Seller is reduced in any manner described in the definition of "Dilution" (the total of the reductions being called the "Seller Dilution Adjustment" for the Seller for such day), then such Seller shall be deemed to have received on such day a Collection of such Receivable in the amount of the Seller Dilution Adjustment and such Seller Dilution Adjustment shall be settled in the manner provided in Section 3.1.

SECTION 3.6 Payments and Computations, Etc. (a) All amounts to be paid by a Seller to Buyer hereunder shall be paid in accordance with the terms hereof no later than 1:00 p. m., New York City time, on the day when due in Dollars in immediately available funds to an account that Buyer shall from time to time

specify in writing. Payments received by Buyer after such time shall be deemed to have been received on the next Business Day. In the event that any payment becomes due on a day that is not a Business Day, then the payment shall be due on the next Business Day. Each Seller shall, to the extent permitted by law, pay to Buyer, on demand, interest on all amounts not paid when due hereunder at 2% per annum above the interest rate on each such Seller's Buyer Note in effect on the date the payment was due; provided, however, that the interest rate shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(b) All amounts to be paid by Buyer to a Seller hereunder shall be paid no later than 2:00 p. m., New York City time, on the day when due in Dollars in immediately available funds to an account that Howmet shall from time to time specify in writing. In the event that any payment becomes due on a day that is not a Business Day, then such payment shall be due on the next Business Day. In the event that any payment of interest is not made by Buyer to any Seller on the date that such payment becomes due, the amount of such Seller's Buyer Note shall be automatically increased by the amount of such interest in lieu of such payment.

ARTICLE IV
CONDITIONS TO PURCHASES

SECTION 4.1 Conditions Precedent to Initial Purchase. The initial purchase hereunder is subject to the conditions precedent that (i) each of the conditions precedent to the execution, delivery and effectiveness of each other Transaction Document (other than a condition precedent in any other Transaction Document relating to the effectiveness of this

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Agreement) shall have been fulfilled to the satisfaction of Buyer, (ii) Acquisition shall have been merged into Howmet and Howmet shall have assumed all obligations of Acquisition, and (iii) Buyer shall have received (or in the case of subsection (f) below, shall have delivered) each of the following, on or before the date hereof, each (unless otherwise indicated) dated the date hereof and each in form and substance satisfactory to Buyer:

(a) Seller Assignment Certificates. A Seller Assignment Certificate from each Seller in the form of Exhibit C, duly completed, executed and delivered by such Seller,

(b) Resolutions. A copy of the resolutions of the Board of Directors of each Seller approving this Agreement and the other Transaction Documents to be delivered by it hereunder and the transactions contemplated hereby and thereby and addressing such other matters as may be required by Buyer, certified by its Secretary or Assistant Secretary, each as of a recent date acceptable to Buyer,

(c) Good Standing Certificate of each Seller: Certificates as to Foreign Qualification of each Seller. A good standing certificate for each Seller, issued by the Secretary of State of the jurisdiction of its incorporation and of each state in which such Seller transacts business, is required to be in good standing and where the failure to be in good standing would have a Material Adverse Effect,

(d) Incumbency Certificate. A certificate of the Secretary or Assistant Secretary of each Seller certifying, as of a recent date reasonably acceptable to Buyer, the names and true signatures of the officers authorized on such Seller's behalf to sign the Transaction Documents to be delivered by such Seller (on which certificate Buyer, the Trustee and the Servicer may conclusively rely until such time as Buyer shall receive from such Seller (with a copy to the Trustee and the Servicer), a revised certificate meeting the requirements of this subsection),

(e) Other Transaction Documents. Original copies, executed by each of the parties thereto in such reasonable number as shall be specified by Buyer, of each of the other Transaction Documents to be executed and delivered in connection herewith,

(f) Buyer Notes. The Buyer Notes, executed by Buyer, and

(g) License Agreements. Duly executed and counterparts of a letter agreement pertaining to the software license agreement between Howmet and any third party vendor adding Buyer as a licensee, permitting use of the licensed material by a substitute Servicer.

SECTION 4.2 Certification as to Representations and Warranties. Each Seller, by accepting the Purchase Price paid for each Purchase, shall be deemed

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respect to the Purchased Receivables and Related Assets to be sold by it on such day, and Howmet, upon a contribution of Receivables and Related Assets to Buyer pursuant to a Contribution Agreement, shall be deemed to have certified with respect to such Receivables and Related Assets to be contributed on such day, that its representations and warranties contained in Article V (excluding, with respect to any day alter the date hereof, Section 5.1(i)) are true and correct on and as of such day, with the same effect as though made on and as of such day.

SECTION 4.3 Effect of Payment of Purchase Price. Upon the payment of the Purchase Price (whether in cash or by an increase in any Buyer Note pursuant to Section 3.1) for any Purchase, title to the Purchased Receivables and the Related Assets included in the Purchase shall vest in Buyer, whether or not the conditions precedent to the Purchase were in fact satisfied; provided, however, that Buyer shall not be deemed to have waived any claim it may have under this Agreement for the failure by a Seller in fact to satisfy any such condition precedent.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

SECTION 5.1 Representations and Warranties of the Sellers. In order to induce Buyer to enter into this Agreement and to make purchases hereunder, each Seller hereby makes the representations and warranties set forth in this section with respect to itself at the times and to the extent set forth in Section 4.2 (it being understood that only How met makes the representations and warranties set forth below with respect to any Contribution Agreement and the Contributed Receivables and the Related Assets relating thereto) .

(a) Organization and Good Standing. Such Seller is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and authority to own its properties and to conduct its business as the properties presently are owned and the business presently is conducted. Such Seller had at all relevant times, and now has, all necessary power, authority, and legal right to own and sell (and, in the case of Howmet, contribute) its Receivables and the Related Assets.

(b) Due Qualification. Such Seller is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires qualification, licenses or approvals and where the failure so to qualify, to obtain the licenses and approvals or to preserve and maintain the qualification, licenses or approvals would have a Material Adverse Effect.

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(c) Power and Authority: Due Authorization. Such Seller has (i) all necessary power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) perform its obligations under this Agreement and the other Transaction Documents to which it is a party, and (c) sell and assign (and, in the case of Howmet, contribute) its Receivables and the Related Assets on the terms and subject to the conditions herein and therein provided and (ii) duly authorized by all necessary action such sale and assignment (and, in the case of Howmet, contribution), and the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions provided for in this Agreement and the other Transaction Documents to which it is a party.

(d) Valid Sale: Binding Obligations. Each sale of Receivables and Related Assets made by such Seller pursuant to this Agreement (and, in the case of Howmet, each contribution of Receivables and Related Assets made to Buyer pursuant to any Contribution Agreement) shall constitute a valid sale (except in the case of Contributed Receivables), transfer, and assignment of all of such Seller's right, title and interest in, to and under such Receivables and the Related Assets of such Seller to Buyer that is perfected and of first priority under the UCC and otherwise, enforceable against creditors of, and purchasers from, such Seller and free and clear of any Adverse Claim (other than any Permitted Adverse Claim or any Adverse Claim arising

solely as a result of any action taken by Buyer hereunder or by the Trustee under the Pooling Agreement); and this Agreement constitutes, and each other Transaction Document to which such Seller is a party when duly executed and delivered will constitute, a legal, valid and binding obligation of such Seller, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(e) No Conflict or Violation. The execution, delivery and performance of, and the consummation of the transactions contemplated by, this Agreement and the other Transaction Documents to be signed by such Seller and the fulfillment of the terms hereof and thereof will not (i) conflict with, violate, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) its Certificate of Incorporation or Bylaws or (B) any indenture, loan agreement, mortgage, deed of trust or other material agreement or instrument to which such Seller is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim (other than a Permitted Adverse Claim) upon any of the Receivables or Related Assets other than pursuant to this Agreement and the other Transaction Documents, or (iii) conflict with or violate any federal, state, local or foreign law or any decision, decree, order, rule or regulation applicable to it or any of its properties of any court or of any federal, state, local or foreign regulatory body, administrative agency or other governmental

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instrumentality having jurisdiction over it or any of its properties, which conflict, violation, breach, default or Adverse Claim, individually or in the aggregate, would have a Material Adverse Effect.

(f) Litigation and Other Proceedings. Except as described in Schedule 1, (i) there is no action, suit, proceeding or investigation pending or, to the best knowledge of such Seller, threatened against it before any court, regulatory body, arbitrator, administrative agency or other tribunal or governmental instrumentality and (ii) it is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority that, in the case of each of clauses (i) and (ii), (A) asserts the invalidity of this Agreement or any other Transaction Document, (B) seeks to prevent the sale (or, in the case of Howmet, contribution) of any Receivables or Related Assets by such Seller to Buyer, the issuance of the applicable Seller Assignment Certificate or the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document, (c) seeks any determination or ruling that would materially and adversely affect the performance by such Seller of its obligations under this Agreement or any other Transaction Document or the validity or enforceability of this Agreement or any other Transaction Document, (d) seeks to affect adversely the income tax attributes of the purchases hereunder or the applicable Seller Assignment Certificate, in the case of each of the foregoing whether under the United States Federal income tax system or any state income tax system, or (e) individually or in the aggregate for all such actions, suits, proceedings and investigations would have a Material Adverse Effect.

(g) Government Approvals. All authorizations, consents, orders and approvals of, or other action by, any Governmental Authority that are required to be obtained by such Seller, and all notices to and filings (except, in respect of enforceability against any Obligor that is the United States government or any of its agencies or instrumentalities, any filings under the Federal Assignment of Claims Act and any consents required by states with respect to any Specified Receivables arising from any state or local government agency or instrumentality, so long as such Receivables are not reported as Eligible Receivables), with any Governmental Authority that are required to be made by it, in the case of each of the foregoing in connection with the conveyance of Specified Receivables and Related Assets or the due execution, delivery and performance by such Seller of this Agreement, such Seller's Seller Assignment Certificate or any other Transaction Document to which it is a party and the consummation of the transactions contemplated by this Agreement, have been obtained or made and are in full force and effect, except where the failure to obtain or make any such authorization, consent, order, approval, notice or filing, individually or in the aggregate for all such failures, would not reasonably be expected to have a Material Adverse Effect.

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(h) Bulk Sales Act. No transaction contemplated by this Agreement or any other Transaction Document requires compliance with, or will be subject to avoidance under, any bulk: sales act or similar law.

(i) Financial Condition. The Pro Forma Financial Data, copies of which have been furnished to Buyer and the Trustee, fairly present in all material respects the pro forma financial position, results of operations and cash flows of Howmet and its consolidated Subsidiaries at the dates and for the periods to which they relate and have been prepared in accordance with GAAP applied on a consistent basis, except as otherwise stated therein (except, in the case of quarterly financial statements, for the omission of footnotes and ordinary year-end adjustments, none of which, individually or in the aggregate, would be material). Since September 30, 1995 through to the date hereof (and except as contemplated in the Pro Forma Financial Data), there has been no material adverse change in the condition (financial or otherwise), or the earnings, business affairs or business prospects of Howmet and its consolidated Subsidiaries, whether or not arising in the ordinary course of business. "Pro Forma Financial Data" means the pro forma consolidated financial data included in the offering memorandum, dated November 22, 1995 with respect to the proposed offering of Senior Subordinated Notes due 2003 to be issued by Howmet pursuant to the Note Indenture.

(j) Margin Regulations. No use of any funds obtained by such Seller under this Agreement will conflict with or contravene any of Regulations G, T, U and X promulgated by the Federal Reserve Board from time to time.

(k) Quality of Title.

(i) Immediately before each Purchase (and, in the case of Howmet, each contribution to be made to Buyer under any Contribution Agreement), each Receivable and Related Asset of such Seller that is then to be transferred to Buyer, and the related Contracts, shall be owned by such Seller free and clear of any Adverse Claim (other than any Permitted Adverse Claim or any Adverse Claim arising solely as the result of any action taken by Buyer hereunder or by the Trustee under the Pooling Agreement); provided that the existence of an Adverse Claim that is released on the First Issuance Date (upon application of the proceeds of the issuance of Certificates on that date) shall not constitute a breach of this representation and warranty; and such Seller shall have made all filings and shall have taken all other action under applicable law in each relevant jurisdiction in order to protect and perfect the ownership interest of Buyer and its successors in the Specified Receivables and Related Assets against all creditors of, and purchasers from, such Seller.

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(ii) Whenever Buyer makes a purchase hereunder from such Seller (or accepts a contribution from Howmet under any Contribution Agreement), Buyer shall have acquired a valid and perfected first priority ownership interest in each Specified Asset sold by such Seller or contributed by Howmet on such date, free and clear of any Adverse Claim (other than any Permitted Adverse Claim or any Adverse Claim arising solely as the result of any action taken by Buyer hereunder or by the Trustee under the Pooling Agreement) .

(iii) No effective financing statement or other instrument similar in effect that covers all or part of any Receivable originated by such Seller, any interest therein or any Related Asset with respect thereto is on file in any recording office except (x) such as may be filed (A) in favor of such Seller in accordance with the Contracts, (B) in favor of Buyer pursuant to this Agreement or any Contribution Agreement and (c) in favor of the Trustee, for the benefit of the Certificate holders and Purchasers, in accordance with the Pooling Agreement, (y) such as may have been identified to Buyer prior to the Closing Date and termination statements relating to which have been placed with LEXIS Document Services, or a similar service, for filing on the First Issuance Date or the first Business Day thereafter, and (z) such as may be filed with respect to Receivables (and Related

Assets with respect thereto) that are not Specified Receivables in favor of Persons bound by an Intercreditor Agreement. No effective financing statement or instrument similar in effect relating to perfection that covers any inventory of such Seller that might give rise to Receivables is on file in any recording office except for (so long as an Intercreditor Agreement is in effect) financing statements or instruments in favor of creditors of such Seller bound by such Intercreditor Agreement.

(iv) No Purchase by Buyer from such Seller (or, in the case of Howmet, contribution to Buyer) constitutes a fraudulent transfer or fraudulent conveyance under the United States Bankruptcy Code or applicable state bankruptcy or insolvency laws or is otherwise void or voidable or subject to subordination under similar laws or principles or for any other reason.

(v) Each Purchase by Buyer from such Seller constitutes a true and valid sale of Purchased Receivables and Related Assets under applicable state law and true and valid assignments and transfers for consideration (and not merely a pledge of such Receivables and Related Assets for security purposes), enforceable against the creditors of such Seller, and none of the Specified Receivables or Related Assets transferred to Buyer hereunder or under any Contribution Agreement shall constitute property of such Seller.

(1) Eligible Receivables. (i) On the date of each Purchase of Receivables hereunder from such Seller (or in the case of How met, contribution from How met),

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each such Receivable, unless otherwise identified to Buyer and the Trustee by the Servicer in the Daily Report for such date, is an Eligible Receivable, and (ii) on the date of each Daily Report or Monthly Report that identifies a Receivable originated by such Seller as an Eligible Receivable, such Receivable is an Eligible Receivable.

(m) Accuracy of Information. All written information furnished on and after the Closing Date by or on behalf of such Seller to Buyer, the Servicer or the Trustee pursuant to or in connection with any Transaction Document or any transaction contemplated herein or therein shall not contain any untrue statement of a material fact or omit to state material facts necessary to make the statements made not misleading, in each case on the date the statement was made and in light of the circumstances under which the statements were made or the information was furnished.

(n) Offices. The principal place of business and chief executive office of such Seller is located at the address set forth under such Seller's signature hereto, and any other location which has been such Seller's principal place of business or chief executive office during the past four months or in which such Seller keeps (or has kept during the past four months) Records, Contracts, purchase orders and agreements related to the Specified Receivables or Related Assets (and all original documents relating thereto) is specified in Schedule 3 (or at such other locations, notified to the Servicer and the Trustee in accordance with Section 6.1(f), in jurisdictions where all action required pursuant to Section 7.3 has been taken and completed).

(o) Account Banks and Payment Instructions. The names and addresses of all the banks, together with the account numbers of the accounts at the banks, into which Collections are paid have been accurately identified to Buyer in a letter from such Seller to Buyer dated the Closing Date or have been specified in the notices as shall have been delivered thereafter pursuant to Section 6.3(c). Each Account Bank has executed and delivered an Account Agreement to Buyer and the Trustee. Such Seller has instructed all Obligors to submit all payments on the Specified Receivables and Related Assets directly to one of the Lockbox Accounts. Any payments not made directly to the Account Banks will be forwarded to the Account Banks within two Business Days.

(p) Compliance with Applicable Laws. Such Seller is in compliance with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities (federal, state, local or foreign, and including environmental laws), a violation of any of which, individually or in the aggregate for all such violations, would have a Material Adverse Effect.

(q) Legal Names. Except as set forth in Schedule 4 or permitted by Section 6.3(e), since November 30, 1989 such Seller (i) has not been known by any

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legal name other than its corporate name as of the date hereof, nor has such Seller been the subject of any merger or other corporate reorganization since November 30, 1989 that resulted in a change of name, identity or corporate structure, and (ii) uses no trade names other than its actual corporate name.

(r) Investment Company Act. Such Seller is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended.

(s) Taxes. Such Seller has filed or caused to be filed all tax returns and reports required by law to have been filed by it and has paid all taxes, assessments and governmental charges thereby shown to be owing, except any such taxes, assessments or charges (i) that are being diligently contested in good faith by appropriate proceedings, (ii) for which adequate reserves in accordance with GAAP shall have been set aside on its books and (iii) with respect to which no Adverse Claim, except Permitted Adverse Claims, has been imposed upon any Receivables or Related Assets.

SECTION 5.2 Representations and Warranties of Buyer. From the date hereof until the Purchase Termination Date, Buyer hereby represents and warrants that (a) (i) this Agreement has been duly authorized, executed and delivered by Buyer and (ii) constitutes the legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law, and (b) the execution, delivery and performance of this Agreement does not violate any applicable law or any agreement to which Buyer is a party or by which its properties are bound.

ARTICLE VI GENERAL COVENANTS OF THE SELLERS

SECTION 6.1 Affirmative Covenants. Subject to Section 1.8, from the Closing Date until the first day following the Purchase Termination Date on which all Obligations of the Sellers shall have been finally and fully paid and performed and the Invested Amount for each Series or Purchased Interest shall have been reduced to zero, unless Buyer shall otherwise give its prior written consent, each Seller hereby agrees that it will perform the covenants and agreements set forth in this section.

(a) Compliance with Laws. Etc. Such Seller will comply in all material respects with all applicable laws, rules, regulations, judgments, decrees and orders

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(including those relating to the Specified Receivables, the Related Assets, the related Contracts of such Seller and any other agreements related thereto), in each case to the extent the failure to comply, individually or in the aggregate for all such failures, would have a Material Adverse Effect.

(b) Preservation of Corporate Existence. Such Seller will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a Material Adverse Effect.

(c) Receivables Reviews. Such Seller shall, during regular business hours upon not less than five Business Days' prior notice, permit Buyer and its agents or representatives, at the expense of such Seller, (i) to examine and make copies of and abstracts from, and to conduct accounting reviews of, all Records in the possession or under the control of such Seller relating to the Specified Receivables or Related Assets generated by such Seller, and (ii) to visit the offices and properties of such Seller for the purpose of examining the materials described in clause (i) above, and to discuss matters relating to any Specified Receivables or any Related Assets of such

Seller or such Seller's performance hereunder with any of the Authorized Officers of such Seller or, with the prior consent of an Authorized Officer of such Seller, with employees of such Seller having knowledge of such matters (the examinations set forth in the foregoing clauses (i) and (ii) being herein called a "Seller Receivables Review") . Buyer and its agents or representatives shall be entitled to conduct Seller Receivables Reviews whenever Buyer, in its reasonable judgment, deems it appropriate; provided, that prior to the occurrence and continuance of an Early Amortization Event, Buyer (or its agent or representative) shall give such Seller at least five Business Days' prior notice of any Seller Receivables Review, and Buyer shall have the right to request a Seller Receivables Review not more than twice in any calendar year.

(d) Keeping of Records and Books of Account. Such Seller shall maintain and implement administrative and operating procedures (including an ability to recreate records evidencing its Specified Receivables and Related Assets in the event of the destruction of the originals thereof), and shall keep and maintain all documents, books, records and other information that, in the reasonable determination of Buyer and the Trustee, are necessary or advisable in accordance with prudent industry practice and custom for transactions of this type for the collection of all Specified Receivables and the Related Assets. Upon the reasonable request of Buyer made at any time after the occurrence and continuance of a Servicer Default, such Seller will deliver copies of all books and records maintained with respect to its Specified Assets pursuant to this subsection (d) to the Trustee. Such Seller shall maintain at all times

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accurate and complete books, records and accounts relating to the Specified Receivables, Related Assets and Contracts and all Collections thereon in which timely entries shall be made. Such books and records shall be marked to indicate the sales (and, in the case of Howmet, contributions) of all Specified Receivables and Related Assets hereunder (and, in the case of any contribution, under the related Contribution Agreement) and shall include (i) all payments received and all credits and extensions granted with respect to the Specified Receivables and (ii) the return, rejection, repossession, or stoppage in transit of any merchandise, the sale of which has given rise to a Specified Receivable.

(e) Performance and Compliance with Receivables and Contracts. Such Seller will, at its expense, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts of such Seller related to the Specified Receivables and Related Assets, in each case to the extent that failure to perform or comply would have a Material Adverse Effect.

(f) Location of Records and Offices. Such Seller will keep its principal place of business and chief executive office, and the offices where it keeps all Records related to the Specified Receivables and the Related Assets (and all original documents relating thereto), at the addresses referred to in Schedule 3 or, upon not less than 30 days' prior written notice given by such Seller to Buyer, the Trustee and the Rating Agencies, at such other locations in jurisdictions where all action required by Section 7.3 shall have been taken and completed.

(g) Credit and Collection Policies. Such Seller will comply in all material respects with its Credit and Collection Policy in regard to each Specified Receivable of such Seller and the Related Assets and the Contracts related to each such Receivable, where the failure so to comply, individually or in the aggregate for all such failures, would have a Material Adverse Effect.

(h) Separate Corporate Existence of Buyer. Such Seller hereby acknowledges that the Trustee, on behalf of the Trust, is entering into the transactions contemplated by the Transaction Documents in reliance upon Buyer's identity as a legal entity separate from such Seller and the other Howmet Persons. Therefore, from and after the date hereof until the first day following the Purchase Termination Date on which all Obligations shall have been fully paid and performed and the Invested Amount for each Series or Purchased Interest shall have been reduced to zero, such Seller will take all reasonable steps to continue its identity as a separate legal entity from Buyer and to make it apparent to third Persons that such Seller is an entity with assets and liabilities distinct from those of Buyer and that Buyer is not a division of such Seller.

(i) Payment Instructions to Obligors. Such Seller will instruct all Obligors to submit all payments in respect of Specified

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lockboxes maintained at the Lockbox Banks for deposit in a Lockbox Account or to a Concentration Account or (ii) directly to one of the Lockbox Accounts.

(j) Segregation of Collections. Such Seller shall use reasonable efforts to minimize the deposit of any funds other than Collections into any of the Lockbox Accounts and, to the extent that any such funds nevertheless are deposited into any of the Lockbox Accounts, shall promptly identify any such funds, or shall cause the funds to be so identified, to Buyer, the Servicer and the Trustee (following which notice, Buyer shall cause the Servicer to return all the funds to such Seller).

(k) Identification of Eligible Receivables. Such Seller will (i) establish and maintain such procedures as are necessary for determining no less frequently than each Business Day whether each Receivable qualifies as an Eligible Receivable, and for identifying, on any Business Day, all Receivables to be sold (or, in the case of Howmet, contributed) on that date that are not Eligible Receivables, and (ii) except as permitted in Section 3.5(c) of the Pooling Agreement, notify Buyer prior to the occurrence of a Purchase (and, in the case of Howmet, prior to a contribution of Receivables and Related Assets) if a Receivable to be sold hereunder (or, in the case of Howmet, contributed under the related Contribution Agreement) will, to such Seller's knowledge, not be an Eligible Receivable as of the date of such Purchase or contribution.

(l) Accuracy of Information. All written information furnished on and after the Closing Date by or on behalf of such Seller to Buyer, the Servicer or the Trustee pursuant to or in connection with any Transaction Document or any transaction contemplated herein or therein shall not contain any untrue statement of a material fact or omit to state material facts necessary to make the statements made not misleading, in each case on the date the statement was made and in light of the circumstances under which the statements were made or the information was furnished.

(m) Taxes. File or cause to be filed, and cause each Person with whom it shares consolidated tax liability to file, all Federal, state and local tax returns that are required to be filed by it (except where the failure to file such returns does not have a substantial likelihood of having a Material Adverse Effect) and pay or cause to be paid all taxes shown to be due and payable on taxes or assessments (except only such taxes or assessments the validity of which are being contested in good faith by appropriate proceedings and with respect to which such Seller shall have set aside adequate reserves on its books in accordance with GAAP and which proceedings do not have a substantial likelihood of having a Material Adverse Effect).

SECTION 6.2 Reporting Requirements. Subject to Section 1.8, from the Closing Date until the first day following the Purchase Termination Date on which all Obligations of

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the Sellers shall have been finally and fully paid and performed and the Invested Amount for each Series or Purchased Interest shall have been reduced to zero, such Seller agrees that it will, unless Buyer and the Trustee shall otherwise give prior written consent, and (with respect to the notices described below in subsections (c) and (d)) unless the Modification Condition has been satisfied), furnish to Buyer and the Trustee (and, in the case of the notices described below in subsections (c), (d) and (f), to the Rating Agencies):

(a) Quarterly Financial Statements. Within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Howmet, copies of the unaudited consolidated balance sheets of Howmet and its consolidated Subsidiaries as at the end of the fiscal quarter and the related unaudited statements of earnings and cash flows, in each case for the fiscal quarter and for the period from the beginning of the fiscal year through the end of such fiscal quarter, prepared in accordance with GAAP consistently applied throughout the periods reflected therein and certified (subject to year end adjustments and the omission of footnotes) by the chief financial officer or chief accounting officer of Howmet.

(b) Annual Financial Statements. As soon as possible and in any event within 90 days after the end of each fiscal year of Howmet, a copy of the consolidated balance sheet of Howmet and its consolidated Subsidiaries as at the end of the fiscal year and the related statements of earnings, stockholders' equity and cash flows of Howmet and its consolidated Subsidiaries for the fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year and prepared in accordance with GAAP consistently applied throughout the periods reflected therein, certified, without Impermissible Qualification, by Ernst & Young, Price Waterhouse L.L.P. or any other independent certified public accountants of a nationally recognized standing in the United States of America as shall be selected by Howmet.

(c) Early Amortization Events. As soon as possible, and in any event within five Business Days after an Authorized Officer of such Seller has obtained knowledge of the occurrence of any Early Amortization Event or any Unmatured Early Amortization Event, a written statement of an Authorized Officer of such Seller describing the event and the action that such Seller proposes to take with respect thereto, in each case in reasonable detail.

(d) Material Adverse Effect. As soon as possible and in any event within five Business Days after an Authorized Officer of such Seller has knowledge thereof, written notice that describes in reasonable detail any event or occurrence that, individually or in the aggregate for all such events or occurrences, has had, or that would have a substantial likelihood of having, a Material Adverse Effect.

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(e) Proceedings. As soon as possible and in any event within five Business Days after an Authorized Officer of such Seller has knowledge thereof, written notice of (i) any litigation, investigation or proceeding of the type described in Section 5.1(f) not previously disclosed to Buyer and (ii) any judgment, settlement or other final disposition with respect to any such previously disclosed litigation, investigation or proceeding.

(f) Other. Promptly, from time to time, (i) such other information, documents, records or reports respecting the Specified Receivables or the Related Assets or (ii) such other publicly available information respecting the condition or operations, financial or otherwise, of such Seller, in each case as Buyer may from time to time reasonably request in order to protect the interests of Buyer, the Trustee or the Certificate holders under or as contemplated by this Agreement.

SECTION 6.3 Negative Covenants. Subject to Section 1.8, from the Closing Date until the first day following the Purchase Termination Date on which all Obligations of the Sellers shall have been finally and fully paid and performed and the Invested Amount for each Series or Purchased Interest shall have been reduced to zero, unless Buyer shall otherwise give its prior written consent, each Seller hereby agrees that it will perform the covenants and agreements set forth in this section.

(a) Sales. Liens. Etc. Except as otherwise provided herein or in the Pooling Agreement, such Seller will not (i) (A) sell, assign (by operation of law or otherwise) or otherwise transfer to any Person, (B) pledge any interest in, (C) grant, create, incur, assume or permit to exist any Adverse Claim (other than Permitted Adverse Claims) to or in favor of any Person upon or with respect to, or (D) cause to be filed any financing statement or equivalent document relating to perfection with respect to any of its Specified Assets or any Contract related to any Specified Receivable, or upon or with respect to any lockbox or account to which any Collections of any such Receivable or any Related Assets are sent or any interest therein, or (ii) assign to any Person any right to receive income from or in respect of any of the foregoing.

In the event that such Seller fails to keep any of its Specified Assets free and clear of any Adverse Claim (other than a Permitted Adverse Claim, any Adverse Claims arising hereunder, and other Adverse Claims permitted by any other Transaction Document), Buyer may (without limiting its other rights with respect to such Seller's breach of its obligations hereunder) make reasonable expenditures necessary to release the Adverse Claim. Buyer shall be entitled to indemnification for any such expenditures pursuant to the indemnification provisions of Article IX. Alternatively, Buyer may deduct such expenditures as an offset to the Purchase Price owed to such Seller hereunder.

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Such Seller will not pledge or grant any security interest in its inventory, any Buyer Note or the capital stock of Buyer unless prior to any pledge or grant such Seller, Buyer, the Trustee and the person for whose benefits the pledge or grant is being made have entered into an Intercreditor Agreement.

(b) Extension or Amendment of Receivables: Change in Credit and Collection Policy or Contracts. Such Seller will not, (i) without the prior written consent of Buyer and the Trustee, which consent will not be unreasonably withheld, extend, amend or otherwise modify the terms of any Specified Receivable or Contract in a manner that would have a Material Adverse Effect or (ii) change the terms and provisions of the Credit and Collection Policy with respect to its Specified Assets in any material respect unless (x) with respect to collection policies, the change is made with the prior written approval of the Trustee, Buyer and each Agent and the Modification Condition is satisfied with respect thereto, (y) with respect to collection procedures, the change is made with prior written notice to the Trustee, Buyer and each Agent and no Material Adverse Effect would result and (z) with respect to accounting policies relating to Specified Receivables that have become Write-Offs, the change is made in accordance with GAAP; provided that such Seller may change the terms and the provisions of a Contract on a prospective basis, and a Seller may enter into a new Contract, so long as such change or new Contract does not have a material adverse affect on the validity, enforceability or collectibility of any then outstanding Specified Receivable.

(c) Change in Payment Instructions to Obligors. Such Seller will not (i) add or terminate any bank as an Account Bank from those listed in the letter referred to in Section 5.1(o) unless, prior to any such addition or termination, Buyer, the Trustee and the Rating Agencies shall have received not less than ten Business Days' prior written notice of the addition or termination and, not less than ten Business Days prior to the effective date of any such proposed addition or termination, Buyer and the Trustee shall have received (A) counterparts of the applicable type of Account Agreement with each new Account Bank, duly executed by such new Account Bank and all other parties thereto and (B) copies of all other agreements and documents signed by the Account Bank and such other parties with respect to any new Bank Account, all of which agreements and documents shall be reasonably satisfactory in form and substance to Buyer and the Trustee, or (ii) make any change in its instructions to Obligors, given in accordance with Section 5.1(o), regarding payments to be made to such Seller or payments to be made to any Account Bank in respect of Specified Receivables, other than changes in the instructions that direct Obligors to make payments to another Bank Account at such Account Bank or another Account Bank or to the Master Collection Account.

(d) Mergers. Acquisitions. Sales. etc. Except for (i) mergers or consolidations in which such Seller is the surviving Person, (ii) mergers or

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consolidations of a subsidiary of Howmet into such Seller or (iii) mergers or consolidations in which the surviving Person expressly assumes the performance of this Agreement and the Modification Condition shall have been satisfied with respect to the consolidation or merger, the Seller will not be a constituent corporation to any merger or consolidation. Such Seller will give the Trustee and the Rating Agencies notice of any such permitted merger or consolidation promptly following completion thereof. Unless the Modification Condition is satisfied, such Seller will not, directly or indirectly, transfer, assign, convey or lease, whether in one transaction or in a series of transactions, all or substantially all of its assets or sell or assign, with or without recourse, any Receivables or Related Assets, in each case other than pursuant to this Agreement or any Contribution Agreement.

(e) Change in Name. Such Seller will not (i) change its corporate name or (ii) change the name under or by which it does business in any manner that would or may make any financing statement filed by such Seller in accordance herewith seriously misleading within the meaning of Section 9-402(7) of an applicable enactment of the UCC, in each case unless such Seller shall have given Buyer, the Servicer and the Trustee (and, if any outstanding Investor Certificates are rated, the Rating Agencies) 30 days' prior written notice thereof and unless, prior to any change in name, such Seller shall have taken and completed all action required by Section 7.3.

(f) Articles of Incorporation. Such Seller will not cause Buyer to amend Article SIXTH, NINTH, TENTH(a), TENTH(d) or THIRTEENTH(b) of its Articles of Incorporation without the Trustee's prior written consent, which consent will not be unreasonably withheld or delayed.

(g) Amendments to Transaction Documents. Such Seller will not amend or

otherwise modify or supplement any Transaction Document to which it is a party unless (i) Buyer shall have given its prior written consent to each amendment, modification or supplement and (ii) the Modification Condition shall have been satisfied.

(h) Accounting for Purchases. Such Seller shall prepare its financial statements in accordance with GAAP, and any financial statements that are made publicly available and which are consolidated to include Buyer will contain footnotes stating that such Seller has sold or contributed its Receivables to Buyer and that the assets of Buyer will not be available to How met and its subsidiaries unless Buyer's liabilities have been paid in full. Unless required by GAAP, such Seller shall not prepare any financial statements that account for the transactions contemplated in this Agreement in any manner other than as a sale of the Purchased Assets by such Seller to Buyer, or in any other respect account for or treat the transactions contemplated in this Agreement (including but not limited to accounting and, where taxes are not

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consolidated, for tax reporting purposes) in any manner other than as a sale of the Purchased Assets by such Seller to Buyer.

ARTICLE VII
ADDITIONAL RIGHTS AND OBLIGATIONS IN
RESPECT OF THE SPECIFIED ASSETS

SECTION 7.1 Rights of Buyer. (a) Subject to Section 7.4(b), each Seller hereby authorizes Buyer, the Servicer and/or their respective designees to take any and all steps in such Seller's name and on behalf of such Seller that Buyer, the Servicer and/or their respective designees determine are reasonably necessary or appropriate to collect all amounts due under any and all Specified Assets, including endorsing the name of such Seller on checks and other instruments representing Collections and enforcing such Seller's rights under such Specified Assets.

(b) Except as set forth in Section 3.1 with respect to Seller Noncomplying Receivables, Buyer shall have no obligation to account for any Specified Asset to any Seller. Buyer shall have no obligation to account for, or to return Collections, or any interest or other finance charge collected with respect to the Specified Assets, to any Seller, irrespective of whether such Collections and charges are in excess of the Purchase Price for the Purchased Assets.

(c) Buyer shall have the unrestricted right to further assign, transfer, deliver, hypothecate, subdivide or otherwise deal with the Specified Assets, and all of Buyer's right, title and interest in, to and under this Agreement and any Contribution Agreement, on whatever terms Buyer shall determine, pursuant to the Pooling Agreement or otherwise.

(d) Buyer shall have the sole right to retain any gains or profits created by buying, selling or holding the Specified Assets and shall have the sole risk of and responsibility for losses or damages created by such buying, selling or holding.

SECTION 7.2 Responsibilities of the Sellers. Anything herein to the contrary notwithstanding, each Seller hereby agrees:

(a) to deliver directly to the Servicer (for Buyer's account), within two Business Days after receipt thereof, any Collections that it receives, in the form so received, and agrees that all such Collections shall be deemed to be received in trust for Buyer and shall be maintained and segregated separate and apart from all other funds and moneys of such Seller until delivery of such Collections to the Servicer,

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(b) to perform all of its obligations hereunder and under the Contracts related to the Specified Receivables and Related Assets to the same extent as if the Specified Receivables had not been sold hereunder, and the exercise by Buyer or its designee or assignee of Buyer's rights hereunder or in connection herewith shall not relieve such Seller from any of its obligations under the Contracts or Related Assets related to the Specified Receivables,

(c) that such Seller hereby grants to Buyer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take in the name of such Seller all steps necessary or advisable to endorse, negotiate or otherwise realize on any writing or

other right of any kind held or transmitted by such Seller or transmitted or received by Buyer (whether or not from such Seller) in connection with any Specified Asset, and

(d) to the extent that such Seller does not own the computer software that such Seller uses to account for Specified Receivables, such Seller shall use reasonable efforts to provide Buyer and the Trustee with such licenses, sublicenses and/or assignments of contracts as Buyer or the Trustee shall require with regard to all services and computer hardware or software used by such Seller that relate to the servicing of the Specified Assets.

SECTION 7.3 Further Action Evidencing Purchases. Subject to Section 1.8, each Seller agrees that from time to time, at its expense, it will promptly, upon reasonable request by Buyer, Servicer or Trustee, execute and deliver all further instruments and documents, and take all further action, in order to perfect, protect or more fully evidence the purchase by Buyer or contribution to Buyer of the Specified Receivables and the Related Assets under this Agreement or any Contribution Agreement (as applicable), or to enable Buyer to exercise or enforce any of its rights under any Transaction Document. Each Seller further agrees that from time to time, at its expense, it will promptly take all action that Buyer, the Servicer or the Trustee may reasonably request in order to perfect, protect or more fully evidence the purchase or contribution of the Specified Receivables and the Related Assets or to enable Buyer or the Trustee (as the assignee of Buyer) to exercise or enforce any of its rights hereunder or under any other Transaction Document. Without limiting the generality of the foregoing, upon the request of Buyer, each Seller will:

(a) execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as Buyer or the Trustee may reasonably determine to be necessary or appropriate, and

(b) mark the master data processing records evidencing the Receivables with the following legend:

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"CERTAIN RECEIVABLES DESCRIBED HEREIN HAVE BEEN SOLD TO BLADE RECEIVABLES CORPORATION ("BRC") PURSUANT TO A RECEIVABLES PURCHASE AGREEMENT, DATED AS OF DECEMBER 13, 1995, AND AMENDED AND RESTATED AS OF APRIL 18, 1996, AMONG HOWMET CORPORATION ("HOWMET"), CERTAIN OF ITS SUBSIDIARIES AND BRC; AND SUCH RECEIVABLES HAVE BEEN TRANSFERRED TO THE BLADE RECEIVABLES MASTER TRUST PURSUANT TO A POOLING AND SERVICING AGREEMENT, DATED AS OF DECEMBER 13, 1995, AND AMENDED AND RESTATED AS OF APRIL 18, 1996, AMONG BRC, AS TRANSFEROR, HOWMET, AS THE INITIAL SERVICER, AND MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE."

Each Seller hereby authorizes Buyer or its designee to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Receivables and Related Assets of such Seller, in each case whether now existing or hereafter generated by such Seller. Except for material performance obligations of such Seller to any Obligor hereunder or under any of the Contracts for the Specified Receivables, if (i) such Seller falls to perform any of its agreements or obligations under this Agreement and does not remedy the failure within the applicable cure period, if any, and (ii) Buyer in good faith reasonably believes that the performance of such agreements and obligations is necessary or appropriate to protect its interests under this Agreement, then Buyer or its designee may (but shall not be required to) perform, or cause performance of, such agreement or obligation and the reasonable expenses of Buyer or its designee or assignee incurred in connection with such performance shall be payable by such Seller as provided in Section 9.1.

SECTION 7.4 Collection of Receivables; Rights of Buyer and Its Assignees. (a) Each Seller hereby transfers to the Trustee (as transferee of Buyer's interest in the Specified Assets) the ownership of, and the exclusive dominion and control over, each of the Bank Accounts and all related lockboxes owned by such Seller, and such Seller hereby agrees to take any further action that Buyer or the Trustee may reasonably request in order to effect or complete the transfer. Each Seller further agrees to use reasonable efforts to prevent funds other than proceeds of the Specified Assets from being deposited in any Bank Account.

(b) Buyer may, at any time after an Early Amortization Event or Servicer Default, direct the Obligors of Specified Receivables, or any of them, to pay all amounts payable under any Specified Asset directly to the Trustee or its designees. Furthermore, each Seller shall, at the request of Buyer and at such Seller's expense, promptly give notice of the Trust's interest in the Specified Receivables of the Obligor and the Related Assets to each such Obligor

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notice shall be acceptable in form and substance to Buyer. In addition, each Seller hereby authorizes Buyer to take any and all steps in such Seller's name and on its behalf that are necessary or desirable, in the reasonable determination of Buyer, to collect all amounts due under any and all Specified Assets, including endorsing such Seller's name on checks and other instruments representing Collections and enforcing the Specified Assets and the Contracts related to the Specified Receivables. The Trustee may exercise any of the foregoing rights in the place of Buyer (as assignee or otherwise) at any time following the designation of a Servicer other than Howmet pursuant to Section 10.2 of the Pooling Agreement.

(c) At any time when (i) an Early Amortization Event shall have occurred and remain continuing or (ii) a Servicer other than Howmet has been designated pursuant to Section 10.2 of the Pooling Agreement, each Seller shall, at Buyer's request, assemble all of the Records that evidence the Specified Receivables and Related Assets originated by such Seller and the Contracts related to such Receivables, or that are otherwise necessary or desirable to collect the Specified Receivables or Related Assets, and make the same available to Buyer or the Trustee at a place selected by the Trustee or its designee.

ARTICLE VIII
TERMINATION

SECTION 8.1 Termination by the Sellers. Prior to the commencement of an Amortization Period or an Early Amortization Period in respect of any Series or Purchased Interest, the Sellers may terminate all of their agreements to sell Receivables hereunder to Buyer by giving Buyer and the Trustee not less than 30 days' prior written notice (or such shorter time as is acceptable to the Trustee) of their election not to continue to sell Receivable to Buyer; provided that such notice must be given as to all Sellers; and provided further, that such notice shall specify the effective date of such termination. The Trustee shall notify the Certificate holders of all Series within five Business Days of receiving any such termination notice. The Amortization Period for each Series of Investor Certificates and Purchased Interest shall commence on the effective date specified in such termination notice.

SECTION 8.2 Automatic Termination. Unless otherwise agreed to by the Sellers and Buyer in writing, the agreement of each Seller to sell Receivables hereunder, and the agreement of Buyer to purchase Receivables from such Seller hereunder, shall terminate automatically upon the commencement of an Amortization Period or an Early Amortization Period in respect of the last Series or Purchased Interest (as the case may be) to remain outstanding out of all Series and Purchased Interests; provided, however, that, notwithstanding anything to the contrary in this Agreement, if at any time prior to the commencement of any such Amortization Period or Early Amortization Period, any event

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that would, with the passage of time, become a Bankruptcy Event occurs as a result of a bankruptcy proceeding being filed against a Seller, then on and after the date on which such bankruptcy proceeding is filed until the dismissal of the proceeding Buyer shall not purchase Receivables and Related Purchased Assets from such Seller.

ARTICLE IX
INDEMNIFICATION

SECTION 9.1 Indemnities by the Sellers. Without limiting any other rights that any RPA Indemnified Party (as defined below) may have hereunder or under applicable law, each Seller agrees to indemnify Buyer, each of its successors, permitted transferees and assigns, and all officers, directors, shareholders, controlling Persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called a "RPA Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims (whether on account of settlements or otherwise), judgments, liabilities and related reasonable costs and expenses (including reasonable attorneys' fees and disbursements) awarded against or incurred by any of them arising out of or as a result of any of the following (all of the foregoing being collectively called "RPA Indemnified Losses"):

(a) any representation or warranty made in writing by such Seller (or any of its Authorized Officers) under any of the Transaction Documents, any Monthly Report, any Daily Report or any other information or report delivered by or on behalf of such Seller or the

Servicer with respect to such Seller or the Receivables or Related Assets originated by such Seller (including without limitation any representation, warranty, information or report relied upon by Buyer in connection with the offering or sale of any Certificate or Purchased Interest), that contained any untrue statement of a material fact or omitted to state material facts necessary to make the statements not misleading when made,

(b) the failure by such Seller to comply with any applicable law, rule or regulation with respect to any Specified Receivable or any Related Asset or to comply with any Contract related thereto, or the nonconformity of any Specified Receivable, the related Contract or any Related Assets with any such applicable law, rule or regulation,

(c) the failure to vest and maintain vested in Buyer a first priority perfected ownership interest in the Specified Receivables originated by such Seller, the Related Assets, the related Collections and the proceeds of each of the foregoing, free and clear of any Adverse Claim (other than an Adverse Claim created in favor of Buyer pursuant to this Agreement or in favor of the Trustee pursuant to the Pooling Agreement), whether existing at the time of the sale of such Receivable or at any time

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thereafter and without regard to whether such Adverse Claim was a Permitted Adverse Claim,

(d) any failure of such Seller to perform its duties or obligations in accordance with the provisions of the Transaction Documents,

(e) any products liability claim, personal injury or property damage suit, environmental liability claim or any other claim or action by a party other than Buyer of whatever sort, whether sounding in tort, contract or any other legal theory, arising out of or in connection with the goods or services that are the subject of any Specified Assets with respect thereto or Collections thereof,

(f) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Specified Assets or Collections originated by or otherwise attributable to such Seller, whether at the time of any sale or at any subsequent time,

(g) any dispute, claim, offset or defense (other than the discharge in bankruptcy) of an Obligor to the payment of any Specified Receivable originated by such Seller or Related Asset, or purported Specified Receivable or Related Asset, including a defense based on such Receivable's or the related Contract's not being a legal, valid and binding obligation of the Obligor enforceable against it in accordance with its terms, and

(h) any tax or governmental fee or charge (other than franchise taxes and taxes on or measured by the net income of Buyer or any of its assignees), all interest and penalties thereon or with respect thereto, and all reasonable out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, that may arise by reason of the purchase or ownership of the Specified Receivables originated by such Seller or any Related Asset connected with any such Receivables.

Notwithstanding the foregoing (and with respect to clause (ii) below, without prejudice to the rights that Buyer may have pursuant to the other provisions of this Agreement or the provisions of any of the other Transaction Documents), in no event shall any RPA Indemnified Party be indemnified for any RPA Indemnified Losses (i) resulting from gross negligence or willful misconduct on the part of the RPA Indemnified Party, (ii) to the extent the same includes losses in respect of Receivables and reimbursement therefor that would constitute credit recourse to such Seller for the amount of any Receivable or Related Asset not paid by the related Obligor, (iii) resulting from the action or omission of the Servicer (unless the Servicer is a Howmet Person), (iv) to the extent the same are or result from lost profits, (v) to the extent the same are or result from taxes on or measured by the net income

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of the RPA Indemnified Party, (vi) resulting from any breach by such RPA

Indemnified Party of its representations, warranties and covenants in the Transaction Documents, and (vii) to the extent the same constitute consequential, special or punitive damages.

If for any reason the indemnification provided above in this section is unavailable to a RPA Indemnified Party or is insufficient to hold a RPA Indemnified Party harmless, then such Seller shall contribute to the maximum amount payable or paid to the RPA Indemnified Party as a result of the loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the RPA Indemnified Party on the one hand and such Seller on the other hand, but also the relative fault of the RPA Indemnified Party (if any) and such Seller and any other relevant equitable considerations.

ARTICLE X
MISCELLANEOUS

SECTION 10.1 Amendments; Waivers, Etc. (a) The provisions of this Agreement may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and signed by Buyer and each Seller (with respect to an amendment) or by Buyer (with respect to a waiver or consent by it) and, in the case of any amendment, modification or waiver, to the extent provided in Section 7. 2(j) of the Pooling Agreement, by the Trustee, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. If any outstanding Investor Certificates have been rated, this Agreement shall not be amended unless Buyer shall have delivered the proposed amendment to the Rating Agencies at least ten Business Days (or such shorter period as shall be acceptable to each of them) prior to the execution and delivery thereof and the Modification Condition has been satisfied with respect to such amendment.

(b) No failure or delay on the part of Buyer, any RPA Indemnified Party, or the Trustee or any other third party beneficiary referred to in Section 10.11(a) in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on any Seller in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by Buyer or the Trustee under this Agreement shall, except as may otherwise be stated in the waiver or approval, be applicable to subsequent transactions. No waiver or approval under this Agreement shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

SECTION 10.2 Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail, postage prepaid,

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by facsimile or by overnight courier, to the intended party at the address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by the party in a written notice to the other parties hereto given in accordance with this section. Copies of all notices and other communications provided for hereunder shall be delivered to the Trustee and to each Rating Agency at its address for notices set forth in the Pooling Agreement. All notices and communications provided for hereunder shall be effective, (a) if personally delivered, when received, (b) if sent by certified mail, four Business Days after having been deposited in the mail, postage prepaid and properly addressed, (c) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means and (d) if sent by overnight courier, two Business Days after having been given to the courier unless sooner received by the addressee.

SECTION 10.3 Cumulative Remedies. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Without limiting the foregoing, each Seller hereby authorizes Buyer, at any time and from time to time, to the fullest extent permitted by law, to set-off, against any Obligations of any Seller to Buyer that are then due and payable or that are not then due and payable from a Seller to Buyer but have then accrued, any and all indebtedness or other obligations at any time owing to any Seller by Buyer to or for the credit or the account of any Seller or that are not then due and payable from Buyer to a Seller but have then accrued.

SECTION 10.4 Binding Effect; Assignability; Survival of Provisions. Subject to Section 1.8, this Agreement shall be binding upon and inure to the benefit of Buyer and the Sellers and their respective successors and permitted assigns. No Seller may assign any of its rights hereunder or any interest herein without the prior written consent of Buyer, the Trustee and the Rating Agencies; provided, however, that a Terminating Seller may assign its Buyer Note as provided in Section 1.8. Except as provided in Section 1.8, this Agreement shall create and constitute the continuing obligations of the parties hereto in

accordance with its terms, and shall remain in full force and effect until the first date following the Purchase Termination Date, but not later than the date on which the Trust is terminated pursuant to Section 12.1 of the Pooling Agreement, on which all Obligations shall have been finally and fully paid and performed or such other time as the parties hereto shall agree and as to which the Trustee (at the direction of the Majority Investors) shall have given its prior written consent, which consent shall not be unreasonably withheld or delayed. The rights and remedies with respect to any breach of any representation and warranty made by a Seller pursuant to Article V and the indemnification and payment provisions of Article IX and Section 10.6 shall be continuing and shall survive any termination of this Agreement.

SECTION 10.5 Governing Law. "THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE PERFECTION OF THE INTERESTS OF BUYER IN THE

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RECEIVABLES AND THE RELATED ASSETS ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

SECTION 10.6 Costs, Expenses and Taxes. Subject to Section 1.8, in addition to the obligations of the Sellers under Article IX, the Sellers agree jointly and severally to pay on demand:

(a) all reasonable out-of-pocket and other costs and expenses in connection with the enforcement of this Agreement, the Seller Assignment Certificates or the other Transaction Documents by Buyer or any successor in interest to Buyer, and

(b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery, and the filing and recording, of this Agreement or the other Transaction Documents, and agrees to indemnify each RPA Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 10.7 Submission to Jurisdiction. EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK, NEW YORK OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS, AND HEREBY (A) IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF THE ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN THE STATE OR FEDERAL COURT, (B) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF THE ACTION OR PROCEEDING, AND (C) BUYER, IRREVOCABLY APPOINTS CT CORPORATION SYSTEM (THE "PROCESS AGENT"), WITH AN OFFICE ON THE DATE HEREOF AT 1633 BROADWAY, NEW YORK, NEW YORK 10019, ATTENTION: FRIEDA DAWSON, AS ITS AGENT TO RECEIVE ON BEHALF OF IT AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS THAT MAY BE SERVED IN ANY ACTION OR PROCEEDING. THE SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF THE PROCESS TO BUYER OR THE APPLICABLE SELLER IN CARE OF THE PROCESS AGENT AT THE PROCESS AGENT'S ABOVE ADDRESS, AND BUYER AND EACH SELLER HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT THE SERVICE ON ITS BEHALF.

AS AN ALTERNATIVE METHOD OF SERVICE, BUYER AND EACH SELLER ALSO IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY ACTION OR PROCEEDING BY THE MAILING OF COPIES OF THE PROCESS TO BUYER OR A SELLER (AS APPLICABLE) AT ITS ADDRESS SPECIFIED HEREIN. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY PARTY HERETO TO BRING ANY ACTION OR PROCEEDING AGAINST THE OTHER PARTY OR ANY OF ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

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SECTION 10.8 Waiver of Jury Trial. EACH PARTY HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATING TO THE TRANSACTION DOCUMENTS OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), ACTIONS OF EITHER OF THE PARTIES HERETO OR ANY OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THE TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

SECTION 10.9 Integration. This Agreement and the other Transaction Documents contain a final and complete integration of all prior expressions by

the parties hereto with respect to the subject matter hereof and thereof and shall together constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

SECTION 10.10 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

SECTION 10.11 Acknowledgment and Consent. (a) The Sellers acknowledge that, contemporaneously herewith, Buyer is selling, transferring, assigning, setting over and otherwise conveying to the Trust all of Buyer's right, title and interest in, to and under the Specified Assets, this Agreement and all of the other Transaction Documents pursuant to Sections 2.1 and 2.4 of the Pooling Agreement. The Sellers hereby consent to the sale, transfer, assignment, set over and conveyance to the Trust by Buyer of all right, title and interest of Buyer in, to and under the Specified Assets, this Agreement and the other Transaction Documents, and all of Buyer's rights, remedies, powers and privileges, and all claims of Buyer against the Sellers, under or with respect to this Agreement and the other Transaction Documents (whether arising pursuant to the terms of this Agreement or otherwise available at law or in equity), including (i) the right of Buyer, at any time, to enforce this Agreement against the Sellers and the obligations of the Sellers hereunder, (ii) the right to appoint a successor to the Servicer at the times and upon the conditions set forth in the Pooling Agreement, and (iii) the right, at any time, to give or withhold any and all consents, requests, notices, directions, approvals, demands, extensions or waivers under or with respect to this Agreement, any other Transaction Document or the obligations in respect of the Sellers thereunder to the same extent as Buyer may do. Each of the parties hereto acknowledges and agrees that the Trustee and the Trust are third party beneficiaries of the rights of Buyer arising hereunder and under the other Transaction Documents to which any Seller is a party. Each Seller hereby acknowledges and agrees that it has no claim to or interest in any of the Bank Accounts or the Trust Accounts.

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(b) The Sellers hereby agree to execute all agreements, instruments and documents, and to take all other action, that Buyer or the Trustee reasonably determines is necessary or appropriate to evidence its consent described in subsection (a) above. To the extent that Buyer, individually or through the Servicer, has granted or grants powers of attorney to the Trustee under the Pooling Agreement, the Sellers hereby grant a corresponding power of attorney on the same terms to Buyer. The Sellers hereby acknowledge and agree that Buyer, in all of its capacities, shall assign to the Trustee for the benefit of the Certificate holders the powers of attorney and other rights and interests granted by the Sellers to Buyer hereunder and agrees to cooperate fully with the Trustee in the exercise of the rights.

SECTION 10.12 No Partnership or Joint Venture. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent or of partnership or of joint venture.

