SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

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

For the quarter ended June 30, 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 1-10235

IDEX Corporation
(Exact name of registrant as specified in its charter)

Delaware	36-3555336
State or other jurisdiction of Incorporation or Organization	(I.R.S. Employer Identification No.)
630 Dundee Road Northbrook, Illinois	60062
(Address of principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (847) 498-7070

Former name, former address and former fiscal year, if changes since last report.

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 X No

Number of shares of common stock of IDEX Corporation ("IDEX" or the "Company") outstanding as of August 12, 1996: 19,267,471 shares.

Documents Incorporated by Reference: None.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	JUNE 30, 1996 (UNAUDITED)	DECEMBER 31 1995
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,766	$ 5,937
Receivables - net	70,540	70,338
Inventories	93,864	101,052
Deferred taxes	6,944	7,045
Other current assets	2,038	1,527
Total current assets	180,152	185,899
Property, plant and equipment - net	90,077	91,278
Intangible assets - net	180,029	184,217
Other non-current assets	4,773	4,728
Total assets	$ 455,031	$ 466,122
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 32,331	$ 36,846
Dividends payable	3,069	3,061
Accrued expenses	37,355	42,901
Total current liabilities	72,755	82,808
Long-term debt	185,650	206,184
Other non-current liabilities	25,407	26,185
Total liabilities	283,812	315,177
Shareholders' equity		
Common stock, par value $.01 per share;		
Shares authorized:		
1996: 75,000,000		
1995: 50,000,000		
Shares issued and outstanding:		
1996: 19,183,661		
1995: 19,130,284	192	191
Additional paid-in capital	86,976	86,118
Retained earnings	86,472	67,729
Accumulated translation adjustment	(2,421)	(3,093)
Total shareholders' equity	171,219	150,945
Total liabilities and shareholders' equity	$ 455,031	$ 466,122

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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

For the Second Quarter Ended June 30,	1996	1995
	(UNAUDITED)	
Net sales	$ 131,169	$ 127,203
Cost of sales	80,116	78,030
Gross profit	51,053	49,173
Selling, general and administrative expenses	26,084	24,976
Goodwill amortization	1,232	1,050
Income from operations	23,737	23,147
Other income (expense) - net	(96)	41
Income before interest expense and income taxes	23,641	23,188
Interest expense	4,066	3,941
Income before income taxes	19,575	19,247
Provision for income taxes	6,913	6,928
Net income	$ 12,662	$ 12,319
Earnings per common share	$ .64	$ .63
Weighted average common shares outstanding	19,823	19,701

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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

For the Six Months Ended June 30,	1996	1995
	(UNAUDITED)	
Net sales	$ 265,055	$ 243,783
Cost of sales	162,338	149,537
Gross profit	102,717	94,246
Selling, general and administrative expenses	53,100	48,615
Goodwill amortization	2,464	2,010
Income from operations	47,153	43,621
Other income (expense) - net	(53)	50
Income before interest expense and income taxes	47,100	43,671
Interest expense	8,291	7,607
Income before income taxes	38,809	36,064
Provision for income taxes	13,933	12,983
Net income	$ 24,876	$ 23,081
Earnings per common share	$ 1.26	$ 1.17
Weighted average common shares outstanding	19,804	19,652

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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY
Balance: December 31, 1995	$ 86,309	$ 67,729	$ (3,093)	$ 150,945
Stock options exercised	859			859
Unrealized translation adjustment			672	672
Cash dividends on common stock ($.32 per share)		(6,133)		(6,133)
Net income		24,876		24,876
Balance: June 30, 1996 (unaudited)	$ 87,168	$ 86,472	$ (2,421)	$ 171,219

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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
(IN THOUSANDS)

For the Six Months Ended June 30,	1996	1995
	(UNAUDITED)	
Cash Flows From Operating Activities:		
Net income	$ 24,876	$ 23,081
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation	6,865	5,681
Amortization of intangibles	3,371	2,537
Amortization of debt issuance expenses	312	312
Deferred income taxes	587	150
Increase in receivables	(202)	(8,443)
(Increase) decrease in inventories	7,188	(8,114)
Increase (decrease) in trade accounts payable	(4,515)	1,386
Increase (decrease) in accrued expenses	(5,546)	2,016
Other transactions - net	957	274
Net cash flows from operating activities	33,893	18,880
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(6,405)	(5,539)
Acquisition of business (net of cash required)		(32,905)
Net cash flows from investing activities	(6,405)	(38,444)
Cash Flows From Financing Activities:		
Dividends paid	(6,125)	(5,348)
Net borrowings (repayments) of long-term debt	(20,138)	21,500
Decrease in accrued interest	(396)	(21)
Net cash flows from financing activities	(26,659)	16,131
Net increase (decrease) in cash	829	(3,433)
Cash and cash equivalents at beginning of period	5,937	6,288
Cash and cash equivalents at end of period	$ 6,766	$ 2,855