SECTION 10.13 No Proceedings. Each Seller hereby agrees that it will not institute against Buyer or the Trust, or join any other Person in instituting against Buyer or the Trust, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Event of Bankruptcy) so long as any Investor Certificates issued by the Trust shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Investor Certificates shall have been outstanding. The foregoing shall not limit the right of a Seller to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against Buyer or the Trust by any Person other than a Seller or any other Howmet Person (provided that no such action may be taken by a Seller until such proceeding has continued undismissed, unstayed and in effect for a period of 10 days).

SECTION 10.14 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement or any of the other Transaction Documents shall for any reason whatsoever be held invalid, then the unenforceable covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement or the other Transaction Documents (as applicable) and shall in no way affect the validity or enforceability of the other provisions of this Agreement or any of the other Transaction Documents.

SECTION 10.15 Limitation on Liability of Certain Persons. No recourse under or upon any obligation or covenant of this Agreement or any other Transaction Document, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, shareholder, officer or director, as such, past, present or future, of Buyer or any Seller or of any

successor corporation, either directly or through Buyer or any such Seller, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Agreement, all other relevant Transaction Documents and the obligations incurred hereunder or thereunder are solely corporate obligations, and that no such personal liability whatsoever

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291 shall attach to, or is or shall be incurred by the incorporators, shareholders, officers or directors, as such, of Buyer or any Seller or of any successor corporation, or any of them, by reason of the obligations, covenants or agreements contained in this Agreement or any other Transaction Documents, or implied therefrom; and that any and all such personal liability of, either at common law or in equity or by constitution or statute, and any and all such rights and claims against, every such incorporator, shareholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations or covenants contained in this Agreement or any other Transaction Documents, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement. Buyer and each Seller and any director, officer, employee or agent of Buyer and any such Seller may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The provisions of this section shall survive the termination of this Agreement.

[Remainder of page intentionally left blank.]

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

HOWMET CORPORATION,
as Seller

By: _____
Title: _____

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Telephone: (203) 661-4600
Facsimile: (203) 861-4746

HOWMET CERCAST (U.S.A.), INC.,
as Seller

By: _____
Title: _____

Address c/o Howmet Corporation
475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Telephone: (203) 661-4600
Facsimile: (203) 861-4746

HOWMET REFURBISHMENT, INC.,
as Seller

By: _____
Title: _____

Address: c/o Howmet Corporation
475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Telephone: (203) 661-4600
Facsimile: (203) 861-4746

HOWMET-TEPCRAFT, INC.,
as Seller

By: _____
Title: _____

Address. c/o Howmet Corporation
475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Telephone: (203) 661-4600
Facsimile: (203) 861-4746

TURBINE COMPONENTS CORPORATION,
as Seller

By: _____
Title: _____

Address c/o Howmet Corporation
475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Telephone: (203) 661-4600
Facsimile: (203) 861-4746

BLADE RECEIVABLES CORPORATION,
as the Buyer

By: _____
Title: _____

Address: c/o Nevada Corporate Management,
Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Telephone: (702) 892-3772
Facsimile: (702) 892-3906

EXHIBIT A
to Purchase Agreement

FORM OF BUYER NOTE

_____, 1996

FOR VALUE RECEIVED, the undersigned, BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Buyer"), promises to pay to _____, a _____ corporation ("Seller," and together with its successors and assigns, the "Holder"), on the terms and subject to the conditions set forth in this promissory note (this "Note") and in the Amended and Restated Receivables Purchase Agreement of even date herewith (the "Agreement") between Buyer, Howmet Corporation, a Delaware corporation ("Howmet"), and certain other subsidiaries of Howmet, an amount equal to the aggregate deferred Purchase Price for Receivables owed by Buyer to the Seller pursuant to Article m of the Agreement. Such amount, as shown in the records of Servicer, will be rebuttable presumptive evidence of the principal amount and interest owing under this Note.

1. Purchase Agreement. This Note is a Buyer Note described in, and is subject to the terms and conditions set forth in, the Agreement. Reference is hereby made to the Agreement for a statement of certain other rights and obligations of Buyer and the Seller.

2. Rules of Construction; Definitions. Certain rules of construction governing the interpretation of this Note are set forth in Appendix A to the Pooling Agreement (as defined in the Agreement) and, except as otherwise specifically provided herein, capitalized terms used but not defined herein have the meanings ascribed to them in such Appendix A. In addition, as used herein, the following terms have the following meanings:

"Bankruptcy Proceedings" means any dissolution, winding up, liquidation, readjustment, reorganization or other similar" event relating to Buyer, whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency, receivership or other similar proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of Buyer or any sale of all or substantially all of the assets of Buyer; provided, however, that none of the following shall constitute a "Bankruptcy Proceeding" so long as no Bankruptcy Event shall have occurred with respect to Buyer and is continuing: (i) the commencement of an amortization period, accumulation period or early amortization period, (ii) the allocation and distribution of Collections and other amounts during an amortization period, accumulation period or early amortization period in accordance with the terms of the Pooling Agreement and (iii) the liquidation, dissolution and winding up of Buyer during an amortization period, accumulation period or early amortization period in accordance with the Pooling Agreement after the termination of the Pooling Agreement in accordance with Section 12.1 thereof.

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"Final Maturity Date" means the date occurring one year and one day after the Final Scheduled Payment Date of the latest maturing Series or Purchased Interest from time to time outstanding.

"Highest Lawful Rate" has the meaning set forth in paragraph 9.

"Junior Liabilities" means all obligations of Buyer to the Holder under this Note.

"Reference Rate" means, with respect to any day occurring in a Calculation Period, the Applicable Federal Rate in effect on such day.

"Senior Interests" means all obligations of Buyer to the Trustee, the Investor Certificate holders or the Purchasers under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, including without limitation interest or other amounts due or to become due after an Event of Bankruptcy.

"Subordination Provisions" means, collectively, the provisions of paragraph 7.

3. Interest. Subject to the Subordination Provisions, Buyer promises to pay interest on the aggregate unpaid principal amount of this Note outstanding on each day at an adjustable rate per annum equal to the Reference Rate in effect on such day.

4. Interest Payment Dates. (a) Subject to the Subordination Provisions, Buyer shall pay accrued interest on this Note on each Distribution Date and on the Final Maturity Date. Buyer also shall pay accrued interest on the principal amount of each prepayment hereof on the date of such prepayment.

(b) Notwithstanding the provisions of paragraph 4(a), in the event that on the date an interest payment is due hereunder the amount of funds available therefor pursuant to Section 3.3 of the Agreement is insufficient to pay any amount due pursuant to paragraph 4(a), then interest shall be payable only to the extent that funds are available therefor in accordance with Section 3.3 of the Agreement. In the event that any interest on this Note is not paid when due, the principal amount of this Note shall automatically be increased by the amount of such interest in lieu of such payment.

5. Basis of Computation. Interest accrued hereunder shall be computed for the actual number of days elapsed on the basis of a 360-day year.

6. Principal Payment Dates. Subject to the Subordination Provisions, any unpaid principal of this Note shall only become due and payable on the Final Maturity Date.

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Subject to the Subordination Provisions, the principal amount of and accrued interest on this Note may be prepaid on any Business Day without premium or penalty; provided, that no prepayment shall be made by Buyer to the extent that such prepayment would result in a default in the payment of any other amount required to be paid by Buyer under any Transaction Document.

7. Subordination Provisions. Buyer covenants and agrees, and the Holder, by its acceptance of this Note, likewise covenants and agrees, that the payment of all Junior Liabilities is hereby expressly subordinated in right of payment to the payment and performance of the Senior Interests to the extent and in the manner set forth in this paragraph:

(a) In the event of any Bankruptcy Proceeding, the Senior Interests shall first be paid and performed in full and in cash before the Holder shall be entitled to receive and to retain any payment or distribution in respect of the Junior Liabilities. In order to implement the foregoing: (i) all payments and distributions of any kind or character in respect of the Junior Liabilities to which the Holder would be entitled except for this clause (a) shall be made directly to the Trustee (for the benefit of itself, the Investor Certificate holders and the Purchasers), and (ii) if a Bankruptcy Proceeding has been commenced, the Holder shall promptly file a claim or claims, in the form required in any Bankruptcy Proceedings, for the full outstanding amount of the Junior Liabilities, and shall use commercially reasonable efforts to cause said claim or claims to be approved and all payments and other distributions in respect thereof to be made directly to the Trustee (for the benefit of itself, the Investor Certificate holders and the Purchasers) until the Senior Interests shall have been paid and performed in full and in cash.

(b) In the event that the Holder receives any payment or other distribution of any kind or character from Buyer or from any other source whatsoever, in payment of the Junior Liabilities, after the commencement of any Bankruptcy Proceeding, such payment or other distribution shall be received in trust for the Trustee, the Investor Certificate holders and the Purchasers and shall be turned over by the Holder to the Trustee forthwith.

(c) Upon the date which is a year and a day after the final payment in full and in cash of all Senior Interests, the Holder shall be subrogated to the rights of the Trustee, the Investor Certificate holders and the Purchasers to receive payments or distributions from Buyer that are applicable to the Senior Interests until the Junior Liabilities are paid in full.

(d) These Subordination Provisions are intended solely for the purpose of defining the relative rights of the Holder, on the one hand, and the Trustee, the Investor Certificate holders and the Purchasers on the other hand. Nothing contained

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in these Subordination Provisions or elsewhere in this Note is intended to or shall impair, as between Buyer, its creditors (other than the Trustee, the Investor Certificate holders and the Purchasers) and the Holder, Buyer's obligation, which is unconditional and absolute, to pay the Junior Liabilities as and when the same shall become due and payable in accordance with the terms hereof and of the Agreement or to affect the relative rights of the Holder and creditors of Buyer (other than the Trustee, the Investor Certificate holders and the Purchasers).

(e) Except as otherwise permitted in Sections 1.8 and 10.4 of the Agreement, the Holder shall not, until the Senior Interests have been finally paid and performed in full and in cash, (i) cancel, waive, forgive, transfer or assign, or commence legal proceedings to enforce or collect, or subordinate to any obligation of Buyer (other than to the Senior Interests), howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due, the Junior Liabilities or any rights in respect hereof or (ii) convert the Junior Liabilities into an equity interest in Buyer, unless, in the case of each of clauses (i) and (ii), the Holder shall have received the prior written consent of the Trustee in each case.

(f) The Holder shall not, without the advance written consent of the Trustee, commence, or join with any other Person in commencing, any Bankruptcy Proceedings with respect to Buyer until at least one

year and one day shall have passed after the Senior Interests shall have been finally paid and performed in full and in cash; provided, however, that the Holder shall at all times have the right to file any claim in or otherwise take any action with respect to any insolvency proceeding instituted against Buyer by any Person other than the Holder or any other Howmet Person (provided that no such action may be taken by the Holder until such proceeding has continued undismissed, unstayed and in effect for a period of 10 days).

(g) If, at any time, any payment (in whole or in part) made with respect to any Senior Interest is rescinded or must be restored or returned by a Certificate holder or Purchaser (whether in connection with any Bankruptcy Proceedings or otherwise), these Subordination Provisions shall continue to be effective or shall be reinstated, as the case may be, as though such payment had not been made.

(h) Each of the Trustee, the Investor Certificate holders and the Purchasers may, from time to time, in its sole discretion, without notice to the Holder, and without waiving any of its rights under these Subordination Provisions, take any or all of the following actions: (i) retain or obtain an interest in any property to secure any of the Senior Interests, (ii) retain or obtain the primary or secondary obligations of any other obligor or obligors with respect to any of the Senior Interests, (iii) extend or renew for one or more periods (whether or not longer than the original period),

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alter, increase or exchange any of the Senior Interests, or release or compromise any obligation of any nature with respect to any of the Senior Interests, (iv) amend, supplement, amend and restate, or otherwise modify any Transaction Document to which it is a party, and (v) release its security interest in, or surrender, release or permit any substitution or exchange for all or any part of any rights or property securing any of the Senior Interests, or extend or renew for one or more periods (whether or not longer than the original period), or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such rights or property.

(i) The Holder hereby waives: (i) notice of acceptance of these Subordination Provisions by the Trustee or any of the Investor Certificate holders or Purchasers, (ii) notice of the existence, creation, non-payment or non-performance of all or any of the Senior Interests, and (iii) all diligence in enforcement, collection or protection of, or realization upon, the Senior Interests, or any thereof. or any security therefor.

(j) These Subordination Provisions constitute a continuing offer from Buyer to all Persons who become the holders of, or who continue to hold, Senior Interests, and these Subordination Provisions are made for the benefit of the Trustee, the Investor Certificate holders and the Purchasers, and the Trustee may proceed to enforce such provisions on behalf of each of such Persons.

8. General. No failure or delay on the part of the Holder in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No amendment, modification or waiver of, or consent with respect to, any provision of this Note shall in any event be effective unless (a) the same shall be in writing and signed and delivered by Buyer and the Seller, and (b) all consents required for such actions under the Transaction Documents shall have been received by the appropriate Persons.

9. Limitation on Interest. Notwithstanding anything in this Note to the contrary, Buyer shall never be required to pay unearned interest on any amount outstanding hereunder, and shall never be required to pay interest on the principal amount outstanding hereunder, at a rate in excess of the maximum nonusurious interest rate that may be contracted for, charged or received under applicable federal or state law (such maximum rate being herein called the "Highest Lawful Rate"). If the effective rate of interest that would otherwise be payable under this Note would exceed the Highest lawful Rate, or the Holder shall receive any unearned interest or shall receive monies that are deemed to constitute interest that would increase the effective rate of interest payable by Buyer under this Note to a rate in excess of the Highest lawful Rate, then (a) the amount of interest that would otherwise be payable by Buyer under this Note shall be reduced to the amount allowed by applicable law, and (b) any unearned interest paid by Buyer or any interest paid by Buyer in excess of the Highest

Lawful Rate shall be refunded to Buyer. Without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received by the Holder under this Note that are made for the purpose of determining whether such rate exceeds the Highest Lawful Rate shall be made, to the extent permitted by applicable usury laws (now or hereafter enacted), by amortizing, prorating and spreading in equal parts during the actual period during which any amount has been outstanding hereunder all interest at any time contracted for, charged or received by the Seller in connection herewith. If at any time and from time to time (i) the amount of interest payable to the Holder on any date shall be computed at the Highest Lawful Rate pursuant to the provisions of the foregoing sentence, and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Holder would be less than the amount of interest payable to the Holder computed at the Highest Lawful Rate, then the amount of interest payable to the Holder in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate until the total amount of interest payable to the Holder shall equal the total amount of interest that would have been payable to the Holder if the total amount of interest had been computed without giving effect to the provisions of the foregoing sentence.

10. No Negotiation. This Note is not negotiable.

11. Governing Law. THIS NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

12. Security Interest. The Seller may grant a security interest in or otherwise pledge this Note as security, and any Person to whom such security interest is granted or to whom this Note is pledged shall be bound by, and for all purposes takes this Note subject to, the restrictions and other provisions (including the Subordination Provisions) set forth herein.

13. Captions. Paragraph captions used in this Note are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Note.

14. Restatement. This Note amends and restates in its entirety the Buyer Note dated December 13, 1995 and issued by Buyer to Seller pursuant to the Existing Purchase Agreement.

BLADE RECEIVABLES CORPORATION

By: _____
Title: _____

EXHIBIT B
to Purchase Agreement

FORM OF
SELLER ASSIGNMENT CERTIFICATE

Reference is made to the Amended and Restated Receivables Purchase Agreement of even date herewith (as the same may be amended, supplemented, amended and restated or otherwise modified from time to time, the "Agreement") between _____, _____ and _____ ("Buyer"). Unless otherwise defined herein, capitalized terms used herein have the meanings provided in Appendix A to the Agreement.

The undersigned (the "Seller") hereby sells, transfers, assigns, sets over and conveys unto Buyer and its successors and assigns all right, tide and interest of the Seller in, to and under:

(a) each Receivable of the Seller (other than Contributed Receivables) that existed and was owing to the Seller as at the closing of the Seller's business on the Initial Cut-Off Date,

(b) each Receivable created by the Seller (other than Contributed Receivables) that arises during the period from and including the closing of the Seller's business on the Initial Cut-Off Date to but excluding the earlier to occur of (i) the Purchase Termination Date and (ii) the Termination Effective Date (if any) with respect to such Seller,

(c) all Related Security with respect to all Receivables (other than Contributed Receivables) of the Seller,

(d) all proceeds of the foregoing, including all fluids received by any Person in payment of any amounts owed (including invoice prices, finance charges, interest and all other charges, if any) in respect of any Receivable described above (other than a Contributed Receivable) or Related Security with respect to any such Receivable, or otherwise applied to repay or discharge any such Receivable (including insurance payments that the Seller or the Servicer applies in the ordinary course of its business to amounts owed in respect of any such Receivable (it being understood that property insurance covering inventory is not so applied and is not included in this grant) and net proceeds of any sale or other disposition of repossessed goods that were the subject of any such Receivable) or other collateral or property of any Obligor or any other party directly or indirectly liable for payment of such Receivables), and

(e) all Records relating to any of the foregoing.

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This Seller Assignment Certificate is made without recourse but on the terms and subject to the conditions set forth in the Transaction Documents to which the Seller is a party. The Seller acknowledges and agrees that Buyer is accepting this Seller Assignment Certificate in reliance on the representations, warranties and covenants of the Seller contained in the Transaction Documents to which the Seller is a party.

THIS SELLER ASSIGNMENT CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE AGREEMENT AND THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

IN WITNESS WHEREOF, the undersigned has caused this Seller Assignment Certificate to be duly executed and delivered by its duly Authorized Officer this ____ day of _____, 1996.

[SELLER FULL NAME]

By: _____
Title: _____

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EXHIBIT C
to Purchase Agreement

FORM OF CONTRIBUTION AGREEMENT

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FORM OF CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of _____, (the "Agreement"), between HOWMET CORPORATION, a Delaware corporation ("Howmet"), and BLADE RECEIVABLES CORPORATION, a Nevada corporation ("BRC").

In consideration of the mutual agreements contained herein, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized terms used and not otherwise defined herein will have the meanings given to them in the Receivables Purchase

Agreement, dated as of December __, 1995 (the "RPA"), by and among BRC, Howmet and certain subsidiaries of Howmet listed on the signature pages thereto.

ARTICLE II

CONTRIBUTION TO BRC

Section 2.01. Capital Contribution to BRC. Howmet hereby agrees to transfer, assign, set over and otherwise convey to BRC all of Howmet's right, tide and interest in, to and under:

(a) each Receivable of Howmet listed or described on Schedule A attached hereto, which may include Receivables originated after the date hereof (collectively, the "Contributed Receivables") ,

(b) all Related Security with respect to the Contributed Receivables,

(c) all proceeds of the foregoing, including all fund's received by any Person in payment of any amounts owed (including invoice prices, finance charges, interest and all other charges, if any) in respect of any Contributed Receivable or Related Security with respect to any Contributed Receivable, or otherwise applied to repay or discharge any Contributed Receivable (including insurance payments that Howmet or the Servicer applies in the ordinary course of its business to amounts owed in respect of any Contributed Receivable (it being understood that property insurance covering inventory is not so applied and is not included in this grant) and net proceeds of any sale or other disposition of repossessed goods that were the subject of any Contributed Receivable) or other collateral or property of any Obligor or any other party directory or indirectly liable for payment of Contributed Receivables, and

(d) all Records relating to any of the foregoing.

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The property described in clauses (b) through (d) above is collectively called the "Related Contributed Assets."

Section 2.02. Acceptance by BRC. BRC hereby acknowledges its acceptance of all right, title and interest in and to the property contributed to BRC by Howmet pursuant to Section 2.01.

Section 2.03. Absolute Transfer: Assumption of Obligations. Howmet and BRC hereby agree and acknowledge that the contribution of the Contributed Receivables and Related Contributed Assets to BRC pursuant to Section 2.01 is an absolute and irrevocable transfer of such property , and is not intended to be a transfer for purposes of security. Howmet represents and warranties that all of its representations and warranties in the RPA with respect to the Contributed Receivables and Related Contributed Assets are true and correct on the date such Receivables are contributed to BRC.

ARTICLE III

MISCELLANEOUS

Section 3.01. Counterparts. For the purpose of facilitating its execution and for other purposes, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same instrument.

Section 3.02 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, Howmet and BRC have caused this Agreement to be duly executed as of the date of this Agreement.

HOWMET CORPORATION

By: _____
Name: _____
Title: _____

BLADE RECEIVABLES CORPORATION

By: _____

Litigation and Other Proceedings

CERCLA Matters

Howmet Corporation ("Howmet") and its subsidiaries, as the case may be, have either received requests for information or been notified that they are or may be potentially responsible parties under CERCLA

or are otherwise involved in proceedings relating to the following locations:

- In connection with a long standing investigation by the Michigan Department of Natural Resources, groundwater monitoring at Howmet's Whitehall facilities is continuing, an air sparging system has been installed and is operating, and other remedial steps have been taken. The cost of future remedial measures, including operating the sparging system for three years and continued monitoring, will be approximately \$175,000.
- On May 20, 1991, Howmet entered into an Administrative Consent Order with the New Jersey Department of Environmental Protection and Energy (the "NJDEP") providing for the further investigation and remediation of the environmental condition at Howmet's two Dover, New Jersey facilities. The areas of particular interest include a former disposal area, two former holding ponds and a drainage ditch. Howmet's remedial investigation work plan was approved by the NJDEP several years ago, and Howmet and its consultants are continuing to proceed under it. A reasonable estimate of further costs is \$540,000.
- In 1988 AT&T Technologies, Inc. ("AT&T") commenced a lawsuit against Ceramet, Inc., now an operating unit of Howmet-Cercast (U.S.A.), Inc. ("Cercast"), and others for contribution in connection with remedial costs incurred by AT&T in responding to requests for remedial action by the United States Environmental Protection Agency (the "EPA") at the Heleva Landfill in Pennsylvania. In 1993 the EPA issued orders under CERCLA Section 106 to require AT&T, Cercast and other parties to remedy the site and reimburse the government's past costs. Subsequently the government sued these parties in federal court. Cercast has now entered into a settlement with AT&T and the EPA under which Cercast will pay \$750,000 to settle its potential liability in this lawsuit. The settlement is pending final drafting and execution of a settlement agreement or consent decree.
- In connection with the EPA's long outstanding proceeding involving the Conservation Chemical Superfund Site, the EPA is performing an emergency action to remove stored chemicals and contaminated soils from the site. A settlement has been proposed by the EPA. Howmet's share of the response costs will be less than \$33,000.
- On November 13, 1992, Howmet was named as a third party defendant, along with many others, in connection with a lawsuit brought by the EPA for environmental claims at the Metcoa environmental site in Pulaski, Pennsylvania. The material Howmet sent to the site was of a non-radiation nature. Howmet has joined with other defendants in seeking de minimis status in this case.
- Howmet's Winsted Machining Center has been named by the EPA as a Potentially Responsible Party ("PRP") for contamination at the Barkhamsted, Connecticut, hazardous waste site, along with approximately forty other parties. Howmet's estimated maximum liability is now less than \$150,000. Under a bonding authorization approved by the Connecticut General Assembly in

1995 specifically directed to this site, the State of Connecticut, may incur a substantial portion of the liability which Howmet would otherwise be expected to bear.

- Howmet's Dover, New Jersey, Alloy Division facility has been identified

by the NJDEP as one of twenty PRP's relating to contamination at the Combe Fill (New Jersey) South sanitary landfill. This case has been under study for more than six years by the NJDEP and involves the closing of several drinking water wells in the vicinity. Howmet has now entered into a potential settlement with the NJDEP and the other named generators which will allocate to Howmet a 6% portion of the cleanup costs. This will require payments by Howmet estimated at \$2.4 million. The presently identified generators, including Howmet, are taking steps to file a lawsuit against a substantial number of other likely generators to spread the burden of cleanup costs.

- On August 10, 1994 the NJDEP informed Howmet that it was a PRP in connection with the remediation of hazardous substances at the PJP Landfill Superfund Site in Jersey City, New Jersey, on the basis of waste disposal activities of its Dover, New Jersey facility. On July 24, 1995, the NJDEP commenced a lawsuit against Howmet and approximately 45 other defendants for the NJDEP's costs of clean-up and removal of the environmental hazard at the site. No specific amount of liability on the part of Howmet has yet been demanded. It is difficult at this stage to predict the amount of an ultimate liability, if any.
- The EPA has named the New England Aircraft Products Company, a former subsidiary of Howmet, as one of 1,294 parties the EPA plans to hold responsible for the environmental cleanup of the polluted Solvents Recovery Service property situated in Southington, Connecticut. The EPA now claims that the Howmet subsidiary should be charged with responsibility for 20,790 gallons. This would take it out of the de minimis group. The exposure to Howmet could reach a maximum in the \$100,000 range.
- On August 15, 1995, Howmet received a notice from the Texas Natural Resource Conservation Commission seeking information whether Howmet may be a PRP with respect to a site in Ovalo, Texas known as the Wichita Falls, Texas 76703 Site. Howmet has responded indicating that it has no information linking it to the site. It believes that it has no involvement at this site.
- On September 29, 1995, the EPA notified Howmet that it may be a PRP with respect to the Spectron Superfund Site, in Elktron, Maryland. No specific amount has been demanded from Howmet, nor does Howmet believe it has had any involvement at this site.
- On August 4, 1995, the EPA informed Howmet that it might be a PRP with respect to the PCB Treatment Inc. Superfund Sites in Kansas City, Missouri. On October 2, 1995, Howmet responded indicating that 44.77 gallons of its PCBs may have been involved, but believes that all of that volume was destroyed.
- In September 1995 the EPA informed Cercast that its Sigma Casting Division was a PRP with respect to the discharge of hazardous substances at the Omega Chemical Corporation in Whittier, California. The division has so far incurred a cost of \$22,000 to cover investigation and surface water cleanup. If groundwater cleanup is also required, an estimated additional \$80,000 may be incurred.

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- On January 23, 1996 Dermody Properties, Inc. ("Dermody"), the owner of Silver Lake Business Center near the facility formerly owned by Howmet in Reno, Nevada, sent Howmet a letter informing it that it might become involved in an ongoing lawsuit brought in July, 1994 by Dermody. Dermody claims that Howmet, along with six other property owners, may be the source of contamination to Dermody's property from chlorinated solvents and petroleum products. Dermody invited Howmet to participate in a mediation process under way in connection with the lawsuit. Howmet, however, did not use chlorinated solvents or petroleum products in its production processes at its site in Reno, and has so informed Dermody.
- Since 1987 under a consent administrative order entered into with the EPA, a group of approximately 100 PRPs has been conducting a remedial investigation/feasibility study at the Thermo Chem site in Muskegon County, Michigan. In 1991, the EPA expanded the site to include not only the former Thermo Chem facility but also a former bulk storage facility of Thomas Solvent Company, and the site was divided into two operable units. A settlement agreement in 1995 fixed Howmet's liability at approximately \$260,000.

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Changes in Financial Condition

NONE

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Schedule 3

Offices of Seller Where Records are Maintained

Howmet Corporation
475 Steamboat Road
Greenwich, CT 06836-1960

Howmet Refurbishment, Inc.
475 Steamboat Road
Greenwich, CT 06836-1960

Howmet-Tempcraft, Inc.
475 Steamboat Road
Greenwich, CT 06836-1960

Turbine Components Corporation
475 Steamboat Road
Greenwich, CT 06836-1960

Howmet Cercast (U.S.A.), Inc.
475 Steamboat Road
Greenwich, CT 06836-1960

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Schedule 4

Legal Names, Trade Names and Names
Under Which the Companies Do Business

Howmet Corporation
(formerly Howmet Turbine Components Corporation)

Howmet Refurbishment, Inc.

Howmet-Tempcraft, Inc.
(formerly Tempcraft, Inc.)

Turbine Components Corporation

Howmet Cercast (U.S.A.), Inc.
(formerly HTC Factors, Inc.)

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PROJECT BLADE - TAKEOUT

CERTIFICATE PURCHASE AGREEMENT
(Series 1996-1, Class A)

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,

HOWMET CORPORATION,

THE PURCHASERS DESCRIBED HEREIN,

and

THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

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APPENDIX

APPENDIX X Index of Additional Defined Terms

This CERTIFICATE PURCHASE AGREEMENT, dated as of April 18, 1996 (this "Agreement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer" or "Howmet"), the purchasers named on the signatures pages of this Agreement (together with their respective permitted assigns, the "Purchasers"), and THE FIRST NATIONAL BANK OF CHICAGO, as administrative and syndication and documentation agent for the Purchasers (in that capacity, together with any successors in that capacity, "Agent").

BACKGROUND

1. Transferor (a) is a party to a Pooling and Servicing Agreement dated as of December 13, 1995, as amended and restated in its entirety by an Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 (the "Pooling Agreement"), with Howmet, as initial Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (in that capacity, together with any successors in that capacity, the "Trustee"), (b) is a party to a Receivables Purchase Agreement dated as of December 13, 1995, as amended and restated in its entirety by an Amended and Restated Receivables Purchase Agreement dated as of April 18, 1996, and (c) will enter into a Series 1996-1 Supplement to the Pooling Agreement substantially in the form of Exhibit A (the "Supplement"). Pursuant to the Pooling Agreement and the Supplement, Transferor will obtain the Series 1996-1, Class A Certificates (the "Certificates"), which will represent fractional undivided beneficial interests in the assets of the Blade Receivables Master Trust (the "Trust"), a trust organized pursuant to the Pooling Agreement.

2. Transferor wishes to obtain the commitment of each Purchaser to purchase fractional undivided beneficial interests in the assets of the Trust (each a "Trust Interest") that will be evidenced by its Certificate. Subject to the terms and conditions of this Agreement, each Purchaser is willing to purchase a Certificate. Howmet has joined in this Agreement to confirm certain representations, warranties and covenants for the benefit of the Purchasers and the Agent.

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Supplement or, if not

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defined in the Supplement, in Appendix A to the Pooling Agreement. An index of terms defined directly in this Agreement is attached as Appendix X.

ARTICLE II PURCHASE AND SALE OF CERTIFICATES

SECTION 2.1 Purchase. The Transferor will sell to each Purchaser and, subject to the terms and conditions of this Agreement, the Pooling Agreement and the Supplement, each Purchaser will purchase (each such purchase being a "Purchase") from the Transferor, at the time and place provided for in Section 2.2, a Certificate for a purchase price equal to 100 % of the Stated Amount of such Certificate. The Stated Amount of each initial Purchaser's Certificate is set forth opposite its name in Schedule I.

SECTION 2.2 Closing. The sale of each Certificate shall take place at the offices of Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603 at noon, Chicago time, on April 18, 1996 (the "Effective Date"). On the Effective Date, the Transferor will deliver to each Purchaser a Certificate, dated as of the Effective Date and registered in the name of each such Purchaser, against delivery by each such Purchaser to the Transferor or its order of immediately available funds in the amount of the purchase price therefor to Manufacturers & Traders Trust Company, Corporate Trust Department, One M&T Plaza, 7th floor, Buffalo, New York 14203-2399, Attention: Russell Whitley.

SECTION 2.3 Certificates. The outstanding amounts of the Purchase made by each Purchaser shall be evidenced by its Certificate, and to be issued on the Effective Date substantially in the form of Exhibit A (Part 1) to the Supplement. Each Purchaser shall and is hereby authorized to record on the grid attached to its Certificate (or at its option, in its internal books and records) the date and amount of the Purchase made by it, the amount of each repayment of the principal amount represented by its Certificate and the portions of its Purchase that are from time to time allocated to the ABR Tranche and a Eurodollar Tranche (which shall be conclusive absent demonstrable error); provided, that failure to make any recordation on the grid or records or any error in the grid or records shall not adversely affect the Purchaser's rights with respect to its interest in the assets of the Trust and its right to receive interest in respect of the outstanding principal amount of the Purchase made by the Purchaser.

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ARTICLE III PREPAYMENTS

SECTION 3.1 Transferor's Right to Prepay Certificates. Transferor may, in accordance with Section 4.9 of the Supplement, prepay the Certificates in full or in part upon at least three Business Days' prior notice by Transferor to Trustee. In the event of any such prepayment of the Certificates occurring at any time during the one-year period commencing on the Effective Date, the Holders of such Certificates shall be entitled to receive a Prepayment Premium. The Certificates may not be partially prepaid and the Certificates, once prepaid, may not be reinstated.

SECTION 3.2 Notice to Purchasers. Trustee shall promptly advise the Purchasers of any notice received by Trustee pursuant to Section 3.1.

ARTICLE IV TRANCHES, INTEREST AND FEES

SECTION 4.1 Tranches (a) Subject to the terms and conditions set forth in this section and Section 4.4, Transferor shall have the option: (x) on any Business Day, to convert all or part of the ABR Tranche to a Eurodollar Tranche and (y) on the last day of any Interest Period of a Eurodollar Tranche, to convert all or any part of that Eurodollar Tranche to form a part of the ABR Tranche and/or to continue all or any part of that Eurodollar Tranche as a new Eurodollar Tranche, the Interest Period for which shall commence on the first day after the prior Interest Period; provided, that:

(i) subject to Section 4.4, each conversion or continuation shall be made ratably among the Purchasers in accordance with their respective amounts of the Purchases comprising the converted or continued Tranche;

(ii) if less than all of the outstanding amount of any Tranche shall be converted or continued, the aggregate amount of the Tranche converted or continued shall be in an integral multiple of \$1,000,000 and in a minimum principal amount of \$2,000,000;

(iii) any Interest Period for a Eurodollar Tranche that commences after the commencement of the Amortization Period must begin on a Distribution Date and end on the next Distribution Date; and

(iv) there shall not be more than four separate Eurodollar Tranches outstanding at any one time.

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(b) If Transferor wishes to convert and/or continue a Tranche under this section, Transferor shall notify the Agent in writing (i) in the case of a conversion to or continuation of a Eurodollar Tranche, not later than 2:00 p.m., New York City time, three Business Days prior to the date of the proposed conversion or continuation date and (ii) otherwise, not later than noon, New York City time, one Business Day prior to the date of the proposed conversion or continuation. Each notice shall be irrevocable and shall refer to this Agreement and specify (x) the identity and amount of the Tranche that Transferor wishes to convert or continue, (y) whether all or part of the Tranche is to be converted into or continued as a Eurodollar Tranche and (z) the date of the proposed conversion or continuation (which shall be a Business Day). If Transferor shall not have delivered a timely notice in accordance with this section with respect to any Tranche, the Tranche shall, at the end of the Interest Period applicable to it (unless repaid pursuant to the terms hereof), automatically be converted into or continued as an ABR Tranche. The Agent shall promptly advise the Purchasers of any notice given pursuant to this section and of each Purchaser's portion of any converted or continued Tranche.

(c) In accordance with Section 4.1 of the Supplement, each Purchaser and the Agent will be entitled to receive additional interest (at the rate specified therein) on amounts that are not paid when due under this Agreement or under its Certificate.

SECTION 4.2 Fees. On the Effective Date, Howmet shall pay to the Agent the fees specified in the fee letter, dated October 20, 1995, delivered by Servicer to the Agent, for the account of the Persons specified in such letter.

SECTION 4.3 Yield Protection. (a) Notwithstanding any other provision herein, if, after the date hereof, either:

(i) the adoption of any law, rule or regulation (including any imposition or increase of reserve requirements) or any change after the date hereof in the interpretation or administration of any law, rule or regulation by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or

(ii) the compliance by a Purchaser with any new or revised guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising control over banks or financial institutions generally (whether or not having the force of law),

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shall subject a Purchaser to the imposition or modification of any reserve (including any imposed by the Federal Reserve Board), special deposit or similar requirement (including a reserve, special deposit or similar requirement that takes the form of a tax) against assets of, deposits with or for the account of, or credit extended by, the Purchaser or the office from time to time that it designates to the Agent as the office through which it makes and maintains its Purchases comprising part of a Eurodollar Tranche (as to each Purchaser, its "LIBOR Office") or impose any other condition on a Purchaser affecting its Eurodollar Tranche or its obligations hereunder, and as a result of either of the foregoing there shall be any increase in the cost to the Purchaser of agreeing to make or making, funding or maintaining Purchases as Eurodollar Tranches (except to the extent already included in the determination of the Reserve Adjusted Eurodollar Rate), or there shall be a reduction in the amount received or receivable by the Purchaser or its LIBOR Office, then, upon written notice from the Purchaser to Transferor and Servicer (with a copy to the Agent), signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in reasonable detail the calculation used to arrive at the amounts, additional amounts sufficient to indemnify that Purchaser against the increased cost or reduction in amounts received or receivable shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(b) If a Purchaser shall reasonably determine that the adoption after the date hereof of any law, rule or regulation regarding capital adequacy or capital maintenance, or any change after the date hereof in any of the foregoing or 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 the Purchaser, any of its lending offices or its holding company with any new or revised request or directive regarding capital adequacy or capital maintenance (whether or not having the

force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Purchaser's capital or the capital of its holding company as a consequence of this Agreement, the Purchase made by the Purchaser pursuant hereto to a level below what the Purchaser or its holding company could have achieved but for the adoption, change or compliance (taking into consideration the Purchaser's policies, and the policies of its holding company, with respect to capital adequacy), then, upon written notice from the Purchaser to Transferor and Servicer (with a copy to the Agent), signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in reasonable detail the calculation used to arrive at the amounts, any additional amounts as will compensate the Purchaser or its holding company for the

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reduction shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(c) A Purchaser will act reasonably and in good faith (and use reasonable attribution methods) in determining any additional amounts due pursuant to subsection (a) or (b), as the case may be, and shall promptly notify Transferor, Servicer and the Agent in writing of any event of which it has knowledge occurring after the date hereof that will entitle it to compensation pursuant to this section. A certificate of the Purchaser, signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in reasonable detail the calculation used to arrive at the amounts necessary to compensate the Purchaser or its holding company as specified in subsection (a) or (b), as the case may be, shall be delivered to Transferor and Servicer and shall be conclusive absent demonstrable error.

(d) Failure on the part of a Purchaser to demand compensation for any amounts as specified in subsection (a) or (b) with respect to any period shall not constitute a waiver of its right to demand compensation with respect to that period or any other period. The protection of this section shall be available to the Purchasers regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition that shall have occurred or been imposed.

(e) Promptly after giving any notice to Transferor pursuant to this section, a Purchaser will seek to designate one of its offices located at an address other than that previously designated pursuant to this Agreement as the office from which its Purchase will be maintained after the designation if it will avoid the need for, or materially reduce the amount of, any payment to which the Purchaser would otherwise be entitled pursuant to this section and will not, in the reasonable discretion of the Purchaser, be otherwise disadvantageous to the Purchaser.

SECTION 4.4 Illegality; Unavailability. (a) In the event that on any date any Purchaser shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties) that the continuation of its Purchase as Eurodollar Tranches has become unlawful by compliance by the Purchaser in good faith with any law, governmental rule, regulation or order or has become impossible as a result of a contingency occurring after the date hereof that materially and adversely affects its interbank eurodollar market, then, and in any such event, that Purchaser shall promptly give notice (by telephone confirmed in writing) to Transferor, Servicer and the Agent (which notice the Agent shall promptly transmit to each Purchaser) of that

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determination. The obligation of the affected Purchaser to maintain its Purchase as Eurodollar Tranches during any such period shall be terminated at the earlier of the termination of the Interest Period then in effect for such Eurodollar Tranches or when required by law, and Transferor shall, no later than the time specified for the termination, convert the portion of the Purchase of the affected Purchaser that constitutes part of any Eurodollar Tranche into a part of the ABR Tranche.

(b) If, prior to the beginning of any Interest Period, the Agent shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties) that: (i) Dollar deposits in the relevant amount and for the Interest Period are not available in the relevant interbank eurodollar market or (ii) by reason of circumstances affecting the interbank eurodollar market, that adequate and fair means do not exist for ascertaining the Reserve Adjusted Eurodollar Rate applicable to a Eurodollar Tranche, then the Agent shall promptly give notice of this determination to Transferor and to each Purchaser. Thereafter, and continuing until the Agent shall notify Transferor that the circumstances giving rise to this determination no longer exist, (x) each Eurodollar Tranche will, on the last day of the applicable Interest Period, convert into a part of the ABR Tranche and (y) the right of

Transferor to request Eurodollar Tranches shall be suspended.

SECTION 4.5 Indemnity. If a Purchaser shall incur any losses, expenses or liabilities (including any interest paid to lenders of funds borrowed by it to fund its Purchase of its Certificate as a Eurodollar Tranche and any loss sustained in connection with the re-deployment of such funds) as a result of (a) the failure of such Purchase to be made on the Effective Date (other than any such failure resulting from the Purchaser's default in the performance of its obligations hereunder) or (b) any repayment, including under Section 3.1, of any part of the Invested Amount allocated to a Eurodollar Tranche on a date that is not the last day of the Interest Period applicable to that part of the Invested Amount or that is any date other than the date specified in a notice of repayment given by Trustee, then, upon written notice (which notice shall be signed by an officer of the Purchaser with knowledge of and responsibility for such matters and shall set forth in reasonable detail the basis for requesting the amounts) from the Purchaser to Transferor and Servicer, additional amounts sufficient to indemnify the Purchaser against the losses, expenses and liabilities, but not for any lost profits associated therewith, shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

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SECTION 4.6 Taxes. (a) Any and all payments made to each Purchaser under its Certificate shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, excluding taxes imposed by the jurisdiction in which that Purchaser's principal office (and/or the office where it books its investment in its Certificate) is located on all or part of the net income, profits or gains of that Purchaser (whether worldwide, or only insofar as such income, profits or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) (all the nonexcluded taxes, levies, imposts, charges, deductions, withholdings and liabilities being hereinafter referred to as "Taxes"), except to the extent required by law. If Trustee or the Agent is required by law to deduct or withhold any Taxes from or in respect of any sum payable hereunder or under any Certificate to a Purchaser, then the sum payable shall be increased by the amount necessary to yield to such Purchaser (after payment of all Taxes) an amount equal to the sum it would have received had no such deductions or withholdings been made, and the additional amount shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(b) Whenever any Taxes are paid by Trustee pursuant to subsection (a), as promptly as possible thereafter Servicer shall send to the relevant Purchaser the original or a certified copy of an original official receipt showing payment thereof (if any) or any other evidence of the payment as may be available to Servicer through the exercise of its reasonable efforts. If Trustee fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Purchaser the required receipts or other required documentary evidence, the Purchaser shall be entitled to receive, solely from amounts allocated with respect thereto and paid pursuant to the Supplement, additional amounts necessary to indemnify it for any incremental taxes, interest or penalties that may become payable by the Purchaser as a result of any such failure, and the amounts shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(c) On or before the date it becomes a party to this Agreement (or, in the case of an Affected Party, on or before the date it becomes a Support Bank) and, so long as it may properly do so, periodically thereafter, to keep forms up to date, each Purchaser (including any Assignee) and Affected Party that is not a United States person (as defined in section 7701(a)(30) of the Internal Revenue Code), shall deliver to Trustee any certificates, documents or

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other evidence that shall be required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto to establish that, assuming the Certificates are properly characterized as indebtedness for Federal income tax purposes, it is exempt from existing United States Federal withholding (including backup withholding) requirements, including (i) two original copies of Internal Revenue Service Form 4224 or successor applicable form, properly completed and duly executed by the Purchaser or Affected Party certifying that it is entitled to receive payments under this Agreement or any Certificate without deduction or withholding of any United States Federal income taxes, and (ii) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed, establishing that it is entitled to an

exemption from a backup withholding; provided, that if any Purchaser or Affected Party fails to comply with this subsection 4.6(c) (it being understood that a Purchaser's or Affected Party's inability to properly provide the documents described herein after the date it becomes a party hereto, in the case of a Purchaser, or the date it becomes a Support Bank, in the case of an Affected Party, shall not constitute failure to comply with this subsection 4.6(c)), amounts payable to such Purchaser or Affected Party (as the case may be) under this Section 4.6 shall be limited to amounts that would have been payable under this section if such Purchaser had so complied. Each Purchaser, including any Assignee, shall notify Trustee of any change in circumstances or lapse in time which renders any form provided by such Purchaser pursuant to this subsection 4.6(c) obsolete to the extent that such Purchaser is no longer exempt from existing United States Federal withholding (including backup withholding) requirements.

(d) On or before the date it becomes a party to this Agreement (and, so long as it may properly do so, periodically thereafter, to keep forms up to date), each Purchaser, including any Assignee, (other than any such Purchaser or Assignee organized as a corporation under the laws of any state of the United States) that is a United States person (as defined in Section 7701(a)(30) of the Internal Revenue Code), shall deliver to Trustee an original copy of Internal Revenue Service Form W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding.

(e) If any Additional Amount under this Section 4.6 is paid to a Purchaser and such Purchaser determines in its sole discretion that it has actually received or realized in connection therewith any refund or any reduction of, or credit against, its tax liabilities in or with respect to the taxable year in which the Additional Amount is paid, such Purchaser shall pay to the Transferor an amount that such Purchaser shall, in its sole discretion, determine is equal to the net benefit, after tax, which was obtained by such Purchaser in such year as a consequence of such refund, reduction or credit.

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ARTICLE V OTHER PAYMENT TERMS

SECTION 5.1 Time and Method of Payment. (a) All amounts payable to any Purchaser hereunder or with respect to its Certificate shall be made to the Agent for the account of the Purchaser by wire transfer of immediately available funds in Dollars not later than 2:00 p.m., New York City time, on the date due. Any funds received after that time will be deemed to have been received on the next Business Day. The Agent shall distribute all payments to the Purchasers, in accordance with their respective interests, prior to the close of business on the Business Day on which any payment is deemed received.

(b) On any date on which a payment to one or more Purchasers hereunder or under the Certificates is due and payable, the Agent may (but in no event shall be required to) assume that the payment has been made available to the Agent on the date of the payment in accordance with this section, and the Agent may (but in no event shall be required to), in reliance upon this assumption, make payment of a corresponding amount to the Purchasers. If and to the extent any amounts shall not have so been made available to the Agent, each Purchaser irrevocably and unconditionally agrees to repay to the Agent forthwith on demand the amount of payment it received together with interest thereon, for each day from the date payment is made by the Agent until the date the amount is repaid to the Agent, (i) for the first three days following the date the payment is made, at a rate per annum equal to the Federal Funds Rate and (ii) thereafter, at a rate per annum equal to the Federal Funds Rate plus 1%.

SECTION 5.2 Pro Rata Treatment; Percentages. (a) Each repayment of the principal of the Certificates, each payment of interest thereon and each conversion or continuation of any Tranche (except as otherwise required by Section 4.4(a) with respect to conversions) shall be allocated pro rata among the Purchasers on the date of payment or reduction, in accordance with their respective Class Percentages.

(b) For purposes of this Agreement, (i) "Class Percentage" means, with respect to each Purchaser, the percentage equivalent (carried out to twelve decimal places) of a fraction, the numerator of which is the Stated Amount of such Purchaser's Certificate and the denominator of which is the sum of the Stated Amounts of all of the Purchasers' Certificates, and (ii) "Series Percentage" means, with respect to each Purchaser, the percentage equivalent (carried out to twelve decimal places) of a fraction, the numerator of which is the Stated Amount of such Purchaser's Certificate and the denominator of which is the sum of the Stated Amounts for all of the Series 1996-1 Certificates. The initial Class Percentages and Series Percentages of the initial Purchasers are set forth opposite their names in Schedule 1

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SECTION 6.1 Transferor. As of the Effective Date, Transferor represents and warrants to the Purchasers that each of its representations and warranties in the Pooling Agreement and Purchase Agreement is true and correct, as if made on the Effective Date, and further represents and warrants that:

(a) no Early Amortization Event or Unmatured Early Amortization Event exists;

(b) assuming the accuracy of the Purchaser's representations set out in Section 6.3 and that no Purchaser (and no Person acting on any Purchaser's behalf) has made a general solicitation or general advertising within the meaning of the Securities Act, the offer and sale of the Certificates in the manner contemplated by this Agreement is a transaction exempt from the registration requirements of the Securities Act, and the Pooling Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended;

(c) except for First Chicago Capital Markets, Inc. and BT Securities Corporation (collectively, the "Financial Advisors"), Transferor has not dealt with any financial advisor, or other Person who may be entitled to any commission or compensation in connection with the sale of the Certificates; and the fees of the Financial Advisors shall not be an obligation of the Purchasers; and

(d) no information supplied by or on behalf of Transferor or Howmet to the Agent or the Purchasers in connection with the Transaction Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

SECTION 6.2 Howmet. As of the Effective Date, Howmet represents and warrants to the Purchasers that:

(a) each of its representations and warranties in the Pooling Agreement (in its capacity as Servicer) and the Purchase Agreement (in its capacity as a Seller) is true and correct, as if made on the Effective Date with the same effect as if made on that date (unless specifically stated to relate to an earlier date);

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(b) the Pro Forma Financial Data present fairly in all material respects the pro forma financial position, results of operations and cash flows of Howmet and its consolidated Subsidiaries at the dates and for the periods to which they relate and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, except as otherwise stated therein (except, in the case of quarterly financial statements, for the omission of footnotes and ordinary year-end adjustments, none of which, individually or in the aggregate, would be material);

(c) since September 30, 1995 through to the Effective Date (and except as contemplated in the Pro Forma Financial Data), (i) there has been no material adverse change in the condition, financial or otherwise, or the earnings, business affairs or business prospects of Transferor or Howmet, whether or not arising in the ordinary course of business, and (ii) there have been no transactions (except the execution and delivery of Transaction Documents, the Howmet Credit Agreement and the Note Indenture, and the consummation of the transactions and refinancings contemplated thereby) entered into by Transferor or Howmet that are material with respect to the condition, financial or otherwise, or the earnings, business affairs or business prospects of Transferor or Howmet; and

(d) no information supplied by or on behalf of Transferor or Howmet to the Agent or the Purchasers in connection with the Transaction Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

SECTION 6.3 Purchasers. As of the Effective Date (or such later date on which it acquires its Certificate in accordance with Section 10.3), each Purchaser represents and warrants (and each Assignee shall be deemed to represent and warrant as of the date that its assignment becomes effective) that:

(a) it is a "qualified institutional buyer" as that term is defined under Rule 144A of the Securities Act and it is not purchasing

its Certificate with a view to making a distribution thereof (within the meaning of the Securities Act);

(b) it has all necessary corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to fulfill its

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obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby;

(c) it is not a pension, profit sharing or other employee benefit plan subject to ERISA, and the assets being used to purchase its Certificate do not constitute the assets of any "benefit plan investor" (as defined under ERISA);

(d) such Purchaser's making and performance of this Agreement and the other Transaction Documents to which it is a party do not and will not violate any law or regulation of the jurisdiction of its incorporation or any other law or regulation applicable to it;

(e) this Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by it and constitute its legal, valid and binding obligation, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law; and

(f) all approvals, authorizations or other actions by, or filing with, any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement and the other Transaction Documents to which it is a party have been obtained.

ARTICLE VII CONDITIONS

SECTION 7.1 Conditions to Purchase. The obligation of each Purchaser to Purchase its Certificate shall be subject to the satisfaction of the conditions precedent that (x) the Agent shall have received, for the account of such Purchaser, a duly executed and authenticated Certificate registered in its name and in a Stated Amount equal to the amount set out opposite its name on the signature pages of this Agreement, (y) the Agent shall have received certain fees and reimbursement of any expenses referred to in Section 10.5 for which invoices have been presented and (z) the Agent shall have received, for the account of such Purchaser, an original (except as indicated below) counterpart of the following (each of which, if not in a form attached to this Agreement, shall be in form and substance satisfactory to the Agent):

(a) certified copies of the Pooling Agreement, the Purchase Agreement and the Guaranty, each of which shall be in full force and effect, and evidence that all actions required to be taken under those

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documents in connection with the issuance of the Certificates shall have been taken;

(b) photocopies of each Account Agreement:

(c) a certificate of the Secretary, or an Assistant Secretary, of each of Transferor, Servicer, Guarantor and each Seller with respect to:

(i) attached copies of resolutions of its Board of Directors then in full force and effect authorizing the execution, delivery and performance of the Transaction Documents;

(ii) the incumbency and signatures of those of its officers authorized to act with respect to the Transaction Documents; and

(iii) attached copies of its certificate of incorporation and by-laws;

(d) a certificate of an Authorized Officer of each of Transferor, Servicer, Guarantor and each Seller stating that, as of the Effective Date, before and after giving effect to the Purchases and to

the application of any proceeds therefrom, the following statements shall be true:

(i) the representations and warranties of Transferor, Servicer, Guarantor and each Seller set out in this Agreement and the other Transaction Documents are true and accurate as of the Effective Date (unless specifically stated to relate to an earlier date); and

(ii) no Early Amortization Event or Unmatured Early Amortization Event has occurred and is continuing;

(e) a certificate of an appropriate officer of Trustee stating that the Pooling Agreement has been duly authorized, executed and delivered by Trustee and the Certificates have been duly authenticated by Trustee in accordance with the Pooling Agreement, and an opinion of counsel to Trustee as to related matters;

(f) results of recent searches of the UCC filing records and tax and ERISA and judgment lien records, updating each of the searches performed in connection with the issuance by Transferor of the Series 1995-1 Certificates, showing no filings of record that cover any of the Receivables or the Related Transferred Assets, other than the financing

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statements filed in connection with the issuance of the Series 1995-1 Certificates;

(g) the following opinions addressed to the Agent, the Purchasers and Trustee, and in each case as to the matters and in such form and substance as shall be satisfactory to the Agent, the Purchasers and Trustee:

(i) opinions of Latham & Watkins as to certain corporate and securities matters, Federal and state tax and UCC matters, true sale and non-consolidation;

(ii) opinions of (A) Paul, Hastings, Janofsky & Walker, (B) Kummer Kaempfer Bonner & Renshaw and (C) Vorys, Sater, Seymour and Pease as to certain corporate, state tax and UCC matters; and

(iii) the opinion of Roland Paul, General Counsel to Servicer, as to certain corporate matters;

(h) the Daily Report for the Effective Date;

(i) evidence, reasonably satisfactory to the Agent and the Purchasers, of the payment of all taxes, fees and other governmental charges, if any, incidental to the issuance of the Certificates and to the consummation of the transactions contemplated hereunder and under the Pooling Agreement;

(j) a certificate of the Secretary of Howmet to the effect that there is not, nor has there at any time been, any matured or unmatured "Event of Default" or "Potential Event of Default" under (and as defined in) the Howmet Credit Agreement other than as a result of Howmet's failure to deliver 1995 audited financial statements;

(k) copies of any management or other agreements with regard to the administration of Transferor's business, certified by an Authorized Officer of Transferor;

(l) a pro-forma balance sheet of Transferor as of the Effective Date, after giving effect to the transactions contemplated by the Supplement, certified by an appropriate officer of Transferor; and

(m) any other information, certificates, opinions and documents as the Agent or Credit Suisse may have reasonably requested.

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ARTICLE VIII COVENANTS

SECTION 8.1 Affirmative Covenants. Transferor and Howmet each severally covenant and agree that, until the Certificates have been paid in full, it will:

(a) duly and timely perform all of its covenants and obligations under each Transaction Document to which it is a party;

(b) with reasonable promptness deliver to each Purchaser such information, documents, records or reports respecting the Program or the Receivables as the Purchaser may from time to time reasonably request; and

(c) at the same time any report (including any Daily Report, Monthly Report or annual auditors' report), notice or other document is provided, or caused to be provided, by Transferor or Servicer to Trustee under the Pooling Agreement, provide the Agent and each Holder of a Class B Certificate with a copy of the report.

In addition, it is understood and agreed that so long as the Certificates remain outstanding, Servicer and Transferor shall (and Servicer shall cause each Seller to) during regular business hours and (so long as no Early Amortization Event has occurred and is continuing) upon two Business Days prior written notice, permit Trustee, the Agent or the Majority Class B Purchasers (or such other Person as Trustee, the Agent or the Majority Class B Purchasers may designate from time to time), or their respective agents or representatives (including certified public accountants or other auditors), as an expense of Servicer paid out of the Servicing Fee, (i) to examine and make copies of and abstracts from, and to conduct accounting reviews of, all Records in the possession or under the control of Servicer, Transferor or any Seller, including the related Contracts and purchase orders, invoices and other agreements related thereto, and (ii) to visit the offices and properties of Servicer, Transferor or any Seller for the purpose of examining such materials described in clause (i), and to discuss matters relating to the Receivables or the Related Transferred Assets or the performance by Servicer, Transferor or any Seller of their respective obligations under any Transaction Document with any officer, employee or representative of Servicer, Transferor or any Seller. Trustee, the Agent or the Majority Class B Purchasers may (but shall not be obligated to) conduct, or cause their respective agents or representatives to conduct, reviews of the types described in this paragraph (each such review, a "Receivables Review") whenever Trustee, the Agent or the Majority Class B Purchasers, in its or their reasonable judgment, deem any such review

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appropriate; provided that, unless an Early Amortization Event or an Unmatured Early Amortization Event shall exist, (x) no more than two Receivables Reviews shall be conducted by or at the request of the Agent in any calendar year, and (y) no more than two Receivables Reviews shall be conducted by or at the request of the Majority Class B Purchasers in any calendar year; and provided further, this Section 8.1 shall limit the powers of Trustee under Section 3.5(b) of the Pooling Agreement.

SECTION 8.2 Negative Covenants. Notwithstanding Section 1.7 of the Purchase Agreement, Howmet shall not cause or permit any of its Subsidiaries to become a new Seller without satisfying the Approval Condition unless the Required Purchasers have consented in writing to that addition.

SECTION 8.3 Transfers. Each Purchaser agrees that it will not transfer its Certificate (or any portion thereof) to any Person unless such Person shall have provided the Trustee and Transferor with a certificate to the effect that such Person: (a) is a "qualified institutional buyer," as that term is defined under Rule 144A of the Securities Act and is not purchasing its Certificate with a view to making a distribution thereof (within the meaning of the Securities Act), and (b) is not a pension, profit sharing or other employee benefit plan subject to ERISA.

ARTICLE IX AGENT; REQUIRED PURCHASERS

SECTION 9.1 Appointment. The Purchasers hereby designate The First National Bank of Chicago as Agent. Each Purchaser hereby irrevocably authorizes the Agent to take action on its behalf under the provisions of the Transaction Documents and any other instruments and agreements referred to therein and to exercise the powers and perform the duties hereunder and thereunder that are specifically delegated to or required of the Agent by the terms hereof and thereof, and any other powers as are reasonably incidental thereto. The Agent may perform any of its duties by or through its respective officers, directors, agents or employees.

SECTION 9.2 Nature of Duties. The Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement. Neither the Agent nor any of its officers, directors, agents or employees shall be liable for any action taken or omitted by it or them under any Transaction Document or in connection herewith or therewith, unless caused by their gross negligence or willful misconduct. The duties of the Agent shall be mechanical and administrative in nature, the Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Purchaser, and nothing in any

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construed as to impose upon the Agent any obligations in respect of any Transaction Document except as expressly set forth herein.

SECTION 9.3 Lack of Reliance on Agent and Financial Advisors.

Independently and without reliance upon the Agent or the Financial Advisors, each Purchaser, to the extent it deems appropriate, has made and shall continue to make (a) its own independent investigation of the financial condition and affairs of Transferor, the Seller, Servicer and the Trust in connection with the making and the continuation of each Purchase and the taking or not taking of any action in connection herewith and (b) its own appraisal of the creditworthiness of Transferor, the Seller and Servicer and the merits and risks of an investment in the Certificates, and, except as expressly provided in this Agreement, the Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Purchaser with any credit or other information with respect thereto, whether coming into its possession before the making of a Purchase or at any time or times thereafter. The Agent shall not be responsible to any Purchaser for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of the Transaction Documents or the financial condition of Transferor, the Sellers, Servicer or the Trust or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of any Transaction Document, or the financial condition of Transferor, the Sellers, Servicer or the Trust or the existence or possible existence of any Early Amortization Event or Unmatured Early Amortization Event.

SECTION 9.4 Certain Rights of Agent. If the Agent shall request instructions from the Required Purchasers with respect to any act or action (including failure to act) in connection with any Transaction Document, the Agent shall be entitled to refrain from acting or taking the action unless and until the Agent shall have received instructions from the Required Purchasers, and the Agent shall not incur liability to any person by reason of so refraining. Without limiting the foregoing, no Purchaser shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under any Transaction Document in accordance with the instructions of the Required Purchasers as for refraining to act in the absence of instruction.

SECTION 9.5 Reliance. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or

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made by any person that the Agent believed to be the proper person. The Agent may consult with legal counsel (including counsel for any Howmet Person), independent public accountants and other experts selected by the Agent and shall not be liable for any action taken or omitted to be taken in accordance with the advice of such counsel, accountants or experts.

SECTION 9.6 Indemnification. To the extent the Agent is not reimbursed and indemnified by Transferor or Servicer, the Purchasers will reimburse and indemnify the Agent (or cause the Agent to be reimbursed and indemnified) ratably in accordance with their respective Series Percentages from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements of whatsoever kind or nature that may be imposed on, asserted against or incurred or suffered by the Agent (including fees and expenses of legal counsel, accountants and experts) in performing its duties or as a result of any action taken or omitted to be taken by the Agent under any Transaction Document or in any way relating to or arising out of any Transaction Document; provided that no Purchaser shall be liable for any portion of these liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable order).

SECTION 9.7 Agent in Its Individual Capacity. The Agent and its respective Affiliates may accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with Transferor or Servicer or any Howmet Person as if the Agent was not performing the duties specified herein, and may accept fees and other consideration from Transferor or Servicer for services in connection with this Agreement and otherwise without having to account for the same to the Purchasers. Each of the parties hereto acknowledges that the Agent will be acting both as agent and as a lender under the Howmet Credit Agreement.

SECTION 9.8 Resignation by Agent. (a) The Agent may resign at any time by giving notice to Transferor, the Purchasers and any other Agent, if any. Such resignation shall be effective immediately unless the resigning Agent is the only Agent, in which event the resignation of such Agent shall take effect upon the appointment of a successor Agent pursuant to subsections (b) and (c) below or as otherwise provided below.

(b) In the event that there is only one Agent, upon any notice of resignation of such Agent, the Required Purchasers shall appoint a successor Agent hereunder who shall be a commercial bank or trust company reasonably

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acceptable to Transferor (it being understood and agreed that any Purchaser is deemed to be acceptable to Transferor).

(c) If a successor Agent is not appointed pursuant to subsection (b) within 30 days after the delivery of the notice referred to in subsection (a), the resigning Agent, with the consent of Transferor, shall then appoint a successor Agent who shall serve as Agent hereunder until the time, if any, that the Required Purchasers appoint a successor Agent as provided above.

(d) If no successor Agent has been appointed pursuant to subsection (b) or (c) above by the 60th day after the date notice of resignation was given by the resigning Agent, such Agent's resignation shall become effective and the Purchasers shall thereafter perform all the duties of the Agent under the Transaction Documents until the time, if any, that the Purchasers appoint a successor Agent as provided above.

SECTION 9.9 Required Purchasers. "Required Purchasers" means:

(i) for purposes of instructing the Trustee to declare that the Early Amortization Period has commenced pursuant to Section 6.2 of the Supplement, either (x) Holders of Certificates whose aggregate Class Percentages exceed 50% or (y) Holders of Class B Certificates whose aggregate Class Percentages (as defined in the Class B Certificate Purchase Agreement) exceed 50%; and

(ii) for all other purposes, both (x) Holders of Certificates whose aggregate Class Percentages exceed 50% and (y) Holders of Class B Certificates whose aggregate Class Percentages (as defined in the Class B Certificate Purchase Agreement) exceed 50%.

ARTICLE X MISCELLANEOUS PROVISIONS

SECTION 10.1 Amendments. Except as provided in Section 13.1(a) or (b) of the Pooling Agreement, neither Transferor nor Howmet shall amend, waive or otherwise modify any provision of any Transaction Document to which it is a party, consent to any departure therefrom, or grant any consent thereunder, unless the same shall have been consented to in writing by the Required Purchasers prior to the effectiveness of the same; provided, however, that no amendment shall (a) decrease in any manner the amount of, or delay the timing of, any allocation, payment or distribution in respect of any Certificate without the prior written consent of each Purchaser affected thereby, (b) amend, modify or waive any provision of this Agreement that requires the approval or consent of a specified percentage of Purchasers

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without the prior written consent of that percentage of Purchasers, (c) amend, modify or waive the provisions of this section with respect to the rights of any Purchaser without the consent of that Purchaser, (d) waive any Early Amortization Event arising from a Bankruptcy Event with respect to Transferor or any Seller without the consent of each Purchaser, (e) amend or modify the Series Percentage or Class Percentage of any Purchaser without its prior written consent, (f) waive any of the requirements hereunder that the interests of Trustee in the Receivables and the other Transferred Assets be perfected by appropriate UCC filings without the prior written consent of each Purchaser or (g) amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent; provided further that neither the execution and delivery of a Supplement relating to a refinancing of the Certificates as contemplated by Section 4.9 of the Supplement relating to the Certificates, nor any other amendment to the Transaction Documents in connection with such a refinancing, shall require any consent from any Purchaser, so long as the prior or contemporaneous repayment in full of the Certificates in accordance with Section 5.2 of the Supplement relating to the Certificates is a condition to the issuance of the refinancing certificates, and of the effectiveness of such related amendment. Each Purchaser shall be bound by any modification, waiver or consent authorized by this section, whether or not its Certificate shall have been marked to indicate the modification, waiver or

consent.

SECTION 10.2 No Waiver; Remedies. Any waiver, consent or approval given by any party hereto shall be effective only in the specific instance and for the specific purpose for which given, and no waiver by a party of any breach or default under this Agreement shall be deemed a waiver of any other breach or default. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder, or any abandonment or discontinuation of steps to enforce the right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.3 Successors and Assigns; Assignments. (a) This Agreement shall be binding upon, and inure to the benefit of, Transferor, Servicer, the Agent, the Purchasers and their respective successors and assigns; provided that neither Transferor nor Servicer may assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written

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consent of all the Purchasers, except that the Servicer may be terminated in accordance with Sections 10.1 and 10.2 of the Pooling Agreement; and provided further, that no Purchaser or Participant may transfer, pledge, assign, sell participations in or otherwise encumber its rights or obligations hereunder or any interest herein except as permitted under this Section 10.3.

(b) Subject to the terms of Section 10.3(f), each Purchaser may at any time sell to one or more banks or other entities ("Participants") participating interests in all or any portion of its Certificate and its obligations hereunder (its "Credit Exposure"); provided that such Participant shall have certified to the selling Purchaser that such Participant is a "qualified institutional buyer" (as defined under Rule 144A of the Securities Act) or that such sale is not required to be registered under the Securities Act or any other applicable securities laws. In the event of any sale by a Purchaser of participating interests to a Participant, the Purchaser shall notify Transferor of the identity of the Participant upon a request by Transferor, the Purchaser's obligations under this Agreement shall remain unchanged, the Purchaser shall remain solely responsible for the performance thereof, and the Purchaser shall remain the holder of its rights under its Certificate and this Agreement for all purposes under this Agreement, and the other parties to the Transaction Documents shall continue to deal solely and directly with the Purchaser in connection with such rights and obligations under this Agreement. Other than in the case of a sale, transfer, assignment or conveyance of a participating interest by Falcon Asset Securitization Corporation to a Permitted Transferee, prior to any rights of a proposed Participant being recognized hereunder or under any other Transaction Document or Certificates, the Purchaser shall provide, or shall cause such Participant to provide, to Transferor such information as Transferor reasonably requests to make the determination required by Section 10.3(f). Transferor agrees that each Participant shall be entitled to the benefits of Sections 4.3, 4.5, 4.6 and 10.5 with respect to its participation in the Certificate. The Purchasers agree that any agreement between them and any Participant in respect of a participating interest shall require the Participant to comply with the terms of Section 10.13 and shall not restrict the Purchasers' right to agree to any amendment, supplement or modification of the Transaction Documents except to (i) extend the final maturity of any obligation, (ii) reduce the rate or extend the time of payment of interest thereon or any fees owed to the Purchasers under the Transaction Documents, (iii) reduce the principal amount of any obligation, (iv) release or direct the release of all or substantially all of the Transferred Assets or Trustee's claim to the Transferred Assets, (v) reduce substantially the amount of any reserve included in the calculation of the Base Amount, (vi) increase the amount of the participation from the amount thereof then in effect, or (vii)

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permit assignment or transfer by Transferor or any Seller of its rights or obligations under the Transaction Documents.

(c) Subject to the terms of Section 10.3(f), any Purchaser may at any time assign to any Permitted Transferee or to one or more banks or other financial institutions (each, an "Assignee") all or any part of its Credit Exposure; provided that (i) unless assigned to an Affiliate of the Purchaser or to a Permitted Transferee, it assigns all of its Credit Exposure or a portion of its Credit Exposure in an amount not less than \$5,000,000, (ii) such Assignee, other than an existing Purchaser, an Affiliate of the Purchaser or a Permitted Transferee, must be reasonably acceptable to the Agent and Transferor, which

acceptance shall not be delayed or withheld unreasonably (it being understood that acceptance may be withheld due to failure to satisfy Section 10.3(f)), (iii) if such Assignee is not a United States person (as defined in section 7701(a)(30) of the Internal Revenue Code), such Assignee shall satisfy the requirements of Section 4.6(c), provided, that if such Assignee thereafter fails to comply with the requirements of Section 4.6(c), amounts payable to it under Section 4.6 shall be limited to amounts that would be payable if such Assignee had complied with Section 4.6(c), (iv) such Assignee shall have certified to the assigning Purchaser that such Assignee is a "qualified institutional buyer" (as defined under Rule 144A of the Securities Act) or that such sale is not required to be registered under the Securities Act or any other applicable securities laws, and (v) such Assignee makes the representations and warranties set forth in Section 6.3 to the Transferor as of the effective date of the assignment. For purposes of this Section 10.3, a "Permitted Transferee" means The First National Bank of Chicago or any other Person that is at all relevant times a C corporation within the meaning of section 1361(a)(2) of the Internal Revenue Code listed on the letter from The First National Bank of Chicago to Transferor and the Agent dated the Effective Date, as such list may be augmented from time to time with the consent of Transferor and the Agent; provided, however, that the aggregate number of actual assignments to Permitted Transferees outstanding at any time shall not exceed four. In the event of any assignment, the Purchaser (x) shall comply with Article VI of the Pooling Agreement, provided that no Opinion of Counsel shall be required to be delivered pursuant to subsection 6.3(e) of the Pooling Agreement with respect to any transfer to a Permitted Transferee, and (y) shall give notice to Transferor and the Agent and shall deliver to the Agent, for acceptance and recording in its records, an assignment agreement substantially in the form of Exhibit B together with a processing and recordation fee of, in the case of assignments to a Purchaser or an Affiliate of a Purchaser, \$1,500 and, in cases of any other assignment, \$3,500; provided that no processing and recordation fee shall be payable in connection with any assignment by Falcon Asset Securitization Corporation to a Permitted Transferee. Within five Business

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Days of receipt thereof, the Agent shall, if the assignment agreement has been fully executed by the Assignee, the assignor Purchaser and Transferor, is completed and is in substantially the form of Exhibit B, execute the assignment agreement and record the information contained therein in its records. Upon the earlier of the expiration of the five Business Day period or the date of the recording, the assignment will become effective; provided that any assignment by Falcon Asset Securitization Corporation to a Permitted Transferee shall not require acceptance or recording by the Agent or Transferor prior to effectiveness and shall become effective immediately upon receipt by the Agent of an assignment agreement appropriately completed in substantially the form of Exhibit B and executed by Falcon Asset Securitization Corporation and the applicable Permitted Transferee. Transferor, the Agent and the Purchasers agree to extend the rights and benefits with respect to Transferor under this Agreement to the Assignee to the extent the Assignee would have had if it were a Purchaser that was an original signatory to this Agreement; provided, that Transferor shall be entitled to continue to deal solely and directly with the assignor Purchaser in connection with the interests so assigned to the Assignee until the assignment agreement and any required fee, as described above, shall have been delivered to Transferor and the Agent by the Purchaser and the Assignee and the assignment shall have become effective; provided, further, that notwithstanding anything herein or in the assignment agreement, the Transaction Documents or any Certificate to the contrary, an assignment (other than an assignment by Falcon Asset Securitization Corporation to a Permitted Transferee) shall not become effective, an Assignee (other than a Permitted Transferee) shall not be recognized as a Purchaser and no other rights of an Assignee hereunder or under any other Transaction Document or Certificate shall be recognized unless and until the assigning Purchaser shall have provided, or caused the Assignee to provide, to Transferor such information as Transferor reasonably requests to make the determinations required by Section 10.3(f). If the Transferor has accepted an assignment pursuant to clause (ii) of the first sentence of Section 10.3(c), the assigning Purchaser shall be deemed to have provided or caused to be provided such information. Upon the effective assignment of its Credit Exposure, the Purchaser shall be relieved of its obligations hereunder to the extent of the assignment.

(d) The sale or assignment of any Credit Exposure to any Assignee or Participant (each, a "Transferee") shall not be effective until it has agreed to be bound by the provisions of Section 10.13. Transferor and Howmet each authorize the Purchasers to disclose to any Transferee and any prospective Transferee any and all information in their possession concerning Transferor, Howmet or any other Seller that has been delivered to them by Transferor, Howmet, any other Seller or Trustee in connection with their credit evaluation of the Program prior to entering into this Agreement; provided, however, that

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each such Transferee and/or prospective Transferee shall agree to treat all such information that is non-public as confidential information in accordance with customary banking practices, except that each such Transferee and/or prospective Transferee may share any such non-public information with any of its Affiliates if such Affiliates agree to treat such information as confidential information in accordance with customary banking practices.

(e) Notwithstanding any other provisions set forth in this Agreement, the Purchasers may at any time create a security interest in all or any portion of their rights under this Agreement and the Certificates in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(f) No transfer, assignment or other conveyance of, or sale of a participation interest in, a Certificate (other than in the case of a transfer, assignment, conveyance or sale by Falcon Asset Securitization Corporation to a Permitted Transferee) shall be made unless (i) the aggregate outstanding principal amount of all Certificates transferred, or in which a participation interest is sold, pursuant to such transfer or sale is equal to a principal amount of Certificates that would represent at least 2.1% of the total interests in partnership capital or profits, within the meaning of Treasury Regulation Section 1.7704-1 assuming the Trust were classified as a partnership for Federal income tax purposes, and (ii) after giving effect thereto, there shall be no more than eight Private Holders in respect of the Certificates, as reasonably determined by Transferor. No Certificate may be subdivided into an aggregate principal amount that would represent less than 2.1% of the total interests in partnership capital or profits as determined pursuant to the preceding sentence. Any attempted transfer, assignment, conveyance, participation or subdivision in contravention of the preceding restrictions, as reasonably determined by the Transferor, shall be void ab initio and the purported transferor, seller or subdivider of such Certificate shall continue to be treated as the Certificateholder of any such Certificate for all purposes of this Agreement.

(g) Each Affected Party with respect to each Purchaser shall be entitled to receive additional payments pursuant to Sections 4.3, 4.5, 4.6 and 10.5 as though it were a Purchaser under such Sections applied to its interest in a Certificate; provided that such Affected Party shall not be entitled to additional payments pursuant to Section 4.6 attributable to its failure or inability, as of the date it becomes a Support Bank (and, so long as it may properly do so, periodically thereafter, to keep forms up to date), to satisfy the requirements of subsection 4.6(c) or 4.6(d) as if it were an Assignee.

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(h) Each Affected Party claiming increased amounts described in Sections 4.3, 4.5, 4.6 or 10.5 shall furnish, through its related Purchaser, to the Trustee, the Agent, Servicer and Transferor a certificate setting forth in reasonable detail the basis and amount of each request by such Affected Party for any such amounts referred to in such Section, which certificate shall be prepared in accordance with the requirements of such Section (if any). Each Affected Party shall promptly notify, through its related Purchaser, the Trustee, the Agent, Servicer and Transferor of the occurrence of any event of which such Affected Party is aware that would be likely to result in a demand for compensation pursuant to Sections 4.3, 4.5, 4.6 or 10.5.

(i) In connection with any proposal that a bank or other financial institution become a Support Bank for a Purchaser which is a Structured Lender, such Purchaser, at its sole discretion, shall be entitled to distribute to any proposed Support Bank on a confidential basis any information furnished to such Purchaser by the Agent pursuant to the Transaction Documents. Each Purchaser which is a Structured Lender shall promptly notify the Agent (who shall promptly notify Transferor) in writing of the identity and interest of each Support Bank for such Purchaser promptly upon the obtaining of such Support Bank. Such Purchaser shall provide to the Agent (who shall, upon request, provide copies of the same to Transferor, Servicer and the Trustee), with respect to each Support Bank, such forms as would be required to be furnished by such Support Bank pursuant to subsections 4.6(c) or 4.6(d) if such Support Bank were an Assignee.

SECTION 10.4 Survival of Agreement. All covenants, agreements, representations and warranties made herein and in the Certificates delivered pursuant hereto shall survive the making and the repayment of the Purchases and the execution and delivery of this Agreement and the Certificates and shall continue in full force and effect until all obligations have been paid in full. In addition, the obligations of Transferor under Sections 4.3, 4.4, 4.5, 4.6 and 10.5 and the obligations of the Purchasers under Section 9.6 shall survive the termination of this Agreement.

SECTION 10.5 Expenses; Indemnification. Transferor and Howmet jointly and severally shall pay on demand (a) all reasonable out-of-pocket fees and expenses (including reasonable attorneys' fees and expenses) of the Agent incurred in connection with the preparation, execution, delivery, administration, amendment, modification and waiver of the Transaction Documents

and the making and repayment of the Purchases, including any Servicer or collection agent fees paid to any third party for services rendered to the Purchasers and the Agent in collecting the Receivables and (b) all reasonable out-of-pocket fees and expenses of the Purchasers and the Agent

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(including reasonable attorneys' fees and expenses of their counsel) incurred in connection with the enforcement of the Transaction Documents against Transferor, Servicer and the Sellers and in connection with any workout or restructuring of the Transaction Documents. In addition, Transferor will pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, recording or enforcement of this Agreement or any payment made under the Transaction Documents, and hereby indemnifies and saves the Agent and the Purchasers harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay the taxes and fees. Transferor and Howmet jointly and severally agree to reimburse and indemnify the Agent and each Purchaser and their respective officers, directors, shareholders, controlling Persons, employees and agents (collectively, the "Indemnitees") from and against any and all actions, judgments, costs, expenses or disbursements of whatsoever kind or nature that may be imposed on, asserted against or incurred or suffered by the Agent or the Purchasers (including fees and expenses of legal counsel, accountants and experts) in any way relating to or arising out of any Transaction Document.

Notwithstanding the foregoing (and with respect to clause (y) below, without prejudice to the rights that an Indemnitee may have pursuant to the other provisions of the Transaction Documents), in no event shall any Indemnitee be indemnified against any amounts (v) resulting from gross negligence or willful misconduct by it or on the part of any of its officers, directors, employees or agents, (w) to the extent they include amounts in respect of Receivables and reimbursement therefor that would constitute credit recourse to Servicer for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor, (x) to the extent they are or result from lost profits, (y) resulting from any breach by such Indemnitee of its representations, warranties or covenants in the Transaction Documents or (z) to the extent they would constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to an Indemnitee or is insufficient to hold it harmless, then Transferor and Howmet jointly and severally shall contribute to the amount paid by the Indemnitee as a result of any loss, claim, damage or liability in a proportion that is appropriate to reflect not only the relative benefits received by the Indemnitee on the one hand and Transferor and Howmet on the other hand, but also the relative fault of the Indemnitee (if any), Transferor and Howmet and any other relevant equitable considerations; provided that Transferor's obligations under this section shall be paid by Transferor only to the extent that funds are available to make the payments after all amounts to be paid to Holders pursuant to Section 4.1 shall have been paid, and there shall

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be no recourse to Transferor for all or any part of any amounts payable pursuant to this section if the funds are at any time insufficient to make all or part of any such payments.

SECTION 10.6 Entire Agreement. This Agreement, together with the documents delivered pursuant to Section 7.1 and the other Transaction Documents, including the exhibits and schedules thereto, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

SECTION 10.7 Notices. All communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent by overnight courier or mailed by registered mail, postage prepaid and return receipt requested, or transmitted by facsimile transmission and confirmed by a similar mailed writing to any party at the address for that party set forth (a) on the signature page to this Agreement or (b) to another address as that party may designate in writing to the Agent and Transferor.

SECTION 10.8 No Third-Party Beneficiaries. Nothing expressed herein is intended or shall be construed to give any Person (other than the parties hereto and the Participants and Assignees described in Section 10.3 and, solely to the extent provided in Section 10.3, the other Affected Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement.

SECTION 10.9 Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective

to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

SECTION 10.10 Counterparts. This Agreement may be executed in any number of counterparts (which may include facsimile) and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SECTION 10.11 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

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SECTION 10.12 Tax Characterization. Each party to this Agreement (a) acknowledges that it is the intent of the parties to this Agreement that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Certificates will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust will not be characterized as an association (or publicly traded partnership) taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat the Certificates, for purposes of Federal, state and local income and franchise and other taxes measured by or imposed on income, as indebtedness.

SECTION 10.13 No Proceedings. (a) Each of Servicer, the Agent (solely in its capacity as such) and each Purchaser (solely in its capacity as such) hereby agrees that it will not institute against Transferor, or join any other Person in instituting against Transferor, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of "Bankruptcy Event") so long as any Certificates shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any Certificates shall have been outstanding. The foregoing shall not limit the right of Servicer, the Agent or any Purchaser to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against Transferor by any other Person.

(b) Each of Servicer, Howmet, Transferor, the Agent (solely in its capacity as such) and each Purchaser (solely in its capacity as such) hereby agrees that it will not institute against any Structured Lender, or join any other Person in instituting against any Structured Lender, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of "Bankruptcy Event") for one year plus one day after the latest maturing commercial paper note, medium term note or other debt security issued by such Structured Lender is paid. The foregoing shall not limit the right of Servicer, the Agent or any Purchaser to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against such Structured Lender by any other Person.

(c) Obligations arising under this Section 10.13 shall survive any termination of this Agreement.

SECTION 10.14 Reference Bank. By its execution of this Agreement, the Agent, identified as a "Reference Bank" in the Supplement, agrees to act as a Reference Bank for purposes of the Supplement. The Agent shall notify Servicer of the Reserve-Adjusted Eurodollar Rate applicable to each Interest Period and of each change in the Alternate Base Rate.

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

BLADE RECEIVABLES CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: c/o Nevada Corporate Management, Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

HOWMET CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 861-4746

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THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

By: W.E. Covington

Title: Authorized Signer

Address: One First National Plaza
Chicago, Illinois 60670

Attention: W. Edward Covington
Telephone: (312) 732-5768
Facsimile: (312) 732-4487

FALCON ASSET SECURITIZATION
CORPORATION,
as a Purchaser

By: W.E. Covington

Title: Authorized Signer

Address: One First National Plaza
Chicago, Illinois 60670

Attention: W. Edward Covington
Telephone: (312) 732-5768
Facsimile: (312) 732-4487

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SCHEDULE I
to Certificate Purchase
Agreement Series 1996-1, Class A

AMOUNT OF EACH INITIAL PURCHASER'S CERTIFICATE

<TABLE>

<S>

<C>

Stated Amount of Certificate

Falcon Asset Securitization Corporation	\$ 47,500,000.00
-----------------------------------------	------------------

Class Percentage

Falcon Asset Securitization Corporation	100%
-----------------------------------------	------

Series Percentage

Falcon Asset Securitization Corporation	86%
-----------------------------------------	-----

</TABLE>

EXHIBIT A
to Certificate Purchase
Agreement Series 1996-1, Class A

FORM OF SERIES 1996-1 SUPPLEMENT

PROJECT BLADE - TAKE OUT

SERIES 1996-1 SUPPLEMENT
to AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,
as Transferor,

HOWMET CORPORATION,
as Servicer,

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

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EXHIBITS

EXHIBIT A	Part 1. Form of Class A Certificate
	Part 2. Form of Class B Certificate

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This SERIES 1996-1 SUPPLEMENT, dated as of April 18, 1996 (this "Supplement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada corporation, as Transferor, HOWMET CORPORATION, a Delaware corporation ("Howmet"), as Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as Trustee.

Pursuant to the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, and as supplemented hereby, the "Pooling Agreement"), among Transferor, Servicer and Trustee, Transferor may from time to time direct Trustee to issue and authenticate, on behalf of the Trust, one or more Series of Certificates in one or more Groups of Series representing undivided interests in the Transferred Assets. Certain terms applicable to a Series are to be set forth in a Supplement. This Supplement is a "Supplement" as that term is defined in the Pooling Agreement.

Pursuant to this Supplement, Transferor and Trustee shall create a Series of Certificates and specify certain of their terms.

ARTICLE I DEFINITIONS; INCORPORATION OF TERMS

SECTION 1.1 Definitions. (a) Capitalized terms used and not otherwise defined herein are used as defined in Appendix A to the Pooling Agreement. This Supplement shall be interpreted in accordance with the conventions set forth in Part B of that Appendix A.

(b) Each reference in this Supplement to funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account (or similar phrase) refers only to funds in the administrative sub-accounts of those Accounts that are allocated to the Series in Group I. Unless the context otherwise requires, in this Supplement: (i) each reference to a "Daily Report" or "Monthly Report" refers to a Daily Report or Monthly Report for Group I; (ii) each reference to the "Servicing Fee" refers to the Servicing Fee allocable to Group I; (iii) each reference to the "Series Collection Allocation Percentage" or the "Series Loss Allocation Percentage" refers to Group I's Series Collection Allocation Percentage or Series Loss Allocation Percentage, and (iv) each reference to the Transaction Documents shall include a reference to the Certificate Purchase Agreements.

(c) Each capitalized term defined below relates only to the Series 1996-1 Certificates and to no other Series of Certificates (except to the extent that certain of such terms are explicitly used as defined herein in any Supplement relating to another Series in Group F). Whenever used in this Supplement, the following words and phrases shall have the following meanings:

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"ABR Tranche" means, at any time, the portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Alternate Base Rate.

"Acquisition Amount" is defined in Section 2.3.

"Additional Amounts" means (a) as to the Series 1996-1 Certificates, the Prepayment Premium and other amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class A Certificate Purchase Agreement and amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class B Certificate Purchase Agreement, and (b) as to any other Series in Group I, any amounts identified as "Additional Amounts" in the related Supplement.

"Adjusted Eligible Receivables" means, on any Business Day, the result of (a) the aggregate Unpaid Balance of Eligible Receivables held by the Trust on that day, minus (b) the Unapplied Cash held by the Trust on that day, plus (c) the Aggregate Retained Balances, in each case as shown in the Daily Report for such day.

"Affected Party" shall mean, with respect to any Structured Lender, any Support Bank: of such Structured Lender.

"Aged Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date for the related Calculation Period, a fraction (expressed as a percentage) having (a) a numerator that is the sum of (i) the aggregate Unpaid Balance of Receivables that remained outstanding 121 to 150 days after their respective due dates, as determined as of the Cut-Off Date for such Calculation Period, plus (ii) the aggregate Unpaid Balance of Receivables that were written off as uncollectible during the most recently ended Calculation Period and that, if not so written off, would have been outstanding not more than 120 days after their respective due dates, as determined as of that Cut-Off Date, and (b) a denominator that is the aggregate amount payable pursuant to invoices giving rise to Receivables that were generated during the Calculation Period that occurred five Calculation Periods prior to the most recently ended Calculation Period, as determined as of the Cut-Off Date for such prior Calculation Period.

"Agent" means The First National Bank: of Chicago, in its capacity as Agent under (and as defined in) the Certificate Purchase Agreements, together with its respective successors in such capacity. The Agent is an "Agent" for purposes of the Pooling Agreement.

"Aggregate Retained Balances" means, on any Business Day, the aggregate of the balances retained in Lockbox Accounts or Concentration Accounts for items in the process of collection but for which funds have not been made available by the related Lockbox Bank: or Concentration Account Bank:, provided that (i) no notice of insufficient funds or similar

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situation shall exist with respect thereto and (ii) the Unpaid Balance of Receivables shall have been reduced by an amount equal to such balances.

"Alternate Base Rate" means, on any day, a fluctuating rate of interest per annum equal to the higher of:

(a) the rate of interest announced, from time to time, by Agent as its prime commercial rate for United States dollar loans made in the United States for any day, and

(b) the Federal Funds Rate.

Any change in the interest rate resulting from a change in the prime commercial rate announced by the Agent shall become effective without prior notice to Transferor or the Servicer as of 12:01 a.m., New York City time, on the Business Day on which each change in the prime commercial rate is announced by the Agent. The prime commercial rate is a reference rate and does not necessarily represent the lowest or best rate actually charged by the Agent to any customer. The Agent may make commercial loans or other loans at rates of interest at, above or below the prime commercial rate.

"Amortization Period" means the period (x) beginning on the earlier of (i) the date on which a termination notice is given by the Sellers pursuant to Section 1 of the Purchase Agreement and (ii) the first day of the Calculation Period that begins on June 1, 2000, and (y) ending on the earlier of (i) the Expected Final Payment Date and (ii) the date, if any, on which an Early Amortization Period begins; provided that there will be no Amortization Period if an Early Amortization Period commences on or prior to the date specified above for the beginning of the Amortization Period.

"Applicable Ratings Factor" means the Class A Ratings Factor or the Class B Ratings Factor, as specified in each calculation where the Applicable Ratings Factor is used.

"Approval Condition" means, with respect to any event or change in the terms applicable to this Supplement or the Series 1996-1 Certificates, such event or change shall have been approved in writing, prior to becoming effective, by the Agent and the Majority Class B Purchasers.

"ASA Measuring Period" means, for any Cut-Off Date falling in a Group Amortization Period, the Calculation Period ending on that Cut-Off Date (or the portion thereof falling after the Group Amortization Calculation Date, in the case of the first Cut-Off Date falling in the Group Amortization Period).

"Available Subordinated Amount" means, at any time during a Group Amortization Period, the amount calculated pursuant to Section 4.6.

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"Base Amount" means, on any Business Day, the result of the following formula:

$$[\text{NER} \times \text{SCAP} \times (100\% - \text{CBRR})] - \text{CASD} - \text{CCRR}$$

where:

NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day;
SCAP = the Series Collection Allocation Percentage for that Business Day;
CBRR = the Class B Reserve Ratio in effect for that Business Day;
CASD = the Class A Subordination Deficit for that Business Day; and
CCRR = the Carrying Cost Receivables Reserve as reported in the Daily Report for such day.

"Basic Concentration Limit" means, with respect to a Concentration Unit on any day, (i) if such Concentration Unit includes a Special Obligor, the Special Concentration Limit for such Special Obligor, and (ii) otherwise, the Concentration Limit applicable to the Parent for such Concentration Unit.

"Carrying Cost Receivables Reserve" means, on any Business Day, the result of:

(a) the Current Carrying Costs; plus

(b) the product of (i) the Class A Invested Amount, multiplied by (ii) 1.5 times the weighted average of the interest rates on Class A Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(c) the product of (i) the Class B Invested Amount, multiplied by (ii) 1.5 times the weighted average of the interest rates on the Class B Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(d) the product of (i) the Series Collection Allocation Percentage on the next preceding Distribution Date, multiplied by (ii) the aggregate Unpaid Balance of Receivables on the next preceding Distribution Date, multiplied by (iii) 2%, multiplied by (iv) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(e) if there is any Series in Group I in addition to the

Series 1996-1 Certificates, the Carrying Cost Receivables Reserve Increments for each such other Series in Group I (as defined, and calculated as provided, in the related Supplement); minus

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(f) the balance on deposit in the Carrying Cost Account at the beginning of that Business Day.

"Category One Balance" is defined in Section 4.10.

"Category One Eligibles" is defined in Section 4.10.

"Category One Obligors" means the following persons: Alfa Romeo Avio S.p.A., ABB Power Generation Ltd., Boeing Canada Technology Ltd., Fiat Avio S.p.A., General Electric Canada Inc., Hitachi Ltd., KLM Royal Dutch Airlines, Mitsubishi Heavy Industries America, Inc., Mitsui & Co. USA, Inc., Motoren-Und Turbinen-Union Munchen GmbH, Pratt & Whitney Canada Inc., Rolls-Royce PLC, Siemens A.G. KWU, and Walbar of Canada Inc.

"Category Three Balance" is defined in Section 4.10.

"Category Three Eligibles" is defined in Section 4.10.

"Category Three Excess Concentration" is defined in Section 4.10.

"Category Three Obligors" means Foreign Obligors that are not Category One Obligors or Category Two Obligors.

"Category Two Balance" is defined in Section 4.10.

"Category Two Eligibles" is defined in Section 4.10.

"Category Two Excess Concentration" is defined in Section 4.10.

"Category Two Obligors" means Foreign Obligors (other than Category One Obligors) with principal places of business in Canada, Germany, Italy, Netherlands, Switzerland, England or Sweden.

"Certificate Purchase Agreements" means the Class A Certificate Purchase Agreement and the Class B Certificate Purchase Agreement.

"Certificate Rate" means, at any time, the weighted average of the interest rates on all outstanding Series 1996-1 Certificates at that time.

"Certificate Spread" means:

(a) with respect to the Class A Certificates, (i) .50% per annum in the case of Eurodollar Tranches, and (ii) 0% per annum in the case of the ABR Tranche; and

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(b) with respect to the Class B Certificates, (i) .80% per annum in the case of the Eurodollar Tranche, and (ii) 0% per annum in the case of the ABR Tranche.

"Class A Certificate" is defined in Section 2.1. Each Class A Certificate shall be substantially in the form of Part 1 of Exhibit A.

"Class A Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class A) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class A Certificates and the Agent.

"Class A Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) 1.333 times the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) two times the "Benchmark Percentage" for purposes of clause (d) of that definition, and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (13) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times (y) the excess of four over the number of Special Obligors.

"Class A Invested Amount" means, at any time, the sum of the purchase prices paid for Class A Purchases made pursuant to the Class A Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a)

the aggregate amount of all distributions that have been made to the Holders of the Class A Certificates on account of principal, and (13) the amount of all Investor Write-Offs that have been applied to reduce the Class A Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class A Invested Amount).

"Class A Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class A Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution Horizon Variable for that Cut-Off Date.

"Class A Purchases" means Purchases made in respect of Class A Certificates.

"Class A Ratings Factor" means 2.0.

"Class A Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class A Ratings Factor.

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"Class A Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class A Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class A Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class A Minimum Reserve Ratio and (b) the Class A Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period; provided that during the period from the date hereof to the first Distribution Date thereafter the Class A Reserve Ratio shall be 26.01%.

"Class A Subordination Deficit" means, on any Business Day, the positive result (if any) of (a) the Class A Required Reserves, minus (b) the sum of (i) the Class B Required Reserves plus (ii) the outstanding principal amount of all Subordinated Classes (all calculated as of the beginning of that Business Day); provided that at any time when no Senior Class is outstanding the Class A Subordination Deficit shall equal zero.

"Class B Certificate" is defined in Section 2.1. Each Class B Certificate shall be substantially in the form of Part 2 of Exhibit A.

"Class B Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class B) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class B Certificates and the Agent.

"Class B Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) 1.5 times the "Benchmark Percentage" for purposes of clause (d) of the definition of "Concentration Limit," and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (B) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times the excess (if any) of 2.75 over the number of Special Obligors.

"Class B Invested Amount" means, at any time, the sum of the purchase prices paid for Class B Purchases made pursuant to (and as defined in) the Class B Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a) the aggregate amount of all distributions that have been made to the Holders of the Class B Certificates on account of principal, and (b) the amount of all Investor Write-Offs that have been applied to reduce

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the Class B Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class B Invested Amount).

"Class B Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class B Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution

Horizon Variable for that Cut-Off Date; provided that in no event shall the Class B Minimum Reserve Ratio be less than 15%.

"Class B Purchases" means Purchases made in respect of Class B Certificates.

"Class B Ratings Factor" means 1.5.

"Class B Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class B Ratings Factor.

"Class B Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class B Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class B Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class B Minimum Reserve Ratio and (b) the Class B Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period, provided that during the period from the date hereof to the first Distribution Date thereafter the Class B Reserve Ratio shall be 21.01%.

"Class Invested Amount" means (a) with respect to Class A, the Class A Invested Amount, (b) with respect to Class B, the Class B Invested Amount and (c) with respect to any other Senior Class or Subordinated Class of Certificates, the amount identified as its "Class Invested Amount" in the Supplement for such Senior Class or Subordinated Class of Certificates.

"Concentration Limit" means:

- (a) 100% for any Tier-1 Obligor;
- (b) 100% for any Tier-2 Obligor;
- (c) 15% for any Tier-3 Obligor;
- (d) 10% for any Tier-4 Obligor; and

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- (e) 4% for any Tier-5 Obligor.

Each of the percentages above is called a "Benchmark Percentage".

"Concentration Unit Excess Concentration" is defined in Section 4.10.

"Concentration Unit" means, on any day, each Obligor and its Affiliates, if any, that are Obligors; it being understood that each Obligor shall belong to only one Concentration Unit, and that a single Obligor can be a Concentration Unit.

"Current Carrying Costs" means, during any Distribution Period, the sum of (i) the amount of interest on the Series 1996-1 Certificates that will be payable on the next Interest Payment Date and any other Interest Payment Date falling not later than one week after such Interest Payment Date, (ii) the amount of the Servicing Fee that will be payable on or before the next Distribution Date plus (iii) the Current Carrying Costs Increments for each other Series in Group I (as defined, and calculated as provided in, the Supplement for each such Series.)

"Daily Group Collections" is defined in Section 4.2.

"Deferred Portion" means, on any day with respect to Group I, the portion of the Acquisition Amount for the Series of Certificates in Group I as to which payment has been deferred, which portion shall equal the product of (a) the Series Collection Allocation Percentage times (b) the sum of the following amounts (as shown in the Daily Report for such day): (i) the Excess Concentration Balances, plus (ii) the aggregate unpaid balance of Receivables that are not Eligible Receivables (including any such Receivables that are ineligible due to the attachment of Adverse Claims), plus (iii) the Carrying Cost Receivables Reserve, plus (iv) the Class B Reserve Ratio times the Net Eligible Receivables, plus (v) the Class A Subordination Deficit (it being understood that the Deferred Portion may vary from day to day); provided that the Deferred Portion shall be fixed as of the Group Amortization Calculation Date.

"Dilution Horizon Variable" means, at any time, a fraction having (a) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables and generated during the two Calculation Periods ending on the most recent Cut-Off Date (as of that Cut-Off Date) and (b) a denominator equal to the Adjusted Eligible Receivables as of the most recent

Cut-Off Date.

"Dilution Ratio" means, as calculated in each Monthly Report as of the most recent Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator equal to the aggregate amount of Dilution on the Receivables occurring during the Calculation Period ending on the most recent Cut-Off Date, and (b) a denominator equal to the aggregate amounts payable pursuant to invoices giving rise to Receivables that were generated during the second preceding Calculation Period (so that, for example, if the Calculation Period

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specified in clause (a) corresponded to the March fiscal month, the Calculation Period in this clause (b) would be the one corresponding to the January fiscal month).

"Dilution Reserve Ratio" means as calculated in each Monthly Report, the result (expressed as a percentage) calculated in accordance with the following formula:

$$\{(ARF \times ADR) + [(HDR-ADR) \times (HDR/ADR)]\} \times DHV$$

where:

ADR = the average of the Dilution Ratios during the period of 12 consecutive Calculation Periods ending on the related Cut-Off Date;
ARF = the Applicable Ratings Factor;
DHV = the Dilution Horizon Variable; and
HDR = the highest average of the Dilution Ratios for any two consecutive Calculation Periods within the 12 consecutive Calculation Periods ending on the related Cut-Off Date.

"Distribution Period" means a period from and including a Distribution Date to but excluding the next Distribution Date.

"Early Amortization Period" means the period beginning on the date (if any) specified in Section 6.2 and ending on the day on which the Series Invested Amount has been reduced to zero. The term "Early Amortization Period" means each of the Early Amortization Period and any period identified as an "Early Amortization Period" in the Supplement for any other Series in Group I.

"Eurodollar Tranche" means, during any Interest Period, any portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Reserve-Adjusted Eurodollar Rate.

"Excess Concentration Balances" means, on any day, the sum of (i) the sum of the Concentration Unit Excess Concentrations for all Groups, plus (ii) the Category Two Excess Concentration, plus (iii) the Category Three Excess Concentration, plus (iv) the Total Foreign Concentration Excess.

"Excess Foreign Obligor Balances" is defined in Section 4.10.

"Expected Final Payment Date" means December 15, 2000.

"Federal Funds Rate" means (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for the day (or, if the day is not a Business Day, the immediately

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preceding Business Day) by the Federal Reserve Bank of New York; provided that if the rate is not so published for any Business Day, the rate for purposes of this clause will be the average of the quotations for the day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it, plus (b) 100 basis points.

"Final Scheduled Payment Date" means December 15, 2001.

"First Step Excess" is defined in Section 4.10.

"First Step Residual" is defined in Section 4.10.

"Foreign Obligor" is defined in Section 4.10.

"Fourth Step Excess" is defined in Section 4.10.

"Fully Funded Date" means the first date falling in a Group Amortization Period or when all Series in Group I are in a Series Amortization Period and on which there are funds on deposit in the Carrying Cost Account and the Principal Funding Account that, in the aggregate, equal or exceed the Investor Repayment Amount and any Servicing Fee payable to anyone other than a Howmet Person on the first Distribution Date falling after that date.

"Group Amortization Calculation Date" means the day before a Group Amortization Period begins.

"Group Amortization Period" means the period (if any) commencing on the first day on which all outstanding Series in Group I are in Early Amortization Periods.

"Group Initial Invested Amount" means, at any time, the sum of the Series Initial Invested Amounts of each Series in Group I at that time.

"Group Invested Amount" means, at any time, the sum of the Series Invested Amounts of each Series in Group I at that time.

"Group I" means a group of Series, including Series 1996-1 and each other Series that is identified in its Supplement as belonging to Group I.

"Guarantor" means How met, in its capacity as the guarantor under the Seller Guaranty.

"Holdback Account Termination Date" is defined in Section 4.4.

"Holder" means a Holder (as defined in the Pooling Agreement) of a Certificate in any Series in Group I.

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"Howmet" is defined in the preamble.

"Howmet Credit Agreement" means the Credit Agreement dated as of December 13, 1995 among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., Howmet Acquisition Corp., the financial institutions named therein and The First National Bank of Chicago, as Administrative Agent and a Managing Agent, Bankers Trust Company, as Syndication Agent and a Managing Agent, and Citicorp USA, Inc., as Documentation Agent and a Managing Agent, as the same may from time to time be amended or supplemented.

"Intercreditor Provisions" means the following provisions of the Howmet Credit Agreement (as such Agreement was in effect on the Closing Date): Section 9.12 and the definitions of Intercreditor Agreement, Investor Certificates, Purchased Interest, Receivables Amendment Conditions, Receivables Bridge Facility, Receivables Documents, Receivables Facility, Receivables Facility Assets, Receivables Maximum Funded Amount, Receivables Pooling Agreement, Receivables Purchasers, Receivables Stated Amount and Receivables Subsidiary.

"Interest Payment Date" means (a) as to the Series 1996-1 Certificates, any date upon which interest is payable with respect to the ABR Tranche or any Eurodollar Tranche, as specified in Section 4.1, and (b) as to any interest payable on any other Series in Group I, the date specified as the "Interest Payment Date" in the related Supplement.

"Interest Period" means

(a) for Class A Certificates, (i) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to each Eurodollar Tranche (if any) from time to time, each period from the date upon which that Eurodollar Tranche was first designated as such pursuant to the Class A Certificate Purchase Agreement (or the end of the next preceding Interest Period for the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for a Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day); and

(b) for Class B Certificates, (i) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to the Eurodollar Tranche (if any) from time to time, each period from the date upon which the Eurodollar Tranche was first designated as such pursuant to the Class B Certificate Purchase Agreement (or the end of the next preceding Interest Period for

the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for the Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

"Invested Amount" means, at any time:

(a) for purposes of calculating the Series Loss Allocation Percentage for Group I, the Group Invested Amount; and

(b) for purposes of the application of Sections 6.13 and 12.4 of the Pooling Agreement to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount.

"Investor Allocable Dilution" means, for any ASA Measuring Period, the product of the aggregate amount of Dilution for that ASA Measuring Period as to which neither the applicable Seller nor the Guarantor has made any payment required by Section 3.1 of the Purchase Agreement or the Seller Guaranty on account of Seller Dilution Adjustments, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocable Dilution Adjustments" is defined in Section 4.8.

"Investor Allocable Loss Amount" means, for any ASA Measuring Period, the product of the Loss Amount for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the beginning of that ASA Measuring Period.

"Investor Allocable Recoveries" means, for any ASA Measuring Period, the product of the Net Recoveries for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocation Percentage" means:

(x) on any Business Day that does not fall in a Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of that Business Day, and (1) the denominator of which is the Base Amount as of that Business Day;

(y) on any Business Day falling in any Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of the beginning of the Series Amortization Period, and (1) the denominator of which is the Base Amount as of that Business Day; and

(z) on any Business Day falling in the Group Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of the Group Amortization Calculation Date, and (b) the denominator of which is the Base Amount as of the Group Amortization Calculation Date.

"Investor Ownership Percentage" means, on any day with respect to Group I, a fraction (expressed as a percentage, which in any event may not exceed 100%), (x) the numerator of which is the Acquisition Amount on such day and (y) the denominator of which is the product of (a) the Series Collection Allocation Percentage times (b) the excess of (i) the Unpaid Balance of Receivables on such day over (ii) the Unapplied Cash on such day; provided that the Investor Ownership Percentage shall be fixed as of the Group Amortization Calculation Date; and provided further that if the Investor Ownership Percentage is being calculated on any day when a Series in Group I is in an accumulation, amortization or early amortization period, the Investor Ownership Percentage shall not be less than the Investor Ownership Percentage immediately prior to the commencement of such period.

"Investor Repayment Amount" means, on any Business Day, the sum of (a) the principal amount of the Series 1996-1 Certificates and all other Series in Group I then outstanding, plus (b) the interest and any Additional Amounts known to be payable on the Series 1996-1 Certificates and all other Series in Group I on or before the first Distribution Date falling after that date.

"Investor Write-Offs" means, as calculated in any Monthly Report relating to a Calculation Period falling completely or partially in a Group Amortization Period:

(a) if the Available Subordinated Amount is greater than zero at the end of the related ASA Measuring Period, zero; and

(b) if the Available Subordinated Amount is zero at the end of the related ASA Measuring Period (taking into account any reduction in the Available Subordinated Amount shown in such Monthly Report), the excess (if any) of (x) the sum of the Investor Allocable Loss Amount and the Investor Allocable Dilution minus Investor Allocable Recoveries for the related ASA Measuring Period, over (y) the Available Subordinated Amount as of the beginning of that ASA Measuring Period.

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"Loss Amount" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Receivables held by Trust that became Write-Offs during that ASA Measuring Period, minus (b) the amount of Recoveries received during that ASA Measuring Period.

"Loss Reserve Ratio" means, as calculated in each Monthly Report, the result (expressed as a percentage) of (a) the Applicable Ratings Factor multiplied by (b) the highest average of the Aged Receivables Ratio for any three consecutive Calculation Periods that occurred during the preceding 12 consecutive Calculation Periods ending on the most recent Cut-Off Date multiplied by (c) a fraction having (i) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables generated during the four Calculation Periods preceding or ending on the most recent Cut-Off Date, and (ii) a denominator equal to the Adjusted Eligible Receivables, as of the most recent Cut-Off Date, multiplied by (d) the Payment Term Multiplier.

"Majority Class B Purchasers" is defined in Section 8.1 of the Class B Certificate Purchase Agreement.

"Net Eligible Receivables" means, at any time, (a) the Adjusted Eligible Receivables, minus (b) the Excess Concentration Balances; it being understood that the amount of Eligible Receivables will be reduced by Adverse Claims that attach to Receivables otherwise satisfying the requirements of the definition of Eligible Receivable.

"Net Invested Amount" means, on any Business Day, the Group Invested Amount, minus the balance on deposit in the Equalization Account and the Principal Funding Account with respect to Series in Group I.

"Net Recoveries" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Recoveries received in that ASA Measuring Period minus (b) the amount of Receivables that became Write-Offs in that ASA Measuring Period.

"Note Indenture" means the Indenture dated as of December 13, 1995 by and between How met, as successor to the obligations thereunder of How met Acquisition Corp., and Marine Midland Bank, as Trustee, under and pursuant to which certain senior subordinated notes have been issued, as the same may at any time be amended or supplemented.

"Parent" means, with respect to any Concentration Unit, the Domestic Person in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit; provided that if there is no Domestic Person in such Concentration Unit, "Parent" shall mean the Obligor in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit.

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"Past Due Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator that is the aggregate Unpaid Balance of Receivables that remain outstanding 61 to 91 days after their respective due dates, as determined as of such Cut-Off Date, and (b) a denominator that is the aggregate Unpaid Balance of

Receivables as of such Cut-Off Date.

"Payment Term" shall mean, with respect to any Receivable, the number of days between its invoice date and its due date.

"Payment Term Multiplier" shall mean (a) 1.0, if the Payment Term Variable is less than 41, (b) 1.17, if the Payment Term Variable is equal to or more than 41 but less than 51, (c) 1.25, if the Payment Term Variable is equal to or more than 51 but less than 61, and (d) 1.5, if the Payment Term Variable is equal to or more than 61 but less than 91; provided, however, that if the Payment Term Variable equals or exceeds 91, the Payment Term Multiplier for such Receivable shall be determined by calculating the sum of (x) 1.5, and (y) 0.05, for each 5-day increment by which the Payment Term Variable exceeds 91, it being understood that the same number shall apply for all Payment Term Variables that fall within a five-day range.

"Payment Term Variable" shall mean, as calculated in each Monthly Report as of the most recently ended Cut-Off Date, the quotient of:

(x) the sum of (1) the product of the Outstanding Balance of each Receivable as of such Cut-Off Date times (2) the Payment Term with respect to such Receivable; divided by

(y) the aggregate Outstanding Balance of all Receivables as of such Cut-Off Date.

"Prepayment Accumulation Period" means a period beginning on the day that Transferor gives a Prepayment Notice to Trustee of a prepayment of the Series 1996-1 Certificates pursuant to Section 4.9 (and does not notify Trustee that it intends to cause the Series Interest to be conveyed as described in subsection 4.9(b)) and ending on the earlier to occur of (a) the day when amounts sufficient for that prepayment have been accumulated pursuant to Section 4.3 and (b) the end of the Revolving Period for the Series 1996-1 Certificates.

"Prepayment Notice" is defined in Section 4.9.

"Prepayment Premium" means, with respect to any prepayment pursuant to Section 4.9 or 7.1 or as a result of an Early Amortization Event, the net present value (as of the date of such prepayment) of the amount of interest that would have accrued on the amount of principal prepaid from the date of prepayment through the one year anniversary of the date

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hereof at an interest rate equal to the applicable Certificate Spread in respect of the Eurodollar Tranche(s), discounted to such prepayment date at a rate per annum, compounded monthly, equal to the Reserve Adjusted Eurodollar Rate in effect on the date on which notice of prepayment is given to the Holders of the Series 1996-1 Certificates being prepaid.

"Principal Deposit Amount" means, with respect to any Series in any Calculation Period falling in a Series Amortization Period, the amount determined in accordance with the Supplement for that Series. The Principal Deposit Amounts for the Series Amortization Periods that may apply to the Series 1996-1 Certificates are:

(a) for any Calculation Period falling in the Amortization Period or the Early Amortization Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount; and

(b) for any Calculation Period falling in a Prepayment Accumulation Period for the Series 1996-1 Certificates, the amount of principal to be prepaid.

"Principal Payment Date" means (a) for the Series 1996-1 Certificates, (i) any date on which any prepayment is to be made pursuant to Section 4.9, (ii) the end of each Interest Period in respect of the next maturing Eurodollar Tranche and/or ABR Tranche, in such order as the Agent shall select so as to minimize "breakage costs," (iii) each Distribution Date falling in an Early Amortization Period (beginning with the Distribution Date falling in the Calculation Period after the Calculation Period in which the Early Amortization Period begins) and (iv) any Distribution Date falling after the commencement of the Amortization Period, and (b) for any other Series in Group I, each date specified as a "Principal Payment Date" in the related Supplement. The Refinancing Date is not a Principal Payment Date.

"Purchase" means any Purchase as defined in either of the Certificate Purchase Agreements.

"Reference Bank" means The First National Bank of Chicago.

"Refinancing Date" is defined in subsection 4.9(b).

"Required Purchasers" is defined in Section 9.9 of the Certificate Purchase Agreements.

"Required Receivables" means, on any Business Day, collectively for all Series in Group I:

(a) So long as a Group Amortization Period has not commenced, the result of the following formula:

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$$\frac{\text{GIIA} + \text{CCRR}}{(1 - \text{CARR})} \times \frac{\text{R}}{\text{NER}}$$

where:

CARR = the Class A Reserve Ratio in effect for that Business Day;
CCRR = the Carrying Cost Receivables Reserve as reported in the Daily Report for that Business Day;
GIIA = the Group Initial Invested Amount;
NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day; and
R = the aggregate Unpaid Balance of Receivables held by Trustee as reported in the Daily Report for that Business Day.

(b) If a Group Amortization Period has commenced, the result of the following formula:

$$\text{AGIIA} + \text{ASA} + \text{UCCRR}$$

where:

AGIIA = the adjusted Group Initial Invested Amount on that Business Day (which shall equal the Group Initial Invested Amount, reduced (but not below zero) by the amount of all Investor Write-Offs (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Group Invested Amount));
UCCRR = the Unfunded Carrying Cost Receivables Reserve on that Business Day; and
ASA = the Available Subordinated Amount on that Business Day.

"Required Series Holders" means the Required Purchasers.

"Reserve-Adjusted Eurodollar Rate" means for any Interest Period, the rate per annum obtained by dividing (i) the arithmetic average (rounded upward to the nearest 1/100 of one percent) of the offered quotation, if any, to first class banks in the interbank Eurodollar market by the Reference Bank for U.S. dollar deposits of amounts in same day funds comparable to the principal amount of the Investor Certificate of the Reference Bank with maturities comparable to such Interest Period as of approximately 10:00 a.m. (New York time) on the second Business Day prior to the first day of that Interest Period by (ii) a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable on

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such second preceding Business Day to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D of the Federal Reserve Board (or any successor category of liabilities under Regulation D).

"Revolving Period" means, with respect to any Series in Group I, the period beginning on the Closing Date and ending on the day before the first day of an accumulation period, an amortization period or an early amortization period (other than a prepayment accumulation period with respect to a partial prepayment of such Series) for such Series; provided that the Revolving Period for such Series shall be suspended during a prepayment accumulation period with respect to a partial prepayment of such Series.

"Second Step Excess" is defined in Section 4.10.

"Second Step Residual" is defined in Section 4.10.

"Senior Class" means each of Class A and each class of any other Series in Group I that is identified in its Supplement as a Senior Class.

"Series Allocable Dilution Adjustments" means, for any ASA Measuring Period, the product of the aggregate amount of payments pursuant to Section 3.1 of the Purchase Agreement or pursuant to the Seller Guaranty on account of Seller Dilution Adjustments received during that ASA Measuring Period relating to Dilution that occurred prior to that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period.

"Series Amortization Period" means (a) as to Series 1996-1, the Amortization Period, any Prepayment Accumulation Period and any Early Amortization Period and (b) as to any other Series in Group I any period identified in the related Supplement as a "Series Amortization Period."

"Series Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series.

"Series Initial Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Initial Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series; provided that from and after the date on which the Series Invested Amount for any Series is reduced to zero, the Series Initial Invested Amount for that Series will also equal zero.

"Series 1996-1 Certificates" means the Class A Certificates and the Class B Certificates.

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"Series 1996-1 Holder" means a Holder of a Series 1996-1 Certificate.

"Series 1996-1 Initial Invested Amount" means (i) during the Revolving Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (ii) thereafter, the Series 1996-1 Invested Amount as of the last day of the Revolving Period; provided that after the principal amount of the Series 1996-1 Certificates and interest and any Additional Amounts known to be payable in respect of such Series are reduced to zero, the Series 1996-1 Initial Invested Amount will equal zero.

"Series 1996-1 Invested Amount" means, at any time, the sum of the Class A Invested Amount plus the Class B Invested Amount.

"Special Concentration Limit" means:

(i) with respect to the Tier-5 Obligor that owes the highest aggregate Unpaid Balance of Eligible Receivables, 7%; and

(ii) with respect to the Tier-5 Obligor that owes the second highest aggregate Unpaid Balance of Eligible Receivables, 5%.

"Special Obligor" means, at any time, the two Tier-5 Obligors that owe the highest aggregate Unpaid Balances of Receivables and are designated in the most recent Monthly Report as "Special Obligors"; provided that in the case of any Obligor (other than Westinghouse Electric Corp.), the Approval Condition shall have been satisfied with request to such designation.

"Specified Rating Agency" means S&P.

"Stated Amount" means as to any Certificate, the maximum principal amount that may be required to be funded by the Holder of such Certificate.

"Structured Lender" shall mean Falcon Asset Securitization Corporation, Alpine Securitization Corp. and any other Holder of a Certificate (x) whose principal business consists of issuing commercial paper, medium term notes or other securities to fund its acquisition and maintenance of receivables, accounts, instruments, chattel paper, general intangibles and other similar assets or interests therein and (y) which is required by any nationally recognized rating agency which is rating such securities to obtain from its principal debtors an agreement similar to that set forth in Section 13.9 of the Pooling Agreement in order to maintain such rating.

"Subordinated Class" means each of Class B and each class of any other Series in Group I that is identified in its Supplement as a Subordinated Class.

"Support Bank" shall mean any bank or other financial institution extending or having a commitment to extend funds to or for the account of any Structured lender (including by agreement to purchase an assignment of, or participation in, the Certificate held by such Person) under a liquidity or credit support agreement which relates to the Certificate purchased by such Structured lender.

"Third Step Excess" is defined in Section 4.10.

"Third Step Residual" is defined in Section 4.10.

"Tier-1 Obligor" means any Obligor that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1+" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "AAA" (or its equivalent).

"Tier-2 Obligor" means any Obligor (other than a Tier-1 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "A+" (or its equivalent).

"Tier-3 Obligor" means any Obligor (other than a Tier-1 Obligor or a Tier-2 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-2" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB+" (or its equivalent).

"Tier-4 Obligor" means any Obligor (other than a Tier-1 Obligor, a Tier-2 Obligor or a Tier-3 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-3" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB-" (or its equivalent).

"Tier-5 Obligor" means any Obligor other than a Tier-1 Obligor, a Tier-2 Obligor, a Tier-3 Obligor or a Tier-4 Obligor.

"Total Dollar Limit" is defined in Section 4.10.

"Total Foreign Concentration Excess" is defined in Section 4.10.

"Tranche" means each of the ABR Tranche and each Eurodollar Tranche.

"Transferor Indemnified Losses" is defined in Section 7.3.

"Transferor Indemnified Party" is defined in Section 7.3.

"Transferor Payment Percentage" means, on any Business Day, the difference of 100% minus the Investor Allocation Percentage on that Business Day.

"Unapplied Cash" means, on any Business Day, available funds received in the Master Collection Account and reflected in the Daily Report for that Business Day that have not been applied as Collections on a particular Receivable on or prior to the time as of which that Daily Report is prepared.

"Unfunded Carrying Cost Receivables Reserve" means, on any Business Day falling in a Group Amortization Period, the difference (but not less than zero) of (a) the Carrying Cost Receivables Reserve as of the Group Amortization Calculation Date, minus (b) the aggregate Collections deposited into the Carrying Cost Account during the portion of the Group Amortization Period up to and including that Business Day.

"Unmatured Early Amortization Event" means an event that, with the giving of notice or lapse of time (or both) will constitute an Early Amortization Event.

SECTION 1.2 Modification Condition. (a) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the definition of the term "Modification Condition" shall be as follows:

"Modification Condition" means, with respect to any action, that (i) each Rating Agency has confirmed in writing that such action will not result in a reduction or withdrawal of the rating of any

outstanding Series or Purchased Interest that was rated by such Rating Agency, and (ii) if any Series or Purchased Interest has not been rated, the Required Series Holders for that Series or the Agent for such Purchased Interest (as the case may be) shall have consented in writing to such action.

(b) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the term "Required Investors" shall be as follows:

"Required Investors" means the Required Series Holders for each Series and the Agent for each Purchased Interest."

SECTION 1.3 Incorporation of Terms. The terms of the Pooling Agreement are incorporated in this Supplement as if set forth in full herein. As supplemented by this Supplement, the Pooling Agreement is in all respects ratified and confirmed and both together shall be read, taken and construed as one and the same agreement. If the terms of this Supplement and the terms of the Pooling Agreement conflict, the terms of this Supplement shall control with respect to the Series 1996-1 Certificates.

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ARTICLE II DESIGNATION

SECTION 2.1 Designation. There is hereby created a Series to be known as the "Series 1996-1 Certificates," consisting of two classes: the \$47,500,000 Variable Rate Class A, Trade Receivables Backed Certificates, Series 1996-1 (the "Class A Certificates"), which shall be a Senior Class; and the \$7,500,000 Variable Rate Class B, Trade Receivables Backed Certificates, Series 1996-1 (the "Class B Certificates"), which shall be a Subordinated Class. Subject to the conditions set forth in Article III, Trustee shall authenticate and deliver the Class A Certificates and the Class B Certificates, to or upon the order of Transferor in the aggregate principal amount indicated for each above. Notwithstanding the terms of Section 6.1 of the Pooling Agreement, the Class A Certificates will be issued in minimum denominations of \$5,000,000 and in integral multiples of \$1,000,000 and the Class B Certificates will be issued in minimum denominations of \$2,500,000 and in integral multiples of \$500,000.

SECTION 2.2 Group I. The Series 1996-1 Certificates are included in Group I. Consequently, the Series 1996-1 Certificates will share a single Series Collection Allocation Percentage (determined using the Required Receivables as defined herein), a single Series Loss Allocation Percentage (determined using the Invested Amount as defined herein), and if a Group Amortization Period occurs, a single Available Subordinated Amount (determined as provided herein) with the other Series in Group I. Collections, Investor Allocable Dilution, Investor Allocable Loss Amounts and Investor Write-Offs will be allocated collectively to Group I in accordance with such shared Series Collection Allocation Percentage and Series Loss Allocation Percentage, as applicable, and will be further allocated among Series included in Group I (and the various Senior Classes and Subordinated Classes) in accordance with this Supplement. The Servicing Fee with respect to all Series in Group I shall be paid in accordance with this Supplement and shall be determined in accordance with Section 3.4 of the Pooling Agreement using the collective Series Collection Allocation Percentage for Group I. The Series in Group I share a collective Series Interest, the amount of which equals the shared Series Collection Allocation Percentage for Group I.

Subsection 12.1 (b) of the Pooling Agreement shall not apply to any Series in Group I and shall be superseded for all such Series by Section 7.2 of this Supplement. All terms of this Supplement applying generally to Group I shall survive the repayment in full or other termination of the Series 1996-1 Certificates until such time as all Series in Group I have been repaid in full and any revolving purchase commitments made by the Holders relating to Certificates in any such Series have been terminated (or, if earlier, on the Final Scheduled Payment Date for the last Series in Group I). Such terms of general applicability include all of Article IV (excluding Sections 4.1 and 4.9), Article V, Section 7.2 and Article VIII and all related definitions.

SECTION 2.3 Investor Ownership Percentage. The Investor Certificates in Group I represent an undivided interest in the portion of the Transferred Assets allocable to Group I,

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which undivided interest (expressed as a percentage) shall equal the Investor Ownership Percentage. The amount payable on any day by the Holders of such Investor Certificates for the acquisition of such undivided interest (the "Acquisition Amount") shall equal the Group Invested Amount plus the Deferred

Portion (it being understood that the Acquisition Amount may vary from day to day); provided that Acquisition Amount shall be fixed as of the Group Amortization Calculation Date.

The Deferred Portion of the Acquisition Amount shall be subject to a holdback and shall be paid to the extent (and only to the extent) Daily Group Collections are not required to pay amounts described in clauses first through fourth of Section 4.3 or Section 4.4 (as applicable), it being understood that the Holders of Series 1996-1 Certificates shall not be liable to pay any portion of the Deferred Portion not paid out of Daily Series Collections.

ARTICLE III CONDITIONS TO ISSUANCE; USE OF PROCEEDS

SECTION 3.1 Conditions to Issuance. Trustee will not authenticate the Series 1996-1 Certificates unless all conditions to the issuance of the Series 1996-1 Certificates under Section 6.10 of the Pooling Agreement shall have been satisfied or waived by the Purchasers.

SECTION 3.2 Use of Proceeds. The proceeds from the issuance of the Series 1996-1 Certificates shall be used first to repay the Series 1995-1 Certificates in full and second for general corporate purposes of Transferor (including, but not limited to, purchasing Receivables, repaying indebtedness and/or making distributions to Howmet).

ARTICLE IV PAYMENTS AND ALLOCATIONS

SECTION 4.1 Interest; Additional Amounts.

(a) Subject to Section 4.1 of the Class A Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class A Certificates to an ABR Tranche and up to four Eurodollar Tranches. Subject to Section 4.1 of the Class B Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class B Certificates to an ABR Tranche and a Eurodollar Tranche. Interest on an ABR Tranche shall be payable on each Distribution Date, and interest on a Eurodollar Tranche shall be payable at the end of the applicable Interest Period, except that interest on the amount of any principal repaid on any other date shall be payable on the date of the repayment. If any such day is not a Business Day, interest shall instead be due on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

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(b) Interest on a Eurodollar Tranche shall accrue during any Interest Period at a rate per annum equal to the Reserve Adjusted Eurodollar Rate plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 360 days.

(c) Interest on an ABR Tranche shall accrue at the Alternate Base Rate in effect from time to time plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 365 or 366 days, as the case may be.

(d) Interest with respect to the Series 1996-1 Certificates due but not paid on any Distribution Date or the last day of an Interest Period, as the case may be, will bear additional interest on the amount at 2% per annum above the Alternate Base Rate to the extent permitted by law, which additional interest shall be due on demand.

(e) Additional Amounts shall also be payable with respect to the Series 1996-1 Certificates as specified in the Certificate Purchase Agreements and to the extent (but only to the extent) that funds become available for payment of such Additional Amounts in accordance with Sections 4.2, 4.3 and 4.4.

SECTION 4.2 Daily Calculations and Group Allocations. On each Business Day, Servicer shall calculate the Series Collection Allocation Percentage for Group I (and, if necessary for that calculation, the Required Receivables), the Current Carrying Costs and, prior to the Group Amortization Period, the Base Amount. On each Business Day prior to the Group Amortization Period, Servicer shall also determine whether the Net Invested Amount is greater than, equal to or less than the Base Amount.

Pursuant to Section 4.3 of the Pooling Agreement, Servicer shall allocate the Series Collection Allocation Percentage of available funds received in the Master Collection Account (other than any Shared Investor Collections) since the preceding Business Day's allocation to the shared Series Interest of Group I. The portion of funds so allocated, together with any funds released from the Equalization Account or any Principal Funding Account in accordance with Section 4.5 on that Business Day, are called the "Daily Group Collections."

SECTION 4.3 Allocations of Daily Group Collections (Other Than in a Group Amortization Period). On each Business Day (other than an Exempt Holiday or a Business Day falling in a Group Amortization Period or after the Fully Funded Date), Servicer shall allocate the Daily Group Collections (or, if less, the aggregate amount of Daily Group Collections required to fund the items described in priorities first through fourth below) to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account until the amount allocated to the Carrying Cost Account equals the Current Carrying Costs;

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second, if the Net Invested Amount is greater than the Base Amount, to the Equalization Account in an amount sufficient to reduce the Net Invested Amount to an amount equal to the Base Amount; provided that during a Series Amortization Period in respect of any Series, funds that would otherwise be required to be deposited in the Equalization Account pursuant to this priority second shall instead be deposited in the sub-account of the Principal Funding Account for such Series (and, if there is more than one such Series, shall be divided ratably between such sub-accounts, on the basis of the respective Principal Deposit Amounts of each such Series), but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount (and any remaining amount not deposited in any sub-account of the Principal Funding Account because of this limitation shall be shared among the other sub-accounts for such Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the applicable Principal Deposit Amount, and any remaining amount shall be deposited in the Equalization Account); and provided further that no deposit shall be made to a sub-account of the Principal Funding Account pursuant to the immediately preceding proviso (and such proviso shall not apply notwithstanding the existence of a Series Amortization Period) unless, after giving effect thereto, the Net Invested Amount would equal the Base Amount;

third, during any Series Amortization Period, to the applicable sub-account of the Principal Funding Account until the amount on deposit in that sub-account equals the applicable Principal Deposit Amount; provided that

(i) the amount allocated to all Investor Certificates in the aggregate pursuant to this priority third on any Business Day shall not exceed the product of (x) the Investor Ownership Percentage, multiplied by (y) the excess of the Daily Group Collections over the amounts allocated on that Business Day pursuant to priorities first and second, and

(ii) if more than one Series in Group I is in a Series Amortization Period, the amount so allocated shall be divided ratably between such subaccounts, on the basis of the respective Principal Deposit Amounts of each such Series, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount for any such Series (and any remaining amount not deposited in any sub-account of the Principal Funding Account because of this limitation shall be shared among the other sub-accounts for Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the Principal Deposit Amount for any such other Series); and

fourth, to hold in the Master Collection Account the amount, if any, necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders.

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On such Business Day, Servicer shall allocate and pay the remainder of Daily Group Collections to make current and/or deferred transfer payments to Transferor in respect of the Transferor Certificate, provided that Transferor may, from time to time, direct Servicer to direct Trustee to hold all or part of the funds to be paid pursuant to this sentence in the Master Collection Account to be applied as Daily Group Collections on the following Business Day.

If, on any day, the amount of Collections that is then allocated to the

Carrying Cost Account exceeds the amount of Collections that is then required to be allocated to the Carrying Cost Account, the Servicer shall reallocate such Collections on such day to one or more of the obligations described in the first paragraph of this Section in priorities second through fourth, and in the preceding paragraph, in the order of priority set forth therein.

In addition, if, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section) for allocation under priority fourth are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor as deferred transfer payments.

SECTION 4.4 Allocations of Daily Group Collections During a Group Amortization Period. On each Business Day (other than an Exempt Holiday) falling in a Group Amortization Period and prior to or on the Fully Funded Date, Servicer shall allocate the Daily Group Collections to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account to the extent that the balance therein is less than the amount of Current Carrying Costs (other than any Servicing Fee payable to any Howmet Person) payable on the Distribution Date relating to the Calculation Period during which such Business Day falls;

second, to the Principal Funding Account and to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) in the following amounts:

(a) the amount to be transferred to the Principal Funding Account shall equal the product of (i) the Investor Allocation Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first, provided that the aggregate amount so deposited shall in no event exceed the lesser of (x) the Group Invested Amount

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and (y) the Investor Ownership Percentage times the aggregate Unpaid Balance of Receivables as of the Group Amortization Calculation Date; and

(b) the amount to be transferred to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) shall equal the product of (i) the Transferor Payment Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first;

the amount allocated to the Principal Funding Account pursuant to clause (a) of this priority second shall be divided among the sub-accounts for each Series in Group I as follows:

(1) first such amount shall be divided among the sub-accounts for each Series that has an outstanding Senior Class, on the basis of the respective Principal Deposit Amounts of each such Senior Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Senior Class; and

(2) any remaining amount shall be divided among the sub-accounts for each Series that has an outstanding Subordinated Class, on the basis of the respective Principal Deposit Amounts of each such Subordinated Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Subordinated Class;

third, to hold in the Master Collection Account the amount necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders;

fourth, to pay any Servicing Fee payable to any Howmet Person on the Distribution Date relating to the Calculation Period during which such Business Day falls; and

fifth, the balance to Transferor, provided that prior to the Holdback Account Termination Date, amounts payable to Transferor pursuant to this priority fifth shall be deposited into the Holdback Account and held as provided below.

The "Holdback Account Termination Date" shall be the earlier to occur of (i) the date that falls twelve months after the beginning of the Group Amortization Period and (ii) the Fully Funded Date. If at any time prior to the Holdback Account Termination Date, the amount of funds on deposit in the Holdback Account exceeds the difference of (1) the Investor Repayment Amount minus (2) the amount of funds then held in the Carrying Cost Account and the Principal Funding Account that are available to pay the Investor Repayment

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Amount, then the amount of such excess funds shall be released from the Holdback Account and paid to Transferor as deferred transfer payments. On each Business Day in a Group Amortization Period prior to the Holdback Account Termination Date, Servicer shall calculate the aggregate Investor Allocable Dilution for the Group Amortization Period as to which no Series Allocable Dilution Adjustments have been received. Such amount (or, if less, the aggregate amount of funds in the Holdback Account) shall be transferred to the Master Collection Account and applied to the items listed in the first paragraph of this Section as priorities first through fifth, in that order (except that no such funds shall be allocated to Transferor or the Holdback Account pursuant to priority second and the amount allocable to the Principal Funding Account shall not be limited by application of the Investor Allocation Percentage). On the Holdback Account Termination Date, all remaining funds in the Holdback Account shall be paid to Transferor.

If, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section, for allocation under priority third are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor in respect of the Transferor Certificate as deferred transfer payments.

SECTION 4.5 Withdrawals from the Equalization Account and Principal Funding Account. On any Business Day (other than an Exempt Holiday) prior to the Group Amortization Period on which no Early Amortization Event or Unmatured Early Amortization Event has occurred with respect to any Series in Group I, Servicer may instruct Trustee in writing to withdraw funds from the Equalization Account and apply such funds as Daily Group Collections, so long as the Net Invested Amount would not exceed the Base Amount after giving effect to such transfer and application. On the first day of any Series Amortization Period or Group Amortization Period, Servicer shall instruct Trustee to withdraw the entire balance in the Equalization Account and apply the same as Daily Group Collections on that day. On the first day of the Group Amortization Period, Servicer shall instruct Trustee likewise to withdraw the entire balance in the Principal Funding Account and apply the same as Daily Group Collections on that day.

SECTION 4.6 Available Subordinated Amount. (a) If a Group Amortization Period begins, Servicer shall promptly calculate the Available Subordinated Amount as of the Group Amortization Calculation Date and report such amount in the Daily Report for the first day in the Group Amortization Period. Servicer shall also calculate the Available Subordinated Amount as of each Cut-Off Date falling in the Group Amortization Period, such calculation to be reflected in the related Monthly Report.

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(b) The Available Subordinated Amount as of the Group Amortization Calculation Date shall equal the product of (x) the Investor Allocation Percentage, multiplied by (y) the result of:

(i) the product of the Unpaid Balance of Receivables held by Trustee at the opening of business on the Group Amortization Calculation Date, multiplied by the Series Collection Allocation Percentage on that date; minus

(ii) the sum of (A) the lesser of the Base Amount and the Net Invested Amount and (B) the Carrying Cost Receivables Reserve at the opening of business on the Group Amortization Calculation Date.

(c) The Available Subordinated Amount, as of any Cut-Off Date in the

Group Amortization Period, shall equal the result of:

(i) the Available Subordinated Amount as of the preceding Cut-Off Date (or as of the Group Amortization Calculation Date, in the case of the first Cut-Off Date falling in the Group Amortization Period); minus

(ii) the Investor Allocable Loss Amount with respect to the ASA Measuring Period ending on that Cut-Off Date; minus

(iii) any Investor Allocable Dilution with respect to the ASA Measuring Period ending on that Cut-Off Date; plus

(iv) subject to Sections 4.7 and 4.8, the Investor Allocable Recoveries and Investor Allocable Dilution Adjustments with respect to the ASA Measuring Period ending on that Cut-Off Date.

(d) Notwithstanding the foregoing, in no event shall the Available Subordinated Amount at any time be less than zero or greater than the initial Available Subordinated Amount calculated pursuant to subsection (b).

SECTION 4.7 Write-Offs and Recoveries. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Write-Offs and the Investor Allocable Recoveries for the most recently ended ASA Measuring Period.

(b) If the Investor Write-Offs calculated in any Monthly Report exceed zero, the Group Invested Amount shall be reduced by the amount of the Investor Write-Offs with effect on the related Distribution Date. Any such reduction shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts) until all such Class Invested Amounts have been reduced to zero.

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Any remaining reduction shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts).

(c) If the Group Invested Amount has been reduced on account of any Investor Write-Offs, then any Investor Allocable Recoveries with respect to any Calculation Period ending after the reduction takes place shall be applied to reinstate the Group Invested Amount, to the extent of such prior reductions that have not previously been reinstated, with effect on the related Distribution Date. Any such reinstatement shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts) until all prior reductions to such Class Invested Amounts on account of Investor Write-Offs have been reinstated. Any remaining reinstatement shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts).

(d) If Investor Allocable Recoveries are applied pursuant to subsection (c) to reinstate the Group Invested Amount on any Distribution Date, then Investor Allocable Recoveries shall be applied to increase the Available Subordinated Amount on the same Distribution Date only to the extent of the excess, if any, of the Investor Allocable Recoveries, minus the amount of Investor Allocable Recoveries so applied.

(e) The outstanding principal amount of any Senior Class or Subordinated Class shall be reduced by any reduction, and increased by any reinstatement, of its Class Invested Amount pursuant to this Section 4.7 or Section 4.8, in the amount of such reduction or reinstatement.

SECTION 4.8 Certain Dilution in a Group Amortization Period. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Allocable Dilution and the Series Allocable Dilution Adjustments for the most recently ended ASA Measuring Period.

(b) If the Investor Allocable Dilution calculated in any Monthly Report is greater than zero, and there are funds in the Holdback Account, then those funds (up to an amount equal to the amount of the Investor Allocable Dilution) shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

(c) If the Available Subordinated Amount or the Group Invested Amount has been reduced on account of any Investor Allocable Dilution, then (i) any Series Allocable Dilution Adjustments with respect to any Calculation Period ending after the reduction takes place and (ii) any additional funds deposited

Adjustments") shall be allocated (x) first, to reinstate the Group Invested Amount (with the same allocation among Senior Classes and Subordinated Classes as is described in subsection 4.7(c)), and (y) second, to reinstate the Available Subordinated Amount, in each case to the extent not previously reinstated pursuant to Section 4.7 or this Section 4.8. Any funds so allocated on any day shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

SECTION 4.9 Optional Early Pay Out. (a) On any Business Day falling in the Revolving Period, Transferor may provide notice to Trustee of its intention to accumulate funds to cause the Series 1996-1 Certificates to be prepaid in full or (as provided in the next sentence) in part. There may be a single partial prepayment of Class A Certificates, provided that (i) such prepayment (in the aggregate for all Class A Certificates) shall not exceed \$10,000,000, (ii) such prepayment shall be made after the first anniversary of the date hereof, and (iii) the amount prepaid shall reflect a reduction in the Unpaid Balance of Receivables due to the sale of a Seller (or all or substantially all of its assets) or the 1055 of a major customer by the Sellers. When amounts sufficient for such prepayment have been accumulated, Transferor may provide notice to Trustee (the "Prepayment Notice") of the date, at least three business days after the date of such Prepayment Notice, when the prepayment shall occur. Trustee shall notify the affected Holders promptly upon receiving such Prepayment Notice. In the event of any such prepayment of the Series 1996-1 Certificates occurring at any time during the one-year period commencing on the date hereof, the Holders of such Series 1996-1 Certificates shall be entitled to receive a Prepayment Premium. Except as expressly provided in this subsection 4.9(a), the Series 1996-1 Certificates may not be partially prepaid. The Series 1996-1 Certificates, once prepaid, may not be reinstated.

(b) Commencing upon the date specified in the notice to the Trustee referred to in subsection (a) (until an amount equal to the amount to be prepaid, plus the related Prepayment Premium, if any, and other applicable Additional Amounts have been accumulated), amounts shall be set aside for purposes of that prepayment in accordance with Section 4.3, except that no such amounts shall be set aside if Transferor notifies Trustee that Transferor intends to cause the Series 1996-1 Certificates to be prepaid by causing the portion of the Series Interest for Group I attributable to the Series 1996-1 Certificates to be conveyed to one or more Persons (who may be the Holders of a new Series issued substantially contemporaneously with such prepayment) for a cash purchase price in an amount equal to the sum of (i) the outstanding principal amount of the Series 1996-1 Certificates, plus (ii) to the extent not available in the Carrying Cost Account, accrued and unpaid interest on the Series 1996-1 Certificates through the day of such prepayment (the "Refinancing Date"), plus (iii) to the extent not available from funds set aside pursuant to priority fourth of Section 4.3, the Additional Amounts, if any, owed with respect to the

Series 1996-1 Certificates. No such conveyance shall, however, be permitted if as a result thereof, Transferor, Howmet or any of their Affiliates would acquire such portion of the Series Interest or the underlying Receivables. In the case of any such conveyance, the purchase price shall be deposited in the Principal Funding Account and shall be distributed to the Agent, for further distribution to the Holders, on the Refinancing Date in accordance with the terms of Section 5.2. Upon deposit of the purchase price in the Principal Funding Account, the Series 1996-1 Holders shall have no further rights with respect to the Transferred Assets.

(c) Any prepayment pursuant to this Section 4.9 shall be made on the later to occur of (i) the date specified in the notice of prepayment and (ii) the date on which sufficient funds (including funds to cover any related Additional Amounts) have been accumulated pursuant to Section 4.3 or 4.4 or obtained by a conveyance described in subsection 4.9(b).

(d) The Class B Certificates may not be prepaid until the Class A Certificates have been repaid in full. In addition no Class B Certificates (or Certificates in any other Subordinated Class) may be prepaid if any Senior Class is outstanding and, after giving effect to that payment, the Net Invested Amount would exceed the Base Amount.

SECTION 4.10 Foreign Obligors; Calculation of Excess Concentrations.
(a) Notwithstanding clause (a) of the definition of Eligible Obligor, Persons that are not Domestic Persons (such Persons being "Foreign Obligors") may be Eligible Obligors.

(b) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) whether the members of the Concentration Unit are Domestic Persons, Category One Obligors, Category Two Obligors or Category Three Obligors.

(ii) such Concentration Unit's Basic Concentration Limit times the Adjusted Eligible Receivables for such day (such product being such Concentration Unit's "Total Dollar Limit").

(iii) the aggregate Unpaid Balance of Eligible Receivables owed by Domestic Persons in such Concentration Unit.

(iv) an amount (whether positive or negative) equal to (A) the Total Dollar Limit for such Concentration Unit minus (B) the amount determined pursuant to clause (iii). Any such positive sum is the "First Step Residual." The absolute value of any such negative sum is the "First Step Excess."

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(v) an amount (the "Category One Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category One Obligors in such Concentration Unit.

(vi) an amount equal to 4% of the Adjusted Eligible Receivables on such day.

(vii) the lesser of (A) the First Step Residual (or, if there is no First Step Residual, zero) and (B) the amount determined pursuant to clause (vi).

(viii) an amount (the "Second Step Excess") equal to (A) the Category One Balance minus (B) the amount determined pursuant to clause (vii); provided that if such sum is a negative number, the Second Step Excess will be zero.

(ix) an amount (the "Second Step Residual") equal to (A) the First Step Residual minus (B) the Category One Balance plus (C) the Second Step Excess; provided that if such sum is a negative number, the Second Step Residual will be zero.

(x) an amount (the "Category Two Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Two Obligors in such Concentration Unit.

(xi) an amount equal to 2% of Adjusted Eligible Receivables on such day.

(xii) the lesser of (A) the Second Step Residual and (B) the amount determined pursuant to clause (xi).

(xiii) an amount (the "Third Step Excess") equal to (A) the Category Two Balance minus (B) the amount determined pursuant to clause (xii); provided that if such sum is a negative number, the Third Step Excess will be zero.

(xiv) an amount (the "Third Step Residual") equal to (A) the Second Step Residual minus (B) the Category Two Balance plus (C) the Third Step Excess; provided that if such sum is a negative number, the Third Step Residual will be zero.

(xv) an amount (the "Category Three Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Three Obligors in such Concentration Unit.

(xvi) the lesser of (A) the Third Step Residual and (B) the amount determined pursuant to clause (xi).

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(xvii) an amount (the "Fourth Step Excess") equal to (A) the Category Three Balance minus (B) the amount determined pursuant to

clause (xvi); provided that if such sum is a negative number, the Fourth Step Excess will be zero.

(xviii) the sum of the First Step Excess, the Second Step Excess, the Third Step Excess and the Fourth Step Excess, such sum being the "Concentration Unit Excess Concentration" for such Concentration Unit.

(c) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) an amount (the "Category One Eligibles") equal to (A) the Category One Balance for such Concentration Unit minus (B) the Second Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category One Eligibles will be zero.

(ii) an amount (the "Category Two Eligibles") equal to (A) the Category Two Balance minus (B) the Third Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category Two Eligibles will be zero.

(iii) an amount (the "Category Three Eligibles") equal to (A) the Category Three Balance minus (B) the Fourth Step Excess for such Concentration Unit; provided that if such sum is a negative number, the Category Three Eligibles will be zero.

(d) On each Business Day, Servicer shall determine:

(i) the sum of the Category One Eligibles for all Concentration Units.

(ii) the sum of the Category Two Eligibles for all Concentration Units.

(iii) the sum of the Category Three Eligibles for all Concentration Units.

(iv) an amount (the "Category Two Excess Concentration") equal to (A) the amount determined pursuant to clause (ii) minus (B) 10% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number, the Category Two Excess Concentration shall be zero.

(v) an amount (the "Category Three Excess Concentration") equal to (A) the amount determined pursuant to clause (iii) minus (B) 5% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number the Category Three Excess Concentrations shall be zero.

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(vi) the sum of the amounts in clauses (i), (ii) and (iii).

(vii) the sum of the Category Two Excess Concentration and the Category Three Excess Concentration.

(viii) the sum of (A) the amount determined pursuant to clause (vi) minus the amount determined pursuant to clause (vii).

(ix) an amount (the "Total Foreign Concentration Excess") equal to (A) the amount determined pursuant to clause (viii), minus (B) 35% of the Adjusted Eligible Receivables; provided that if such sum is a negative number, the Total Foreign Concentration Excess shall be zero.

(e) With respect to (i) all Category One Obligors or Category Two Obligors, and (ii) each Category Three Obligor that owes Eligible Receivables in excess of \$1,000,000 or that is located in a jurisdiction where Obligors owe an aggregate amount of Eligible Receivables in excess of \$2,000,000, Servicer and Transferor shall, and shall cause the Sellers to, take all actions reasonably necessary to perfect and/or protect Transferor's and/or the Trustee's interests in such Receivables under the laws of the jurisdiction in which such Obligors are located.

(f) Within the four weeks following each anniversary of the Closing Date, Servicer shall (i) cause counsel satisfactory to the Required Purchasers, at the expense of Howmet, to contact local counsel in each jurisdiction in which Obligors referred to in clause (e) are located, for purposes of determining whether there has been a change in the laws of such jurisdiction regarding the assignment of Receivables and (ii) take such actions as are required under Section 4.10(e) with respect to any such change. Nothing in this Section 4.10(f) shall limit the obligations of Servicer and Transferor under Section 4.10(e) at

any other time.

(g) Contemporaneously with the delivery of each Monthly Report, Servicer shall provide Trustee with a certificate, signed by an appropriate officer, showing (i) any Obligor that is not a Domestic Person and either owes Receivables in an aggregate amount exceeding \$1,000,000 as of the most recent Cut-Off Date or is a party to a contract with a Seller expiring more than one year after such Cut-Off Date, and (ii) any jurisdiction outside the United States in which Obligors owe an aggregate amount of Receivables exceeding \$2,000,000, determined as of such Cut-Off Date.

(h) All documents executed and delivered to, or for the benefit of, Trustee pursuant to this Section shall be Transaction Documents for all purposes (including for purposes of Section 6.1).

SECTION 4.11 Tax Opinion. If any Tax Opinion is required to be delivered in connection with the Series 1996-1 Certificates, the term "Tax Opinion" shall have the meaning specified below:

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"Tax Opinion" means, with respect to any action, an Opinion of Counsel to the effect that, for Federal income tax and applicable state income and franchise tax purposes, (a) such action will not cause the Investor Certificates of Series 1996-1 debt or partnership interests, (b) such action will not cause the Trust to be treated as other than an association (or publicly traded partnership) taxable as a corporation, (c) such action should not be treated as a taxable event to any Series 1996-1 Investor Certificateholder or Certificate Owner.

SECTION 4.12 Reset of Benchmark Percentages and Special Concentration Limits. Transferor may from time to time (i) increase or decrease any Benchmark Percentage used in the definition of Concentration Limit, (ii) change the percentages specified in the definition of Special Concentration Limit with respect to the two Tier-5 Obligors that owe the highest aggregate Unpaid Balances of Eligible Receivables, or (iii) designate an additional Obligor as a "Special Obligor," in each case (other than the designation of Westinghouse Electric Corp. as a Special Obligor) if the Approval Condition is satisfied. It is understood and agreed that any such changes in the Benchmark Percentages or the Special Concentration Limits or the addition of a Special Obligor may change the calculation of the Class A Concentration Factor, the Class B Concentration Factor, the Class A Minimum Reserve Ratio and the Class B Minimum Reserve Ratio.

ARTICLE V DISTRIBUTIONS AND REPORTS

SECTION 5.1 Distributions. On each Distribution Date and, with respect to clause (b), on each Principal Payment Date, other than a Distribution Date that is also a Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders, the following amounts:

(a) accrued and unpaid interest on the ABR Tranches and any additional interest payable to the Series 1996-1 Holders pursuant to Section 4.1 or to the Holders of any other Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total amount of interest owed to each Subordinated Class);

(b) on each Principal Payment Date, all funds deposited in each sub-account of the Principal Funding Account on or prior to the most recent Cut-Off Date shall be distributed in reduction of the related Series Invested Amounts; all such amounts on deposit in the Series 1996-1 sub-account of the Principal Funding Account shall be paid to the Holders of Class A Certificates until they have been paid or provided for in full before any such amounts are paid to the Holders of Class B Certificates, and no such amounts shall be paid to the Holders of any Subordinated Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Invested

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Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day);

(c) if, on the Expected Final Payment Date or any Distribution Date falling in a Group Amortization Period, the funds on deposit in

the Carrying Cost Account (less any Servicing Fee payable on that day to anyone other than a Howmet Person) will be equal to or greater than the Invested Amount (after giving effect to all distributions required by subsections (a) and (b)), then an amount equal to such remaining Invested Amount shall be withdrawn from the Carrying Cost Account and distributed in reduction of the Invested Amount: and

(d) any Additional Amounts payable with respect to Certificates in any Series in Group I to the extent that funds have been allocated for those Additional Amounts pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 (and in the event of any shortfall, Additional Amounts shall be paid first to each Senior Class, ratably in accordance with the total Additional Amounts owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total Additional Amounts owed to each Subordinated Class).

On each Distribution Date, Trustee shall also, in accordance with instructions set out in the applicable Daily Report, distribute the Servicing Fee to the Servicer to the extent that funds are available for that purpose in the Carrying Cost Account.

On each Interest Payment Date (other than any Distribution Date, which shall be governed by subsection (a) above), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute interest payable on that date to the Holders of any Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, any such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total amount of interest owed to each Subordinated Class).

Any amounts payable to the Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder.

SECTION 5.2 Special Distributions on the Refinancing Date. On the Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders the following amounts:

(a) all interest accrued on the Certificates in any Series in Group I through the Refinancing Date, to the extent funds are available for such payment in the Carrying

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Cost Account or have been deposited in the Principal Funding Account pursuant to Section 4.9;

(b) all funds deposited in the Principal Funding Account pursuant to Section 4.9, provided that no such amounts shall be paid to the Holders of the Class B Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Net Invested Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day); and

(c) any Additional Amounts to the extent that funds for those Additional Amounts have been allocated pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 or deposited in the Principal Funding Account pursuant to Section 4.9.

Amounts payable to Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder. Promptly following receipt of the amounts payable to the Holders of Certificates pursuant to this Section, such Holders shall tender such Certificates to the Trustee.

SECTION 5.3 Payments in Respect of Transferor Certificate. On each day on which funds are allocated for this purpose pursuant to Sections 4.3 and 4.4 (and subject to the terms of Section 4.4 relating to the Holdback Account), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to Transferor, in respect of the Transferor Certificate, all funds allocated for that purpose in accordance with those Sections. In addition, after the Group Invested Amount has been repaid in full and all interest and Additional Amounts owed to the Holders have been paid, any additional funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account shall similarly be paid to Transferor in respect of the Transferor Certificate.

SECTION 5.4 Daily Reports and Monthly Reports. Each Daily Report and

Monthly Report shall be substantially in the applicable form set out in Exhibit B or C or in such other form as may be required by any other Supplement relating to a Series in Group I or otherwise satisfactory to Servicer and Trustee and consistent with the terms of this Supplement, each such other Supplement and the Pooling Agreement. Copies of each Monthly Report shall be provided free of charge by the Trustee to purchasers of Series 1996-1 Certificates in connection with the initial distribution thereof and may be obtained free of charge upon request from the Trustee (and presentation of a confirmation evidencing the purchase of such beneficial interest) by subsequent purchasers.

SECTION 5.5 Annual Tax Information. On or before February 15 of each calendar year, beginning with calendar year 1997, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to each Person who at any time during the preceding calendar year was

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a Holder the information for the preceding calendar year, or the applicable portion thereof during which the Person was a Holder, as is required to be provided by an issuer of indebtedness under the Internal Revenue Code to the holders of the issuer's indebtedness and such other customary information as is necessary to enable such Holders to prepare their Federal income tax returns. Servicer's obligations under the preceding sentence shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent to the specified Persons pursuant to the Pooling Agreement or any requirements of the Internal Revenue Code as from time to time in effect. Notwithstanding anything to the contrary contained in this Agreement, Trustee shall, to the extent required by applicable law, from time to time furnish to the appropriate Persons a Form 1099-INT within the period required by applicable law.

SECTION 5.6 Periodic Perfection Certificate. On or before December 1 of each calendar year, beginning with calendar year 1996, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to Trustee and the Agent an Officer's Certificate setting forth a list of all changes in (a) the name, identity or corporate structure of Transferor or any Seller and (b) the chief executive office of Transferor or any Seller (or in the place of business of Transferor or any Seller that has only one place of business) that have taken place since the date of the Officer's Certificate most recently delivered pursuant to this Section 5.6 (or since the Closing Date, in the case of the first such Officer's Certificate to be delivered), or indicating that no such events have taken place, and stating in each case what filings of UCC financing statements, or amendments thereto, relating to the Transaction Documents have been made in connection with each such event (identifying the date and filing index numbers for each). Any financing statement identified in such an Officer's Certificate delivered to Trustee shall be deemed to have been identified to Trustee in writing for purposes of subsection 11.1(c)(v) of the Pooling Agreement. If any such new UCC financing statements are filed, Servicer shall cause Trustee to be named as secured party (in the case of any filing against Transferor) or assignee of the secured party (in the case of any filing against a Seller). Notwithstanding the foregoing, if any "Event of Default" or "Potential Event of Default" under (and as defined in) the Howmet Credit Agreement occurs, Servicer shall deliver an Officer's Certificate covering the matters described above to Trustee and Agent not later than 10 days after the occurrence of such event, and for so long as any such event remains outstanding, Servicer shall deliver such an Officer's Certificate on the last Business Day falling in each of March, June, September and December.

ARTICLE VI EARLY AMORTIZATION EVENTS

SECTION 6.1 Early Amortization Events. Each of the following shall constitute an "Early Amortization Event":

(a) (i) failure on the part of Transferor or Servicer to make any payment of the principal amount of the Series 1996-1 Certificates when due, or to make any payment of any interest on the Series 1996-1 Certificates or to make any deposit required by

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the terms of any Transaction Document on or before two Business Days after the date such payment or deposit is required to be made, or to make any other payment, except any payment of the Servicing Fee to a Howmet Person, required by the terms of any Transaction Document on or before three Business Days after the date such payment is required to be made; or (ii) failure on the part of any Seller to duly observe or perform subsection 6.1(f), 6.1(h), 6.1(j), 6.3(a), 6.3(b), 6.3(c) or 6.3(e) of the Purchase Agreement or Transferor to duly observe or perform subsection 7.2(c), 7.2(e), 7.2(f), 7.2(h), 7.2(i), 7.2(j) or

7.2(k) of the Pooling Agreement or clause (i) or (ii) of subsection 7.2(d) of the Pooling Agreement, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of five Business Days; or (iii) failure on the part of Transferor, Servicer or any Seller duly to observe or perform any other covenant or agreement set forth in any Transaction Document, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of 30 days; or (iv) Guarantor gives notice of termination of the Seller Guaranty;

(b) any representation or warranty made by a Seller in subsection 5.1(d), 5.1(k), 5.1(o) or 5.1(r) of the Purchase Agreement or by Transferor in subsection 2.3(a) (i), 2.3(a) (ii) or 7.1(i) of the Pooling Agreement shall prove to have been incorrect in any material respect when made, and continues to be incorrect in any material respect for a period of five Business Days, or any other representation or warranty made by Transferor, Servicer or any Seller in any Transaction Document shall prove to have been incorrect in any material respect when made, and continues to be incorrect in any material respect for a period of 30 days; provided that a mistake in the representation of a Receivable as an Eligible Receivable or the breach of a representation and warranty with respect to a Receivable shall not constitute an Early Amortization Event unless and until the applicable Seller has failed to make the cash payments (if any) owed under Sections 3.1 and 3.5 of the Purchase Agreement in respect of such mistake or breach (it being understood that certain of such mistakes or breaches may result in a non-cash adjustment under the Purchase Agreement);

(c) a Bankruptcy Event shall occur with respect to Transferor, Servicer, Guarantor or any Seller, or Transferor shall become unable, for any reason, to transfer Receivables or other Transferred Assets to the Trust in accordance with the provisions of this Agreement and the Pooling Agreement; provided that if, at the time any event that would, with the passage of time, become a Bankruptcy Event occurs as a result of a bankruptcy proceeding being filed against Transferor or any Seller, then, on and after the day on which the bankruptcy proceeding is filed until the earlier to occur of the dismissal of the proceeding and the commencement of an Early Amortization Period, Transferor shall not purchase Receivables and Related Assets from the affected Seller or, if Transferor is the subject of the proceeding, transfer Receivables and Related Transferred Assets to the Trust;

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(d) the Trust or Transferor shall be required to be registered as an "investment company" under and within the meaning of the Investment Company Act of 1940, as amended;

(e) the Net Invested Amount exceeds the Base Amount for a period of two or more consecutive Business Days;

(f) a Servicer Default shall have occurred and shall not have been remedied;

(g) Howmet shall cease to own, directly or indirectly, 100% of the issued and outstanding capital stock of Transferor;

(h) the Internal Revenue Service or the PBGC shall have filed one or more Tax or ERISA Liens against the assets of Transferor or any Seller (including Receivables) in an aggregate amount exceeding \$250,000 unless such amounts (i) are bonded in a manner that satisfies the Approval Condition or (ii) relate to taxes in an aggregate amount not exceeding \$1,000,000 which are contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained under GAAP;

(i) the cessation of, or the failure to create, a valid first-priority perfected ownership or security interest in favor of Trustee in the Receivables or the rights of Transferor under the Purchase Agreement, which cessation or failure has a substantial likelihood of having a Material Adverse Effect;

(j) the Series 1996-1 Invested Amount is not paid in full on the Expected Final Payment Date;

(k) Transferor's net worth (as calculated in accordance with GAAP) shall at any time be less than 17% of the aggregate Unpaid Balance of the Receivables at such time and such condition continues for five consecutive Business Days; provided that for purposes of calculating Transferor's net worth, any and all amounts owed to Transferor by any Howmet Person shall be excluded from such

calculation;

(l) any foreclosure or similar proceeding in respect of any adverse claim on any Buyer Note or the Transferor's common stock shall have been commenced; or tide to any Buyer Note or Transferor's common stock shall pass to the holders of such adverse claim, it being understood that the grant of a security interest in the stock of Transferor or any Buyer Note to a creditor of a Seller that is party to an Intercreditor Agreement shall not be an Early Amortization Event;

(m) the average of the Aged Receivables Ratio for any three consecutive Calculation Periods shall be greater than 2.50%;

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(n) the average of the Past Due Receivables Ratio for any three consecutive Calculation Periods shall exceed 5.75%;

(o) the average of the Dilution Ratio for any three consecutive Calculation Periods shall be greater than 6.75%; or

(p) the Intercreditor Provisions shall be amended without written notice thereof having been provided to the Agent no later than five Business Days prior to the effective date of such amendment.

SECTION 6.2 Early Amortization Period. Upon the occurrence and continuance of any Early Amortization Event described in subsection 6.1(c), an Early Amortization Period shall commence without any notice or other action on the part of Trustee or the Series 1996-1 Holders, immediately upon the occurrence of such Early Amortization Event, except that if an Early Amortization Event described in subsection 6.1(c) occurs as the result of the occurrence of a Bankruptcy Event with respect to one or more Sellers, the Receivables originated by which made up less than 10% of the aggregate Unpaid Balance of Receivables held by the Trust as of the date of the commencement of the proceeding that gave rise to the first such Bankruptcy Event, then an Early Amortization Period shall not commence unless Required Series Holders declare it to have commenced. Upon the occurrence and continuance of any other Early Amortization Event, after the applicable grace period, if any, and if the action or event that gave rise to such Early Amortization Event has not been waived by the Required Series Holders, Trustee may (and, at the direction of the Required Series Holders, shall) by notice then given in writing to Transferor and Servicer, declare that an Early Amortization Period has commenced as of the date of Transferor's receipt of the notice. In the event of any prepayment of the Series 1996-1 Certificates prior to the first anniversary of the date hereof as a result of the occurrence of an Early Amortization Event, the Holders thereof shall be entitled to receive a Prepayment Premium.

ARTICLE VII OPTIONAL REDEMPTION; TERMINATION; INDEMNITIES

SECTION 7.1 Optional Redemption of Investor Interests. On any Distribution Date occurring during an Early Amortization Period with respect to the Series 1996-1 Certificates on or after the date that the Series 1996-1 Invested Amount is reduced to 10% or less of the sum of the Stated Amounts for the Series 1996-1 Certificates, Transferor shall have the option to redeem the Series 1996-1 Series Interest. The purchase price will be an amount equal to the Invested Amount plus accrued and unpaid interest (and accrued and unpaid interest with respect to interest that was due but not paid on any prior Distribution Date) through the day preceding the Distribution Date at the applicable interest rate (as specified in Section 4.1) plus the aggregate amount by which the Invested Amount has been reduced on account of Investor Write-Offs (and not subsequently reinstated) plus (if such redemption occurs prior to the first anniversary of the date hereof) the applicable Prepayment Premium. Upon the tender of the outstanding Certificates of the Series by the Holders to Trustee,

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Trustee shall distribute the amounts, together with all funds on deposit in the Principal Funding Account that are allocable to the Series 1996-1 Certificates, to the Holders of the Series on the next Distribution Date in repayment of the principal amount and accrued and unpaid interest owing to the Holders. Following any redemption, the Holders of the Series shall have no further rights with respect to the Transferred Assets. In the event that Transferor falls for any reason to deposit in the Principal Funding Account the aggregate purchase price for the Series 1996-1 Certificates, payments shall continue to be made to the Holders of the Series in accordance with the terms of the Pooling Agreement and this Supplement.

SECTION 7.2 Termination. Notwithstanding Section 12.1 of the Pooling

Agreement, the last payment of the principal of and interest on the Certificates of any Series in Group I shall be due and payable no later than the Final Scheduled Payment Date for that Series. If, on the Distribution Date immediately prior to the Final Scheduled Payment Date for any such Series, Servicer determines that the Series Invested Amount for the Series on the applicable Final Scheduled Payment Date (after giving effect to all changes therein on such date) will exceed zero, Servicer shall, as soon as practicable, solicit bids for the sale of interests in the Receivables in an amount equal to the product of (i) the outstanding balance of Receivables, times (ii) the Series Collection Allocation Percentage, times (iii) the Investor Allocation Percentage, times (iv) a fraction the numerator of which is the applicable Series Invested Amount and the denominator of which is the Group Invested Amount. Transferor shall be entitled to participate in and to receive notice of each bid submitted in connection with the bidding process. Upon the expiration of the period, Servicer shall determine (x) the highest bid for such Receivables and (y) the Available Final Distribution Amount for the Series. Servicer shall sell the interests in the Transferred Assets on the Final Scheduled Payment Date for the applicable Series to the bidder with the Highest Bid and shall deposit the proceeds of such sale in the Master Collection Account for allocation to the Holders. The priorities specified in Section 5.1 shall apply to any such distribution.

SECTION 7.3 Indemnification by Transferor. Transferor hereby agrees to indemnify the Trust, Trustee, each Holder of a Series 1996-1 Certificate and each of the successors, permitted transferees and assigns of any such Person and all officers, directors, shareholders, controlling Persons, employees, affiliates and agents of any of the foregoing (each of the foregoing Persons individually being called a "Transferor Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims (whether on account of settlements or otherwise, and whether or not the relevant Transferor Indemnified Party is a party to any action or proceeding that gives rise to any Transferor Indemnified Losses (as defined below)), judgments, liabilities and related reasonable costs and expenses (including reasonable attorneys' fees and disbursements) (all of the foregoing collectively being called "Transferor Indemnified Losses") awarded against or incurred by any of them that arise out of or relate to this Agreement, any other Transaction Document or any of the transactions contemplated herein or therein or the use of proceeds herefrom or therefrom (including any Transferor Indemnified Losses (i) relating to any Adverse Claim, without regard to whether

such Adverse Claim was a Permitted Adverse Claim, or (ii) arising from any failure to make any filing or obtain any consent as required by the Federal Assignment of Claims Act with respect to any Receivables).

Notwithstanding the foregoing, in no event shall any Transferor Indemnified Party be indemnified for any Transferor Indemnified Losses (a) resulting from gross negligence or willful misconduct on the part of such Transferor Indemnified Party (or the gross negligence or willful misconduct on the part of any of its officers, directors, employees, affiliates or agents), (b) to the extent they include Transferor Indemnified Losses in respect of Receivables and reimbursement therefor that would constitute credit recourse to Transferor for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor, (c) to the extent they are or result from lost profits, (d) to the extent they are or result from taxes (including interest and penalties thereon) asserted with respect to (i) distributions on the Series 1996-1 Certificates, (ii) franchise or withholding taxes imposed on any Transferor Indemnified Party other than the Trust or the Trustee in its capacity as Trustee or (iii) federal or other income taxes on or measured by the net income of such Transferor Indemnified Party and costs and expenses in defending against the same, (e) resulting from any breach by such Transferor Indemnified Party of its representations, warranties or covenants in the Transaction Documents, or (f) to the extent that they constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to a Transferor Indemnified Party or is insufficient to hold a Transferor Indemnified Party harmless, then Transferor shall contribute to the amount paid by the Transferor Indemnified Party as a result of any loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Transferor Indemnified Party on the one hand and Transferor on the other hand, but also the relative fault of such Transferor Indemnified Party (if any) and Transferor and any other relevant equitable considerations.

SECTION 7.4 Indemnification by Servicer. Servicer agrees that the Agent and each Holder of a Series 1996-1 Certificate shall be an "Indemnified Party" for purposes of Section 8.4 of the Pooling Agreement.

ARTICLE VI [1] MISCELLANEOUS

SECTION 8.1 Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND

SECTION 8.2 Counterparts. This Supplement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SECTION 8.3 Severability of Provisions. If any one or more of the provisions or terms of this Supplement shall for any reason whatsoever be held invalid, then the unenforceable provision(s) or term(s) shall be deemed severable from the remaining provisions or terms of this Supplement and shall in no way affect the validity or enforceability of the other provisions or terms of this Supplement.

SECTION 8.4 Amendment, Waiver, Etc. This Supplement may be amended, subject to Section 13.1 of the Pooling Agreement and Section 10.1 of each Certificate Purchase Agreement, from time to time by Servicer, Transferor and Trustee by a written instrument signed by each of them.

SECTION 8.5 Trustee. Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplement or for or in respect of the recitals contained herein, all of which recitals are made solely by Transferor and Servicer.

SECTION 8.6 Instructions in Writing. All instructions given by Servicer to Trustee pursuant to this Supplement shall be in writing, and may be included in a Dally Report or Monthly Report.

IN WITNESS WHEREOF, Transferor, Servicer and Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

BLADE RECEIVABLES CORPORATION,
as Transferor

By: _____
Name: _____
Title: _____

Address: c/o Nevada Corporate
Management, Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Facsimile: (702) 892-3906

HOWMET CORPORATION, as Servicer

By: _____
Name: _____
Title: _____

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 861-4746

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Name: _____
Title: _____

Address: One M&T Plaza, 7th Floor
Buffalo, New York 14203

Attention: Russell Whitley
Facsimile: (716) 842-4474

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EXHIBIT A - Part 1
to the Series 1996-1 Supplement

FORM OF CLASS A, SERIES 1996-1 CERTIFICATE

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND

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WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.
[If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY FALCON ASSET SECURITIZATION CORPORATION TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN EIGHT PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES) IN RESPECT OF THE CLASS A, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES
CLASS A, SERIES 1996-1 CERTIFICATE

Date: _____ Maximum Principal Amounts
\$ _____

THIS CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and

restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class A, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class A, Series 1996-1 Certificates are a Senior Class and are therefore entitled to share in the benefits of the subordination of the Class B, Series 1996-1 Certificates and Certificates in any other Subordinated Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

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By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Class A, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

By: _____
Title: _____

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class A, Series 1996-1 Certificates referred to in the Pooling Agreement, as supplemented by the Supplement.

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Title: _____

Dated: _____, 1996

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. [If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY ALPINE SECURITIZATION CORP. TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN THREE PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES) IN RESPECT OF THE CLASS B, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS B, SERIES 1996-1 CERTIFICATE

Date: \$ _____

THIS CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Delaware corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class B, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class B, Series 1996-1 Certificates are a Subordinated Class and are therefore subordinated to the Class A, Series 1996-1 Certificates, Series 1996-1 Certificates and Certificates in any other Senior Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income

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and franchise and other taxes measured by or imposed on income, the Class B, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be

EXHIBIT B
to Certificate Purchase
Agreement Series 1996-1, Class A

FORM OF ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, dated as of _____ (this "Agreement"), is made between _____ ("Assignor"), and _____ ("Assignee"). Except as otherwise defined herein, capitalized terms have the meanings assigned to them in the Certificate Purchase Agreement (as defined below).

BACKGROUND

1. Assignor is a party to the Certificate Purchase Agreement, dated as of April 18, 1996 (as amended, supplemented or otherwise modified from time to time, the "Certificate Purchase Agreement"), among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation, the Purchasers party thereto (including Assignor), and The First National Bank of Chicago, as Agent.

2. Assignor wishes to assign, and Assignee wishes to be so assigned, Assignor's rights and obligations arising on and after the Effective Date (as defined below) under the Certificate Purchase Agreement and its Certificate, including its outstanding Purchase (the "Purchase").

3. Assignor and Assignee also wish (a) Assignee to assume the obligations of Assignor under the Certificate Purchase Agreement with respect to Assignee's Share (as defined below) to the extent of the rights assigned and (b) Assignor to be released from the obligations assumed by Assignee.

4. Transferor, by its execution hereof, is providing its written consent to the assignment accomplished by this Agreement.

SECTION 1. Assignment. Effective on the Effective Date (as defined below) and upon payment of the amount specified in Section 3(a), Assignor hereby assigns and transfers to Assignee, without recourse, representation or

warranty of any kind, express or implied (except as provided in Sections 6(a) and (b)), and subject to Section 4(b), Assignee's Share (as specified in Annex I hereto) (the "Assignee's Share") of all of Assignor's rights, title and interest arising under (a) the Certificate Purchase Agreement relating to Assignor's Credit Exposure including all rights and obligations with respect to the Purchase attributable to Assignee's Share and (b) Assignor's Certificate with respect to Assignee's Share as will result in Assignee having from and after the Effective Date the Class Percentage and the Series Percentage specified in Annex I.

SECTION 2. Assumption. Effective on the Effective Date, Assignee hereby irrevocably purchases, assumes and takes from Assignor, and Assignor is hereby expressly and absolutely released from, all of Assignor's obligations arising under the Certificate Purchase Agreement relating to Assignee's Share and the Purchase attributable to Assignee's Share.

SECTION 3. Payment. In consideration of the assignment by Assignor to Assignee as set forth above, Assignee agrees to pay to Assignor, in Dollars and in immediately available funds, (a) on or prior to the Effective Date, an amount specified by Assignor in writing on or prior to the Effective Date that represents Assignee's Share attributable to the principal amount of the Purchase made pursuant to the Certificate Purchase Agreement and outstanding on the Effective Date, and (b) from time to time thereafter, other amounts (if any) that Assignee has agreed in writing to pay to Assignor after the Effective Date. In consideration of the assumption by Assignee, Assignor agrees to pay to Assignee within two Business Days of the Effective Date, an assignment fee (if any) that previously has been agreed to in writing by both parties.

Notwithstanding anything to the contrary in this Agreement, if and when Assignee receives or collects (x) any payment of principal or interest relating to the Purchase or (y) any payment of fees that are required to be paid to Assignor pursuant to this Agreement, then Assignee shall forward the payment to Assignor.

To the extent payment of funds to Assignee or Assignor are not made within two Business Days, each, as the case may be, shall be entitled to recover the due amount, together with interest thereon at the Federal Funds Rate per annum accruing from the date of payment or the date of receipt of the funds by the other party.

SECTION 4. Effectiveness. (a) (i) This Agreement shall become effective on the date (the "Effective Date") on which it shall have been duly executed by all parties and the Agent shall have recorded the information

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contained herein in its records (or automatically if not so recorded within five Business Days from the Agent's receipt of this Agreement signed by Assignor, Assignee and Transferor) [; provided, however, that, notwithstanding anything herein to the contrary, as a condition to the effectiveness of the Assignment, and prior to any rights of Assignee being recognized hereunder or under any Transaction Document or Certificate, in accordance with Section 10.3(c) of the Certificate Purchase Agreement, the assigning Purchaser shall provide, or shall cause Assignee to provide, to Transferor such information as Transferor reasonably requests to make the determinations required by Section 10.3(f) of Revolving Certificate Purchase Agreement. If the Transferor has acknowledged in writing the terms and conditions of this agreement, the assigning Purchaser shall be deemed to have provided or caused to be provided such information.] 1/ Assignor hereby notifies the Agent of the assignment, effective as of the Effective Date, of Assignee's Share and the Purchase attributable to the Assignee's Share, and directs the Agent to pay Assignee any payment of principal of, or interest on, the Purchase attributable to the Assignee's Share. No (x) failure of either Assignee or Assignor to settle any amount owed to the other (except with respect to the payment of the processing and recordation fee to the Agent and the payment due under Section 3(a)), (y) dispute respecting any other settlement, including in respect of Transferor, or (z) bankruptcy, insolvency or other condition whatsoever respecting any Person, shall in any way impair, reduce or otherwise affect the effectiveness of this Agreement.

(ii) Assignor, Assignee and the Agent each acknowledges and agrees that from and after the Effective Date, the Agent shall make all payments under the Certificate Purchase Agreement in respect of Assignee's Share (including all payments of principal and interest with respect thereto, whether or not the payments shall have accrued prior to or after the Effective Date) to Assignee only. Assignor and Assignee hereby agree further to make all appropriate adjustments in payments to either of them under the Certificate Purchase Agreement for periods prior to the Effective Date directly between themselves.

(b) With respect to the Purchase attributable to Assignee's Share, if and when Assignor receives or collects any payment of principal, interest, or Additional Amounts with respect to Assignee's Share for any period commencing on or after the Effective Date, Assignor shall distribute to Assignee the portion attributable to Assignee's Share, but only to the extent it accrued on or after the Effective Date and was not theretofore paid to Assignee by Transferor or otherwise. Any principal, interest and Additional

1/ Bracketed language should be deleted in the case of a Permitted Transferee.

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Amounts paid prior to the Effective Date shall be retained by Assignor. Any principal, interest, and Additional Amounts received by Assignee that accrued prior to the Effective Date shall be forwarded promptly, in the form received, to Assignor. Assignee recognizes and agrees that (i) it shall receive no payment on account of any Agent's fees or other amounts or expenses (including counsel fees) payable to the Agent (in such capacity and for its own account), (ii) this Agreement shall not operate to assign any rights or delegate any obligations of the Agent (in such capacity), and (iii) notwithstanding anything to the contrary in this Agreement, Assignor shall retain all of its rights to indemnification under the Certificate Purchase Agreement for any events, acts or omissions occurring prior to the Effective Date.

(c) The Agent, by its execution hereof, acknowledges the assignment and agrees to make payments in respect of principal, interest, fees and Additional Amounts as described in clause (a).

SECTION 5. Rights as Purchaser under Certificate Purchase Agreement. In accordance with Section 10.3 of the Certificate Purchase Agreement, (a) as of the Effective Date, Assignee will be a Purchaser under, and party to, the Certificate Purchase Agreement and shall have (i) all of the rights and

obligations of a Purchaser (to the extent of the assignment and assumption of Assignee's Share effected by this Agreement) and (ii) the addresses for (A) notice purposes and (B) LIBOR Office as set forth in items 2 and 3, respectively, of Annex I hereto and (b) promptly on or after the Effective Date, Transferor will execute and deliver any documents and instruments that Assignor or Assignee reasonably may require.

SECTION 6. Representations and Warranties. (a) Each of Assignor and Assignee represents and warrants to the other as follows:

(i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement, to fulfill the obligations hereunder and to consummate the transactions contemplated hereby;

(ii) the making and performance of this Agreement and all documents required to be executed and delivered hereunder do not and will not violate any law or regulation of the jurisdiction of its incorporation or any other applicable law or regulation;

(iii) this Agreement has been duly executed and delivered and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; and

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(iv) all approvals, authorizations or other actions by, or filing with, any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement have been obtained.

(b) Assignor represents and warrants to Assignee that Assignee's Share and the Purchase attributable to Assignee's Share is not subject to any liens or security interests created by Assignor.

(c) Except as set forth in subsections (a) and (b), Assignor makes no representations or warranties, express or implied, to Assignee and shall not be responsible to Assignee for (i) the execution, effectiveness, genuineness, legality, validity, enforceability, collectibility, regulatory status or sufficiency of the Certificate Purchase Agreement or any of the other Transaction Documents, (ii) the perfection, priority, value or adequacy of any collateral security or guaranty, (iii) the taking of any action, or the failure to take any action, with respect to any of the Transaction Documents, (iv) any representations, warranties, recitals or statements made in any of the Transaction Documents or in any written or oral financial or other statements, instruments, reports, certificates or documents made or furnished by Assignor to Assignee or by or on behalf of Transferor or any of its Affiliates to Assignor or Assignee in connection with the Transaction Documents and the transactions contemplated thereby, (v) the financial or other condition of Transferor or any other Person or (vi) any other matter having any relation to any of the foregoing. Assignor shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Transaction Documents or the existence or possible existence of any Unmatured Early Amortization Event, Early Amortization Event or Servicer Default. Additionally, Assignor shall not have any duty or responsibility either initially or on a continuing basis to make any investigation or any appraisal on Assignee's behalf or to provide Assignee with any credit or other information with respect thereto, whether coming into Assignor's possession before the execution of the Certificate Purchase Agreement or at any time thereafter. Assignor shall have no responsibility with respect to the accuracy of, or the completeness of, any information provided to Assignee, whether by Assignor or by or on behalf of Transferor or any other Person obligated under the Certificate Purchase Agreement or any related instrument or document.

(d) Assignee represents and warrants that it has made its own independent investigation of each of the foregoing matters, including the financial condition and affairs of Transferor and its Affiliates, in connection with the making of the Purchase and the execution of this Agreement

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(including the solvency of Transferor and its Affiliates, their ability to pay their respective debts as they mature and the capital of Transferor and its Affiliates remaining after the closing under the Transaction Documents and the consummation of the transactions contemplated thereby) and has made and shall continue to make its own appraisal of the creditworthiness of Transferor and its Affiliates. Assignee (i) confirms that it has received copies of the Transaction Documents together with copies of certain other closing documents delivered in

connection with the Certificate Purchase Agreement, financial statements and any other documents and information that it has requested or deemed appropriate to make its own credit analysis and decision to enter into this Agreement and (ii) agrees that it will, independently and without reliance upon the Agent, Assignor or any other Purchaser 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 action under the Transaction Documents.

(e) Assignee represents and warrants to Transferor that the representations and warranties in Section 6.3 of the Certificate Purchase Agreement are true and correct in respect of such Assignee as of the date hereof.

SECTION 7. No Proceedings. Assignee hereby agrees to be bound by the provisions of Section 10.13 of the Certificate Purchase Agreement.

SECTION 8. Withholding Taxes. [In accordance with Section 4.6 of the Certificate Purchase Agreement, Assignee agrees to execute and deliver to the Agent, for delivery to Transferor, on or before the Effective Date, (a) two original copies of Internal Revenue Service Form 4224 or successor applicable form, properly completed and duly executed by the Assignee certifying that it is entitled to receive payments under the Certificate Purchase Agreement and any Certificate without deduction or withholding of any United States Federal income taxes, and (b) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding. Assignee represents and warrants to Transferor and Assignor that, as of the Effective Date, it shall be entitled to receive payments under its Certificate, the Certificate Purchase Agreement and hereunder without deduction for or on account of any taxes imposed by the United States of America or any political subdivision thereof. In the event that, after delivering the applicable form, Assignee shall cease to be exempt from withholding and/or deduction of taxes, then the Agent may withhold and/or deduct the applicable amount from any payments of principal, interest and any fees to which Assignee otherwise would be entitled, and the Agent shall have no liability whatsoever to Assignee for any such withholding

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or deduction. Assignee shall indemnify Transferor and the Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs or expenses that result from Assignee's breach of such representation and warranty.]2/ [In accordance with Section 4.6 of the Certificate Purchase Agreement, Assignee (unless organized as a corporation under the laws of any state of the United States) agrees to execute and deliver to the Agent, for delivery to Transferor, on or before the Effective Date, an original copy of Internal Revenue Service Form W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding.]3/

SECTION 9. Miscellaneous. (a) Each of the parties hereto agrees to take any action and execute and deliver any documents that any party hereto reasonably may request from time to time in order to implement more fully the purposes of this Agreement. Without limiting the generality of the foregoing, Assignor and Assignee will cooperate in obtaining for Assignee a Certificate (as well as a replacement Certificate for Assignor representing any retained interest of Assignor).

(b) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(c) Except as otherwise set forth herein, this Agreement sets forth the entire agreement between the parties relating to the subject matter hereof, and no term or provision of this Agreement may be amended, changed, waived, discharged or terminated orally or otherwise, except in a writing signed by Assignor and Assignee.

(d) This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(e) Each of the parties hereto agrees that each party shall bear its own expenses in connection with the preparation and execution of this Agreement

2/ If the Assignee is not a U.S. person within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

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and the consummation of the Assignment described herein. Assignee further agrees that it shall send a check in the amount of \$[1,500] [3,500] to the Agent on or prior to the Effective Date, as payment of the processing and recordation fee described in Section 10.3(c) of the Certificate Purchase Agreement. [Select correct amount in accordance with that Section.]

(f) All representations and warranties made, and indemnities provided for, herein shall survive the consummation of the transactions contemplated hereby. Assignor and Assignee acknowledge and agree that Transferor is a third-party beneficiary of Section 6(e) of this Agreement.

(g) Assignor may at any time or from time to time grant assignments and participations in its rights and obligations under the Certificate Purchase Agreement and its Certificate to other Persons, but not in the portions thereof assigned to Assignee.

(h) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither Assignor nor Assignee may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. The preceding sentence shall not limit the right of Assignee to assign all or part of Assignee's Share in the manner contemplated by the Certificate Purchase Agreement.

(i) Assignee acknowledges that all obligations of the Agent are subject to Article IX of the Certificate Purchase Agreement.

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

_____ as Assignor

By: _____
Title: _____

_____ as Assignee

By: _____
Title: _____

The undersigned hereby acknowledges the terms and provisions of this Agreement, and agrees to make payments in respect of principal, interest and fees as described in Section 4(a).4/

THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

By: _____
Title: _____

BLADE RECEIVABLES CORPORATION

By: _____
Title: _____

4/ Acknowledgement not required for certain Assignees, as provided in Section 10.3 of the Certificate Purchase Agreement.

ANNEX I
to Assignment Agreement

Item 1. Assignee's Share:

- (a) Assignee's Stated Amount \$ _____
- (b) Assignee's Class Percentage _____%
- (c) Assignee's Series Percentage _____%

Item 2. Address of Assignee for notice purposes:

 Attention: _____
 Telephone: _____
 Facsimile: _____

Item 3. LIBOR Office of Assignee:

APPENDIX X
to Certificate Purchase
Agreement Series 1996-1

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PROJECT BLADE - TAKEOUT

 CERTIFICATE PURCHASE AGREEMENT
 (Series 1996-1, Class B)

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,

THE PURCHASERS DESCRIBED HEREIN,

and

THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

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This CERTIFICATE PURCHASE AGREEMENT, dated as of April 18, 1996 (this "Agreement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer" or "Howmet"), the purchasers named on the signatures pages of this Agreement (together with their respective permitted assigns, the "Purchasers"), and THE FIRST NATIONAL BANK OF CHICAGO, as administrative and syndication and documentation agent for the Purchasers (in that capacity, together with any successors in that capacity, "Agent").

BACKGROUND

1. Transferor (a) is a party to a Pooling and Servicing Agreement dated as of December 13, 1995, as amended and restated in its entirety by an Amended and Restated Pooling and Servicing Agreement dated as of April 18, 1996 (the "Pooling Agreement"), with Howmet, as initial Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (in that capacity, together with any successors in that capacity, the "Trustee"), (b) is a party to a Receivables Purchase Agreement dated as of December 13, 1995, as amended and restated in its entirety by an Amended and Restated Receivables Purchase Agreement dated as of April 18, 1996, and (c) will enter into a Series 1996-1 Supplement to the Pooling Agreement substantially in the form of Exhibit A (the "Supplement"). Pursuant to the Pooling Agreement and the Supplement, Transferor will obtain the Series 1996-1, Class B Certificates (the "Certificates"), which will represent fractional undivided beneficial interests in the assets of the Blade Receivables Master Trust (the "Trust"), a trust organized pursuant to the Pooling Agreement.

2. Transferor wishes to obtain the commitment of each Purchaser to purchase fractional undivided beneficial interests in the assets of the Trust (each a "Trust Interest") that will be evidenced by its Certificate. Subject to the terms and conditions of this Agreement, each Purchaser is willing to purchase a Certificate. Howmet has joined in this Agreement to confirm certain representations, warranties and covenants for the benefit of the Purchasers and the Agent.

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Supplement or, if not

defined in the Supplement, in Appendix A to the Pooling Agreement. An index of terms defined directly in this Agreement is attached as Appendix X.

ARTICLE II PURCHASE AND SALE OF CERTIFICATES

SECTION 2.1 Purchase. The Transferor will sell to each Purchaser and, subject to the terms and conditions of this Agreement, the Pooling Agreement and the Supplement, each Purchaser will purchase (each such purchase being a "Purchase") from the Transferor, at the time and place provided for in Section 2.2, a Certificate for a purchase price equal to 100% of the Stated Amount of such Certificate. The Stated Amount of each initial Purchaser's Certificate is set forth opposite its name in Schedule I.

SECTION 2.2 Closing. The sale of each Certificate shall take place at the offices of Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois

60603 at noon, Chicago time, on April 18, 1996 (the "Effective Date"). On the Effective Date, the Transferor will deliver to each Purchaser a Certificate, dated as of the Effective Date and registered in the name of each such Purchaser, against delivery by each such Purchaser to the Transferor or its order of immediately available funds in the amount of the purchase price therefor to Manufacturers & Traders Trust Company, Corporate Trust Department, One M&T Plaza, 7th Floor, Buffalo, New York 14203-2399, Attention: Russell Whitley.

SECTION 2.3 Certificates. The outstanding amounts of the Purchase made by each Purchaser shall be evidenced by its Certificate, and to be issued on the Effective Date substantially in the form of Exhibit A (Part 2) to the Supplement. Each Purchaser shall and is hereby authorized to record on the grid attached to its Certificate (or at its option, in its internal books and records) the date and amount of the Purchase made by it, the amount of each repayment of the principal amount represented by its Certificate and the portions of its Purchase that are from time to time allocated to the ABR Tranche and the Eurodollar Tranche (which shall be conclusive absent demonstrable error); provided, that failure to make any recordation on the grid or records or any error in the grid or records shall not adversely affect the Purchaser's rights with respect to its interest in the assets of the Trust and its right to receive interest in respect of the outstanding principal amount of the Purchase made by the Purchaser.

ARTICLE III PREPAYMENTS

SECTION 3.1 Transferor's Right to Prepay Certificates. Transferor may, in accordance with Section 4.9 of the Supplement, prepay the Certificates in full upon at least three Business Days' prior notice by Transferor to

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Trustee. No Certificates may be prepaid until the Class A Certificates have been prepaid in full. In addition, no Certificates may be prepaid if any Senior Class is outstanding and, after giving effect to that payment, the Net Invested Amount would exceed the Base Amount. In the event of any such prepayment of the Certificates occurring at any time during the one-year period commencing on the Effective Date, the Holders of such Certificates shall be entitled to receive a Prepayment Premium. The Certificates may not be partially prepaid and the Certificates, once prepaid, may not be reinstated.

SECTION 3.2 Notice to Purchasers. Trustee shall promptly advise the Purchasers of any notice received by Trustee pursuant to Section 3.1.

ARTICLE IV TRANCHES, INTEREST AND FEES

SECTION 4.1 Tranches. (a) Subject to the terms and conditions set forth in this section and Section 4.4, Transferor shall have the option: (x) on any Business Day, to convert all or part of the ABR Tranche to the Eurodollar Tranche and (y) on the last day of any Interest Period of the Eurodollar Tranche, to convert all or any part of the Eurodollar Tranche to form a part of the ABR Tranche and/or to continue all or any part of the Eurodollar Tranche as a new Eurodollar Tranche, the Interest Period for which shall commence on the first day after the prior Interest Period; provided, that:

(i) subject to Section 4.4, each conversion or continuation shall be made ratably among the Purchasers in accordance with their respective amounts of the Purchases comprising the converted or continued Tranche;

(ii) if less than all of the outstanding amount of any Tranche shall be converted or continued, the aggregate amount of the Tranche converted or continued shall be in an integral multiple of \$1,000,000 and in a minimum principal amount of \$2,000,000;

(iii) any Interest Period for the Eurodollar Tranche that commences after the commencement of the Amortization Period must begin on a Distribution Date and end on the next Distribution Date; and

(iv) there shall not be more than one Eurodollar Tranche outstanding at any one time.

(b) If Transferor wishes to convert and/or continue a Tranche under this section, Transferor shall notify the Agent in writing (i) in the case of a conversion to or continuation of the Eurodollar Tranche, not later than

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2:00 p.m., New York City time, three Business Days prior to the date of the

proposed conversion or continuation date and (ii) otherwise, not later than noon, New York City time, one Business Day prior to the date of the proposed conversion or continuation. Each notice shall be irrevocable and shall refer to this Agreement and specify (x) the identity and amount of the Tranche that Transferor wishes to convert or continue, (y) whether all or part of the Tranche is to be converted into or continued as a Eurodollar Tranche and (z) the date of the proposed conversion or continuation (which shall be a Business Day). If Transferor shall not have delivered a timely notice in accordance with this section with respect to any Tranche, the Tranche shall, at the end of the Interest Period applicable to it (unless repaid pursuant to the terms hereof), automatically be converted into or continued as an ABR Tranche. The Agent shall promptly advise the Purchasers of any notice given pursuant to this section and of each Purchaser's portion of any converted or continued Tranche.

(c) In accordance with Section 4.1 of the Supplement, each Purchaser and the Agent will be entitled to receive additional interest (at the rate specified therein) on amounts that are not paid when due under this Agreement or under its Certificate.

SECTION 4.2 Fees. On the Effective Date, Howmet shall pay to the Agent the fees specified in the fee letter, dated October 20, 1995, delivered by Servicer to the Agent, for the account of the Persons specified in such letter.

SECTION 4.3 Yield Protection. (a) Notwithstanding any other provision herein, if, after the date hereof, either:

(i) the adoption of any law, rule or regulation (including any imposition or increase of reserve requirements) or any change after the date hereof in the interpretation or administration of any law, rule or regulation by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or

(ii) the compliance by a Purchaser with any new or revised guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising control over banks or financial institutions generally (whether or not having the force of law),

shall subject a Purchaser to the imposition or modification of any reserve (including any imposed by the Federal Reserve Board), special deposit or similar requirement (including a reserve, special deposit or similar requirement that takes the form of a tax) against assets of, deposits with or for the account

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of, or credit extended by, the Purchaser or the office from time to time that it designates to the Agent as the office through which it makes and maintains its Purchases comprising part of the Eurodollar Tranche (as to each Purchaser, its "LIBOR Office") or impose any other condition on a Purchaser affecting its Eurodollar Tranche or its obligations hereunder, and as a result of either of the foregoing there shall be any increase in the cost to the Purchaser of agreeing to make or making, funding or maintaining Purchases as a Eurodollar Tranche (except to the extent already included in the determination of the Reserve Adjusted Eurodollar Rate), or there shall be a reduction in the amount received or receivable by the Purchaser or its LIBOR Office, then, upon written notice from the Purchaser to Transferor and Servicer (with a copy to the Agent), signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in reasonable detail the calculation used to arrive at the amounts, additional amounts sufficient to indemnify that Purchaser against the increased cost or reduction in amounts received or receivable shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(b) If a Purchaser shall reasonably determine that the adoption after the date hereof of any law, rule or regulation regarding capital adequacy or capital maintenance, or any change after the date hereof in any of the foregoing or 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 the Purchaser, any of its lending offices or its holding company with any new or revised request or directive regarding capital adequacy or capital maintenance (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Purchaser's capital or the capital of its holding company as a consequence of this Agreement, the Purchase made by the Purchaser pursuant hereto to a level below what the Purchaser or its holding company could have achieved but for the adoption, change or compliance (taking into consideration the Purchaser's policies, and the policies of its holding company, with respect to capital adequacy), then, upon written notice from the Purchaser to Transferor and Servicer (with a copy to the Agent), signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in

reasonable detail the calculation used to arrive at the amounts, any additional amounts as will compensate the Purchaser or its holding company for the reduction shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

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(c) A Purchaser will act reasonably and in good faith (and use reasonable attribution methods) in determining any additional amounts due pursuant to subsection (a) or (b), as the case may be, and shall promptly notify Transferor, Servicer and the Agent in writing of any event of which it has knowledge occurring after the date hereof that will entitle it to compensation pursuant to this section. A certificate of the Purchaser, signed by an officer of the Purchaser with knowledge of and responsibility for such matters, and setting forth in reasonable detail the calculation used to arrive at the amounts necessary to compensate the Purchaser or its holding company as specified in subsection (a) or (b), as the case may be, shall be delivered to Transferor and Servicer and shall be conclusive absent demonstrable error.

(d) Failure on the part of a Purchaser to demand compensation for any amounts as specified in subsection (a) or (b) with respect to any period shall not constitute a waiver of its right to demand compensation with respect to that period or any other period. The protection of this section shall be available to the Purchasers regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition that shall have occurred or been imposed.

(e) Promptly after giving any notice to Transferor pursuant to this section, a Purchaser will seek to designate one of its offices located at an address other than that previously designated pursuant to this Agreement as the office from which its Purchase will be maintained after the designation if it will avoid the need for, or materially reduce the amount of, any payment to which the Purchaser would otherwise be entitled pursuant to this section and will not, in the reasonable discretion of the Purchaser, be otherwise disadvantageous to the Purchaser.

SECTION 4.4 Illegality; Unavailability. (a) In the event that on any date any Purchaser shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties) that the continuation of its Purchase as a Eurodollar Tranche has become unlawful by compliance by the Purchaser in good faith with any law, governmental rule, regulation or order or has become impossible as a result of a contingency occurring after the date hereof that materially and adversely affects its interbank eurodollar market, then, and in any such event, that Purchaser shall promptly give notice (by telephone confirmed in writing) to Transferor, Servicer and the Agent (which notice the Agent shall promptly transmit to each Purchaser) of that determination. The obligation of the affected Purchaser to maintain its Purchase as a Eurodollar Tranche during any such period shall be terminated at the earlier of the termination of the Interest Period then in effect for such Eurodollar Tranche or when required by law, and Transferor shall, no later than the time specified for the termination, convert the portion of the Purchase

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of the affected Purchaser that constitutes part of the Eurodollar Tranche into a part of the ABR Tranche.

(b) If, prior to the beginning of any Interest Period, the Agent shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties) that: (i) Dollar deposits in the relevant amount and for the Interest Period are not available in the relevant interbank eurodollar market or (ii) by reason of circumstances affecting the interbank eurodollar market, that adequate and fair means do not exist for ascertaining the Reserve Adjusted Eurodollar Rate applicable to the Eurodollar Tranche, then the Agent shall promptly give notice of this determination to Transferor and to each Purchaser. Thereafter, and continuing until the Agent shall notify Transferor that the circumstances giving rise to this determination no longer exist, (x) the Eurodollar Tranche will, on the last day of the applicable Interest Period, convert into a part of the ABR Tranche and (y) the right of Transferor to request a Eurodollar Tranche shall be suspended.

SECTION 4.5 Indemnity. If a Purchaser shall incur any losses, expenses or liabilities (including any interest paid to lenders of funds borrowed by it to fund its Purchase of its Certificate as a Eurodollar Tranche and any loss sustained in connection with the re-deployment of such funds) as a result of (a) the failure of such Purchase to be made on the Effective Date (other than any such failure resulting from the Purchaser's default in the performance of its obligations hereunder) or (b) any repayment, including under Section 3.1, of any

part of the Invested Amount allocated to the Eurodollar Tranche on a date that is not the last day of the Interest Period applicable to that part of the Invested Amount or that is any date other than the date specified in a notice of repayment given by Trustee, then, upon written notice (which notice shall be signed by an officer of the Purchaser with knowledge of and responsibility for such matters and shall set forth in reasonable detail the basis for requesting the amounts) from the Purchaser to Transferor and Servicer, additional amounts sufficient to indemnify the Purchaser against the losses, expenses and liabilities, but not for any lost profits associated therewith, shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

SECTION 4.6 Taxes. (a) Any and all payments made to each Purchaser under its Certificate shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, excluding taxes imposed by the jurisdiction in which that

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Purchaser's principal office (and/or the office where it books its investment in its Certificate) is located on all or part of the net income, profits or gains of that Purchaser (whether worldwide, or only insofar as such income, profits or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) (all the nonexcluded taxes, levies, imposts, charges, deductions, withholdings and liabilities being hereinafter referred to as "Taxes"), except to the extent required by law. If Trustee or the Agent is required by law to deduct or withhold any Taxes from or in respect of any sum payable hereunder or under any Certificate to a Purchaser, then the sum payable shall be increased by the amount necessary to yield to such Purchaser (after payment of all Taxes) an amount equal to the sum it would have received had no such deductions or withholdings been made, and the additional amount shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(b) Whenever any Taxes are paid by Trustee pursuant to subsection (a), as promptly as possible thereafter Servicer shall send to the relevant Purchaser the original or a certified copy of an original official receipt showing payment thereof (if any) or any other evidence of the payment as may be available to Servicer through the exercise of its reasonable efforts. If Trustee fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Purchaser the required receipts or other required documentary evidence, the Purchaser shall be entitled to receive, solely from amounts allocated with respect thereto and paid pursuant to the Supplement, additional amounts necessary to indemnify it for any incremental taxes, interest or penalties that may become payable by the Purchaser as a result of any such failure, and the amounts shall constitute "Additional Amounts" for purposes of the Supplement, and the Purchaser shall be entitled to receive these additional amounts, solely from amounts allocated thereto and paid pursuant to the Supplement.

(c) On or before the date it becomes a party to this Agreement (or, in the case of an Affected Party, on or before the date it becomes a Support Bank) and, so long as it may properly do so, periodically thereafter, to keep forms up to date, each Purchaser (including any Assignee) and Affected Party that is not a United States person (as defined in section 7701(a)(30) of the Internal Revenue Code), shall deliver to Trustee any certificates, documents or other evidence that shall be required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto to establish that, assuming the Certificates are properly characterized as indebtedness for Federal income tax purposes, it is exempt from existing United States Federal withholding (including backup withholding) requirements, including (i) two original copies of Internal Revenue Service Form 4224 or successor applicable form, properly completed

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and duly executed by the Purchaser or Affected Party certifying that it is entitled to receive payments under this Agreement or any Certificate without deduction or withholding of any United States Federal income taxes, and (ii) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed, establishing that it is entitled to an exemption from a backup withholding; provided, that if any Purchaser or Affected Party fails to comply with this subsection 4.6(c) (it being understood that a Purchaser's or Affected Party's inability to properly provide the documents described herein after the date it becomes a party hereto, in the case of a Purchaser, or the date it becomes a Support Bank, in the case of an Affected Party, shall not constitute failure to comply with this

subsection 4.6(c)), amounts payable to such Purchaser or such Affected Party (as the case may be) under this Section 4.6 shall be limited to amounts that would have been payable under this section if such Purchaser had so complied. Each Purchaser, including any Assignee, shall notify Trustee of any change in circumstances or lapse in time which renders any form provided by such Purchaser pursuant to this subsection 4.6(c) obsolete to the extent that such Purchaser is no longer exempt from existing United States Federal withholding (including backup withholding) requirements.

(d) On or before the date it becomes a party to this Agreement (and, so long as it may properly do so, periodically thereafter, to keep forms up to date), each Purchaser, including any Assignee, (other than any such Purchaser or Assignee organized as a corporation under the laws of any state of the United States) that is a United States person (as defined in Section 7701(a)(30) of the Internal Revenue Code), shall deliver to Trustee an original copy of Internal Revenue Service Form W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding.

(e) If any Additional Amount under this Section 4.6 is paid to a Purchaser and such Purchaser determines in its sole discretion that it has actually received or realized in connection therewith any refund or any reduction of, or credit against, its tax liabilities in or with respect to the taxable year in which the Additional Amount is paid, such Purchaser shall pay to the Transferor an amount that such Purchaser shall, in its sole discretion, determine is equal to the net benefit, after tax, which was obtained by such Purchaser in such year as a consequence of such refund, reduction or credit.

ARTICLE V OTHER PAYMENT TERMS

SECTION 5.1 Time and Method of Payment. (a) All amounts payable to any Purchaser hereunder or with respect to its Certificate shall be made to the Agent for the account of the Purchaser by wire transfer of immediately

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available funds in Dollars not later than 2:00 p.m., New York City time, on the date due. Any funds received after that time will be deemed to have been received on the next Business Day. The Agent shall distribute all payments to the Purchasers, in accordance with their respective interests, prior to the close of business on the Business Day on which any payment is deemed received.

(b) On any date on which a payment to one or more Purchasers hereunder or under the Certificates is due and payable, the Agent may (but in no event shall be required to) assume that the payment has been made available to the Agent on the date of the payment in accordance with this section, and the Agent may (but in no event shall be required to), in reliance upon this assumption, make payment of a corresponding amount to the Purchasers. If and to the extent any amounts shall not have so been made available to the Agent, each Purchaser irrevocably and unconditionally agrees to repay to the Agent forthwith on demand the amount of payment it received together with interest thereon, for each day from the date payment is made by the Agent until the date the amount is repaid to the Agent, (i) for the first three days following the date the payment is made, at a rate per annum equal to the Federal Funds Rate and (ii) thereafter, at a rate per annum equal to the Federal Funds Rate plus 1%.

SECTION 5.2 Pro Rata Treatment; Percentages. (a) Each repayment of the principal of the Certificates, each payment of interest thereon and each conversion or continuation of any Tranche (except as otherwise required by Section 4.4(a) with respect to conversions) shall be allocated pro rata among the Purchasers on the date of payment or reduction, in accordance with their respective Class Percentages.

(b) For purposes of this Agreement, (i) "Class Percentage" means, with respect to each Purchaser, the percentage equivalent (carried out to twelve decimal places) of a fraction, the numerator of which is the Stated Amount of such Purchaser's Certificate and the denominator of which is the sum of the Stated Amounts of all of the Purchasers' Certificates, and (ii) "Series Percentage" means, with respect to each Purchaser, the percentage equivalent (carried out to twelve decimal places) of a fraction, the numerator of which is the Stated Amount of such Purchaser's Certificate and the denominator of which is the sum of the Stated Amounts for all of the Series 1996-1 Certificates. The initial Class Percentages and Series Percentages of the initial Purchasers are set forth opposite their names in Schedule L

ARTICLE VI REPRESENTATIONS AND WARRANTIES

SECTION 6.1 Transferor. As of the Effective Date, Transferor represents and warrants to the Purchasers that each of its representations and

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warranties in the Pooling Agreement and Purchase Agreement is true and correct, as if made on the Effective Date, and further represents and warrants that:

(a) no Early Amortization Event or Unmatured Early Amortization Event exists;

(b) assuming the accuracy of the Purchaser's representations set out in Section 6.3 and that no Purchaser (and no Person acting on any Purchaser's behalf) has made a general solicitation or general advertising within the meaning of the Securities Act, the offer and sale of the Certificates in the manner contemplated by this Agreement is a transaction exempt from the registration requirements of the Securities Act, and the Pooling Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended;

(c) except for First Chicago Capital Markets, Inc. and BT Securities Corporation (collectively, the "Financial Advisors"), Transferor has not dealt with any financial advisor, or other Person who may be entitled to any commission or compensation in connection with the sale of the Certificates; and the fees of the Financial Advisors shall not be an obligation of the Purchasers; and

(d) no information supplied by or on behalf of Transferor or Howmet to the Agent or the Purchasers in connection with the Transaction Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

SECTION 6.2 Howmet. As of the Effective Date, Howmet represents and warrants to the Purchasers that:

(a) each of its representations and warranties in the Pooling Agreement (in its capacity as Servicer) and the Purchase Agreement (in its capacity as a Seller) is true and correct, as if made on the Effective Date with the same effect as if made on that date (unless specifically stated to relate to an earlier date);

(b) the Pro Forma Financial Data present fairly in all material respects the pro forma financial position, results of operations and cash flows of Howmet and its consolidated Subsidiaries at the dates and for the periods to which they relate and have been prepared in accordance with generally accepted accounting principles applied on a consistent

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basis, except as otherwise stated therein (except, in the case of quarterly financial statements, for the omission of footnotes and ordinary year-end adjustments, none of which, individually or in the aggregate, would be material);

(c) since September 30, 1995 through to the Effective Date (and except as contemplated in the Pro Forma Financial Data), (i) there has been no material adverse change in the condition, financial or otherwise, or the earnings, business affairs or business prospects of Transferor or Howmet, whether or not arising in the ordinary course of business, and (ii) there have been no transactions (except the execution and delivery of Transaction Documents, the Howmet Credit Agreement and the Note Indenture, and the consummation of the transactions and refinancings contemplated thereby) entered into by Transferor or Howmet that are material with respect to the condition, financial or otherwise, or the earnings, business affairs or business prospects of Transferor or Howmet; and

(d) no information supplied by or on behalf of Transferor or Howmet to the Agent or the Purchasers in connection with the Transaction Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

SECTION 6.3 Purchasers. As of the Effective Date (or such later date on which it acquires its Certificate in accordance with Section 10.3), each Purchaser represents and warrants (and each Assignee shall be deemed to represent and warrant as of the date that its assignment becomes effective) that:

(a) it is a "qualified institutional buyer" as that term is defined under Rule 144A of the Securities Act and it is not purchasing

its Certificate with a view to making a distribution thereof (within the meaning of the Securities Act);

(b) it has all necessary corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to fulfill its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby;

(c) it is not a pension, profit sharing or other employee benefit plan subject to ERISA, and the assets being used to purchase its

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Certificate do not constitute the assets of any "benefit plan investor" (as defined under ERISA);

(d) such Purchaser's making and performance of this Agreement and the other Transaction Documents to which it is a party do not and will not violate any law or regulation of the jurisdiction of its incorporation or any other law or regulation applicable to it;

(e) this Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by it and constitute its legal, valid and binding obligation, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law; and

(f) all approvals, authorizations or other actions by, or filing with, any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement and the other Transaction Documents to which it is a party have been obtained.

ARTICLE VII CONDITIONS

SECTION 7.1 Conditions to Purchase. The obligation of each Purchaser to Purchase its Certificate shall be subject to the satisfaction of the conditions precedent that (x) the Agent shall have received, for the account of such Purchaser, a duly executed and authenticated Certificate registered in its name and in a Stated Amount equal to the amount set out opposite its name on the signature pages of this Agreement, (y) the Agent shall have received certain fees and reimbursement of any expenses referred to in Section 10.5 for which invoices have been presented and (z) the Agent shall have received, for the account of such Purchaser, an original (except as indicated below) counterpart of the following (each of which, if not in a form attached to this Agreement, shall be in form and substance satisfactory to the Agent):

(a) certified copies of the Pooling Agreement, the Purchase Agreement and the Guaranty, each of which shall be in full force and effect, and evidence that all actions required to be taken under those documents in connection with the issuance of the Certificates shall have been taken;

(b) photocopies of each Account Agreement;

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(c) a certificate of the Secretary, or an Assistant Secretary, of each of Transferor, Servicer, Guarantor and each Seller with respect to:

(i) attached copies of resolutions of its Board of Directors then in full force and effect authorizing the execution, delivery and performance of the Transaction Documents;

(ii) the incumbency and signatures of those of its officers authorized to act with respect to the Transaction Documents; and

(iii) attached copies of its certificate of incorporation and by-laws;

(d) a certificate of an Authorized Officer of each of Transferor, Servicer, Guarantor and each Seller stating that, as of the

Effective Date, before and after giving effect to the Purchases and to the application of any proceeds therefrom, the following statements shall be true:

(i) the representations and warranties of Transferor, Servicer, Guarantor and each Seller set out in this Agreement and the other Transaction Documents are true and accurate as of the Effective Date (unless specifically stated to relate to an earlier date); and

(ii) no Early Amortization Event or Unmatured Early Amortization Event has occurred and is continuing;

(e) a certificate of an appropriate officer of Trustee stating that the Pooling Agreement has been duly authorized, executed and delivered by Trustee and the Certificates have been duly authenticated by Trustee in accordance with the Pooling Agreement, and an opinion of counsel to Trustee as to related matters;

(f) results of recent searches of the UCC filing records and tax and ERISA and judgment lien records, updating each of the searches performed in connection with the issuance by Transferor of the Series 1995-1 Certificates, showing no filings of record that cover any of the Receivables or the Related Transferred Assets, other than the financing statements filed in connection with the issuance of the Series 1995-1 Certificates;

(g) the following opinions addressed to the Agent, the Purchasers and Trustee, and in each case as to the matters and in such

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form and substance as shall be satisfactory to the Agent, the Purchasers and Trustee:

(i) opinions of Latham & Watkins as to certain corporate and securities matters, Federal and state tax and UCC matters, true sale and non-consolidation;

(ii) opinions of (A) Paul, Hastings, Janofsky & Walker, (B) Kummer Kaempfer Bonner & Renshaw and (C) Vorys, Sater, Seymour and Pease as to certain corporate, state tax and UCC matters; and

(iii) the opinion of Roland Paul, General Counsel to Servicer, as to certain corporate matters;

(h) the Daily Report for the Effective Date;

(i) evidence, reasonably satisfactory to the Agent and the Purchasers, of the payment of all taxes, fees and other governmental charges, if any, incidental to the issuance of the Certificates and to the consummation of the transactions contemplated hereunder and under the Pooling Agreement;

(j) a certificate of the Secretary of Howmet to the effect that there is not, nor has there at any time been, any matured or unmatured "Event of Default" or "Potential Event of Default" under (and as defined in) the Howmet Credit Agreement, other than as a result of failure to provide 1995 audited financial statements;

(k) copies of any management or other agreements with regard to the administration of Transferor's business, certified by an Authorized Officer of Transferor;

(l) a pro-forma balance sheet of Transferor as of the Effective Date, after giving effect to the transactions contemplated by the Supplement, certified by an appropriate officer of Transferor; and

(m) any other information, certificates, opinions and documents as the Agent or Credit Suisse may have reasonably requested.

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ARTICLE VIII COVENANTS

SECTION 8.1 Affirmative Covenants. Transferor and Howmet each severally covenant and agree that, until the Certificates have been paid in full, it will:

(a) duly and timely perform all of its covenants and obligations under each Transaction Document to which it is a party;

(b) with reasonable promptness deliver to each Purchaser such information, documents, records or reports respecting the Program or the Receivables as the Purchaser may from time to time reasonably request; and

(c) at the same time any report (including any Dally Report, Monthly Report or annual auditors' report), notice or other document is provided, or caused to be provided, by Transferor or Servicer to Trustee under the Pooling Agreement, provide the Agent and each Purchaser with a copy of the report.

In addition, it is understood and agreed that so long as the Certificates remain outstanding, Servicer and Transferor shall (and Servicer shall cause each Seller to) during regular business hours and (so long as no Early Amortization Event has occurred and is continuing) upon two Business Days prior written notice, permit Trustee, the Agent or the Purchasers whose aggregate Class Percentages exceed 50% (the "Majority Class B Purchasers") or such other Person as Trustee, the Agent or the Majority Class B Purchasers may designate from time to time), or their respective agents or representatives (including certified public accountants or other auditors), as an expense of Servicer paid out of the Servicing Fee, (i) to examine and make copies of and abstracts from, and to conduct accounting reviews of, all Records in the possession or under the control of Servicer, Transferor or any Seller, including the related Contracts and purchase orders, invoices and other agreements related thereto, and (ii) to visit the offices and properties of Servicer, Transferor or any Seller for the purpose of examining such materials described in clause (i), and to discuss matters relating to the Receivables or the Related Transferred Assets or the performance by Servicer, Transferor or any Seller of their respective obligations under any Transaction Document with any officer, employee or representative of Servicer, Transferor or any Seller. Trustee, the Agent or the Majority Class B Purchasers may (but shall not be obligated to) conduct, or cause their respective agents or representatives to conduct, reviews of the types described in this paragraph (each such review, a "Receivables Review") whenever Trustee, the Agent or the Majority Class B Purchasers, in

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its or their reasonable judgment, deem any such review appropriate; provided that, unless an Early Amortization Event or an Unmatured Early Amortization Event shall exist, (x) no more than two Receivables Reviews shall be conducted by or at the request of the Agent in any calendar year, and (y) no more than two Receivables Reviews shall be conducted by or at the request of the Majority Class B Purchasers in any calendar year; and provided further, this Section 8.1 shall limit the powers of Trustee under Section 3.5(b) of the Pooling Agreement.

SECTION 8.2 Negative Covenants. Notwithstanding Section 1.7 of the Purchase Agreement, Howmet shall not cause or permit any of its Subsidiaries to become a new Seller without satisfying the Approval Condition unless the Required Purchasers have consented in writing to that addition.

SECTION 8.3 Transfers. Each Purchaser agrees that it will not transfer its Certificate (or any portion thereof) to any Person unless such Person shall have provided the Trustee and Transferor with a certificate to the effect that such Person: (a) is a "qualified institutional buyer," as that term is defined under Rule 144A of the Securities Act and is not purchasing its Certificate with a view to making a distribution thereof (within the meaning of the Securities Act), and (b) is not a pension, profit sharing or other employee benefit plan subject to ERISA.

ARTICLE IX AGENT; REQUIRED PURCHASERS

SECTION 9.1 Appointment. The Purchasers hereby designate The First National Bank of Chicago as Agent. Each Purchaser hereby irrevocably authorizes the Agent to take action on its behalf under the provisions of the Transaction Documents and any other instruments and agreements referred to therein and to exercise the powers and perform the duties hereunder and thereunder that are specifically delegated to or required of the Agent by the terms hereof and thereof, and any other powers as are reasonably incidental thereto. The Agent may perform any of its duties by or through its respective officers, directors, agents or employees.

SECTION 9.2 Nature of Duties. The Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement. Neither the Agent nor any of its officers, directors, agents or employees shall be liable for any action taken or omitted by it or them under any Transaction Document or in connection herewith or therewith, unless caused by their gross negligence or willful misconduct. The duties of the Agent shall be mechanical and administrative in nature, the Agent shall not have by reason of this Agreement a

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Transaction Document, expressed or implied, is intended to or shall be construed as to impose upon the Agent any obligations in respect of any Transaction Document except as expressly set forth herein.

SECTION 9.3 Lack of Reliance on Agent and Financial Advisors. Independently and without reliance upon the Agent or the Financial Advisors, each Purchaser, to the extent it deems appropriate, has made and shall continue to make (a) its own independent investigation of the financial condition and affairs of Transferor, the Seller, Servicer and the Trust in connection with the making and the continuation of each Purchase and the taking or not taking of any action in connection herewith and (b) its own appraisal of the creditworthiness of Transferor, the Seller and Servicer and the merits and risks of an investment in the Certificates, and, except as expressly provided in this Agreement, the Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Purchaser with any credit or other information with respect thereto, whether coming into its possession before the making of a Purchase or at any time or times thereafter. The Agent shall not be responsible to any Purchaser for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of the Transaction Documents or the financial condition of Transferor, the Sellers, Servicer or the Trust or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of any Transaction Document, or the financial condition of Transferor, the Sellers, Servicer or the Trust or the existence or possible existence of any Early Amortization Event or Unmatured Early Amortization Event.

SECTION 9.4 Certain Rights of Agent. If the Agent shall request instructions from the Required Purchasers with respect to any act or action (including failure to act) in connection with any Transaction Document, the Agent shall be entitled to refrain from acting or taking the action unless and until the Agent shall have received instructions from the Required Purchasers, and the Agent shall not incur liability to any person by reason of so refraining. Without limiting the foregoing, no Purchaser shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under any Transaction Document in accordance with the instructions of the Required Purchasers as for refraining to act in the absence of instruction.

SECTION 9.5 Reliance. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram,

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radiogram, order or other document or telephone message signed, sent or made by any person that the Agent believed to be the proper person. The Agent may consult with legal counsel (including counsel for any Howmet Person), independent public accountants and other experts selected by the Agent and shall not be liable for any action taken or omitted to be taken in accordance with the advice of such counsel, accountants or experts.

SECTION 9.6 Indemnification. To the extent the Agent is not reimbursed and indemnified by Transferor or Servicer, the Purchasers will reimburse and indemnify the Agent (or cause the Agent to be reimbursed and indemnified) ratably in accordance with their respective Series Percentages from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements of whatsoever kind or nature that may be imposed on, asserted against or incurred or suffered by the Agent (including fees and expenses of legal counsel, accountants and experts) in performing its duties or as a result of any action taken or omitted to be taken by the Agent under any Transaction Document or in any way relating to or arising out of any Transaction Document; provided that no Purchaser shall be liable for any portion of these liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable order).

SECTION 9.7 Agent in Its Individual Capacity. The Agent and its respective Affiliates may accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with Transferor or Servicer or any Howmet Person as if the Agent was not performing the duties specified herein, and may accept fees and other consideration from Transferor or Servicer for services in connection with this Agreement and otherwise without

having to account for the same to the Purchasers. Each of the parties hereto acknowledges that the Agent will be acting both as agent and as a lender under the Howmet Credit Agreement.

SECTION 9.8 Resignation by Agent. (a) The Agent may resign at any time by giving notice to Transferor, the Purchasers and any other Agent, if any. Such resignation shall be effective immediately unless the resigning Agent is the only Agent, in which event the resignation of such Agent shall take effect upon the appointment of a successor Agent pursuant to subsections (b) and (c) below or as otherwise provided below.

(b) In the event that there is only one Agent, upon any notice of resignation of such Agent, the Required Purchasers shall appoint a successor

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Agent hereunder who shall be a commercial bank or trust company reasonably acceptable to Transferor (it being understood and agreed that any Purchaser is deemed to be acceptable to Transferor).

(c) If a successor Agent is not appointed pursuant to subsection (b) within 30 days after the delivery of the notice referred to in subsection (a), the resigning Agent, with the consent of Transferor, shall then appoint a successor Agent who shall serve as Agent hereunder until the time, if any, that the Required Purchasers appoint a successor Agent as provided above.

(d) If no successor Agent has been appointed pursuant to subsection (b) or (c) above by the 60th day after the date notice of resignation was given by the resigning Agent, such Agent's resignation shall become effective and the Purchasers shall thereafter perform all the duties of the Agent under the Transaction Documents until the time, if any, that the Purchasers appoint a successor Agent as provided above.

SECTION 9.9 Required Purchasers. "Required Purchasers" means:

(i) for purposes of instructing the Trustee to declare that the Early Amortization Period has commenced pursuant to Section 6.2 of the Supplement, either (x) Holders of Certificates whose aggregate Class Percentages exceed 50% or (y) Holders of Class A Certificates whose aggregate Class Percentages (as defined in the Class A Certificate Purchase Agreement) exceed 50%; and

(ii) for all other purposes, both (x) Holders of Certificates whose aggregate Class Percentages exceed 50% and (y) Holders of Class A Certificates whose aggregate Class Percentages (as defined in the Class A Certificate Purchase Agreement) exceed 50%.

ARTICLE X MISCELLANEOUS PROVISIONS

SECTION 10.1 Amendments. Except as provided in Section 13.1(a) or (b) of the Pooling Agreement, neither Transferor nor Howmet shall amend, waive or otherwise modify any provision of any Transaction Document to which it is a party, consent to any departure therefrom, or grant any consent thereunder, unless the same shall have been consented to in writing by the Required Purchasers prior to the effectiveness of the same; provided, however, that no amendment shall (a) decrease in any manner the amount of, or delay the timing of, any allocation, payment or distribution in respect of any Certificate without the prior written consent of each Purchaser affected thereby, (b) amend, modify or waive any provision of this Agreement that

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requires the approval or consent of a specified percentage of Purchasers without the prior written consent of that percentage of Purchasers, (c) amend, modify or waive the provisions of this section with respect to the rights of any Purchaser without the consent of that Purchaser, (d) waive any Early Amortization Event arising from a Bankruptcy Event with respect to Transferor or any Seller without the consent of each Purchaser, (e) amend or modify the Series Percentage or Class Percentage of any Purchaser without its prior written consent, (f) waive any of the requirements hereunder that the interests of Trustee in the Receivables and the other Transferred Assets be perfected by appropriate UCC filings without the prior written consent of each Purchaser or (g) amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent; provided further that neither the execution and delivery of a Supplement relating to a refinancing of the Certificates as contemplated by Section 4.9 of the Supplement relating to the Certificates, nor any other amendment to the Transaction Documents in connection with such a refinancing, shall require any consent from any Purchaser, so long as the prior or contemporaneous repayment in full of the Certificates in accordance with

Section 5.2 of the Supplement relating to the Certificates is a condition to the issuance of the refinancing certificates, and of the effectiveness of such related amendment. Each Purchaser shall be bound by any modification, waiver or consent authorized by this section, whether or not its Certificate shall have been marked to indicate the modification, waiver or consent.

SECTION 10.2 No Waiver; Remedies. Any waiver, consent or approval given by any party hereto shall be effective only in the specific instance and for the specific purpose for which given, and no waiver by a party of any breach or default under this Agreement shall be deemed a waiver of any other breach or default. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder, or any abandonment or discontinuation of steps to enforce the right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.3 Successors and Assigns; Assignments. (a) This Agreement shall be binding upon, and inure to the benefit of, Transferor, Servicer, the Agent, the Purchasers and their respective successors and assigns; provided that neither Transferor nor Servicer may assign its rights or obligations hereunder or in connection herewith or any interest herein

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(voluntarily, by operation of law or otherwise) without the prior written consent of all the Purchasers, except that the Servicer may be terminated in accordance with Sections 10.1 and 10.2 of the Pooling Agreement; and provided further, that no Purchaser or Participant may transfer, pledge, assign, sell participations in or otherwise encumber its rights or obligations hereunder or any interest herein except as permitted under this Section 10.3.

(b) Subject to the terms of Section 10.3(f), each Purchaser may at any time sell to one or more banks or other entities ("Participants") participating interests in all or any portion of its Certificate and its obligations hereunder (its "Credit Exposure"); provided that such Participant shall have certified to the selling Purchaser that such Participant is a "qualified institutional buyer" (as defined under Rule 144A of the Securities Act) or that such sale is not required to be registered under the Securities Act or any other applicable securities laws. In the event of any sale by a Purchaser of participating interests to a Participant, the Purchaser shall notify Transferor of the identity of the Participant upon a request by Transferor, the Purchaser's obligations under this Agreement shall remain unchanged, the Purchaser shall remain solely responsible for the performance thereof, and the Purchaser shall remain the holder of its rights under its Certificate and this Agreement for all purposes under this Agreement, and the other parties to the Transaction Documents shall continue to deal solely and directly with the Purchaser in connection with such rights and obligations under this Agreement. Other than in the case of a sale, transfer, assignment or conveyance of a participating interest by Alpine Securitization Corp. to a Permitted Transferee prior to any rights of a proposed Participant being recognized hereunder or under any other Transaction Document or Certificates, the Purchaser shall provide, or shall cause such Participant to provide, to Transferor such information as Transferor reasonably requests to make the determination required by Section 10.3(f). Transferor agrees that each Participant shall be entitled to the benefits of Sections 4.3, 4.5, 4.6 and 10.5 with respect to its participation in the Certificate. The Purchasers agree that any agreement between them and any Participant in respect of a participating interest shall require the Participant to comply with the terms of Section 10.13 and shall not restrict the Purchasers' right to agree to any amendment, supplement or modification of the Transaction Documents except to (i) extend the final maturity of any obligation, (ii) reduce the rate or extend the time of payment of interest thereon or any fees owed to the Purchasers under the Transaction Documents, (iii) reduce the principal amount of any obligation, (iv) release or direct the release of all or substantially all of the Transferred Assets or Trustee's claim to the Transferred Assets, (v) reduce substantially the amount of any reserve included in the calculation of the Base Amount, (vi) increase the amount of the participation from the amount thereof then in effect, or (vii) permit assignment

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or transfer by Transferor or any Seller of its rights or obligations under the Transaction Documents.

(c) Subject to the terms of Section 10.3(f), any Purchaser may at any time assign to any Permitted Transferee or to one or more banks or other

financial institutions (each, an "Assignee") all or any part of its Credit Exposure; provided that (i) unless assigned to an Affiliate of the Purchaser or to a Permitted Transferee, it assigns all of its Credit Exposure or a portion of its Credit Exposure in an amount not less than \$2,500,000, (ii) such Assignee, other than an existing Purchaser, an Affiliate of the Purchaser or a Permitted Transferee, must be reasonably acceptable to the Agent and Transferor, which acceptance shall not be delayed or withheld unreasonably (it being understood that acceptance may be withheld due to the failure to satisfy Section 10.3(f)), (iii) if such Assignee is not a United States person (as defined in section 7701(a)(30) of the Internal Revenue Code), such Assignee shall satisfy the requirements of Section 4.6(c), provided, that if such Assignee thereafter fails to comply with the requirements of Section 4.6(c), amounts payable to it under Section 4.6 shall be limited to amounts that would be payable if such Assignee had complied with Section 4.6(c), (iv) such Assignee shall have certified to the assigning Purchaser that such Assignee is a "qualified institutional buyer" (as defined under Rule 144A of the Securities Act) or that such sale is not required to be registered under the Securities Act or any other applicable securities laws, and (v) such Assignee makes the representations and warranties set forth in Section 6.3 to the Transferor as of the effective date of the assignment. For purposes of this Section 10.3, a "Permitted Transferee" means Credit Suisse or any other Person that is at all relevant times a C corporation within the meaning of section 1361(a)(2) of the Internal Revenue Code listed on the letter from Credit Suisse to Transferor and the Agent dated the Effective Date, as such list may be augmented from time to time with the consent of Transferor and the Agent; provided, however, that the aggregate number of actual assignments to Permitted Transferees at any time outstanding shall not exceed four. In the event of any assignment, the Purchaser (x) shall comply with Article VI of the Pooling Agreement, provided that no Opinion of Counsel shall be required to be delivered pursuant to subsection 6.3(e) of the Pooling Agreement with respect to any transfer to a Permitted Transferee, and (y) shall give notice to Transferor and the Agent and shall deliver to the Agent, for acceptance and recording in its records, an assignment agreement substantially in the form of Exhibit B together with a processing and recordation fee of, in the case of assignments to a Purchaser or an Affiliate of a Purchaser, \$1,500 and, in cases of any other assignment, \$3,500; provided that no processing and recordation fee shall be payable in connection with any assignment by Alpine Securitization Corp. to a Permitted Transferee. Within five Business Days of receipt thereof, the Agent shall, if the assignment

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agreement has been fully executed by the Assignee, the assignor Purchaser and Transferor, is completed and is in substantially the form of Exhibit B, execute the assignment agreement and record the information contained therein in its records. Upon the earlier of the expiration of the five Business Day period or the date of the recording, the assignment will become effective; provided that any assignment by Alpine Securitization Corp. to a Permitted Transferee shall not require acceptance or recording by the Agent or Transferor prior to effectiveness and shall become effective immediately upon receipt by the Agent of an assignment agreement appropriately completed in substantially the form of Exhibit B and executed by Alpine Securitization Corp. and the applicable Permitted Transferee. Transferor, the Agent and the Purchasers agree to extend the rights and benefits with respect to Transferor under this Agreement to the Assignee to the extent the Assignee would have had if it were a Purchaser that was an original signatory to this Agreement; provided, that Transferor shall be entitled to continue to deal solely and directly with the assignor Purchaser in connection with the interests so assigned to the Assignee until the assignment agreement and any required fee, as described above, shall have been delivered to Transferor and the Agent by the Purchaser and the Assignee and the assignment shall have become effective; provided, further, that notwithstanding anything herein or in the assignment agreement, the Transaction Documents or any Certificate to the contrary, an assignment (other than an assignment by Alpine Securitization Corp. to a Permitted Transferee) shall not become effective, an Assignee (other than a Permitted Transferee) shall not be recognized as a Purchaser and no other rights of an Assignee hereunder or under any other Transaction Document or Certificate shall be recognized unless and until the assigning Purchaser shall have provided, or caused the Assignee to provide, to Transferor such information as Transferor reasonably requests to make the determinations required by Section 10.3(f). If the Transferor has accepted an assignment pursuant to clause (ii) of the first sentence of Section 10.3(c), the assigning Purchaser shall be deemed to have provided or caused to be provided such information. Upon the effective assignment of its Credit Exposure, the Purchaser shall be relieved of its obligations hereunder to the extent of the assignment.

(d) The sale or assignment of any Credit Exposure to any Assignee or Participant (each, a "Transferee") shall not be effective until it has agreed to be bound by the provisions of Section 10.13. Transferor and Howmet each authorize the Purchasers to disclose to any Transferee and any prospective Transferee any and all information in their possession concerning Transferor, Howmet or any other Seller that has been delivered to them by Transferor, Howmet, any other Seller or Trustee in connection with their credit evaluation

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information that is non-public as confidential information in accordance with customary banking practices, except that each such Transferee and/or prospective Transferee may share any such non-public information with any of its Affiliates if such Affiliates agree to treat such information as confidential information in accordance with customary banking practices.

(e) Notwithstanding any other provisions set forth in this Agreement, the Purchasers may at any time create a security interest in all or any portion of their rights under this Agreement and the Certificates in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(f) No transfer, assignment or other conveyance of, or sale of a participation interest in, a Certificate (other than in the case of a transfer, assignment, conveyance or sale by Alpine Securitization Corp. to a Permitted Transferee) shall be made unless (i) the aggregate outstanding principal amount of all Certificates transferred, or in which a participation interest is sold, pursuant to such transfer or sale is equal to a principal amount of Certificates that would represent at least 2.1% of the total interests in partnership capital or profits, within the meaning of Treasury Regulation Section 1.7704-1 assuming the Trust were classified as a partnership for Federal income tax purposes, and (ii) after giving effect thereto, there shall be no more than three Private Holders in respect of the Certificates, as reasonably determined by Transferor. No Certificate may be subdivided into an aggregate principal amount that would represent less than 2.1% of the total interests in partnership capital or profits as determined pursuant to the preceding sentence. Any attempted transfer, assignment, conveyance, participation or subdivision in contravention of the preceding restrictions, as reasonably determined by the Transferor, shall be void ab initio and the purported transferor, seller or subdivider of such Certificate shall continue to be treated as the Certificateholder of any such Certificate for all purposes of this Agreement.

(g) Each Affected Party with respect to each Purchaser shall be entitled to receive additional payments pursuant to Sections 4.3, 4.5, 4.6 and 10.5 as though it were a Purchaser under such Sections applied to its interest in a Certificate; provided that such Affected Party shall not be entitled to additional payments pursuant to Section 4.6 attributable to its failure or inability, as of the date it becomes a Support Bank (and, so long as it may properly do so, periodically thereafter, to keep forms up to date), to satisfy the requirements of subsection 4.6(c) or 4.6(d) as if it were an Assignee.

(h) Each Affected Party claiming increased amounts described in Sections 4.3, 4.5, 4.6 or 10.5 shall furnish, through its related Purchaser, to

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the Trustee, the Agent, Servicer and Transferor a certificate setting forth in reasonable detail the basis and amount of each request by such Affected Party for any such amounts referred to in such Section, which certificate shall be prepared in accordance with the requirements of such Section (if any). Each Affected Party shall promptly notify, through its related Purchaser, the Trustee, the Agent, Servicer and Transferor of the occurrence of any event of which such Affected Party is aware that would be likely to result in a demand for compensation pursuant to Sections 4.3, 4.5, 4.6 or 10.5.

(i) In connection with any proposal that a bank or other financial institution become a Support Bank for a Purchaser which is a Structured lender, such Purchaser, at its sole discretion, shall be entitled to distribute to any proposed Support Bank on a confidential basis any information furnished to such Purchaser by the Agent pursuant to the Transaction Documents. Each Purchaser which is a Structured lender shall promptly notify the Agent (who shall promptly notify Transferor) in writing of the identity and interest of each Support Bank for such Purchaser promptly upon the obtaining of such Support Bank. Such Purchaser shall provide to the Agent (who shall, upon request, provide copies of the same to Transferor, Servicer and the Trustee), with respect to each Support Bank, such forms as would be required to be furnished by such Support Bank pursuant to subsections 4.6(c) or 4.6(d) if such Support Bank were an Assignee.

SECTION 10.4 Survival of Agreement. All covenants, agreements, representations and warranties made herein and in the Certificates delivered pursuant hereto shall survive the making and the repayment of the Purchases and the execution and delivery of this Agreement and the Certificates and shall continue in full force and effect until all obligations have been paid in full. In addition, the obligations of Transferor under Sections 4.3, 4.4, 4.5, 4.6 and

10.5 and the obligations of the Purchasers under Section 9.6 shall survive the termination of this Agreement.

SECTION 10.5 Expenses; Indemnification. Transferor and Howmet jointly and severally shall pay on demand (a) all reasonable out-of-pocket fees and expenses (including reasonable attorneys' fees and expenses) of the Agent incurred in connection with the preparation, execution, delivery, administration, amendment, modification and waiver of the Transaction Documents and the making and repayment of the Purchases, including any Servicer or collection agent fees paid to any third party for services rendered to the Purchasers and the Agent in collecting the Receivables and (b) all reasonable out-of-pocket fees and expenses of the Purchasers and the Agent (including reasonable attorneys' fees and expenses of their counsel) incurred in connection with the enforcement of the Transaction Documents against

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Transferor, Servicer and the Sellers and in connection with any workout or restructuring of the Transaction Documents. In addition, Transferor will pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, recording or enforcement of this Agreement or any payment made under the Transaction Documents, and hereby indemnifies and saves the Agent and the Purchasers harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay the taxes and fees. Transferor and Howmet jointly and severally agree to reimburse and indemnify the Agent and each Purchaser and their respective officers, directors, shareholders, controlling Persons, employees and agents (collectively, the "Indemnitees") from and against any and all actions, judgments, costs, expenses or disbursements of whatsoever kind or nature that may be imposed on, asserted against or incurred or suffered by the Agent or the Purchasers (including fees and expenses of legal counsel, accountants and experts) in any way relating to or arising out of any Transaction Document.

Notwithstanding the foregoing (and with respect to clause (y) below, without prejudice to the rights that an Indemnitee may have pursuant to the other provisions of the Transaction Documents), in no event shall any Indemnitee be indemnified against any amounts (v) resulting from gross negligence or willful misconduct by it or on the part of any of its officers, directors, employees or agents, (w) to the extent they include amounts in respect of Receivables and reimbursement therefor that would constitute credit recourse to Servicer for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor, (x) to the extent they are or result from lost profits, (y) resulting from any breach by such Indemnitee of its representations, warranties or covenants in the Transaction Documents or (z) to the extent they would constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to an Indemnitee or is insufficient to hold it harmless, then Transferor and Howmet jointly and severally shall contribute to the amount paid by the Indemnitee as a result of any loss, claim, damage or liability in a proportion that is appropriate to reflect not only the relative benefits received by the Indemnitee on the one hand and Transferor and Howmet on the other hand, but also the relative fault of the Indemnitee (if any), Transferor and Howmet and any other relevant equitable considerations; provided that Transferor's obligations under this section shall be paid by Transferor only to the extent that funds are available to make the payments alter all amounts to be paid to Holders pursuant to Section 4.1 shall have been paid, and there shall be no recourse to Transferor for all or any part of any amounts payable

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pursuant to this section if the funds are at any time insufficient to make all or part of any such payments.

SECTION 10.6 Entire Agreement. This Agreement, together with the documents delivered pursuant to Section 7.1 and the other Transaction Documents, including the exhibits and schedules thereto, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

SECTION 10.7 Notices. All communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent by overnight courier or mailed by registered mail, postage prepaid and return receipt requested, or transmitted by facsimile transmission and confirmed by a similar mailed writing to any party at the address for that party set forth (a) on the signature page to this Agreement or (b) to another address as that party may designate in writing to the Agent and Transferor.

SECTION 10.8 No Third-Party Beneficiaries. Nothing expressed herein is intended or shall be construed to give any Person (other than the parties hereto and the Participants and Assignees described in Section 10.3 and, solely to the extent provided in Section 10.3, the other Affected Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement.

SECTION 10.9 Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

SECTION 10.10 Counterparts. This Agreement may be executed in any number of counterparts (which may include facsimile) and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SECTION 10.11 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

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SECTION 10.12 Tax Characterization. Each party to this Agreement (a) acknowledges that it is the intent of the parties to this Agreement that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Certificates will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust will not be characterized as an association (or publicly traded partnership) taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat the Certificates, for purposes of Federal, state and local income and franchise and other taxes measured by or imposed on income, as indebtedness.

SECTION 10.13 No Proceedings. (a) Each of Servicer, the Agent (solely in its capacity as such) and each Purchaser (solely in its capacity as such) hereby agrees that it will not institute against Transferor, or join any other Person in instituting against Transferor, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of "Bankruptcy Event") so long as any Certificates shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any Certificates shall have been outstanding. The foregoing shall not limit the right of Servicer, the Agent or any Purchaser to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against Transferor by any other Person.

(b) Each of Servicer, Howmet, Transferor, the Agent (solely in its capacity as such) and each Purchaser (solely in its capacity as such) hereby agrees that it will not institute against any Structured Lender, or join any other Person in instituting against any Structured Lender, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of "Bankruptcy Event") for one year plus one day after the latest maturing commercial paper note, medium term note or other debt security issued by such Structured Lender is paid. The foregoing shall not limit the right of Servicer, the Agent or any Purchaser to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against such Structured Lender by any other Person.

(c) Obligations arising under this Section 10.13 shall survive any termination of this Agreement.

SECTION 10.14 Reference Bank. By its execution of this Agreement, the Agent, identified as a "Reference Bank" in the Supplement, agrees to act as a Reference Bank for purposes of the Supplement. The Agent shall notify Servicer of the Reserve-Adjusted Eurodollar Rate applicable to each Interest Period and of each change in the Alternate Base Rate.

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

BLADE RECEIVABLES CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice president

Address: c/o Nevada Corporate Management,
Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Facsimile: (702) 892-3906

HOWMET CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice president

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 861-4746

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THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

By: /s/ W. E. Covington

Title: Authorized Signer

Address: One First National Plaza
Chicago, Illinois 60670
Attention: W. Edward Covington
Telephone: (312) 732-5768
Facsimile: (312) 7324487

ALPINE SECURITIZATION CORP.,
as a Purchaser

By: Credit Suisse, New York Branch,
attorney-in-fact

By: /s/ Carl Jackson

Title: Member of Senior Management

By: /s/ Roger W. Saylor

Title: Associate

Address: 12 E. 49th Street
42nd Floor
New York, New York 10017
Attention: Carl Jackson
Telephone: (212) 238-5370
Facsimile: (212) 238-5332

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SCHEDULE I
to Certificate Purchase
Agreement Series 1996-1, Class B

Stated Amount of Certificate

Alpine Securitization Corp. \$ 7,500,000.00

Class Percentage

Alpine Securitization Corp. 100%

Series Percentage

Alpine Securitization Corp. 14%

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EXHIBIT A
to Certificate Purchase
Agreement Series 1996-I, Class B

FORM OF SERIES 1996-1 SUPPLEMENT

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PROJECT BLADE - TAKE OUT

SERIES 1996-1 SUPPLEMENT
to AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT

dated as of April 18, 1996

among

BLADE RECEIVABLES CORPORATION,
as Transferor,

HOWMET CORPORATION,
as Servicer,

and

MANUFACTURERS AND TAADERS TRUST COMPANY,
as Trustee

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EXHIBITS

EXHIBIT A	Part 1. Form of Class A Certificate
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This SERIES 1996-1 SUPPLEMENT, dated as of April 18, 1996 (this "Supplement"), is made among BLADE RECEIVABLES CORPORATION, a Nevada corporation, as Transferor, HOWMET CORPORATION, a Delaware corporation ("Howmet"), as Servicer, and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as Trustee.

Pursuant to the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, and as supplemented hereby, the "Pooling Agreement"), among Transferor, Servicer and Trustee, Transferor may from time to time direct Trustee to issue and authenticate, on behalf of the Trust, one or more Series of Certificates in one or more Groups of Series representing undivided interests in the Transferred Assets. Certain terms applicable to a Series are to be set forth in a Supplement. This Supplement is a "Supplement" as that term is defined in the Pooling Agreement.

Pursuant to this Supplement, Transferor and Trustee shall create a Series of Certificates and specify certain of their terms.

ARTICLE I DEFINITIONS; INCORPORATION OF TERMS

SECTION 1.1 Definitions. (a) Capitalized terms used and not otherwise defined herein are used as defined in Appendix A to the Pooling Agreement. This Supplement shall be interpreted in accordance with the conventions set forth in Part B of that Appendix A.

(b) Each reference in this Supplement to funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account (or similar phrase) refers only to funds in the administrative sub-accounts of those Accounts that are allocated to the Series in Group I. Unless the context otherwise requires, in this Supplement: (i) each reference to a "Daily Report" or "Monthly Report" refers to a Daily Report or Monthly Report for Group I; (ii) each reference to the "Servicing Fee" refers to the Servicing Fee allocable to Group I; (iii) each reference to the "Series Collection Allocation Percentage" or the "Series Loss Allocation Percentage" refers to Group I's Series Collection Allocation Percentage or Series loss Allocation Percentage, and (iv) each reference to the Transaction Documents shall include a reference to the Certificate Purchase Agreements.

(c) Each capitalized term defined below relates only to the Series 1996-1 Certificates and to no other Series of Certificates (except to the extent that certain of such terms are explicitly used as defined herein in any Supplement relating to another Series in Group I). Whenever used in this Supplement, the following words and phrases shall have the following meanings:

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"ABR Tranche" means, at any time, the portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Alternate Base Rate.

"Acquisition Amount" is defined in Section 2.3.

"Additional Amounts" means (a) as to the Series 1996-1 Certificates, the Prepayment Premium and other amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class A Certificate Purchase Agreement and amounts payable pursuant to Sections 4.3, 4.5, 4.6 and 10.5 of the Class B Certificate Purchase Agreement, and (b) as to any other Series in Group I, any amounts identified as "Additional Amounts" in the related Supplement.

"Adjusted Eligible Receivables" means, on any Business Day, the result of (a) the aggregate Unpaid Balance of Eligible Receivables held by the Trust on that day, minus (b) the Unapplied Cash held by the Trust on that day, plus (c) the Aggregate Retained Balances, in each case as shown in the Daily Report for such day.

"Affected Party" shall mean, with respect to any Structured Lender, any Support Bank of such Structured Lender.

"Aged Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date for the related Calculation Period, a fraction (expressed as a percentage) having (a) a numerator that is the sum of (i) the aggregate Unpaid Balance of Receivables that remained outstanding 121 to 150 days after their respective due dates, as determined as of the Cut-Off Date for such Calculation Period, plus (ii) the aggregate Unpaid Balance of Receivables that were written off as uncollectible during the most recently ended Calculation Period and that, if not so written off, would have been outstanding not more than 120 days after their respective due dates, as determined as of that Cut-Off Date, and (b) a denominator that is the aggregate amount payable pursuant to invoices giving rise to Receivables that were generated during the Calculation Period that occurred five Calculation Periods prior to the most recently ended Calculation Period, as determined as of the Cut-Off Date for such prior Calculation Period.

"Agent" means The First National Bank of Chicago, in its capacity as Agent under (and as defined in) the Certificate Purchase Agreements, together with its respective successors in such capacity. The Agent is an "Agent" for purposes of the Pooling Agreement.

"Aggregate Retained Balances" means, on any Business Day, the aggregate of the balances retained in Lockbox Accounts or Concentration Accounts for items in the process of collection but for which funds have not been made available by the related Lockbox Bank or Concentration Account Bank, provided that (i) no notice of insufficient funds or similar

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situation shall exist with respect thereto and (ii) the Unpaid Balance of Receivables shall have been reduced by an amount equal to such balances.

"Alternate Base Rate" means, on any day, a fluctuating rate of interest

per annum equal to the higher of:

- (a) the rate of interest announced, from time to time, by Agent as its prime commercial rate for United States dollar loans made in the United States for any day, and
- (b) the Federal Funds Rate.

Any change in the interest rate resulting from a change in the prime commercial rate announced by the Agent shall become effective without prior notice to Transferor or the Servicer as of 12:01 a.m., New York City time, on the Business Day on which each change in the prime commercial rate is announced by the Agent. The prime commercial rate is a reference rate and does not necessarily represent the lowest or best rate actually charged by the Agent to any customer. The Agent may make commercial loans or other loans at rates of interest at, above or below the prime commercial rate.

"Amortization Period" means the period (x) beginning on the earlier of (i) the date on which a termination notice is given by the Sellers pursuant to Section 8.1 of the Purchase Agreement and (ii) the first day of the Calculation Period that begins on June 1, 2000, and (y) ending on the earlier of (i) the Expected Final Payment Date and (ii) the date, if any, on which an Early Amortization Period begins; provided that there will be no Amortization Period if an Early Amortization Period commences on or prior to the date specified above for the beginning of the Amortization Period.

"Applicable Ratings Factor" means the Class A Ratings Factor or the Class B Ratings Factor, as specified in each calculation where the Applicable Ratings Factor is used.

"Approval Condition" means, with respect to any event or change in the terms applicable to this Supplement or the Series 1996-1 Certificates, such event or change shall have been approved in writing, prior to becoming effective, by the Agent and the Majority Class B Purchasers.

"ASA Measuring Period" means, for any Cut-Off Date falling in a Group Amortization Period, the Calculation Period ending on that Cut-Off Date (or the portion thereof falling after the Group Amortization Calculation Date, in the case of the first Cut-Off Date falling in the Group Amortization Period).

"Available Subordinated Amount" means, at any time during a Group Amortization Period, the amount calculated pursuant to Section 4.6.

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"Base Amount" means, on any Business Day, the result of the following formula:

$$[\text{NER} \times \text{SCAP} \times (100\% - \text{CBRR})] - \text{CASD} - \text{CCRR}$$

where:

- NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day;
- SCAP = the Series Collection Allocation Percentage for that Business Day;
- CBRR = the Class B Reserve Ratio in effect for that Business Day;
- CASD = the Class A Subordination Deficit for that Business Day; and
- CCRR = the Carrying Cost Receivables Reserve as reported in the Daily Report for such day.

"Basic Concentration Limit" means, with respect to a Concentration Unit on any day, (i) if such Concentration Unit includes a Special Obligor, the Special Concentration Limit for such Special Obligor, and (ii) otherwise, the Concentration Limit applicable to the Parent for such Concentration Unit.

"Carrying Cost Receivables Reserve" means, on any Business Day, the result of:

- (a) the Current Carrying Costs; plus

(b) the product of (i) the Class A Invested Amount, multiplied by (ii) 1.5 times the weighted average of the interest rates on Class A Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

- (c) the product of (i) the Class B Invested Amount, multiplied

by (ii) 1.5 times the weighted average of the interest rates on the Class B Certificates, multiplied by (iii) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(d) the product of (i) the Series Collection Allocation Percentage on the next preceding Distribution Date, multiplied by (ii) the aggregate Unpaid Balance of Receivables on the next preceding Distribution Date, multiplied by (iii) 2%, multiplied by (iv) a fraction the numerator of which is the product of two and the number of Turnover Days and the denominator of which is 360; plus

(e) if there is any Series in Group I in addition to the Series 1996-1 Certificates, the Carrying Cost Receivables Reserve Increments for each such other Series in Group I (as defined, and calculated as provided, in the related Supplement); minus

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(f) the balance on deposit in the Carrying Cost Account at the beginning of that Business Day.

"Category One Balance" is defined in Section 4.10.

"Category One Eligibles" is defined in Section 4.10.

"Category One Obligors" means the following persons: Alfa Romeo Avio S.p. A., ABB Power Generation Ltd., Boeing Canada Technology Ltd., Fiat Avio S.p.A., General Electric Canada Inc., Hitachi Ltd., KLM Royal Dutch Airlines, Mitsubishi Heavy Industries America, Inc., Mitsui & Co. USA, Inc., Motoren-Und Turbinen-Union Munchen GmbH, Pratt & Whitney Canada Inc., Rolls-Royce PLC, Siemens A.G. KWU, and Walbar of Canada Inc.

"Category Three Balance" is defined in Section 4.10.

"Category Three Eligibles" is defined in Section 4.10.

"Category Three Excess Concentration" is defined in Section 4.10.

"Category Three Obligors" means Foreign Obligors that are not Category One Obligors or Category Two Obligors.

"Category Two Balance" is defined in Section 4.10.

"Category Two Eligibles" is defined in Section 4.10.

"Category Two Excess Concentration" is defined in Section 4.10.

"Category Two Obligors" means Foreign Obligors (other than Category One Obligors) with principal places of business in Canada, Germany, Italy, Netherlands, Switzerland, England or Sweden.

"Certificate Purchase Agreements" means the Class A Certificate Purchase Agreement and the Class B Certificate Purchase Agreement.

"Certificate Rate" means, at any time, the weighted average of the interest rates on all outstanding Series 1996-1 Certificates at that time.

"Certificate Spread" means:

(a) with respect to the Class A Certificates, (i).50% per annum in the case of Eurodollar Tranches, and (ii) 0% per annum in the case of the ABR Tranche; and

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(b) with respect to the Class B Certificates, (i).80% per annum in the case of the Eurodollar Tranche, and (ii) 0% per annum in the case of the ABR Tranche.

"Class A Certificate" is defined in Section 2.1. Each Class A Certificate shall be substantially in the form of Part 1 of Exhibit A.

"Class A Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class A) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class A Certificates and the Agent.

"Class A Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) 1.333 times the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) two times the "Benchmark Percentage" for purposes of clause (d) of that definition, and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (B) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times (y) the excess of four over the number of Special Obligors.

"Class A Invested Amount" means, at any time, the sum of the purchase prices paid for Class A Purchases made pursuant to the Class A Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a) the aggregate amount of all distributions that have been made to the Holders of the Class A Certificates on account of principal, and (b) the amount of all Investor Write-Offs that have been applied to reduce the Class A Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class A Invested Amount).

"Class A Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class A Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution Horizon Variable for that Cut-Off Date.

"Class A Purchases" means Purchases made in respect of Class A Certificates.

"Class A Ratings Factor" means 2.0.

"Class A Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class A Ratings Factor.

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"Class A Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class A Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class A Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class A Minimum Reserve Ratio and (b) the Class A Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period; provided that during the period from the date hereof to the first Distribution Date thereafter the Class A Reserve Ratio shall be 26.01%.

"Class A Subordination Deficit" means, on any Business Day, the positive result (if any) of (a) the Class A Required Reserves, minus (b) the sum of (i) the Class B Required Reserves plus (ii) the outstanding principal amount of all Subordinated Classes (all calculated as of the beginning of that Business Day); provided that at any time when no Senior Class is outstanding the Class A Subordination Deficit shall equal zero.

"Class B Certificate" is defined in Section 2.1. Each Class B Certificate shall be substantially in the form of Part 2 of Exhibit A.

"Class B Certificate Purchase Agreement" means the Certificate Purchase Agreement (Series 1996-1, Class B) dated as of April 18, 1996 among Transferor, Servicer, the Purchasers of Class B Certificates and the Agent.

"Class B Concentration Factor" means, as of any Cut-Off Date, the greatest of:

(i) the "Benchmark Percentage" for purposes of clause (c) of the definition of "Concentration Limit,"

(ii) 1.5 times the "Benchmark Percentage" for purposes of clause (d) of the definition of "Concentration Limit," and

(iii) the sum of (A) all Special Concentration Limits, if any, plus (B) the product of (x) the "Benchmark Percentage" for purposes of clause (e) of the definition of Concentration Limit times the excess (if any) of 2.75 over the number of Special Obligors.

"Class B Invested Amount" means, at any time, the sum of the purchase prices paid for Class B Purchases made pursuant to (and as defined in) the Class B Certificate Purchase Agreement at or prior to that time, reduced (but not below zero) by (a) the aggregate amount of all distributions that have been made to the Holders of the Class B Certificates on account of principal, and (b) the

the Class B Invested Amount (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Class B Invested Amount).

"Class B Minimum Reserve Ratio" means the sum, as of any Cut-Off Date, of (a) the Class B Concentration Factor for that Cut-Off Date plus (b) the product of the average of the Dilution Ratios for the period of 12 preceding Calculation Periods ending on that Cut-Off Date, multiplied by the Dilution Horizon Variable for that Cut-Off Date; provided that in no event shall the Class B Minimum Reserve Ratio be less than 15%.

"Class B Purchases" means Purchases made in respect of Class B Certificates.

"Class B Ratings Factor" means 1.5.

"Class B Required Reserve Ratio" means, as calculated in each Monthly Report, the Loss Reserve Ratio plus the Dilution Reserve Ratio, each calculated using the Class B Ratings Factor.

"Class B Required Reserves" means, at any time, the product of (a) the Net Eligible Receivables multiplied by (b) the Class B Reserve Ratio multiplied by (c) the Series Collection Allocation Percentage.

"Class B Reserve Ratio" means, during any Distribution Period, the greater of (a) the Class B Minimum Reserve Ratio and (b) the Class B Required Reserve Ratio, each as calculated in the Monthly Report required to be delivered on the Report Date immediately prior to the start of that Distribution Period, provided that during the period from the date hereof to the first Distribution Date thereafter the Class B Reserve Ratio shall be 21.01%.

"Class Invested Amount" means (a) with respect to Class A, the Class A Invested Amount, (b) with respect to Class B, the Class B Invested Amount and (c) with respect to any other Senior Class or Subordinated Class of Certificates, the amount identified as its "Class Invested Amount" in the Supplement for such Senior Class or Subordinated Class of Certificates.

"Concentration Limit" means:

- (a) 100% for any Tier-1 Obligor;
- (b) 100% for any Tier-2 Obligor;
- (c) 15% for any Tier-3 Obligor;
- (d) 10% for any Tier-4 Obligor; and

- (e) 4% for any Tier-5 Obligor.

Each of the percentages above is called a "Benchmark Percentage".

"Concentration Unit Excess Concentration" is defined in Section 4.10.

"Concentration Unit" means, on any day, each Obligor and its Affiliates, if any, that are Obligors; it being understood that each Obligor shall belong to only one Concentration Unit, and that a single Obligor can be a Concentration Unit.

"Current Carrying Costs" means, during any Distribution Period, the sum of (i) the amount of interest on the Series 1996-1 Certificates that will be payable on the next Interest Payment Date and any other Interest Payment Date falling not later than one week after such Interest Payment Date, (ii) the amount of the Servicing Fee that will be payable on or before the next Distribution Date plus (iii) the Current Carrying Costs Increments for each other Series in Group I (as defined, and calculated as provided in, the Supplement for each such Series.)

"Daily Group Collections" is defined in Section 4.2.

"Deferred Portion" means, on any day with respect to Group I, the portion of the Acquisition Amount for the Series of Certificates in Group I as to which payment has been deferred, which portion shall equal the product of (a) the Series Collection Allocation Percentage times (b) the sum of the following

amounts (as shown in the Daily Report for such day): (i) the Excess Concentration Balances, plus (ii) the aggregate unpaid balance of Receivables that are not Eligible Receivables (including any such Receivables that are ineligible due to the attachment of Adverse Claims), plus (iii) the Carrying Cost Receivables Reserve, plus (iv) the Class B Reserve Ratio times the Net Eligible Receivables, plus (v) the Class A Subordination Deficit (it being understood that the Deferred Portion may vary from day to day); provided that the Deferred Portion shall be fixed as of the Group Amortization Calculation Date.

"Dilution Horizon Variable" means, at any time, a fraction having (a) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables and generated during the two Calculation Periods ending on the most recent Cut-Off Date (as of that Cut-Off Date) and (b) a denominator equal to the Adjusted Eligible Receivables as of the most recent Cut-Off Date.

"Dilution Ratio" means, as calculated in each Monthly Report as of the most recent Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator equal to the aggregate amount of Dilution on the Receivables occurring during the Calculation Period ending on the most recent Cut-Off Date, and (b) a denominator equal to the aggregate amounts payable pursuant to invoices giving rise to Receivables that were generated during the second preceding Calculation Period (so that, for example, if the Calculation Period

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specified in clause (a) corresponded to the March fiscal month, the Calculation Period in this clause (b) would be the one corresponding to the January fiscal month).

"Dilution Reserve Ratio" means as calculated in each Monthly Report, the result (expressed as a percentage) calculated in accordance with the following formula:

$$\{(ARF \times ADR) + [(HDR-ADR) \times (HDR/ADR)]\} \times DHV$$

where:

ADR = the average of the Dilution Ratios during the period of 12 consecutive Calculation Periods ending on the related Cut-Off Date;

ARF = the Applicable Ratings Factor;

DHV = the Dilution Horizon Variable; and

HDR = the highest average of the Dilution Ratios for any two consecutive Calculation Periods within the 12 consecutive Calculation Periods ending on the related Cut-Off Date.

"Distribution Period" means a period from and including a Distribution Date to but excluding the next Distribution Date.

"Early Amortization Period" means the period beginning on the date (if any) specified in Section 6.2 and ending on the day on which the Series Invested Amount has been reduced to zero. The term "Early Amortization Period" means each of the Early Amortization Period and any period identified as an "Early Amortization Period" in the Supplement for any other Series in Group I.

"Eurodollar Tranche" means, during any Interest Period, any portion of the Series 1996-1 Invested Amount that is designated by Transferor in accordance with a Certificate Purchase Agreement to accrue interest based on the Reserve-Adjusted Eurodollar Rate.

"Excess Concentration Balances" means, on any day, the sum of (i) the sum of the Concentration Unit Excess Concentrations for all Groups, plus (ii) the Category Two Excess Concentration, plus (iii) the Category Three Excess Concentration, plus (iv) the Total Foreign Concentration Excess.

"Excess Foreign Obligor Balances" is defined in Section 4.10.

"Expected Final Payment Date" means December 15, 2000.

"Federal Funds Rate" means (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for the day (or, if the day is not a Business Day, the immediately

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preceding Business Day) by the Federal Reserve Bank of New York; provided that if the rate is not so published for any Business Day, the rate for purposes of this clause will be the average of the quotations for the day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it, plus (b) 100 basis points.

"Final Scheduled Payment Date" means December 15, 2001.

"First Step Excess" is defined in Section 4.10.

"First Step Residual" is defined in Section 4.10.

"Foreign Obligor" is defined in Section 4.10.

"Fourth Step Excess" is defined in Section 4.10.

"Fully Funded Date" means the first date falling in a Group Amortization Period or when all Series in Group I are in a Series Amortization Period and on which there are funds on deposit in the Carrying Cost Account and the Principal Funding Account that, in the aggregate, equal or exceed the Investor Repayment Amount and any Servicing Fee payable to anyone other than a Howmet Person on the first Distribution Date falling after that date.

"Group Amortization Calculation Date" means the day before a Group Amortization Period begins.

"Group Amortization Period" means the period (if any) commencing on the first day on which all outstanding Series in Group I are in Early Amortization Periods.

"Group Initial Invested Amount" means, at any time, the sum of the Series Initial Invested Amounts of each Series in Group I at that time.

"Group Invested Amount" means, at any time, the sum of the Series Invested Amounts of each Series in Group I at that time.

"Group I" means a group of Series, including Series 1996-1 and each other Series that is identified in its Supplement as belonging to Group I.

"Guarantor" means Howmet, in its capacity as the guarantor under the Seller Guaranty.

"Holdback Account Termination Date" is defined in Section 4.4.

"Holder" means a Holder (as defined in the Pooling Agreement) of a Certificate in any Series in Group I.

"Howmet" is defined in the preamble.

"Howmet Credit Agreement" means the Credit Agreement dated as of December 13, 1995 among Blade Acquisition Corp., Howmet Holdings Acquisition Corp., Howmet Acquisition Corp., the financial institutions named therein and The First National Bank of Chicago, as Administrative Agent and a Managing Agent, Bankers Trust Company, as Syndication Agent and a Managing Agent, and Citicorp USA, Inc., as Documentation Agent and a Managing Agent, as the same may from time to time be amended or supplemented.

"Intercreditor Provisions" means the following provisions of the Howmet Credit Agreement (as such Agreement was in effect on the Closing Date): Section 9.12 and the definitions of Intercreditor Agreement, Investor Certificates, Purchased Interest, Receivables Amendment Conditions, Receivables Bridge Facility, Receivables Documents, Receivables Facility, Receivables Facility Assets, Receivables Maximum Funded Amount, Receivables Pooling Agreement, Receivables Purchasers, Receivables Stated Amount and Receivables Subsidiary.

"Interest Payment Date" means (a) as to the Series 1996-1 Certificates, any date upon which interest is payable with respect to the ABR Tranche or any Eurodollar Tranche, as specified in Section 4.1, and (b) as to any interest payable on any other Series in Group I, the date specified as the "Interest Payment Date" in the related Supplement.

"Interest Period" means

(a) for Class A Certificates, (1) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to each Eurodollar Tranche (if any) from time to time, each period from the date upon which that

Eurodollar Tranche was first designated as such pursuant to the Class A Certificate Purchase Agreement (or the end of the next preceding Interest Period for the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for a Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day); and

(b) for Class B Certificates, (i) as to the ABR Tranche (if any) from time to time, (x) the period from the date hereof to, but excluding, the first subsequent Distribution Date and (y) each Distribution Period thereafter and (ii) as to the Eurodollar Tranche (if any) from time to time, each period from the date upon which the Eurodollar Tranche was first designated as such pursuant to the Class B Certificate Purchase Agreement (or the end of the next preceding Interest Period for

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the Eurodollar Tranche, if there has been one) to the date that is one month, two months or three months, at the option of Transferor, thereafter; and if any Interest Period for the Eurodollar Tranche would otherwise end on a day that is not a Business Day, the Eurodollar Tranche shall instead end on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

"Invested Amount" means, at any time:

(a) for purposes of calculating the Series Loss Allocation Percentage for Group I, the Group Invested Amount; and

(b) for purposes of the application of Sections 6.13 and 12.4 of the Pooling Agreement to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount.

"Investor Allocable Dilution" means, for any ASA Measuring Period, the product of the aggregate amount of Dilution for that ASA Measuring Period as to which neither the applicable Seller nor the Guarantor has made any payment required by Section 3.1 of the Purchase Agreement or the Seller Guaranty on account of Seller Dilution Adjustments, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocable Dilution Adjustments" is defined in Section 4.8.

"Investor Allocable Loss Amount" means, for any ASA Measuring Period, the product of the Loss Amount for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the beginning of that ASA Measuring Period.

"Investor Allocable Recoveries" means, for any ASA Measuring Period, the product of the Net Recoveries for that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period, multiplied by the Investor Allocation Percentage as of the first Business Day of that ASA Measuring Period.

"Investor Allocation Percentage" means:

(x) on any Business Day that does not fall in a Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of that Business Day, and (b) the denominator of which is the Base Amount as of that Business Day;

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(y) on any Business Day falling in any Series Amortization Period, a fraction (expressed as a percentage, which in any event may not exceed 100%) (a) the numerator of which is the Net Invested Amount as of the beginning of the Series Amortization Period, and (b) the denominator of which is the Base Amount as of that Business Day; and

(z) on any Business Day falling in the Group Amortization Period, a fraction (expressed as a percentage, which in any event may

not exceed 100%) (a) the numerator of which is the Net Invested Amount as of the Group Amortization Calculation Date, and (b) the denominator of which is the Base Amount as of the Group Amortization Calculation Date.

"Investor Ownership Percentage" means, on any day with respect to Group I, a fraction (expressed as a percentage, which in any event may not exceed 100%), (x) the numerator of which is the Acquisition Amount on such day and (y) the denominator of which is the product of (a) the Series Collection Allocation Percentage times (b) the excess of (i) the Unpaid Balance of Receivables on such day over (ii) the Unapplied Cash on such day; provided that the Investor Ownership Percentage shall be fixed as of the Group Amortization Calculation Date; and provided further that if the Investor Ownership Percentage is being calculated on any day when a Series in Group I is in an accumulation, amortization or early amortization period, the Investor Ownership Percentage shall not be less than the Investor Ownership Percentage immediately prior to the commencement of such period.

"Investor Repayment Amount" means, on any Business Day, the sum of (a) the principal amount of the Series 1996-1 Certificates and all other Series in Group I then outstanding, plus (b) the interest and any Additional Amounts known to be payable on the Series 1996-1 Certificates and all other Series in Group I on or before the first Distribution Date falling after that date.

"Investor Write-Offs" means, as calculated in any Monthly Report relating to a Calculation Period falling completely or partially in a Group Amortization Period:

(a) if the Available Subordinated Amount is greater than zero at the end of the related ASA Measuring Period, zero; and

(b) if the Available Subordinated Amount is zero at the end of the related ASA Measuring Period (taking into account any reduction in the Available Subordinated Amount shown in such Monthly Report), the excess (if any) of (x) the sum of the Investor Allocable Loss Amount and the Investor Allocable Dilution minus Investor Allocable Recoveries for the related ASA Measuring Period, over (y) the Available Subordinated Amount as of the beginning of that ASA Measuring Period.

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"Loss Amount" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Receivables held by Trust that became Write-Offs during that ASA Measuring Period, minus (b) the amount of Recoveries received during that ASA Measuring Period.

"Loss Reserve Ratio" means, as calculated in each Monthly Report, the result (expressed as a percentage) of (a) the Applicable Ratings Factor multiplied by (b) the highest average of the Aged Receivables Ratio for any three consecutive Calculation Periods that occurred during the preceding 12 consecutive Calculation Periods ending on the most recent Cut-Off Date multiplied by (c) a fraction having (i) a numerator equal to the sum of the aggregate amounts payable pursuant to invoices giving rise to Receivables generated during the four Calculation Periods preceding or ending on the most recent Cut-Off Date, and (ii) a denominator equal to the Adjusted Eligible Receivables, as of the most recent Cut-Off Date, multiplied by (d) the Payment Term Multiplier.

"Majority Class B Purchasers" is defined in Section 8.1 of the Class B Certificate Purchase Agreement.

"Net Eligible Receivables" means, at any time, (a) the Adjusted Eligible Receivables, minus (b) the Excess Concentration Balances; it being understood that the amount of Eligible Receivables will be reduced by Adverse Claims that attach to Receivables otherwise satisfying the requirements of the definition of Eligible Receivable.

"Net Invested Amount" means, on any Business Day, the Group Invested Amount, minus the balance on deposit in the Equalization Account and the Principal Funding Account with respect to Series in Group I.

"Net Recoveries" means, with respect to any ASA Measuring Period, an amount equal to the positive difference (if any) of (a) the amount of Recoveries received in that ASA Measuring Period minus (b) the amount of Receivables that became Write-Offs in that ASA Measuring Period.

"Note Indenture" means the Indenture dated as of December 13, 1995 by and between Howmet, as successor to the obligations thereunder of Howmet Acquisition Corp., and Marine Midland Bank, as Trustee, under and pursuant to which certain senior subordinated notes have been issued, as the same may at any time be amended or supplemented.

"Parent" means, with respect to any Concentration Unit, the Domestic Person in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit; provided that if there is no Domestic Person in such Concentration Unit, "Parent" shall mean the Obligor in such Concentration Unit that owns or controls (directly or indirectly) the largest number of other Obligor in such Concentration Unit.

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"Past Due Receivables Ratio" means, as calculated in each Monthly Report as of the Cut-Off Date, a fraction (expressed as a percentage) having (a) a numerator that is the aggregate Unpaid Balance of Receivables that remain outstanding 61 to 91 days after their respective due dates, as determined as of such Cut-Off Date, and (b) a denominator that is the aggregate Unpaid Balance of Receivables as of such Cut-Off Date.

"Payment Term" shall mean, with respect to any Receivable, the number of days between its invoice date and its due date.

"Payment Term Multiplier" shall mean (a) 1.0, if the Payment Term Variable is less than 41, (b) 1.17, if the Payment Term Variable is equal to or more than 41 but less than 51, (c) 1.25, if the Payment Term Variable is equal to or more than 51 but less than 61, and (d) 1.5, if the Payment Term Variable is equal to or more than 61 but less than 91; provided, however, that if the Payment Term Variable equals or exceeds 91, the Payment Term Multiplier for such Receivable shall be determined by calculating the sum of (x) 1.5, and (y) 0.05, for each 5-day increment by which the Payment Term Variable exceeds 91, it being understood that the same number shall apply for all Payment Term Variables that fall within a five-day range.

"Payment Term Variable" shall mean, as calculated in each Monthly Report as of the most recently ended Cut-Off Date, the quotient of:

(x) the sum of (1) the product of the Outstanding Balance of each Receivable as of such Cut-Off Date times (2) the Payment Term with respect to such Receivable; divided by

(y) the aggregate Outstanding Balance of all Receivables as of such Cut-Off Date.

"Prepayment Accumulation Period" means a period beginning on the day that Transferor gives a Prepayment Notice to Trustee of a prepayment of the Series 1996-1 Certificates pursuant to Section 4.9 (and does not notify Trustee that it intends to cause the Series Interest to be conveyed as described in subsection 4.9(b)) and ending on the earlier to occur of (a) the day when amounts sufficient for that prepayment have been accumulated pursuant to Section 4.3 and (b) the end of the Revolving Period for the Series 1996-1 Certificates.

"Prepayment Notice" is defined in Section 4.9.

"Prepayment Premium" means, with respect to any prepayment pursuant to Section 4.9 or 7.1 or as a result of an Early Amortization Event, the net present value (as of the date of such prepayment) of the amount of interest that would have accrued on the amount of principal prepaid from the date of prepayment through the one year anniversary of the date

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hereof at an interest rate equal to the applicable Certificate Spread in respect of the Eurodollar Tranche(s), discounted to such prepayment date at a rate per annum, compounded monthly, equal to the Reserve Adjusted Eurodollar Rate in effect on the date on which notice of prepayment is given to the Holders of the Series 1996-1 Certificates being prepaid.

"Principal Deposit Amount" means, with respect to any Series in any Calculation Period falling in a Series Amortization Period, the amount determined in accordance with the Supplement for that Series. The Principal Deposit Amounts for the Series Amortization Periods that may apply to the Series 1996-1 Certificates are:

(a) for any Calculation Period falling in the Amortization Period or the Early Amortization Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount; and

(b) for any Calculation Period falling in a Prepayment Accumulation Period for the Series 1996-1 Certificates, the amount of principal to be prepaid.

"Principal Payment Date" means (a) for the Series 1996-1 Certificates, (i) any date on which any prepayment is to be made pursuant to Section 4.9, (ii) the end of each Interest Period in respect of the next maturing Eurodollar Tranche and/or ABR Tranche, in such order as the Agent shall select so as to minimize "breakage costs," (iii) each Distribution Date falling in an Early Amortization Period (beginning with the Distribution Date falling in the Calculation Period after the Calculation Period in which the Early Amortization Period begins) and (iv) any Distribution Date falling after the commencement of the Amortization Period, and (b) for any other Series in Group I, each date specified as a "Principal Payment Date" in the related Payment Supplement. The Refinancing Date is not a Principal Payment Date.

"Purchase" means any Purchase as defined in either of the Certificate Purchase Agreements.

"Reference Bank" means The First National Bank of Chicago.

"Refinancing Date" is defined in subsection 4.9(b).

"Required Purchasers N" is defined in Section 9.9 of the Certificate Purchase Agreements.

"Required Receivables" means, on any Business Day, collectively for all Series in Group I:

(a) So long as a Group Amortization Period has not commenced, the result of the following formula:

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$$\frac{\text{GIIA} + \text{CCRR}}{(1 - \text{CARR})} \times \frac{\text{R}}{\text{NER}}$$

where:

- CARR = the Class A Reserve Ratio in effect for that Business Day;
- CCRR = the Carrying Cost Receivables Reserve as reported in the Daily Report for that Business Day;
- GIIA = the Group Initial Invested Amount;
- NER = the Net Eligible Receivables as reported in the Daily Report for that Business Day; and
- R = the aggregate Unpaid Balance of Receivables held by Trustee as reported in the Daily Report for that Business Day.

(b) If a Group Amortization Period has commenced, the result of the following formula:

$$\text{AGIIA} + \text{ASA} + \text{UCCRR}$$

where:

- AGIIA = the adjusted Group Initial Invested Amount on that Business Day (which shall equal the Group Initial Invested Amount, reduced (but not below zero) by the amount of all Investor Write-Offs (net of Investor Allocable Recoveries and Investor Allocable Dilution Adjustments that have been applied to reinstate the Group Invested Amount));
- UCCRR = the Unfunded Carrying Cost Receivables Reserve on that Business Day; and
- ASA = the Available Subordinated Amount on that Business Day.

"Required Series Holders" means the Required Purchasers.

"Reserve-Adjusted Eurodollar Rate" means for any Interest Period, the rate per annum obtained by dividing (i) the arithmetic average (rounded upward to the nearest 1/100 of one percent) of the offered quotation, if any, to first class banks in the interbank Eurodollar market by the Reference Bank for U.S. dollar deposits of amounts in same day funds comparable to the principal amount of the Investor Certificate of the Reference Bank with maturities comparable to such Interest Period as of approximately 10:00 a.m. (New York time) on the

second Business Day prior to the first day of that Interest Period by (ii) a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable on

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such second preceding Business Day to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D of the Federal Reserve Board (or any successor category of liabilities under Regulation D).

"Revolving Period" means, with respect to any Series in Group I, the period beginning on the Closing Date and ending on the day before the first day of an accumulation period, an amortization period or an early amortization period (other than a prepayment accumulation period with respect to a partial prepayment of such Series) for such Series; provided that the Revolving Period for such Series shall be suspended during a prepayment accumulation period with respect to a partial prepayment of such Series.

"Second Step Excess" is defined in Section 4.10.

"Second Step Residual" is defined in Section 4.10.

"Senior Class" means each of Class A and each class of any other Series in Group I that is identified in its Supplement as a Senior Class.

"Series Allocable Dilution Adjustments" means, for any ASA Measuring Period, the product of the aggregate amount of payments pursuant to Section 3.1 of the Purchase Agreement or pursuant to the Seller Guaranty on account of Seller Dilution Adjustments received during that ASA Measuring Period relating to Dilution that occurred prior to that ASA Measuring Period, multiplied by the Series Loss Allocation Percentage as of the beginning of that ASA Measuring Period.

"Series Amortization Period" means (a) as to Series 1996-1, the Amortization Period, any Prepayment Accumulation Period and any Early Amortization Period and (b) as to any other Series in Group I any period identified in the related Supplement as a "Series Amortization Period."

"Series Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series.

"Series Initial Invested Amount" means (a) as to the Series 1996-1 Certificates, the Series 1996-1 Initial Invested Amount, and (b) as to any other Series in Group I, the amount determined as such in accordance with the Supplement for that Series; provided that from and after the date on which the Series Invested Amount for any Series is reduced to zero, the Series Initial Invested Amount for that Series will also equal zero.

"Series 1996-1 Certificates" means the Class A Certificates and the Class B Certificates.

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"Series 1996-1 Holder" means a Holder of a Series 1996-1 Certificate.

"Series 1996-1 Initial Invested Amount" means (i) during the Revolving Period for the Series 1996-1 Certificates, the Series 1996-1 Invested Amount, and (ii) thereafter, the Series 1996-1 Invested Amount as of the last day of the Revolving Period; provided that after the principal amount of the Series 1996-1 Certificates and interest and any Additional Amounts known to be payable in respect of such Series are reduced to zero, the Series 1996-1 Initial Invested Amount will equal zero.

"Series 1996-1 Invested Amount" means, at any time, the sum of the Class A Invested Amount plus the Class B Invested Amount.

"Special Concentration Limit" means:

(i) with respect to the Tier-5 Obligor that owes the highest aggregate Unpaid Balance of Eligible Receivables, 7%; and

(ii) with respect to the Tier-5 Obligor that owes the second highest aggregate Unpaid Balance of Eligible Receivables, 5%.

"Special Obligor" means, at any time, the two Tier-5 Obligors that owe

the highest aggregate Unpaid Balances of Receivables and are designated in the most recent Monthly Report as "Special Obligors"; provided that in the case of any Obligor (other than Westinghouse Electric Corp.), the Approval Condition shall have been satisfied with request to such designation.

"Specified Rating Agency" means S&P.

"Stated Amount" means as to any Certificate, the maximum principal amount that may be required to be funded by the Holder of such Certificate.

"Structured Lender" shall mean Falcon Asset Securitization Corporation, Alpine Securitization Corp. and any other Holder of a Certificate (x) whose principal business consists of issuing commercial paper, medium term notes or other securities to fund its acquisition and maintenance of receivables, accounts, instruments, chattel paper, general intangibles and other similar assets or interests therein and (y) which is required by any nationally recognized rating agency which is rating such securities to obtain from its principal debtors an agreement similar to that set forth in Section 13.9 of the Pooling Agreement in order to maintain such rating.

"Subordinated Class" means each of Class B and each class of any other Series in Group I that is identified in its Supplement as a Subordinated Class.

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"Support Bank" shall mean any bank or other financial institution extending or having a commitment to extend funds to or for the account of any Structured Lender (including by agreement to purchase an assignment of, or participation in, the Certificate held by such Person) under a liquidity or credit support agreement which relates to the Certificate purchased by such Structured Lender.

"Third Step Excess" is defined in Section 4. 10.

"Third Step Residual" is defined in Section 4.10.

"Tier-1 Obligor" means any Obligor that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1+" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "AAA" (or its equivalent).

"Tier-2 Obligor" means any Obligor (other than a Tier-1 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-1" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "A+" (or its equivalent).

"Tier-3 Obligor" means any Obligor (other than a Tier-1 Obligor or a Tier-2 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-2" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB+" (or its equivalent).

"Tier-4 Obligor" means any Obligor (other than a Tier-1 Obligor, a Tier-2 Obligor or a Tier-3 Obligor) that has (a) a commercial paper rating from the Specified Rating Agency of at least "A-3" (or its equivalent) or (b) a senior actual or implied debt rating from the Specified Rating Agency of at least "BBB-" (or its equivalent).

"Tier-5 Obligor" means any Obligor other than a Tier-1 Obligor, a Tier-2 Obligor, a Tier-3 Obligor or a Tier-4 Obligor.

"Total Dollar Limit" is defined in Section 4.10.

"Total Foreign Concentration Excess" is defined in Section 4.10.

"Tranche" means each of the ABR Tranche and each Eurodollar Tranche,

"Transferor Indemnified Losses" is defined in Section 7.3.

"Transferor Indemnified Party" is defined in Section 7.3.

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"Transferor Payment Percentage" means, on any Business Day, the difference of 100% minus the Investor Allocation Percentage on that Business Day.

"Unapplied Cash" means, on any Business Day, available funds received in the Master Collection Account and reflected in the Daily Report for that

Business Day that have not been applied as Collections on a particular Receivable on or prior to the time as of which that Daily Report is prepared.

"Unfunded Carrying Cost Receivables Reserve" means, on any Business Day falling in a Group Amortization Period, the difference (but not less than zero) of (a) the Carrying Cost Receivables Reserve as of the Group Amortization Calculation Date, minus (b) the aggregate Collections deposited into the Carrying Cost Account during the portion of the Group Amortization Period up to and including that Business Day.

"Unmatured Early Amortization Event" means an event that, with the giving of notice or lapse of time (or both) will constitute an Early Amortization Event.

SECTION 1.2 Modification Condition. (a) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the definition of the term "Modification Condition" shall be as follows:

"Modification Condition" means, with respect to any action, that (i) each Rating Agency has confirmed in writing that such action will not result in a reduction or withdrawal of the rating of any outstanding Series or Purchased Interest that was rated by such Rating Agency, and (ii) if any Series or Purchased Interest has not been rated, the Required Series Holders for that Series or the Agent for such Purchased Interest (as the case may be) shall have consented in writing to such action.

(b) For so long as the Series 1996-1 Certificates remain outstanding, for purposes of the Transaction Documents the term "Required Investors" shall be as follows:

"Required Investors" means the Required Series Holders for each Series and the Agent for each Purchased Interest."

SECTION 1.3 Incorporation of Terms. The terms of the Pooling Agreement are incorporated in this Supplement as if set forth in full herein. As supplemented by this Supplement, the Pooling Agreement is in all respects ratified and confirmed and both together shall be read, taken and construed as one and the same agreement. If the terms of this Supplement and the terms of the Pooling Agreement conflict, the terms of this Supplement shall control with respect to the Series 1996-1 Certificates.

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ARTICLE II DESIGNATION

SECTION 2.1 Designation. There is hereby created a Series to be known as the "Series 1996-1 Certificates," consisting of two classes: the \$47,500,000 Variable Rate Class A, Trade Receivables Backed Certificates, Series 1996-1 (the "Class A Certificates), which shall be a Senior Class; and the \$7,500,000 Variable Rate Class B, Trade Receivables Backed Certificates, Series 1996-1 (the "Class B Certificates"), which shall be a Subordinated Class. Subject to the conditions set forth in Article III, Trustee shall authenticate and deliver the Class A Certificates and the Class B Certificates, to or upon the order of Transferor in the aggregate principal amount indicated for each above. Notwithstanding the terms of Section 6.1 of the Pooling Agreement, the Class A Certificates will be issued in minimum denominations of \$5,000,000 and in integral multiples of \$1,000,000 and the Class B Certificates will be issued in minimum denominations of \$2,500,000 and in integral multiples of \$500,000.

SECTION 2.2 Group I. The Series 1996-1 Certificates are included in Group I. Consequently, the Series 1996-1 Certificates will share a single Series Collection Allocation Percentage (determined using the Required Receivables as defined herein), a single Series Loss Allocation Percentage (determined using the Invested Amount as defined herein), and if a Group Amortization Period occurs, a single Available Subordinated Amount (determined as provided herein) with the other Series in Group I. Collections, Investor Allocable Dilution, Investor Allocable Loss Amounts and Investor Write-Offs will be allocated collectively to Group I in accordance with such shared Series Collection Allocation Percentage and Series Loss Allocation Percentage, as applicable, and will be further allocated among Series included in Group I (and the various Senior Classes and Subordinated Classes) in accordance with this Supplement. The Servicing Fee with respect to all Series in Group I shall be paid in accordance with this Supplement and shall be determined in accordance with Section 3.4 of the Pooling Agreement using the collective Series Collection Allocation Percentage for Group I. The Series in Group I share a collective Series Interest, the amount of which equals the shared Series Collection Allocation Percentage for Group I.

Subsection 12.1(b) of the Pooling Agreement shall not apply to any Series in Group I and shall be superseded for all such Series by Section 7.2 of

this Supplement. All terms of this Supplement applying generally to Group I shall survive the repayment in full or other termination of the Series 1996-1 Certificates until such time as all Series in Group I have been repaid in full and any revolving purchase commitments made by the Holders relating to Certificates in any such Series have been terminated (or, if earlier, on the Final Scheduled Payment Date for the last Series in Group I). Such terms of general applicability include all of Article IV (excluding Sections 4.1 and 4.9), Article V, Section 7.2 and Article VIII and all related definitions.

SECTION 2.3 Investor Ownership Percentage. The Investor Certificates in Group I represent an undivided interest in the portion of the Transferred Assets allocable to Group I,

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which undivided interest (expressed as a percentage) shall equal the Investor Ownership Percentage. The amount payable on any day by the Holders of such Investor Certificates for the acquisition of such undivided interest (the "Acquisition Amount") shall equal the Group Invested Amount plus the Deferred Portion (it being understood that the Acquisition Amount may vary from day to day); provided that Acquisition Amount shall be fixed as of the Group Amortization Calculation Date.

The Deferred Portion of the Acquisition Amount shall be subject to a holdback and shall be paid to the extent (and only to the extent) Daily Group Collections are not required to pay amounts described in clauses first through fourth of Section 4.3 or Section 4.4 (as applicable), it being understood that the Holders of Series 1996-1 Certificates shall not be liable to pay any portion of the Deferred Portion not paid out of Daily Series Collections.

ARTICLE III CONDITIONS TO ISSUANCE; USE OF PROCEEDS

SECTION 3.1 Conditions to Issuance. Trustee will not authenticate the Series 1996-1 Certificates unless all conditions to the issuance of the Series 1996-1 Certificates under Section 6.10 of the Pooling Agreement shall have been satisfied or waived by the Purchasers.

SECTION 3.2 Use of Proceeds. The proceeds from the issuance of the Series 1996-1 Certificates shall be used first to repay the Series 1995-1 Certificates in full and second for general corporate purposes of Transferor (including, but not limited to, purchasing Receivables, repaying indebtedness and/or making distributions to Howmet).

ARTICLE IV PAYMENTS AND ALLOCATIONS

SECTION 4.1 Interest; Additional Amounts.

(a) Subject to Section 4.1 of the Class A Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class A Certificates to an ABR Tranche and up to four Eurodollar Tranches. Subject to Section 4.1 of the Class B Certificate Purchase Agreement, Transferor may from time to time allocate the outstanding principal amount under the Class B Certificates to an ABR Tranche and a Eurodollar Tranche. Interest on an ABR Tranche shall be payable on each Distribution Date, and interest on a Eurodollar Tranche shall be payable at the end of the applicable Interest Period, except that interest on the amount of any principal repaid on any other date shall be payable on the date of the repayment. If any such day is not a Business Day, interest shall instead be due on the next Business Day (or, if the next Business Day falls in the next calendar month, then on the next preceding Business Day).

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(b) Interest on a Eurodollar Tranche shall accrue during any Interest Period at a rate per annum equal to the Reserve Adjusted Eurodollar Rate plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 360 days.

(c) Interest on an ABR Tranche shall accrue at the Alternate Base Rate in effect from time to time plus the applicable Certificate Spread and shall be calculated on the basis of actual days over a year of 365 or 366 days, as the case may be.

(d) Interest with respect to the Series 1996-1 Certificates due but not paid on any Distribution Date or the last day of an Interest Period, as the case may be, will bear additional interest on the amount at 2% per annum above the Alternate Base Rate to the extent

permitted by law, which additional interest shall be due on demand.

(e) Additional Amounts shall also be payable with respect to the Series 1996-1 Certificates as specified in the Certificate Purchase Agreements and to the extent (but only to the extent) that funds become available for payment of such Additional Amounts in accordance with Sections 4.2, 4.3 and 4.4.

SECTION 4.2 Daily Calculations and Group Allocations. On each Business Day, Servicer shall calculate the Series Collection Allocation Percentage for Group I (and, if necessary for that calculation, the Required Receivables), the Current Carrying Costs and, prior to the Group Amortization Period, the Base Amount. On each Business Day prior to the Group Amortization Period, Servicer shall also determine whether the Net Invested Amount is greater than, equal to or less than the Base Amount.

Pursuant to Section 4.3 of the Pooling Agreement, Servicer shall allocate the Series Collection Allocation Percentage of available funds received in the Master Collection Account (other than any Shared Investor Collections) since the preceding Business Day's allocation to the shared Series Interest of Group I. The portion of funds so allocated, together with any funds released from the Equalization Account or any Principal Funding Account in accordance with Section 4.5 on that Business Day, are called the "Daily Group Collections."

SECTION 4.3 Allocations of Daily Group Collections (Other Than in a Group Amortization Period). On each Business Day (other than an Exempt Holiday or a Business Day falling in a Group Amortization Period or after the Fully Funded Date), Servicer shall allocate the Daily Group Collections (or, if less, the aggregate amount of Daily Group Collections required to fund the items described in priorities first through fourth below) to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account until the amount allocated to the Carrying Cost Account equals the Current Carrying Costs;

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second, if the Net Invested Amount is greater than the Base Amount, to the Equalization Account in an amount sufficient to reduce the Net Invested Amount to an amount equal to the Base Amount; provided that during a Series Amortization Period in respect of any Series, funds that would otherwise be required to be deposited in the Equalization Account pursuant to this priority second shall instead be deposited in the sub-account of the Principal Funding Account for such Series (and, if there is more than one such Series, shall be divided ratably between such sub-accounts, on the basis of the respective Principal Deposit Amounts of each such Series), but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount (and any remaining amount not deposited in any sub-account of the Principal Funding Account because of this limitation shall be shared among the other sub-accounts for such Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the applicable Principal Deposit Amount, and any remaining amount shall be deposited in the Equalization Account); and provided further that no deposit shall be made to a sub-account of the Principal Funding Account pursuant to the immediately preceding proviso (and such proviso shall not apply notwithstanding the existence of a Series Amortization Period) unless, after giving effect thereto, the Net Invested Amount would equal the Base Amount;

third, during any Series Amortization Period, to the applicable sub-account of the Principal Funding Account until the amount on deposit in that sub-account equals the applicable Principal Deposit Amount; provided that

(i) the amount allocated to all Investor Certificates in the aggregate pursuant to this priority third on any Business Day shall not exceed the product of (x) the Investor Ownership Percentage, multiplied by (y) the excess of the Daily Group Collections over the amounts allocated on that Business Day pursuant to priorities first and second, and

(ii) if more than one Series in Group I is in a Series Amortization Period, the amount so allocated shall be divided ratably between such subaccounts, on the basis of the respective Principal Deposit Amounts of each such Series, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the applicable Principal Deposit Amount for any such Series (and any remaining amount not deposited in any sub-account of the Principal Funding

Account because of this limitation shall be shared among the other sub-accounts for Series in Group I (ratably as described above), in each case to the extent that it will not cause the balance therein to exceed the Principal Deposit Amount for any such other Series); and

fourth, to hold in the Master Collection Account the amount, if any, necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders.

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On such Business Day, Servicer shall allocate and pay the remainder of Daily Group Collections to make current and/or deferred transfer payments to Transferor in respect of the Transferor Certificate, provided that Transferor may, from time to time, direct Servicer to direct Trustee to hold all or part of the funds to be paid pursuant to this sentence in the Master Collection Account to be applied as Daily Group Collections on the following Business Day.

If, on any day, the amount of Collections that is then allocated to the Carrying Cost Account exceeds the amount of Collections that is then required to be allocated to the Carrying Cost Account, the Servicer shall reallocate such Collections on such day to one or more of the obligations described in the first paragraph of this Section in priorities second through fourth, and in the preceding paragraph, in the order of priority set forth therein.

In addition, if, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section) for allocation under priority fourth are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor as deferred transfer payments.

SECTION 4.4 Allocations of Daily Group Collections During a Group Amortization Period. On each Business Day (other than an Exempt Holiday) falling in a Group Amortization Period and prior to or on the Fully Funded Date, Servicer shall allocate the Daily Group Collections to the following purposes, in the priority indicated (and to the extent of Daily Group Collections available):

first, to the Carrying Cost Account to the extent that the balance therein is less than the amount of Current Carrying Costs (other than any Servicing Fee payable to any Howmet Person) payable on the Distribution Date relating to the Calculation Period during which such Business Day falls;

second, to the Principal Funding Account and to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) in the following amounts:

(a) the amount to be transferred to the Principal Funding Account shall equal the product of (i) the Investor Allocation Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first, provided that the aggregate amount so deposited shall in no event exceed the lesser of (x) the Group Invested Amount

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and (y) the Investor Ownership Percentage times the aggregate Unpaid Balance of Receivables as of the Group Amortization Calculation Date; and

(b) the amount to be transferred to Transferor (or, prior to the Holdback Account Termination Date, to the Holdback Account) shall equal the product of (i) the Transferor Payment Percentage, multiplied by (ii) the excess of the Daily Group Collections over the amount allocated on that Business Day pursuant to priority first;

the amount allocated to the Principal Funding Account pursuant to clause (a) of this priority second shall be divided among the sub-accounts for each Series in Group I as follows:

(1) first such amount shall be divided among the

sub-accounts for each Series that has an outstanding Senior Class, on the basis of the respective Principal Deposit Amounts of each such Senior Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Senior Class; and

(2) any remaining amount shall be divided among the sub-accounts for each Series that has an outstanding Subordinated Class, on the basis of the respective Principal Deposit Amounts of each such Subordinated Class, but the amount deposited in any such sub-account shall in no event cause the balance therein to exceed the Principal Deposit Amount of any such Subordinated Class;

third, to hold in the Master Collection Account the amount necessary to pay on the next Distribution Date all Additional Amounts payable to the Holders;

fourth, to pay any Servicing Fee payable to any Howmet Person on the Distribution Date relating to the Calculation Period during which such Business Day falls; and

fifth, the balance to Transferor, provided that prior to the Holdback Account Termination Date, amounts payable to Transferor pursuant to this priority fifth shall be deposited into the Holdback Account and held as provided below.

The "Holdback Account Termination Date" shall be the earlier to occur of (i) the date that falls twelve months after the beginning of the Group Amortization Period and (ii) the Fully Funded Date. If at any time prior to the Holdback Account Termination Date, the amount of funds on deposit in the Holdback Account exceeds the difference of (1) the Investor Repayment Amount minus (2) the amount of funds then held in the Carrying Cost Account and the Principal Funding Account that are available to pay the Investor Repayment

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Amount, then the amount of such excess funds shall be released from the Holdback Account and paid to Transferor as deferred transfer payments. On each Business Day in a Group Amortization Period prior to the Holdback Account Termination Date, Servicer shall calculate the aggregate Investor Allocable Dilution for the Group Amortization Period as to which no Series Allocable Dilution Adjustments have been received. Such amount (or, if less, the aggregate amount of funds in the Holdback Account) shall be transferred to the Master Collection Account and applied to the items listed in the first paragraph of this Section as priorities first through fifth, in that order (except that no such funds shall be allocated to Transferor or the Holdback Account pursuant to priority second and the amount allocable to the Principal Funding Account shall not be limited by application of the Investor Allocation Percentage). On the Holdback Account Termination Date, all remaining funds in the Holdback Account shall be paid to Transferor.

If, on any day, funds on deposit in the Master Collection Account and available (as described in the first paragraph of this Section, for allocation under priority third are less than the amount of the obligations described therein, then the available Collections shall be allocated by Servicer to the holders of such obligations pro rata according to the respective amounts of such obligations held by them.

On any Business Day falling after the Fully Funded Date, all Daily Group Collections shall be paid to Transferor in respect of the Transferor Certificate as deferred transfer payments.

SECTION 4.5 Withdrawals from the Equalization Account and Principal Funding Account. On any Business Day (other than an Exempt Holiday) prior to the Group Amortization Period on which no Early Amortization Event or Unmatured Early Amortization Event has occurred with respect to any Series in Group I, Servicer may instruct Trustee in writing to withdraw funds from the Equalization Account and apply such funds as Daily Group Collections, so long as the Net Invested Amount would not exceed the Base Amount after giving effect to such transfer and application. On the first day of any Series Amortization Period or Group Amortization Period, Servicer shall instruct Trustee to withdraw the entire balance in the Equalization Account and apply the same as Daily Group Collections on that day. On the first day of the Group Amortization Period, Servicer shall instruct Trustee likewise to withdraw the entire balance in the Principal Funding Account and apply the same as Daily Group Collections on that day.

SECTION 4.6 Available Subordinated Amount. (a) If a Group Amortization Period begins, Servicer shall promptly calculate the Available Subordinated Amount as of the Group Amortization Calculation Date and report such amount in the Daily Report for the first day in the Group Amortization Period. Servicer

shall also calculate the Available Subordinated Amount as of each Cut-Off Date falling in the Group Amortization Period, such calculation to be reflected in the related Monthly Report.

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(b) The Available Subordinated Amount as of the Group Amortization Calculation Date shall equal the product of (x) the Investor Allocation Percentage, multiplied by (y) the result of:

(i) the product of the Unpaid Balance of Receivables held by Trustee at the opening of business on the Group Amortization Calculation Date, multiplied by the Series Collection Allocation Percentage on that date; minus

(ii) the sum of (A) the lesser of the Base Amount and the Net Invested Amount and (B) the Carrying Cost Receivables Reserve at the opening of business on the Group Amortization Calculation Date.

(c) The Available Subordinated Amount, as of any Cut-Off Date in the Group Amortization Period, shall equal the result of:

(i) the Available Subordinated Amount as of the preceding Cut-Off Date (or as of the Group Amortization Calculation Date, in the case of the first Cut-Off Date falling in the Group Amortization Period); minus

(ii) the Investor Allocable loss Amount with respect to the ASA Measuring Period ending on that Cut-Off Date; minus

(iii) any Investor Allocable Dilution with respect to the ASA Measuring Period ending on that Cut-Off Date; plus

(iv) subject to Sections 4.7 and 4.8, the Investor Allocable Recoveries and Investor Allocable Dilution Adjustments with respect to the ASA Measuring Period ending on that Cut-Off Date.

(d) Notwithstanding the foregoing, in no event shall the Available Subordinated Amount at any time be less than zero or greater than the initial Available Subordinated Amount calculated pursuant to subsection (b).

SECTION 4.7 Write-Offs and Recoveries. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Write-Offs and the Investor Allocable Recoveries for the most recently ended ASA Measuring Period.

(b) If the Investor Write-Offs calculated in any Monthly Report exceed zero, the Group Invested Amount shall be reduced by the amount of the Investor Write-Offs with effect on the related Distribution Date. Any such reduction shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts) until all such Class Invested Amounts have been reduced to zero.

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Any remaining reduction shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts).

(c) If the Group Invested Amount has been reduced on account of any Investor Write-Offs, then any Investor Allocable Recoveries with respect to any Calculation Period ending after the reduction takes place shall be applied to reinstate the Group Invested Amount, to the extent of such prior reductions that have not previously been reinstated, with effect on the related Distribution Date. Any such reinstatement shall be allocated to the Class Invested Amounts of all outstanding Senior Classes (ratably in accordance with such Class Invested Amounts) until all prior reductions to such Class Invested Amounts on account of Investor Write-Offs have been reinstated. Any remaining reinstatement shall be allocated to the Class Invested Amounts of all outstanding Subordinated Classes (ratably in accordance with such Class Invested Amounts).

(d) If Investor Allocable Recoveries are applied pursuant to subsection (c) to reinstate the Group Invested Amount on any Distribution Date, then Investor Allocable Recoveries shall be applied to increase the Available Subordinated Amount on the same Distribution Date only to the extent of the excess, if any, of the Investor Allocable Recoveries, minus the amount of Investor Allocable Recoveries so applied.

(e) The outstanding principal amount of any Senior Class or

Subordinated Class shall be reduced by any reduction, and increased by any reinstatement, of its Class Invested Amount pursuant to this Section 4.7 or Section 4.8, in the amount of such reduction or reinstatement.

SECTION 4.8 Certain Dilution in a Group Amortization Period. (a) In each Monthly Report required to be delivered during the Group Amortization Period, Servicer shall calculate the Investor Allocable Dilution and the Series Allocable Dilution Adjustments for the most recently ended ASA Measuring Period.

(b) If the Investor Allocable Dilution calculated in any Monthly Report is greater than zero, and there are funds in the Holdback Account, then those funds (up to an amount equal to the amount of the Investor Allocable Dilution) shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

(c) If the Available Subordinated Amount or the Group Invested Amount has been reduced on account of any Investor Allocable Dilution, then (i) any Series Allocable Dilution Adjustments with respect to any Calculation Period ending after the reduction takes place and (ii) any additional funds deposited in the Holdback Account (the "Investor Allocable Dilution

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Adjustments") shall be allocated (x) first, to reinstate the Group Invested Amount (with the same allocation among Senior Classes and Subordinated Classes as is described in subsection 4.7(c)), and (y) second, to reinstate the Available Subordinated Amount, in each case to the extent not previously reinstated pursuant to Section 4.7 or this Section 4.8. Any funds so allocated on any day shall be allocated (i) first, in accordance with priority first of the first paragraph of Section 4.4, (ii) second, to the Principal Funding Account (in accordance with clauses (1) and (2) of priority second of the first paragraph of Section 4.4) until the Net Invested Amount is reduced to zero and (iii) third, in accordance with priorities third through fifth of the first paragraph of Section 4.4, in that priority.

SECTION 4.9 Optional Early Pay Out. (a) On any Business Day falling in the Revolving Period, Transferor may provide notice to Trustee of its intention to accumulate funds to cause the Series 1996-1 Certificates to be prepaid in full or (as provided in the next sentence) in part. There may be a single partial prepayment of Class A Certificates, provided that (i) such prepayment (in the aggregate for all Class A Certificates) shall not exceed \$10,000,000, (ii) such prepayment shall be made after the first anniversary of the date hereof, and (iii) the amount prepaid shall reflect a reduction in the Unpaid Balance of Receivables due to the sale of a Seller (or all or substantially all of its assets) or the loss of a major customer by the Sellers. When amounts sufficient for such prepayment have been accumulated, Transferor may provide notice to Trustee (the "Prepayment Notice") of the date, at least three business days after the date of such Prepayment Notice, when the prepayment shall occur. Trustee shall notify the affected Holders promptly upon receiving such Prepayment Notice. In the event of any such prepayment of the Series 1996-1 Certificates occurring at any time during the one-year period commencing on the date hereof, the Holders of such Series 1996-1 Certificates shall be entitled to receive a Prepayment Premium. Except as expressly provided in this subsection 4.9(a), the Series 1996-1 Certificates may not be partially prepaid. The Series 1996-1 Certificates, once prepaid, may not be reinstated.

(b) Commencing upon the date specified in the notice to the Trustee referred to in subsection (a) (until an amount equal to the amount to be prepaid, plus the related Prepayment Premium, if any, and other applicable Additional Amounts have been accumulated), amounts shall be set aside for purposes of that prepayment in accordance with Section 4.3, except that no such amounts shall be set aside if Transferor notifies Trustee that Transferor intends to cause the Series 1996-1 Certificates to be prepaid by causing the portion of the Series Interest for Group I attributable to the Series 1996-1 Certificates to be conveyed to one or more Persons (who may be the Holders of a new Series issued substantially contemporaneously with such prepayment) for a cash purchase price in an amount equal to the sum of (i) the outstanding principal amount of the Series 1996-1 Certificates, plus (ii) to the extent not available in the Carrying Cost Account, accrued and unpaid interest on the Series 1996-1 Certificates through the day of such prepayment (the "Refinancing Date"), plus (iii) to the extent not available from funds set aside pursuant to priority fourth of Section 4.3, the Additional Amounts, if any, owed with respect to the

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Series 1996-1 Certificates. No such conveyance shall, however, be permitted if as a result thereof, Transferor, Howmet or any of their Affiliates would acquire such portion of the Series Interest or the underlying Receivables. In the case of any such conveyance, the purchase price shall be deposited in the Principal Funding Account and shall be distributed to the Agent, for further distribution to the Holders, on the Refinancing Date in accordance with the terms of Section 5.2. Upon deposit of the purchase price in the Principal Funding Account, the Series 1996-1 Holders shall have no further rights with respect to the Transferred Assets.

(c) Any prepayment pursuant to this Section 4.9 shall be made on the later to occur of (i) the date specified in the notice of prepayment and (ii) the date on which sufficient funds (including funds to cover any related Additional Amounts) have been accumulated pursuant to Section 4.3 or 4.4 or obtained by a conveyance described in subsection 4.9(b).

(d) The Class B Certificates may not be prepaid until the Class A Certificates have been repaid in full. In addition no Class B Certificates (or Certificates in any other Subordinated Class) may be prepaid if any Senior Class is outstanding and, after giving effect to that payment, the Net Invested Amount would exceed the Base Amount.

SECTION 4.10 Foreign Obligors; Calculation of Excess Concentrations.

(a) Notwithstanding clause (a) of the definition of Eligible Obligor, Persons that are not Domestic Persons (such Persons being "Foreign Obligors") may be Eligible Obligors.

(b) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) whether the members of the Concentration Unit are Domestic Persons, Category One Obligors, Category Two Obligors or Category Three Obligors.

(ii) such Concentration Unit's Basic Concentration Limit times the Adjusted Eligible Receivables for such day (such product being such Concentration Unit's "Total Dollar Limit").

(iii) the aggregate Unpaid Balance of Eligible Receivables owed by Domestic Persons in such Concentration Unit.

(iv) an amount (whether positive or negative) equal to (A) the Total Dollar Limit for such Concentration Unit minus (B) the amount determined pursuant to clause (iii). Any such positive sum is the "First Step Residual." The absolute value of any such negative sum is the "First Step Excess."

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(v) an amount (the "Category One Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category One Obligors in such Concentration Unit.

(vi) an amount equal to 4% of the Adjusted Eligible Receivables on such day.

(vii) the lesser of (A) the First Step Residual (or, if there is no First Step Residual, zero) and (B) the amount determined pursuant to clause (vi).

(viii) an amount (the "Second Step Excess") equal to (A) the Category One Balance minus (B) the amount determined pursuant to clause (vii); provided that if such sum is a negative number, the Second Step Excess will be zero.

(ix) an amount (the "Second Step Residual") equal to (A) the First Step Residual minus (B) the Category One Balance plus (C) the Second Step Excess; provided that if such sum is a negative number, the Second Step Residual will be zero.

(x) an amount (the "Category Two Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Two Obligors in such Concentration Unit.

(xi) an amount equal to 2 % of Adjusted Eligible Receivables on such day.

(xii) the lesser of (A) the Second Step Residual and (B) the amount determined pursuant to clause (xi).

(xiii) an amount (the "Third Step Excess") equal to (A) the Category Two Balance minus (B) the amount determined pursuant to clause (xii); provided that if such sum is a negative number, the Third Step Excess will be zero.

(xiv) an amount (the "Third Step Residual") equal to (A) the Second Step Residual minus (B) the Category Two Balance plus (C) the Third Step Excess; provided that if such sum is a negative number, the Third Step Residual will be zero.

(xv) an amount (the "Category Three Balance") equal to the aggregate Unpaid Balance of Eligible Receivables owed by Category Three Obligors in such Concentration Unit.

(xvi) the lesser of (A) the Third Step Residual and (B) the amount determined pursuant to clause (xi).

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(xvii) an amount (the "Fourth Step Excess") equal to (A) the Category Three Balance minus (B) the amount determined pursuant to clause (xvi); provided that if such sum is a negative number, the Fourth Step Excess will be zero.

(xviii) the sum of the First Step Excess, the Second Step Excess, the Third Step Excess and the Fourth Step Excess, such sum being the "Concentration Unit Excess Concentration" for such Concentration Unit.

(c) On each Business Day and with respect to each Concentration Unit, Servicer shall determine:

(i) an amount (the "Category One Eligibles") equal to (A) the Category One Balance for such Concentration Unit minus (B) the Second Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category One Eligibles will be zero.

(ii) an amount (the "Category Two Eligibles") equal to (A) the Category Two Balance minus (B) the Third Step Excess (if any) for such Concentration Unit; provided that if such sum is a negative number, the Category Two Eligibles will be zero.

(iii) an amount (the "Category Three Eligibles") equal to (A) the Category Three Balance minus (B) the Fourth Step Excess for such Concentration Unit; provided that if such sum is a negative number, the Category Three Eligibles will be zero.

(d) On each Business Day, Servicer shall determine:

(i) the sum of the Category One Eligibles for all Concentration Units.

(ii) the sum of the Category Two Eligibles for all Concentration Units.

(iii) the sum of the Category Three Eligibles for all Concentration Units.

(iv) an amount (the "Category Two Excess Concentration") equal to (A) the amount determined pursuant to clause (ii) minus (B) 10% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number, the Category Two Excess Concentration shall be zero.

(v) an amount (the "Category Three Excess Concentration") equal to (A) the amount determined pursuant to clause (iii) minus (B) 5% of the Adjusted Eligible Receivables on such day; provided that if such sum is a negative number the Category Three Excess Concentrations shall be zero.

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(vi) the sum of the amounts in clauses (i), (ii) and (iii).

(vii) the sum of the Category Two Excess Concentration and the Category Three Excess Concentration.

(viii) the sum of (A) the amount determined pursuant to clause (vi) minus the amount determined pursuant to clause (vii).

(ix) an amount (the "Total Foreign Concentration Excess") equal to (A) the amount determined pursuant to clause (viii), minus (B) 35% of the Adjusted Eligible Receivables; provided that if such sum is a negative number, the Total Foreign Concentration Excess shall be zero.

(e) With respect to (i) all Category One Obligors or Category Two Obligors, and (ii) each Category Three Obligor that owes Eligible Receivables in excess of \$1,000,000 or that is located in a jurisdiction where Obligors owe an aggregate amount of Eligible Receivables in excess of \$2,000,000, Servicer and Transferor shall, and shall cause the Sellers to, take all actions reasonably necessary to perfect and/or protect Transferor's and/or the Trustee's interests in such Receivables under the laws of the jurisdiction in which such Obligors are located.

(f) Within the four weeks following each anniversary of the Closing Date, Servicer shall (i) cause counsel satisfactory to the Required Purchasers, at the expense of Howmet, to contact local counsel in each jurisdiction in which Obligors referred to in clause (e) are located, for purposes of determining whether there has been a change in the laws of such jurisdiction regarding the assignment of Receivables and (ii) take such actions as are required under Section 4.10(e) with respect to any such change. Nothing in this Section 4.10(f) shall limit the obligations of Servicer and Transferor under Section 4.10(e) at any other time.

(g) Contemporaneously with the delivery of each Monthly Report, Servicer shall provide Trustee with a certificate, signed by an appropriate officer, showing (i) any Obligor that is not a Domestic Person and either owes Receivables in an aggregate amount exceeding \$1,000,000 as of the most recent Cut-Off Date or is a party to a contract with a Seller expiring more than one year after such Cut-Off Date, and (ii) any jurisdiction outside the United States in which Obligors owe an aggregate amount of Receivables exceeding \$2,000,000, determined as of such Cut-Off Date.

(h) All documents executed and delivered to, or for the benefit of, Trustee pursuant to this Section shall be Transaction Documents for all purposes (including for purposes of Section 6.1).

SECTION 4.11 Tax Opinion. If any Tax Opinion is required to be delivered in connection with the Series 1996-1 Certificates, the term "Tax Opinion" shall have the meaning specified below:

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"Tax Opinion" means, with respect to any action, an Opinion of Counsel to the effect that, for Federal income tax and applicable state income and franchise tax purposes, (a) such action will not cause the Investor Certificates of Series 1996-1 debt or partnership interests, (b) such action will not cause the Trust to be treated as other than an association (or publicly traded partnership) taxable as a corporation, (c) such action should not be treated as a taxable event to any Series 1996-1 Investor Certificateholder or Certificate Owner.

SECTION 4.12 Reset of Benchmark Percentages and Special Concentration Limits. Transferor may from time to time (i) increase or decrease any Benchmark Percentage used in the definition of Concentration Limit, (ii) change the percentages specified in the definition of Special Concentration Limit with respect to the two Tier-5 Obligors that owe the highest aggregate Unpaid Balances of Eligible Receivables, or (iii) designate an additional Obligor as a "Special Obligor," in each case (other than the designation of Westinghouse Electric Corp. as a Special Obligor) if the Approval Condition is satisfied. It is understood and agreed that any such changes in the Benchmark Percentages or the Special Concentration Limits or the addition of a Special Obligor may change the calculation of the Class A Concentration Factor, the Class B Concentration Factor, the Class A Minimum Reserve Ratio and the Class B Minimum Reserve Ratio.

ARTICLE V DISTRIBUTIONS AND REPORTS

SECTION 5.1 Distributions. On each Distribution Date and, with respect to clause (b), on each Principal Payment Date, other than a Distribution Date that is also a Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders, the following amounts:

(a) accrued and unpaid interest on the ABR Tranches and any additional interest payable to the Series 1996-1 Holders pursuant to Section 4.1 or to the Holders of any other Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated

Class, ratably in accordance with the total amount of interest owed to each Subordinated Class);

(b) on each Principal Payment Date, all funds deposited in each sub-account of the Principal Funding Account on or prior to the most recent Cut-Off Date shall be distributed in reduction of the related Series Invested Amounts; all such amounts on deposit in the Series 1996-1 sub-account of the Principal Funding Account shall be paid to the Holders of Class A Certificates until they have been paid or provided for in full before any such amounts are paid to the Holders of Class B Certificates, and no such amounts shall be paid to the Holders of any Subordinated Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Invested

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Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day);

(c) if, on the Expected Final Payment Date or any Distribution Date falling in a Group Amortization Period, the funds on deposit in the Carrying Cost Account (less any Servicing Fee payable on that day to anyone other than a Howmet Person) will be equal to or greater than the Invested Amount (after giving effect to all distributions required by subsections (a) and (b)), then an amount equal to such remaining Invested Amount shall be withdrawn from the Carrying Cost Account and distributed in reduction of the Invested Amount; and

(d) any Additional Amounts payable with respect to Certificates in any Series in Group I to the extent that funds have been allocated for those Additional Amounts pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 (and in the event of any shortfall, Additional Amounts shall be paid first to each Senior Class, ratably in accordance with the total Additional Amounts owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total Additional Amounts owed to each Subordinated Class).

On each Distribution Date, Trustee shall also, in accordance with instructions set out in the applicable Daily Report, distribute the Servicing Fee to the Servicer to the extent that funds are available for that purpose in the Carrying Cost Account.

On each Interest Payment Date (other than any Distribution Date, which shall be governed by subsection (a) above), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute interest payable on that date to the Holders of any Series in Group I, to the extent funds are available for such payment in the Carrying Cost Account (and in the event of any shortfall, any such interest shall be paid first to each Senior Class, ratably in accordance with the total amount of interest owed to each Senior Class, and second to each Subordinated Class, ratably in accordance with the total amount of interest owed to each Subordinated Class).

Any amounts payable to the Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder.

SECTION 5.2 Special Distributions on the Refinancing Date. On the Refinancing Date, Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to the Holders the following amounts:

(a) all interest accrued on the Certificates in any Series in Group I through the Refinancing Date, to the extent funds are available for such payment in the Carrying

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Cost Account or have been deposited in the Principal Funding Account pursuant to Section 4.9;

(b) all funds deposited in the Principal Funding Account pursuant to Section 4.9, provided that no such amounts shall be paid to the Holders of the Class B Certificates on any day if (i) any Senior Class will remain outstanding after that date and (ii) the Net Invested Amount exceeds the Base Amount on that day (after giving effect to all payments and allocations made pursuant to Section 4.3 on that day); and

(c) any Additional Amounts to the extent that funds for those

Additional Amounts have been allocated pursuant to priority fourth of Section 4.3 or priority third of Section 4.4 or deposited in the Principal Funding Account pursuant to Section 4.9.

Amounts payable to Holders of Class A Certificates pursuant to this Section shall be paid to the Agent, and the Agent shall distribute such amounts to such Holders. Amounts payable to a Holder of Class B Certificates pursuant to this Section shall be paid to such Holder. Promptly following receipt of the amounts payable to the Holders of Certificates pursuant to this Section, such Holders shall tender such Certificates to the Trustee.

SECTION 5.3 Payments in Respect of Transferor Certificate. On each day on which funds are allocated for this purpose pursuant to Sections 4.3 and 4.4 (and subject to the terms of Section 4.4 relating to the Holdback Account), Trustee shall, in accordance with instructions set out in the applicable Daily Report, distribute to Transferor, in respect of the Transferor Certificate, all funds allocated for that purpose in accordance with those Sections. In addition, after the Group Invested Amount has been repaid in full and all interest and Additional Amounts owed to the Holders have been paid, any additional funds on deposit in the Carrying Cost Account, the Equalization Account or the Principal Funding Account shall similarly be paid to Transferor in respect of the Transferor Certificate.

SECTION 5.4 Daily Reports and Monthly Reports. Each Daily Report and Monthly Report shall be substantially in the applicable form set out in Exhibit B or C or in such other form as may be required by any other Supplement relating to a Series in Group I or otherwise satisfactory to Servicer and Trustee and consistent with the terms of this Supplement, each such other Supplement and the Pooling Agreement. Copies of each Monthly Report shall be provided free of charge by the Trustee to purchasers of Series 1996-1 Certificates in connection with the initial distribution thereof and may be obtained free of charge upon request from the Trustee (and presentation of a confirmation evidencing the purchase of such beneficial interest) by subsequent purchasers.

SECTION 5.5 Annual Tax Information. On or before February 15 of each calendar year, beginning with calendar year 1997, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to each Person who at any time during the preceding calendar year was

a Holder the information for the preceding calendar year, or the applicable portion thereof during which the Person was a Holder, as is required to be provided by an issuer of indebtedness under the Internal Revenue Code to the holders of the issuer's indebtedness and such other customary information as is necessary to enable such Holders to prepare their Federal income tax returns. Servicer's obligations under the preceding sentence shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent to the specified Persons pursuant to the Pooling Agreement or any requirements of the Internal Revenue Code as from time to time in effect. Notwithstanding anything to the contrary contained in this Agreement, Trustee shall, to the extent required by applicable law, from time to time furnish to the appropriate Persons a Form 1099-INT within the period required by applicable law.

SECTION 5.6 Periodic Perfection Certificate. On or before December 1 of each calendar year, beginning with calendar year 1996, Servicer, on behalf of Trustee, shall furnish or cause to be furnished to Trustee and the Agent an Officer's Certificate setting forth a list of all changes in (a) the name, identity or corporate structure of Transferor or any Seller and (b) the chief executive office of Transferor or any Seller (or in the place of business of Transferor or any Seller that has only one place of business) that have taken place since the date of the Officer's Certificate most recently delivered pursuant to this Section 5.6 (or since the Closing Date, in the case of the first such Officer's Certificate to be delivered), or indicating that no such events have taken place, and stating in each case what filings of UCC financing statements, or amendments thereto, relating to the Transaction Documents have been made in connection with each such event (identifying the date and filing index numbers for each). Any financing statement identified in such an Officer's Certificate delivered to Trustee shall be deemed to have been identified to Trustee in writing for purposes of subsection 11.1(c)(v) of the Pooling Agreement. If any such new UCC financing statements are filed, Servicer shall cause Trustee to be named as secured party (in the case of any filing against Transferor) or assignee of the secured party (in the case of any filing against a Seller). Notwithstanding the foregoing, if any "Event of Default" or "Potential Event of Default" under (and as defined in) the Howmet Credit Agreement occurs, Servicer shall deliver an Officer's Certificate covering the matters described above to Trustee and Agent not later than 10 days after the occurrence of such event, and for so long as any such event remains outstanding, Servicer shall deliver such an Officer's Certificate on the last Business Day falling in each of March, June, September and December.

SECTION 6.1 Early Amortization Events. Each of the following shall constitute an "Early Amortization Event":

(a) (i) failure on the part of Transferor or Servicer to make any payment of the principal amount of the Series 1996-1 Certificates when due, or to make any payment of any interest on the Series 1996-1 Certificates or to make any deposit required by

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the terms of any Transaction Document on or before two Business Days after the date such payment or deposit is required to be made, or to make any other payment, except any payment of the Servicing Fee to a Howmet Person, required by the terms of any Transaction Document on or before three Business Days after the date such payment is required to be made; or (ii) failure on the part of any Seller to duly observe or perform subsection 6.1(f), 6.1(h), 6.1(j), 6.3(a), 6.3(b), 6.3(c) or 6.3(e) of the Purchase Agreement or Transferor to duly observe or perform subsection 7.2(c), 7.2(e), 7.2(f), 7.2(h), 7.2(i), 7.2(j) or 7.2(k) of the Pooling Agreement or clause (i) or (ii) of subsection 7.2(d) of the Pooling Agreement, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of five Business Days; or (iii) failure on the part of Transferor, Servicer or any Seller duly to observe or perform any other covenant or agreement set forth in any Transaction Document, which failure has a substantial likelihood of having a Material Adverse Effect and continues unremedied for a period of 30 days; or (iv) Guarantor gives notice of termination of the Seller Guaranty;

(b) any representation or warranty made by a Seller in subsection 5.1(d), 5.1(k), 5.1(o) or 5.1(r) of the Purchase Agreement or by Transferor in subsection 2.3(a) (i), 2.3(a) (ii) or 7.1(i) of the Pooling Agreement shall prove to have been incorrect in any material respect when made, and continues to be incorrect in any material respect for a period of five Business Days, or any other representation or warranty made by Transferor, Servicer or any Seller in any Transaction Document shall prove to have been incorrect in any material respect for a period of 30 days; provided that a mistake in the representation of a Receivable as an Eligible Receivable or the breach of a representation and warranty with respect to a Receivable shall not constitute an Early Amortization Event unless and until the applicable Seller has failed to make the cash payments (if any) owed under Sections 3.1 and 3.5 of the Purchase Agreement in respect of such mistake or breach (it being understood that certain of such mistakes or breaches may result in a non-cash adjustment under the Purchase Agreement);

(c) a Bankruptcy Event shall occur with respect to Transferor, Servicer, Guarantor or any Seller, or Transferor shall become unable, for any reason, to transfer Receivables or other Transferred Assets to the Trust in accordance with the provisions of this Agreement and the Pooling Agreement; provided that if, at the time any event that would, with the passage of time, become a Bankruptcy Event occurs as a result of a bankruptcy proceeding being filed against Transferor or any Seller, then, on and after the day on which the bankruptcy proceeding is filed until the earlier to occur of the dismissal of the proceeding and the commencement of an Early Amortization Period, Transferor shall not purchase Receivables and Related Assets from the affected Seller or, if Transferor is the subject of the proceeding, transfer Receivables and Related Transferred Assets to the Trust;

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(d) the Trust or Transferor shall be required to be registered as an "investment company" under and within the meaning of the Investment Company Act of 1940, as amended;

(e) the Net Invested Amount exceeds the Base Amount for a period of two or more consecutive Business Days;

(f) a Servicer Default shall have occurred and shall not have been remedied;

(g) Howmet shall cease to own, directly or indirectly, 100% of the issued and outstanding capital stock of Transferor;

(h) the Internal Revenue Service or the PBGC shall have filed one or more Tax or ERISA Liens against the assets of Transferor or any Seller (including Receivables) in an aggregate amount exceeding \$250,000 unless such amounts (i) are bonded in a manner that satisfies the Approval Condition or (ii) relate to taxes in an aggregate amount not exceeding \$1,000,000 which are contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained under GAAP;

(i) the cessation of, or the failure to create, a valid first-priority perfected ownership or security interest in favor of Trustee in the Receivables or the rights of Transferor under the Purchase Agreement, which cessation or failure has a substantial likelihood of having a Material Adverse Effect;

(j) the Series 1996-1 Invested Amount is not paid in full on the Expected Final Payment Date;

(k) Transferor's net worth (as calculated in accordance with GAAP) shall at any time be less than 17% of the aggregate Unpaid Balance of the Receivables at such time and such condition continues for five consecutive Business Days; provided that for purposes of calculating Transferor's net worth, any and all amounts owed to Transferor by any Howmet Person shall be excluded from such calculation;

(l) any foreclosure or similar proceeding in respect of any adverse claim on any Buyer Note or the Transferor's common stock shall have been commenced; or title to any Buyer Note or Transferor's common stock shall pass to the holders of such adverse claim, it being understood that the grant of a security interest in the stock of Transferor or any Buyer Note to a creditor of a Seller that is party to an Intercreditor Agreement shall not be an Early Amortization Event;

(m) the average of the Aged Receivables Ratio for any three consecutive Calculation Periods shall be greater than 2.50%;

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(n) the average of the Past Due Receivables Ratio for any three consecutive Calculation Periods shall exceed 5.75%;

(o) the average of the Dilution Ratio for any three consecutive Calculation Periods shall be greater than 6.75%; or

(p) the Intercreditor Provisions shall be amended without written notice thereof having been provided to the Agent no later than five Business Days prior to the effective date of such amendment.

SECTION 6.2 Early Amortization Period. Upon the occurrence and continuance of any Early Amortization Event described in subsection 6.1(c), an Early Amortization Period shall commence without any notice or other action on the part of Trustee or the Series 1996-1 Holders, immediately upon the occurrence of such Early Amortization Event, except that if an Early Amortization Event described in subsection 6.1(c) occurs as the result of the occurrence of a Bankruptcy Event with respect to one or more Sellers, the Receivables originated by which made up less than 10% of the aggregate Unpaid Balance of Receivables held by the Trust as of the date of the commencement of the proceeding that gave rise to the first such Bankruptcy Event, then an Early Amortization Period shall not commence unless Required Series Holders declare it to have commenced. Upon the occurrence and continuance of any other Early Amortization Event, alter the applicable grace period, if any, and if the action or event that gave rise to such Early Amortization Event has not been waived by the Required Series Holders, Trustee may (and, at the direction of the Required Series Holders, shall) by notice then given in writing to Transferor and Servicer, declare that an Early Amortization Period has commenced as of the date of Transferor's receipt of the notice. In the event of any prepayment of the Series 1996-1 Certificates prior to the first anniversary of the date hereof as a result of the occurrence of an Early Amortization Event, the Holders thereof shall be entitled to receive a Prepayment Premium.

ARTICLE VII OPTIONAL REDEMPTION; TERMINATION; INDEMNITIES

SECTION 7.1 Optional Redemption of Investor Interests. On any Distribution Date occurring during an Early Amortization Period with respect to the Series 1996-1 Certificates on or after the date that the Series 1996-1 Invested Amount is reduced to 10% or less of the sum of the Stated Amounts for the Series 1996-1 Certificates, Transferor shall have the option to redeem the Series 1996-1 Series Interest. The purchase price will be an amount equal to the Invested Amount plus accrued and unpaid interest (and accrued and unpaid interest with respect to interest that was due but not paid on any prior Distribution Date) through the day preceding the Distribution Date at the

applicable interest rate (as specified in Section 4.1) plus the aggregate amount by which the Invested Amount has been reduced on account of Investor Write-Offs (and not subsequently reinstated) plus (if such redemption occurs prior to the first anniversary of the date hereof) the applicable Prepayment Premium. Upon the tender of the outstanding Certificates of the Series by the Holders to Trustee,

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Trustee shall distribute the amounts, together with all funds on deposit in the Principal Funding Account that are allocable to the Series 1996-1 Certificates, to the Holders of the Series on the next Distribution Date in repayment of the principal amount and accrued and unpaid interest owing to the Holders. Following any redemption, the Holders of the Series shall have no further rights with respect to the Transferred Assets. In the event that Transferor falls for any reason to deposit in the Principal Funding Account the aggregate purchase price for the Series 1996-1 Certificates, payments shall continue to be made to the Holders of the Series in accordance with the terms of the Pooling Agreement and this Supplement.

SECTION 7.2 Termination. Notwithstanding Section 12.1 of the Pooling Agreement, the last payment of the principal of and interest on the Certificates of any Series in Group I shall be due and payable no later than the Final Scheduled Payment Date for that Series. If, on the Distribution Date immediately prior to the Final Scheduled Payment Date for any such Series, Servicer determines that the Series Invested Amount for the Series on the applicable Final Scheduled Payment Date (after giving effect to all changes therein on such date) will exceed zero, Servicer shall, as soon as practicable, solicit bids for the sale of interests in the Receivables in an amount equal to the product of (i) the outstanding balance of Receivables, times (ii) the Series Collection Allocation Percentage, times (iii) the Investor Allocation Percentage, times (iv) a fraction the numerator of which is the applicable Series Invested Amount and the denominator of which is the Group Invested Amount. Transferor shall be entitled to participate in and to receive notice of each bid submitted in connection with the bidding process. Upon the expiration of the period, Servicer shall determine (x) the highest bid for such Receivables and (y) the Available Final Distribution Amount for the Series. Servicer shall sell the interests in the Transferred Assets on the Final Scheduled Payment Date for the applicable Series to the bidder with the Highest Bid and shall deposit the proceeds of such sale in the Master Collection Account for allocation to the Holders. The priorities specified in Section 5.1 shall apply to any such distribution.

SECTION 7.3 Indemnification by Transferor. Transferor hereby agrees to indemnify the Trust, Trustee, each Holder of a Series 1996-1 Certificate and each of the successors, permitted transferees and assigns of any such Person and all officers, directors, shareholders, controlling Persons, employees, affiliates and agents of any of the foregoing (each of the foregoing Persons individually being called a "Transferor Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims (whether on account of settlements or otherwise, and whether or not the relevant Transferor Indemnified Party is a party to any action or proceeding that gives rise to any Transferor Indemnified Losses (as defined below)), judgments, liabilities and related reasonable costs and expenses (including reasonable attorneys' fees and disbursements) (all of the foregoing collectively being called "Transferor Indemnified Losses") awarded against or incurred by any of them that arise out of or relate to this Agreement, any other Transaction Document or any of the transactions contemplated herein or therein or the use of proceeds herefrom or therefrom (including any Transferor Indemnified Losses (i) relating to any Adverse Claim, without regard to whether

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such Adverse Claim was a Permitted Adverse Claim, or (ii) arising from any failure to make any filing or obtain any consent as required by the Federal Assignment of Claims Act with respect to any Receivables).

Notwithstanding the foregoing, in no event shall any Transferor Indemnified Party be indemnified for any Transferor Indemnified Losses (a) resulting from gross negligence or willful misconduct on the part of such Transferor Indemnified Party (or the gross negligence or willful misconduct on the part of any of its officers, directors, employees, affiliates or agents), (b) to the extent they include Transferor Indemnified Losses in respect of Receivables and reimbursement therefor that would constitute credit recourse to Transferor for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor, (c) to the extent they are or result from lost profits, (d) to the extent they are or result from taxes (including interest and penalties thereon) asserted with respect to (i) distributions on the Series 1996-1 Certificates, (ii) franchise or withholding taxes imposed on any Transferor Indemnified Party other than the Trust or the Trustee in its capacity

as Trustee or (iii) federal or other income taxes on or measured by the net income of such Transferor Indemnified Party and costs and expenses in defending against the same, (e) resulting from any breach by such Transferor Indemnified Party of its representations, warranties or covenants in the Transaction Documents, or (f) to the extent that they constitute consequential, special or punitive damages.

If for any reason the indemnification provided in this section is unavailable to a Transferor Indemnified Party or is insufficient to hold a Transferor Indemnified Party harmless, then Transferor shall contribute to the amount paid by the Transferor Indemnified Party as a result of any loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Transferor Indemnified Party on the one hand and Transferor on the other hand, but also the relative fault of such Transferor Indemnified Party (if any) and Transferor and any other relevant equitable considerations.

SECTION 7.4 Indemnification by Servicer. Servicer agrees that the Agent and each Holder of a Series 1996-1 Certificate shall be an "Indemnified Party" for purposes of Section 8.4 of the Pooling Agreement.

ARTICLE VIII MISCELLANEOUS

SECTION 8.1 Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

SECTION 8.2 Counterparts. This Supplement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

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SECTION 8.3 Severability of Provisions. If any one or more of the provisions or terms of this Supplement shall for any reason whatsoever be held invalid, then the unenforceable provision(s) or term(s) shall be deemed severable from the remaining provisions or terms of this Supplement and shall in no way affect the validity or enforceability of the other provisions or terms of this Supplement.

SECTION 8.4 Amendment, Waiver, Etc. This Supplement may be amended, subject to Section 13.1 of the Pooling Agreement and Section 10.1 of each Certificate Purchase Agreement, from time to time by Servicer, Transferor and Trustee by a written instrument signed by each of them.

SECTION 8.5 Trustee. Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplement or for or in respect of the recitals contained herein, all of which recitals are made solely by Transferor and Servicer.

SECTION 8.6 Instructions in Writing. All instructions given by Servicer to Trustee pursuant to this Supplement shall be in writing, and may be included in a Daily Report or Monthly Report.

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IN WITNESS WHEREOF, Transferor, Servicer and Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

BLADE RECEIVABLES CORPORATION,
as Transferor

By: _____

Name: _____

Title: _____

Address: c/o Nevada Corporate
Management, Inc.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, Nevada 89109

Attention: James P. Lawler
Facsimile: (702) 892-3906

HOWMET CORPORATION, as Servicer

By: _____

Name: _____

Title: _____

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Attention: Chief Financial Officer
Facsimile: (203) 8614746

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____

Name: _____

Title: _____

Address: One M&T Plaza, 7th Floor
Buffalo, New York 14203

Attention: Russell Whitley
Facsimile: (716) 842-4474

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EXHIBIT A - Part 1
to the Series 1996-1 Supplement

FORM OF CLASS A, SERIES 1996-1 CERTIFICATE

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND

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WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. (If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.)

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY FALCON ASSET SECURITIZATION CORPORATION TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE

AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN EIGHT PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES) IN RESPECT OF THE CLASS A, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS A, SERIES 1996-1 CERTIFICATE

Date: _____ Maximum Principal Amounts
\$ _____

This CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class A, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class A, Series 1996-1 Certificates are a Senior Class and are therefore entitled to share in the benefits of the subordination of the Class B, Series 1996-1 Certificates and Certificates in any other Subordinated Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

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By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Class A, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

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EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. [If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY ALPINE SECURITIZATION CORP. TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN THREE PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES) IN RESPECT OF THE CLASS B, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS B, SERIES 1996-1 CERTIFICATE

Date: _____ \$ _____

THIS CERTIFIES THAT _____ is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Delaware corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class B, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class B, Series 1996-1 Certificates are a Subordinated Class and are therefore subordinated to the Class A, Series 1996-1 Certificates, Series 1996-1 Certificates and Certificates in any other Senior Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income

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This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

By: _____

Title: _____

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class B, Series 1996-1 Certificates referred to in the Pooling Agreement, as supplemented by the Supplement.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: _____

Title: _____

Dated: _____, 1996

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PURCHASES AND REPAYMENTS

<TABLE>
<CAPTION>

Amount Purchased	Principal Amount of Purchase Repaid	Outstanding Principal Balance	Stated Amount
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Purchase attributable to Assignee's Share and (b) Assignor's Certificate with respect to Assignee's Share as will result in Assignee having from and after the Effective Date the Class Percentage and the Series Percentage specified in Annex I.

SECTION 2. Assumption. Effective on the Effective Date, Assignee hereby irrevocably purchases, assumes and takes from Assignor, and Assignor is hereby expressly and absolutely released from, all of Assignor's obligations arising under the Certificate Purchase Agreement relating to Assignee's Share and the Purchase attributable to Assignee's Share.

SECTION 3. Payment. In consideration of the assignment by Assignor to Assignee as set forth above, Assignee agrees to pay to Assignor, in Dollars and in immediately available funds, (a) on or prior to the Effective Date, an amount specified by Assignor in writing on or prior to the Effective Date that represents Assignee's Share attributable to the principal amount of the Purchase made pursuant to the Certificate Purchase Agreement and outstanding on the Effective Date, and (b) from time to time thereafter, other amounts (if any) that Assignee has agreed in writing to pay to Assignor after the Effective Date. In consideration of the assumption by Assignee, Assignor agrees to pay to Assignee within two Business Days of the Effective Date, an assignment fee (if any) that previously has been agreed to in writing by both parties.

Notwithstanding anything to the contrary in this Agreement, if and when Assignee receives or collects (x) any payment of principal or interest relating to the Purchase or (y) any payment of fees that are required to be paid to Assignor pursuant to this Agreement, then Assignee shall forward the payment to Assignor.

To the extent payment of funds to Assignee or Assignor are not made within two Business Days, each, as the case may be, shall be entitled to recover the due amount, together with interest thereon at the Federal Funds Rate per annum accruing from the date of payment or the date of receipt of the funds by the other party.

SECTION 4. Effectiveness. (a) (i) This Agreement shall become effective on the date (the "Effective Date") on which it shall have been duly executed by all parties and the Agent shall have recorded the information

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contained herein in its records (or automatically if not so recorded within five Business Days from the Agent's receipt of this Agreement signed by Assignor, Assignee and Transferor) [; provided, however, that, notwithstanding anything herein to the contrary, as a condition to the effectiveness of the assignment, and prior to any rights of Assignee being recognized hereunder or under any Transaction Document or Certificate, in accordance with Section 10.3(c) of the Certificate Purchase Agreement, the assigning Purchaser shall provide, or shall cause Assignee to provide, to Transferor such information as Transferor reasonably requests to make the determinations required by Section 10.3(f) of the Certificate Purchase Agreement. If the Transferor has acknowledged in writing the terms and conditions of this agreement, the assigning Purchaser shall be deemed to have provided or caused to be provided such information.]1/ Assignor hereby notifies the Agent of the assignment, effective as of the Effective Date, of Assignee's Share and the Purchase attributable to the Assignee's Share, and directs the Agent to pay Assignee any payment of principal of, or interest on, the Purchase attributable to the Assignee's Share. No (x) failure of either Assignee or Assignor to settle any amount owed to the other (except with respect to the payment of the processing and recordation fee to the Agent and the payment due under Section 3(a)), (y) dispute respecting any other settlement, including in respect of Transferor, or (z) bankruptcy, insolvency or other condition whatsoever respecting any Person, shall in any way impair, reduce or otherwise affect the effectiveness of this Agreement.

(ii) Assignor, Assignee and the Agent each acknowledges and agrees that from and after the Effective Date, the Agent shall make all payments under the Certificate Purchase Agreement in respect of Assignee's Share (including all payments of principal and interest with respect thereto, whether or not the payments shall have accrued prior to or after the Effective Date) to Assignee only. Assignor and Assignee hereby agree further to make all appropriate adjustments in payments to either of them under the Certificate Purchase Agreement for periods prior to the Effective Date directly between themselves.

(b) With respect to the Purchase attributable to Assignee's Share, if and when Assignor receives or collects any payment of principal, interest, or Additional Amounts with respect to Assignee's Share for any period commencing on or after the Effective Date, Assignor shall distribute to Assignee the portion attributable to Assignee's Share, but only to the extent it accrued on or after the Effective Date and was not theretofore paid to Assignee by Transferor or otherwise. Any principal, interest and Additional

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Amounts paid prior to the Effective Date shall be retained by Assignor. Any principal, interest, and Additional Amounts received by Assignee that accrued prior to the Effective Date shall be forwarded promptly, in the form received, to Assignor. Assignee recognizes and agrees that (i) it shall receive no payment on account of any Agent's fees or other amounts or expenses (including counsel fees) payable to the Agent (in such capacity and for its own account), (ii) this Agreement shall not operate to assign any rights or delegate any obligations of the Agent (in such capacity), and (iii) notwithstanding anything to the contrary in this Agreement, Assignor shall retain all of its rights to indemnification under the Certificate Purchase Agreement for any events, acts or omissions occurring prior to the Effective Date.

(c) The Agent, by its execution hereof, acknowledges the assignment and agrees to make payments in respect of principal, interest, fees and Additional Amounts as described in clause (a).

SECTION 5. Rights as Purchaser under Certificate Purchase Agreement. In accordance with Section 10.3 of the Certificate Purchase Agreement, (a) as of the Effective Date, Assignee will be a Purchaser under, and party to, the Certificate Purchase Agreement and shall have (i) all of the rights and obligations of a Purchaser (to the extent of the assignment and assumption of Assignee's Share effected by this Agreement) and (ii) the addresses for (A) notice purposes and (B) LIBOR Office as set forth in items 2 and 3, respectively, of Annex I hereto and (b) promptly on or after the Effective Date, Transferor will execute and deliver any documents and instruments that Assignor or Assignee reasonably may require.

SECTION 6. Representations and Warranties. (a) Each of Assignor and Assignee represents and warrants to the other as follows:

(i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement, to fulfill the obligations hereunder and to consummate the transactions contemplated hereby;

(ii) the making and performance of this Agreement and all documents required to be executed and delivered hereunder do not and will not violate any law or regulation of the jurisdiction of its incorporation or any other applicable law or regulation;

(iii) this Agreement has been duly executed and delivered and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; and

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(iv) all approvals, authorizations or other actions by, or filing with, any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement have been obtained.

(b) Assignor represents and warrants to Assignee that Assignee's Share and the Purchase attributable to Assignee's Share is not subject to any liens or security interests created by Assignor.

(c) Except as set forth in subsections (a) and (b), Assignor makes no representations or warranties, express or implied, to Assignee and shall not be responsible to Assignee for (i) the execution, effectiveness, genuineness, legality, validity, enforceability, collectibility, regulatory status or sufficiency of the Certificate Purchase Agreement or any of the other Transaction Documents, (ii) the perfection, priority, value or adequacy of any collateral security or guaranty, (iii) the taking of any action, or the failure to take any action, with respect to any of the Transaction Documents, (iv) any representations, warranties, recitals or statements made in any of the Transaction Documents or in any written or oral financial or other statements, instruments, reports, certificates or documents made or furnished by Assignor or Assignee or by or on behalf of Transferor or any of its Affiliates to Assignor or Assignee in connection with the Transaction Documents and the transactions contemplated thereby, (v) the financial or other condition of Transferor or any other Person or (vi) any other matter having any relation to any of the foregoing. Assignor shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Transaction Documents or the existence or possible existence of any Unmatured Early Amortization Event, Early Amortization Event or Servicer Default. Additionally, Assignor shall not have any duty or responsibility either initially or on a continuing basis to make any investigation or any appraisal on Assignee's behalf or to provide Assignee with

any credit or other information with respect thereto, whether coming into Assignor's possession before the execution of the Certificate Purchase Agreement or at any time thereafter. Assignor shall have no responsibility with respect to the accuracy of, or the completeness of, any information provided to Assignee, whether by Assignor or by or on behalf of Transferor or any other Person obligated under the Certificate Purchase Agreement or any related instrument or document.

(d) Assignee represents and warrants that it has made its own independent investigation of each of the foregoing matters, including the financial condition and affairs of Transferor and its Affiliates, in connection with the making of the Purchase and the execution of this Agreement

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(including the solvency of Transferor and its Affiliates, their ability to pay their respective debts as they mature and the capital of Transferor and its Affiliates remaining after the closing under the Transaction Documents and the consummation of the transactions contemplated thereby) and has made and shall continue to make its own appraisal of the creditworthiness of Transferor and its Affiliates. Assignee (i) confirms that it has received copies of the Transaction Documents together with copies of certain other closing documents delivered in connection with the Certificate Purchase Agreement, financial statements and any other documents and information that it has requested or deemed appropriate to make its own credit analysis and decision to enter into this Agreement and (ii) agrees that it will, independently and without reliance upon the Agent, Assignor or any other Purchaser 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 action under the Transaction Documents.

(e) Assignee represents and warrants to Transferor that the representations and warranties in Section 6.3 of the Certificate Purchase Agreement are true and correct in respect of such Assignee as of the date hereof.

SECTION 7. No Proceedings. Assignee hereby agrees to be bound by the provisions of Section 10.13 of the Certificate Purchase Agreement.

SECTION 8. Withholding Taxes. [In accordance with Section 4.6 of the Certificate Purchase Agreement, Assignee agrees to execute and deliver to the Agent, for delivery to Transferor, on or before the Effective Date, (a) two original copies of Internal Revenue Service Form 4224 or successor applicable form, properly completed and duly executed by the Assignee certifying that it is entitled to receive payments under the Certificate Purchase Agreement and any Certificate without deduction or withholding of any United States Federal income taxes, and (b) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding. Assignee represents and warrants to Transferor and Assignor that, as of the Effective Date, it shall be entitled to receive payments under its Certificate, the Certificate Purchase Agreement and hereunder without deduction for or on account of any taxes imposed by the United States of America or any political subdivision thereof. In the event that, after delivering the applicable form, Assignee shall cease to be exempt from withholding and/or deduction of taxes, then the Agent may withhold and/or deduct the applicable amount from any payments of principal, interest and any fees to which Assignee otherwise would be entitled, and the Agent shall have no liability whatsoever to Assignee for any such withholding

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or deduction. Assignee shall indemnify Transferor and the Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs or expenses that result from Assignee's breach of such representation and warranty.]2/ [In accordance with Section 4.6 of the Certificate Purchase Agreement, Assignee (unless organized as a corporation under the laws of any state of the United States) agrees to execute and deliver to the Agent, for delivery to Transferor, on or before the Effective Date, an original copy of Internal Revenue Service Form W-9 or applicable successor form, properly completed and duly executed, certifying its exemption from backup withholding.]3/

SECTION 9. Miscellaneous. (a) Each of the parties hereto agrees to take any action and execute and deliver any documents that any party hereto reasonably may request from time to time in order to implement more fully the purposes of this Agreement. Without limiting the generality of the foregoing, Assignor and Assignee will cooperate in obtaining for Assignee a Certificate (as well as a replacement Certificate for Assignor representing any retained interest of Assignor).

(b) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS

PRINCIPLES.

(c) Except as otherwise set forth herein, this Agreement sets forth the entire agreement between the parties relating to the subject matter hereof, and no term or provision of this Agreement may be amended, changed, waived, discharged or terminated orally or otherwise, except in a writing signed by Assignor and Assignee.

(d) This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(e) Each of the parties hereto agrees that each party shall bear its own expenses in connection with the preparation and execution of this Agreement

2/ If the Assignee is not a U.S. person within the meaning of Section 7701 (a) (30) of the Internal Revenue Code.

3/ If the Assignee is a U.S. person within the meaning of Section 7701(a) (30) of the Internal Revenue Code.

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and the consummation of the Assignment described herein. Assignee further agrees that it shall send a check in the amount of \$[1,500] [3,500] to the Agent on or prior to the Effective Date, as payment of the processing and recordation fee described in Section 10.3(c) of the Certificate Purchase Agreement. [Select correct amount in accordance with that Section.]

(f) All representations and warranties made, and indemnities provided for, herein shall survive the consummation of the transactions contemplated hereby. Assignor and Assignee acknowledge and agree that Transferor is a third-party beneficiary of Section 6(e) of this Agreement.

(g) Assignor may at any time or from time to time grant assignments and participations in its rights and obligations under the Certificate Purchase Agreement and its Certificate to other Persons, but not in the portions thereof assigned to Assignee.

(h) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither Assignor nor Assignee may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. The preceding sentence shall not limit the right of Assignee to assign all or part of Assignee's Share in the manner contemplated by the Certificate Purchase Agreement.

(i) Assignee acknowledges that all obligations of the Agent are subject to Article IX of the Certificate Purchase Agreement.

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

as Assignor

By: _____

Title: _____

as Assignee

By: _____

Title: _____

The undersigned hereby acknowledges the terms and provisions of this Agreement, and agrees to make payments in respect of principal, interest and fees as described in Section 4(a).4/

By: _____

Title: _____

BLADE RECEIVABLES CORPORATION

By: _____

Title: _____

4/ Acknowledgement not required for certain Assignees, as provided in
Section 10.3 of the Certificate Purchase Agreement.

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ANNEX I
to Assignment Agreement

Item 1. Assignee's Share:

- (a) Assignee's Stated Amount \$ _____
- (b) Assignee's Class Percentage _____ %
- (c) Assignee's Series Percentage _____ %

Item 2. Address of Assignee for notice purposes:

 Attention: _____
 Telephone: _____
 Facsimile: _____

Item 3. LIBOR Office of Assignee:

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APPENDIX X
to Certificate Purchase
Agreement Series 1996-1

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CLASS A, SERIES 1996-1 CERTIFICATE

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT OR (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY, OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE.

THIS CERTIFICATE WILL BE NOT ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE POOLING AGREEMENT HAVE BEEN COMPLIED WITH.

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EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF BLADE RECEIVABLES CORPORATION THAT SUCH PURCHASER IS NOT AND WILL NOT BECOME A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. [If this representation cannot be made, Transferor, Servicer or the Trustee may require the legend to contain additional representations.]

THIS CERTIFICATE MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE CONVEYED, AND A PARTICIPATION INTEREST THEREIN MAY NOT BE SOLD (OTHER THAN IN THE CASE OF A TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE BY FALCON ASSET SECURITIZATION CORPORATION TO A PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN EIGHT PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS A CERTIFICATES) IN RESPECT OF THE CLASS A, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS A, SERIES 1996-1 CERTIFICATE

Date: April 18, 1996 Maximum Principal Amount:
\$47,500,000

THIS CERTIFIES THAT FALCON ASSET SECURITIZATION CORPORATION is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and

MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class A, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class A, Series 1996-1 Certificates are a Senior Class and are therefore entitled to share in the benefits of the subordination of the Class B, Series 1996-1 Certificates and Certificates in any other Subordinated Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

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This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Class A, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

By: /s/ Roland Paul

Title: Vice President

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class A, Series 1996-1 Certificates referred to in the Pooling Agreement, as supplemented by the Supplement.

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: /s/ illegible

Title: ASST. VICE PRESIDENT

Dated: April 18, 1996

PERMITTED TRANSFEREE (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES), UNLESS (i) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL CERTIFICATES TRANSFERRED, ASSIGNED OR CONVEYED, OR IN WHICH A PARTICIPATION INTEREST IS SOLD, PURSUANT TO SUCH TRANSFER, ASSIGNMENT, CONVEYANCE OR SALE, IS EQUAL TO A PRINCIPAL AMOUNT OF CERTIFICATES THAT WOULD REPRESENT AT LEAST 2.1% OF THE TOTAL INTERESTS IN PARTNERSHIP CAPITAL OR PROFITS, WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.7704-1, ASSUMING THE TRUST WERE CLASSIFIED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES AND (ii) AFTER GIVING EFFECT THERETO, THERE SHALL BE NO MORE THAN THREE PRIVATE HOLDERS (AS DEFINED IN THE CERTIFICATE PURCHASE AGREEMENT RELATING TO THE SERIES 1996-1, CLASS B CERTIFICATES) IN RESPECT OF THE CLASS B, SERIES 1996-1 CERTIFICATES, IN EACH CASE AS REASONABLY DETERMINED BY TRANSFEROR.

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BLADE TRADE RECEIVABLES BACKED CERTIFICATES

CLASS B, SERIES 1996-1 CERTIFICATE

Date: April 18, 1996

\$7,500,000

THIS CERTIFIES THAT ALPINE SECURITIZATION CORP. is the registered owner of a nonassessable, fully-paid, fractional undivided interest in the Blade Receivables Master Trust (the "Trust") that was created pursuant to (a) the Pooling and Servicing Agreement, dated as of December 13, 1995, as amended and restated in its entirety by the Amended and Restated Pooling and Servicing Agreement, dated as of April 18, 1996 (as the same may be further amended, supplemented or otherwise modified from time to time, the "Pooling Agreement"), among BLADE RECEIVABLES CORPORATION, a Delaware corporation ("Transferor"), HOWMET CORPORATION, a Delaware corporation ("Servicer"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation, as trustee (together with its successors and assigns in such capacity, "Trustee"), and (b) the Supplement dated as of April 18, 1996 relating to the Series 1996-1 Certificates (the "Supplement"). This Certificate is one of the duly authorized Class B, Series 1996-1 Certificates designated and issued under the Pooling Agreement and the Supplement. Except as otherwise defined herein, capitalized terms have the meanings that the Supplement and the Pooling Agreement assign to them. This Certificate is subject to the terms, provisions and conditions of, and is entitled to the benefits afforded by, the Pooling Agreement and the Supplement, to which terms, provisions and conditions the Holder of this Certificate by virtue of the acceptance hereof assents and by which the Holder is bound.

The Class B, Series 1996-1 Certificates are a Subordinated Class and are therefore subordinated to the Class A, Series 1996-1 Certificates, Series 1996-1 Certificates and Certificates in any other Senior Class that may be issued from time to time to the extent set forth in the Supplement.

Unless the certificate of authentication hereon shall have been executed by or on behalf of Trustee by the manual signature of a duly authorized signatory, this Certificate shall not entitle the Holder hereof to any benefit under the Transaction Documents or be valid for any purpose.

This Certificate does not represent a recourse obligation of, or an interest in, Transferor, any Seller, Servicer, Trustee or any Affiliate of any of them. This Certificate is limited in right of payment to the Transferred Assets.

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By its acceptance of this Certificate, each Holder hereof (a) acknowledges that it is the intent of Transferor, and agrees that it is the intent of the Holder that, for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income, the Class B, Series 1996-1 Certificates (including this Certificate) will be treated as evidence of indebtedness secured by the Transferred Assets and the Trust not be characterized as an association taxable as a corporation, (b) agrees that the provisions of the Transaction Documents be construed to further that intent, and (c) agrees to treat this Certificate for purposes of Federal, applicable state and local income and franchise and other taxes measured by or imposed on income as indebtedness.

This Certificate shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles, and all obligations, rights and remedies under or arising in connection with this Certificate shall be determined in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, Transferor has caused this Certificate to be executed by its officer thereunto duly authorized.

BLADE RECEIVABLES CORPORATION

By: /s/ Roland Paul

Title: Vice President

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class B, Series 1996-1 Certificates referred to in the Pooling Agreement, as supplemented by the Supplement.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: /s/ illegible

Title: ASST. VICE PRESIDENT

Dated: April 18, 1996

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PURCHASES AND REPAYMENTS

<TABLE>
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Table with 8 columns: Amount Purchased, Interest Period, Principal Amount of Purchase Repaid, Outstanding Principal Balance, Stated Amount, Base Rate, Eurodollar Rate, Reduction Net. Includes placeholder text like <S> <C> <C> <C> <C> <C> <C> <C>

Series of horizontal dashed lines representing empty rows in the table.

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GUARANTY

THIS GUARANTY, dated as of December 13, 1995 (this "Guaranty"), is issued by HOWMET CORPORATION, a Delaware corporation ("Guarantor"), for the benefit of BLADE RECEIVABLES CORPORATION, a Nevada corporation ("Purchaser"), and its successors and assigns.

Guarantor agrees as follows:

SECTION 1 . Definitions. Capitalized terms used in this Guaranty, unless otherwise defined herein, shall have the meaning set forth in Appendix A to the Pooling and Servicing Agreement, dated as of December 13, 1995 (as it may be amended, supplemented or otherwise modified from time to time, the "Pooling Agreement") among Purchaser, Guarantor, as Servicer, and Manufacturers and Traders Trust Company, as Trustee.

SECTION 2. Guaranty. FOR VALUE RECEIVED, Guarantor hereby unconditionally guarantees the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, and the full and prompt performance, of each of the Sellers' (each, a "Guaranteed Party") obligations, howsoever created, arising or evidenced, whether direct or indirect, primary or secondary, absolute or contingent, joint or several, now or hereafter existing or due or to become due, which arise out of or in connection with any Seller Transaction Document (all of such obligations being hereinafter collectively called the "Liabilities"); provided that nothing contained herein shall be deemed to constitute recourse liability for the payment of any losses in respect of Receivables and reimbursement therefor that would constitute credit recourse to the Guarantor or any Seller for the amount of any Receivable or Related Transferred Asset not paid by the related Obligor. Guarantor further agrees to pay all expenses (including reasonable attorneys' fees and legal expenses) paid or incurred by Purchaser or its assigns in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

SECTION 3. Continuing Guaranty. This Guaranty shall in all respects be a continuing, absolute and unconditional guaranty, and shall remain in full force and effect (notwithstanding, without limitation, that at any time or from time to time all Liabilities may have been paid in full), subject to discontinuance only upon actual receipt by Trustee of written notice from Guarantor of the discontinuance hereof; provided, however, that no such notice of discontinuance hereof shall affect or impair any of the agreements and obligations of Guarantor (i) hereunder with respect to any and all Liabilities existing prior to the time of

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actual receipt of such notice by Trustee, any and all Liabilities created or acquired thereafter pursuant to any commitments and agreements made by Purchaser under and with respect to the Purchase Agreement, and any and all extensions or renewals thereof, and (ii) any and all expenses paid or incurred by Purchaser or its assigns in endeavoring to collect any of the foregoing and in enforcing this Guaranty; and all of the agreements and obligations under this Guaranty shall, notwithstanding any such notice of discontinuance, remain fully in effect until all such Liabilities (including any extensions or renewals of any thereof) and all such other obligations and expenses finally shall have been paid in full.

SECTION 4. Rescission. Guarantor further agrees that, if at any time all or any part of any payment theretofore applied by Purchaser to any of the Liabilities is or must be rescinded or returned by Purchaser for any reason whatsoever, such Liabilities shall, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by Purchaser, and this Guaranty shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by Purchaser had not been made.

SECTION 5. Certain Actions. Purchaser may, from time to time at its sole discretion and without notice to Guarantor, take any or all of the following actions without affecting the obligations of Guarantor hereunder: (a) retain or obtain a lien upon or a security interest in any property to secure any of the Liabilities or any obligation hereunder; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to any of the Liabilities or any obligation hereunder; (c) extend or renew for one or more periods (regardless of whether longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of Guarantor hereunder or any obligation of any nature of any other obligor (including any Guaranteed Party) with respect to any of the Liabilities; (d) release or fail to perfect its lien upon or security interest in, or impair, surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (regardless of whether longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (e) resort to Guarantor for payment of any of the Liabilities, regardless of whether Purchaser shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

SECTION 6. Subrogation. Any amounts received by Purchaser from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as Purchaser or its assigns may from time to time elect. Until such time as Purchaser shall have received payment of the full amount of all Liabilities and

performance of all of Guarantor's obligations hereunder, no payment made by or for the account of Guarantor pursuant to this Guaranty shall entitle Guarantor by subrogation, indemnity or otherwise to any payment by any Guaranteed Party or from or out of any property of any Guaranteed Party and Guarantor shall not exercise any right or

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remedy against any Guaranteed Party or any property of any Guaranteed Party by reason of any performance by Guarantor of this Guaranty.

SECTION 7. Waiver. Guarantor hereby expressly waives: (a) notice of Purchaser's acceptance of this Guaranty; (b) notice of the existence or creation or non-payment of all or any of the Liabilities; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever (provided that nothing contained in this clause (c) shall affect any obligations to give notice or make demand as set forth in the Purchase Agreement or the Pooling Agreement); and (d) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for or guaranty of any of the foregoing.

SECTION 8. Unconditional Nature of Guaranty. No delay on Purchaser's part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Purchaser of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Guaranty be binding upon Purchaser except as expressly set forth in a writing duly signed by Purchaser. No action of Purchaser permitted hereunder shall in any way affect or impair Purchaser's rights or Guarantor's obligations under this Guaranty. For the purposes of this Guaranty, Liabilities shall include all of each Guaranteed Party's obligations under the Seller Transaction Documents, notwithstanding any right or power of such Guaranteed Party or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of Guarantor hereunder. Guarantor's obligations under this Guaranty shall be absolute and unconditional irrespective of any circumstance whatsoever which might constitute a legal or equitable discharge or defense of Guarantor. Guarantor hereby acknowledges that there are no conditions to the effectiveness of this Guaranty.

SECTION 9. Information. Guarantor has and will continue to have independent means of obtaining information concerning each Guaranteed Party's affairs, financial condition and business. Purchaser shall not have any duty or responsibility to provide Guarantor with any credit or other information concerning any Guaranteed Party's affairs, financial condition or business which may come into Purchaser's possession.

SECTION 10. Representations and Warranties. Guarantor represents and warrants as follows:

(a) Organization and Good Standing. It has been duly organized and is validly existing as a corporation in good standing under the laws of its state of incorporation, with corporate power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

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(b) Due Qualification. It is duly licensed or qualified to do business as a foreign corporation in good standing in each jurisdiction in which (i) the ownership or lease of its property or the conduct of its business requires such licensing or qualification, and (ii) the failure to be so licensed or qualified would have a substantial likelihood of having a Material Adverse Effect.

(c) Power and Authority; Due Authorization. It has (i) all necessary power, authority and legal right to execute, deliver and perform its obligations under this Guaranty and (ii) duly authorized by all necessary corporate action such execution, delivery and performance of this Guaranty.

(d) Binding Obligations. This Guaranty constitutes the legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The execution, delivery and performance of this Guaranty will not (i) conflict with, or result in any breach of

any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under (A) the certificate of incorporation or by-laws of Guarantor or (B) any indenture, loan agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which Guarantor is a party or by which it or its property is bound, (ii) results in or requires the creation or imposition of any Adverse Claim (other than a Permitted Adverse Claim) upon any of its properties pursuant to the terms of any such indenture, loan agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument or (iii) violate any law or any order, rule, regulation applicable to Guarantor of any court or of any federal, state or foreign regulatory body, administrative agency or other governmental instrumentality having jurisdiction over Guarantor or any of its properties, which conflict, violation, breach, default or Adverse Claim (other than a Permitted Adverse Claim), individually or in the aggregate, would have a substantial likelihood of having a Material Adverse Effect.

SECTION 11. Successors and Assigns. (a) This Guaranty shall be binding upon Guarantor and upon Guarantor's successors and assigns and all references herein to Guarantor or any Guaranteed Party shall be deemed to include any successor or successors, whether immediate or remote, to such person or entity. Guarantor shall not assign any of its obligations hereunder without the prior written consent of Purchaser.

(b) This Guaranty shall inure to the benefit of Purchaser and its successors and assigns. Guarantor acknowledges and agrees that Purchaser's rights to receive payment and pursue remedies under this Guaranty are being assigned to Trustee, for the benefit of the

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Certificateholders and the Purchasers, pursuant to the Pooling Agreement, as supplemented from time to time (including by the Series 1995-1 Supplement to the Pooling Agreement, of even date with this Guaranty).

SECTION 12. GOVERNING LAW. THIS GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. Wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

SECTION 13. Consent to Jurisdiction; Waiver of Jury Trial. Purchaser may enforce any claim arising out of this Guaranty in any state or federal court having subject matter jurisdiction and located in New York, New York and with respect to any such claim, Guarantor hereby irrevocably submits to the jurisdiction of such courts. Guarantor irrevocably consents to the service of process out of said courts by mailing a copy thereof, by registered mail, postage prepaid, to Guarantor, and agrees that such service, to the fullest extent permitted by law, (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing herein contained shall preclude Purchaser from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. Guarantor 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 suit, action or proceeding brought in such a court located in New York, New York and any claim that any such suit, action or proceeding brought in such court has been brought in an inconvenient forum. GUARANTOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS GUARANTY, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

SECTION 14. Notices. All notices hereunder shall be given in the manner set forth in Section 13.6 of the Pooling Agreement.

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IN WITNESS WHEREOF, this Guaranty has been executed and delivered by Guarantor's duly authorized officer as of the date first written above.

HOWMET CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

Address: 475 Steamboat Road
Greenwich, Connecticut 06836-1960

Facsimile No.: (203) 8614746

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PROJECT BLADE

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of December 13, 1995 (this "Agreement"), is executed and delivered by THE FIRST NATIONAL BANK OF CHICAGO as Collateral Agent under the Security Agreement referred to hereinbelow (in such capacity, together with its successors in such capacity, the "Collateral Agent"), and MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee under the Pooling and Servicing Agreement referred to hereinbelow (in such capacity, the "Trustee").

BACKGROUND

A. Howmet Corporation ("Howmet") and certain of its subsidiaries (collectively with Howmet, the "Operating Companies") and the Collateral Agent, are parties to that certain Security Agreement dated as of December 13, 1995 (as amended, modified or supplemented and in effect from time to time, the "Security Agreement") for the benefit of certain creditors of Operating Companies ("Operating Company Creditors") party to the credit agreement referred to therein (the "Credit Agreement").

B. The Operating Companies are entering into that certain Receivables Purchase Agreement (as amended, modified or supplemented and in effect from time to time, the "Purchase Agreement"), dated as of December 13, 1995, by and between the Operating Companies and Blade Receivables Corporation ("Finco"), pursuant to which each of the Operating Companies will sell to Finco substantially all Receivables that it now owns and from time to time hereafter will own, and Howmet may from time to time enter into one or more Contribution Agreements (each, a "Contribution Agreement") with Finco, pursuant to which Howmet will contribute to Finco some or all of its Receivables.

C. Contemporaneously with the sale or contribution of Receivables to Finco pursuant to the Purchase Agreement and any Contribution Agreement, Finco will transfer the Receivables and the other Specified Assets (as defined below) to the Trustee pursuant to that certain Pooling and Servicing Agreement (as amended, supplemented, amended and restated, or otherwise modified and in effect from time to time, the "Pooling and Servicing Agreement") dated as of December 13, 1995 among Finco, Howmet, as initial Servicer, and the Trustee.

D. Contemporaneously with the execution and delivery of the Purchase Agreement and the Pooling and Servicing Agreement, and from time to time thereafter, securities ("Certificates") representing beneficial interests in, or obligations secured by, such

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Specified Assets will be issued. Certain of the Certificates may be sold by Finco to investors ("Investors") and/or pledged to secure loans or other extensions of credit made to Finco by lenders (the "Lenders"), all as further provided by the Transaction Documents (as defined below).

E. To induce Finco and the Trustee to enter into the Transaction Documents to which it is a party, to induce any Lenders to extend credit thereunder and to induce any Investors to purchase Certificates, the requisite parties to the Credit Agreement have authorized the Collateral Agent to execute and deliver this Agreement.

F. The execution and delivery of this Agreement is a condition precedent to the effectiveness of the Purchase Agreement, the Pooling and Servicing Agreement and the other Transaction Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows;

1. Definitions. (a) Capitalized terms not defined herein that are defined in Appendix A to the Pooling and Servicing Agreement shall for the purposes of this Agreement (including the recitals hereof) have the meanings ascribed to such terms in such Appendix A; provided that the term "Transaction

Documents" shall include all supplements to the Pooling and Servicing Agreement and all credit agreements and all other agreements pursuant to which loans or other extensions of credit evidenced or secured by Certificates are from time to time made.

(b) In addition, the following terms shall have the meanings specified below:

"Bank Collateral" means all property and interests in property (other than Specified Assets) now or hereafter acquired by any Operating Company in or upon which a security interest, lien or mortgage is granted by such Operating Company to the Collateral Agent under the Security Agreement or any other collateral document executed in connection with the Credit Agreement.

"Specified Assets" means the Purchased Receivables, the Contributed Receivables and the Related Assets, as more fully described in Section 1.1 of the Purchase Agreement.

2. Authorization. The Collateral Agent confirms that the terms of the Credit Agreement (i) authorize the Collateral Agent to execute, deliver and perform this Agreement, and (ii) provide for all of the parties to the Credit Agreement to be bound by this Agreement.

3. Release of Transferred Assets Collateral. The Collateral Agent hereby releases all liens and security interests of any kind whatsoever which the Collateral Agent (or any trustee or agent acting on its behalf) holds in Specified Assets, to the extent that such

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Specified Assets would otherwise constitute Bank Collateral. It is understood and agreed that the Collateral Agent shall have no rights to or in any such proceeds that are Specified Assets. The Collateral Agent agrees, upon the reasonable request of the Trustee, to execute and deliver to the Trustee such UCC partial release statements and other documents and instruments, and do such other acts and things, as the Trustee may reasonably request in order to evidence the release provided for in this Section 3; provided, however, that failure to execute and deliver any such partial release statements, documents or instruments, or to do such acts and things, shall not affect or impair the release provided for in this Section 3.

4. Separation of Collateral. (a) The Trustee hereby agrees promptly to return to Howmet (for the benefit of itself and the other Operating Companies) funds or other property other than Specified Assets (or proceeds thereof) which constitute Bank Collateral (or proceeds thereof); provided, that Howmet or the Collateral Agent shall have identified such Bank Collateral or proceeds in writing to the Trustee or an Authorized Officer of the Trustee otherwise has actual knowledge of the identity of such Bank Collateral or proceeds; and provided further that if the Collateral Agent shall so request in a written notice to the Trustee, the Trustee shall return such funds and property to the Collateral Agent instead of to Howmet. For purposes of maintaining the perfection of the Collateral Agent's lien thereon, the Collateral Agent hereby appoints the Trustee as its agent in respect of such funds or other property.

(b) The Collateral Agent hereby agrees to promptly return to the Trustee any funds or other property which constitute Specified Assets (or proceeds thereof), provided, that the Trustee shall have identified such Specified Assets or proceeds in writing to the Collateral Agent or an authorized officer of the Collateral Agent otherwise has actual knowledge of the identity of such Specified Assets or proceeds. For purposes of maintaining the perfection of the Trustee's interests therein, the Trustee hereby appoints the Collateral Agent as its agent with respect to such Specified Assets and proceeds.

(c) All payments made by an Obligor that is obligated to make payment with respect to both Specified Assets and other Receivables shall be applied against the specified Receivables, if any, that are designated by such Obligor. In the absence of such designation, such payment shall be applied against the oldest outstanding Receivables owed by such Obligor.

(d) Unless the Trustee and Collateral Agent agree otherwise, neither the Trustee nor the Collateral Agent shall send any notice to an Obligor directing it to remit payments in respect of any Receivable to any account other than the Lockbox Accounts or the Concentration Accounts.

(e) In the event that any of the Specified Assets (or proceeds thereof) become commingled with any Bank Collateral (or proceeds thereof), then the Collateral Agent and the Trustee shall, in good faith, cooperate with each other to separate the Specified Assets (and proceeds thereof) from such Bank Collateral (and proceeds thereof); provided, however,

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that in the case of any assets, if such separation is not possible, the parties

hereto agree to share the proceeds of such property proportionately according to the interests of the Collateral Agent and the Trustee therein; provided, further, that the out-of-pocket costs and expenses incurred by the parties hereto to effect such separation and/or sharing (including without limitation fees and expenses of auditors and attorneys) shall be shared by the parties hereto proportionately according to the benefit of such separation and/or sharing to the Collateral Agent and the Trustee (and the parties for which each of them acts) to the extent that such costs and expenses are not reimbursed or otherwise borne by the Operating Companies (it being understood that nothing in this Agreement shall limit the obligation of the Operating Companies to make such reimbursement or bear such costs and expenses in accordance with the terms of the Credit Agreement, the Security Agreement and the Transaction Documents); and provided, further, that this Section 4(e) shall not require any party to this Agreement to take any action which it believes, in good faith, may prejudice its ability to realize the value of, or to otherwise protect, its interests (and the interests of the parties for which it acts).

5. Additional Agreements with Seller Parties. The Collateral Agent agrees, represents and warrants, on behalf of itself and the other parties to the Credit Agreement (excluding the Operating Companies; the Collateral Agent and such parties being herein called the "Seller Parties") as follows:

(a) The Seller Parties shall not (i) challenge the transfers of Specified Assets from any Operating Company to Finco, whether on the grounds that such transfers were disguised financings or fraudulent conveyances or otherwise, so long as such transfers are carried out in all material respects in accordance with the Transaction Documents, or (ii) assert that any Operating Company and Finco should be substantively consolidated.

(b) Notwithstanding any prior termination of this Agreement, the Seller Parties shall not, with respect to Finco, institute or join any other Person in instituting a proceeding of the type referred in the definition of "Event of Bankruptcy", so long as any Security or any obligation to a Lender shall be outstanding or there shall not have lapsed one year plus one day since the last day on any such Security or obligation shall have been outstanding. The foregoing will not limit the rights of Seller Parties to file any claim or otherwise take any action with respect to any such insolvency proceedings that may be instituted against Finco by a Person other than a Seller Party.

(c) No Seller Party shall assign its rights or obligations under the Credit Agreement to any other Person unless such Person shall have agreed in writing to be bound by the terms of this Agreement as if it were a party hereto.

(d) Subject to any applicable restrictions in the Transaction Documents, the Trustee may (but shall not be required to) enter into one or more premises of any

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Operating Company, whether leased or owned, at any time during reasonable business hours, without force or process of law and without obligation to pay rent or compensation to such Operating Company, Finco or the Seller Parties and may use any equipment located thereon relating to Records and may have access and use of such Records and any other property to which such access and use are granted under the Transaction Documents, in each case provided that such uses are for the purposes of enforcing the Trustee's rights with respect to the Specified Assets.

6. Additional Agreements of Trustee. The Trustee agrees, represents and warrants as follows:

(a) The Trustee shall not (i) challenge the transfers of the Bank Collateral (other than Specified Assets) from any Operating Company to the Collateral Agent, whether on the grounds that such transfers were disguised financings or fraudulent conveyances or otherwise, so long as such transfers are carried out in all material respects in accordance with the Credit Agreement, the Security Agreement and related documents, or (ii) assert that any Operating Company and Finco should be substantively consolidated.

(b) The Trustee shall not assign its rights or obligations under the Transaction Documents to any other Person unless such Person shall have agreed in writing to be bound by the terms of this Agreement as if it were a party hereto.

(c) The Trustee does not have any security or other interest in any portion of the Bank Collateral (including, without limitation, Receivables) that do not constitute Specified Assets.

7. Reliance. Each of Finco, the Trustee, all lenders, all Investors and all Seller Parties may rely on this Agreement as if such Person were a party hereto. This Agreement shall remain in effect until the termination of the Trust in accordance with the terms of the Pooling Agreement.

8. Miscellaneous. (a) No delay upon the part of any party to this Agreement and the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any such party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No waiver, amendment or other modification, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and shall be signed by the Collateral Agent and the Trustee.

(b) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of one which so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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(c) This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of New York.

(d) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

(e) All notices and other communications for hereunder shall, unless otherwise stated herein, be in writing (including telecommunications and communications by facsimile copy) and mailed, transmitted or delivered, as to each party hereto at its address set forth under its name on the signature pages hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective upon receipt or (i) in the case of notice by mail, three business days after being deposited in the mails, postage prepaid, and (ii) in the case of notice by facsimile copy, upon the earlier to occur of (A) completion of transmission and telephone confirmation of receipt or (B) the recipient's close of business on the date of transmission.

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IN WITNESS WHEREOF, the Collateral Agent and the Trustee have caused this Agreement to be executed and delivered as of the day first above written.

THE FIRST NATIONAL BANK OF CHICAGO,
as Collateral Agent

By: /s/ David G. Dixon

Name David G. Dixon

Title: Authorized Agent

One First National Plaza
Chicago, Illinois 60670

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: /s/ illegible

Name: -----

Title: -----

One M&T Plaza
7th Floor
Buffalo, New York 14203

ACKNOWLEDGED AND AGREED:

BLADE RECEIVABLES CORPORATION

By: /s/ Roland Paul

Name: Roland Paul

Title: Vice President

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HOWMET CORPORATION

By: /s/ ROLAND PAUL

Name: Roland A. Paul

Title: Vice President

HOWMET CERCAST (U.S.A.), INC., as Seller

By: /s/ROLAND PAUL

Name: Roland A. Paul

Title: Vice President

HOWMET REFURBISHMENT, INC., as Seller

By: /s/ROLAND PAUL

Name: Roland A. Paul

Title: Vice President

HOWMET-TEMPCRAFT, INC., as Seller

By: /s/ ROLAND PAUL

Name: Roland A. Paul

Title: Vice President

TURBINE COMPONENTS CORPORATION, as Seller

By: /s/ ROLAND PAUL

Name: Roland A. Paul

Title: Vice President

EXHIBIT 21
SUBSIDIARIES

	State or Country of Incorporation

Howmet Cercast (Canada), Inc.	Canada
Howmet Cercast (U.S.A.), Inc.	Delaware
Howmet Ltd.	United Kingdom
Howmet Refurbishment Inc.	Delaware
Howmet S.A.	France
Howmet Tempcraft, Inc.	Ohio

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THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEETS AND THE STATEMENTS OF OPERATIONS AS REPORTED IN THE FORM 10K FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10K.

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EXHIBIT 99.1

CAUTIONARY STATEMENT FOR PURPOSES OF THE SAFE
HARBOR PROVISIONS OF THE PRIVATE SECURITIES
LITIGATION REFORM ACT OF 1995

The Company wishes to inform its investors of the following important factors that in some cases have affected, and in the future could affect, the Company's results of operations and that could cause such future results of operations to differ materially from those expressed in any forward looking statements made by or on behalf of the Company. Disclosure of these factors is intended to permit the Company to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Many of these factors have been discussed in prior SEC filings by the Company.

Although the Company has attempted to list comprehensively these important cautionary factors, the Company wishes to caution investors that other factors may in the future prove to be important in affecting the Company's results of operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Limitations and Risks due to Substantial Leverage and Debt Service

The Company incurred significant indebtedness in connection with the acquisition by Blade Acquisition Corp. ("Blade") of the Company's parent company and the Cercast group of companies from affiliates of Pechiney S.A. on December 13, 1995 (the "Acquisition") and amended and restated on December 5, 1996. At December 31, 1996 the Company's consolidated total indebtedness and total stockholders' equity was \$323.0 million and \$304.5 million respectively. The Company's indebtedness (the "Senior Indebtedness") under senior credit facilities provided by the Credit Agreement dated December 13, 1995 and amended and restated on December 5, 1996 among Blade, Howmet Holdings Acquisition Corp. ("HHAC"), Howmet Acquisition Corp., The First National Bank of Chicago as Administrative Agent and one of the Managing Agents, and other banks (the "Senior Credit Facilities") is secured by guarantees of the Company's domestic subsidiaries and by Blade and Howmet Holdings Corporation ("Holdings"), and the stock of Holdings and the Company is pledged to secure the Blade and Holdings guarantees, respectively. In addition, upon consummation of the Acquisition, the Company entered into the receivables financing program (the "Receivables Facility") now covered by the Amended and Restated Receivables Purchase Agreement dated as of April 18, 1996 between the Company, certain of its subsidiaries and Blade Receivables Corporation (the "Receivables Subsidiary") and the related Blade Receivables Master Trust Amended and Restated Pooling and Services Agreement dated as of April 18, 1996 among the Receivables Subsidiary, the Company, and Manufacturers and Traders Trust Company, as Trustee, pursuant to which the Company sold certain accounts receivable to a special purpose trust for aggregate cash proceeds of \$51.4 million. The Company intends to continue

sales of eligible accounts receivable. The Indenture dated as of December 7, 1995 between Howmet Acquisition Corp. and Marine Midland Bank, as Trustee (the "Indenture") under which the Company's 10% Senior Subordinated Notes due 2003 (the "Notes") were issued, does not contain significant restrictions on the Company's ability to sell its accounts receivable pursuant to the facility or with respect to the use of proceeds thereof. The Company's ability to make any scheduled payments of the principal of, or interest on the Notes, or to refinance its indebtedness, depends on its future performance, which to some extent is subject to economic, financial, competitive and other factors beyond its control, and there can be no assurance that the foregoing payments will be made. If the Company cannot generate sufficient cash flow from operations in the future to service its debt and make necessary capital expenditures, the Company may be required to refinance all or a portion of its existing debt,

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including the Notes, to sell assets or to obtain additional financing. There can be no assurance that any such refinancing or refinancing of the Senior Credit Facilities at maturity would be possible, on reasonable terms if at all, or that any such sales of assets or additional financing could be achieved.

The Company's high level of debt will have several important effects on its future operations, including the following: (a) the Company will have significant cash requirements to service debt, reducing funds available for operations, for capital expenditures and research and development (which are important factors in the Company's technological leadership role), and for acquisitions and future business opportunities, thus possibly increasing the Company's vulnerability to adverse general economic and industry conditions, which could be exacerbated by the cyclical nature of a portion of the Company's business (see "Effects of Aerospace Industry Economic Conditions and Cyclicity," below) and greater capital resources of its principal competitor after giving effect to the Acquisition, and (b) the financial covenants and other restrictions contained in the Senior Credit Facilities and other agreements relating to the Senior Indebtedness and the Indenture will require the Company to meet certain financial tests and will restrict its ability to borrow additional funds, to dispose of assets or to pay cash dividends.

Effects of Aerospace Industry Economic Conditions and Cyclicity

The commercial aerospace industry is a cyclical business, and the demand by commercial airlines for new aircraft historically has been highly related to the stability and health of the United States and world economies. Aircraft delivery trends vary in direct relation to the general economic cycle, with an approximate two year lag. Aircraft are delivered when completed, regardless of economic conditions at that time, because substantial deposits are required at the time of the orders. The United States airline industry as a whole has reported a return to profitability in 1995 and 1996 and excess capacity has been reduced after several years of operating losses in the early 1990s. There can be

no assurance that the improved operating performance of the commercial airlines will continue or that deliveries of engines for large commercial aircraft will not decline in the future. Any developments in the commercial aerospace market resulting in a reduction in the rate of aircraft engine deliveries in the future, including future cancellations and deferrals of scheduled deliveries, could materially adversely affect the Company's financial condition and results of operations.

Reduced Government Sales

Military and defense contractor sales in the United States comprised approximately 14% of the Company's 1996 sales. United States defense spending in markets served by the Company has been declining since the 1980s, and continued reductions in defense budgets or military aircraft procurement could adversely affect the Company's financial condition and results of operations.

Concentrated Customer Base; Competition

A substantial portion of the Company's business is conducted with a small number of large aerospace and industrial gas turbine customers, including General Electric Aircraft Engines ("GEAE"), General Electric Power Systems ("GEPS") and Pratt & Whitney Aircraft Division of United Technologies Corporation ("PWA"). The current three year contract with PWA is scheduled to expire in 1997 consistent with industry practice regarding contract lifecycles. The Company's top ten customers accounted in the aggregate for approximately 62% of 1996 net sales. More than half of Howmet's business is based on multi-year contracts with its customers, usually for a three-year period, that generally give the Company the right and obligation to fill a

specified percentage of the customer's requirements but generally do not provide the Company with any minimum order commitments. The Company typically renegotiates these contracts during the last year of the contract period and, during the process, customers frequently solicit bids from the Company's competitors, principally from its strongest competitor, Precision Castparts Corp. ("PCC"). Most of the contracts require specified price reductions over the term of the contract based on lower production costs as programs mature, shared benefits from other cost reductions resulting from joint production decisions, and negotiated reductions. The Company has made price concessions to customers in recent years, and management expects customer pressure for such pricing concessions to continue.

One of Howmet's largest customers, GEPS, in connection with its corporate-level policy decision to reduce sole sourcing, has exercised its right to terminate its long-term sole source contract with Howmet effective in

February 1997, and has placed orders for certain components with the Company's principal competitor, PCC.

The Company's financial condition and results of operations could be materially adversely affected if one or more of the Company's key customers shifted a material amount of its work from the Company. In addition, the Company could also be materially adversely affected by any substantial work stoppage or interruption of production at any of its major customers or at any of the major aircraft manufacturers, and could be materially adversely affected if one or more key customers reduce or cease conducting operations. Furthermore, competition is based to a significant extent on technological capabilities and innovations, and there can be no assurance that one or more of the Company's competitors will not develop products and/or processes that would give them competitive advantages in the Company's markets.

Concentration of Ownership

The Carlyle Group ("Carlyle") and Thiokol Corporation ("Thiokol") through affiliates, have beneficial ownership of 51% and 49%, respectively, of the voting capital stock of Blade. Pursuant to a stockholders agreement (the "Stockholders Agreement"), Blade has a board of directors consisting of seven members, and Carlyle and Thiokol each appoint three directors to the board. Under the Stockholders Agreement, Blade and its subsidiaries, including the Company, may not take certain actions, including, but not limited to, certain mergers, sale transactions, transactions with affiliates, issuances of capital stock, incurrence of debt, and payments of dividends on or repurchases of capital stock, without the approval of a supermajority of the board of directors. The Stockholders Agreement provides that Thiokol may purchase all of Carlyle's interest in Blade, during the period from the third anniversary through the sixth anniversary after the closing of the Acquisition on December 13, 1995 (the "Closing Date"). Thiokol has publicly indicated that, subject to favorable financial and operating performance by the Company and favorable conditions in the financial markets, it expects to exercise its option to acquire Carlyle's interest in Blade and, thereafter, to cause the Company to redeem the Notes. As a result of the ownership structure of Blade and the contractual rights described above, the voting and management control of Blade, which indirectly controls the Company, is highly concentrated. Carlyle, acting with the consent of Thiokol, has the ability to direct the actions of Blade with respect to matters such as the payment of dividends, material acquisitions, dispositions and certain other corporate transactions. Thiokol and Carlyle are in a position to exercise control over Blade and ultimately over the Company, to determine the outcome of all matters required to be submitted to stockholders for approval, and to otherwise direct and control the operations of Blade and, indirectly, the Company. Carlyle and Thiokol are also parties to management agreements with the Company, pursuant to which Carlyle and Thiokol render certain management and advisory services to the Company and receive fees for such services. Carlyle and Thiokol also received certain fees in connection with the consummation of the Acquisition.

Environmental Matters

The Company is subject to comprehensive and changing international, federal, state and local laws, regulations and ordinances that (i) govern activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as handling and disposal practices for solid and hazardous wastes, and (ii) impose liability for the costs of cleaning up, and certain damages resulting from, sites of past spills, disposals or other releases of hazardous substances and materials (together, "Environmental Laws"). Management believes that the Company's current operations are in substantial compliance with such Environmental Laws. However, due to the nature of the Company's operations, the Company is involved from time to time in legal proceedings involving remediation of environmental contamination from past or present operations, as well as compliance with environmental requirements applicable to ongoing operations. There can be no assurance that material costs, liabilities, or penalties will not be incurred in connection with any such proceedings or claims or to meet such compliance requirements or in connection with currently unknown environmental liabilities.

The Company's facilities have made, and will continue to make, expenditures to comply with current and future environmental laws. The Company anticipates that it will incur additional capital and operating costs in the future to comply with existing environmental laws and new requirements arising from new or amended statutes and regulations. Because the applicable regulatory agencies have not yet promulgated final standards for some existing environmental programs, the Company cannot at this time reasonably estimate the cost for compliance with these additional requirements. The amount of any such compliance costs could be material.

The Company is subject to liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (the federal "Superfund" statute), and similar state statutes for investigation and remediation of environmental contamination at properties owned and/or operated by it and at off-site locations where it has arranged for the disposal of hazardous substances. Liability under CERCLA is, in most cases, joint and several, meaning that any responsible party could be held liable for all costs necessary for investigating and remediating a release or threatened release of hazardous substances. As a practical matter, liability at most CERCLA (and similar) sites is shared among all the solvent Potentially Responsible Parties ("PRPs"). The most relevant factors in determining the probable liability of a PRP at a CERCLA site usually are the cost of the investigation and remediation, the relative amount of hazardous substances contributed by the PRP to the site, and the number of solvent PRPs. The Company has been or may be named a PRP under CERCLA and similar state statutes at fourteen present or former on-site and off-site locations. The Company also is currently addressing environmental issues at five European sites, as is discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operation."

The Company has received recent test results indicating levels of polychlorinated biphenyls ("PCB's") at its Dover, New Jersey facility which will require remediation. These levels have been reported to the New Jersey Department of Environmental Protection ("NJDEP"). The Company is preparing a work plan to define the risk and to test possible clean-up options. The statement of work must be approved by the NJDEP pursuant to an Administrative Consent Order entered into between the Company and NJDEP on May 20, 1991 regarding clean-up of the site. Various remedies are possible and could involve expenditures ranging from \$2 million to \$22 million or more. The Company has recorded a \$2 million long-term liability as of December 31, 1996 for this matter. Given the uncertainties, it is possible that the estimated range of this cost and the amount accrued will change in the near future. The indemnification discussed below applies to the costs associated with this matter.

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In addition, in connection with the Acquisition, Pechiney International and Pechiney S.A. are required to indemnify Blade for environmental liabilities and obligations stemming from events occurring or conditions existing prior to the closing of the Acquisition to the extent such liabilities exceed the Company's reserves of \$6.0 million at June 30, 1995. Blade assigned its rights to the Company with respect to any such indemnification upon consummation of the Acquisition. The Company has recorded a long-term receivable of approximately \$2 million related to this indemnification. There can be no assurance, however, that, Pechiney International and Pechiney S.A. will indemnify the Company for all such environmental matters set forth above when demanded by the Company. If Pechiney International and Pechiney S.A. do not honor their indemnification obligations, the Company likely would be responsible for such matters.

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