Supplemental Disclosure of Cash Flow Information

Cash paid during the period for:		
Interest	$ 8,254	$ 7,192
Taxes (including foreign)	13,354	10,913

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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Acquisition

Pursuant to the requirements of the Securities and Exchange Commission, the January 22, 1988 acquisition of the initial six businesses comprising IDEX Corporation ("IDEX" or the "Company") was not accounted for as a purchase transaction. Consequently, the accounting for the acquisition does not reflect any adjustment of the carrying value of the assets and liabilities to their fair values at the time of the acquisition. Accordingly, the total shareholders' equity of IDEX at June 30, 1996 and December 31, 1995 includes a charge of $96.5 million which represents the excess of the purchase price over the book value of the subsidiaries purchased at the date of the acquisition.

2. (a) Significant Accounting Policies

In the opinion of management, the unaudited information presented as of June 30, 1996 and for the three and six months ended June 30, 1996 and 1995 reflects all adjustments necessary, which consist only of normal recurring adjustments, for a fair presentation of the interim periods.

(b) Earnings Per Share

Earnings per share is computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Common stock equivalents, in the form of stock options, have been included in the calculation of weighted average shares outstanding using the treasury stock method.

3. Inventories

The components of inventories as of June 30, 1996 and December 31, 1995 were (000's omitted):

	June 30, 1996 (unaudited)	December 31, 1995
Inventories		
Raw materials and supplies	$ 12,807	$ 13,978
Work in process	13,311	15,434
Finished goods	67,746	71,640
Totals	$ 93,864	$101,052

Those inventories which were carried on a LIFO basis amounted to $55,418 and $57,409 at June 30, 1996 and December 31, 1995, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

4. Common and Preferred Stock

The Company had five million shares of preferred stock authorized but unissued at June 30, 1996 and December 31, 1995.

5. Subsequent Events

On July 17, 1996, IDEX entered into a multi-currency Third Amended and Restated Credit Agreement ("Amended U.S. Credit Agreement") increasing the maximum availability to $250 million along with making certain adjustments to the interest rate structure. The availability under the Amended U.S. Credit Agreement declines in stages commencing July 1, 1999 to $200 million on July 1, 2000. Any amount outstanding at July 1, 2001 becomes due at that date. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate, or at LIBOR plus an applicable margin.

On July 29, 1996, IDEX purchased certain assets and assumed certain liabilities of Fluid Management L.P. for approximately $137 million. The purchase price was financed through a borrowing of $135 million under the Amended U.S. Credit Agreement and the issuance of 75,700 shares of IDEX Common Stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Historical Overview and Outlook

IDEX sells a broad range of proprietary fluid handling and industrial products to a diverse customer base in the U.S. and, to an increasing extent, internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where its products are sold and by the relationship of the dollar to other currencies. Among the factors that affect the demand for IDEX's products are interest rates, levels of capital spending in certain industries, and overall industrial growth.

IDEX has a history of strong operating margins. The Company's operating margins are affected by, among other things, utilization of facilities as sales volumes change, and inclusion of newly acquired businesses which may have lower margins that could be further affected by purchase accounting adjustments.

IDEX's orders, sales, net income and earnings per share in the second quarter of 1996 were the highest of any second quarter in its history. Business conditions have shown more modest growth this year than in the first half of 1995. Incoming orders in the 1996 second quarter increased 6% over the same quarter of 1995, which was IDEX's previous record second quarter. Sales in the second quarter of 1996 increased 3% over the same quarter of last year, as sales in the core businesses decreased 5%, while the inclusion of Micropump (acquired May 1995) and Lukas (acquired October 1995) added 8% to the volume increase. Shipments in the quarter outpaced incoming orders by $2.9 million, and backlogs declined accordingly, but remain at IDEX's typical operating level of about 1.4 months' sales. This low level of backlog allows IDEX to provide excellent customer service, but also means that changes in orders are felt quickly in operating results.

Clearly, growth in the U.S. and Europe is more sluggish this year than last. Nevertheless, with the Company's strong market position, new product emphasis, international presence, and the integration of recent acquisitions, including the Fluid Management acquisition, IDEX's prospects are quite good. The second quarter provided a difficult comparison with the prior year because of IDEX's all-time record earnings in the three months ended June 30, 1995, following a surge in orders across the company. Based on current conditions and barring unforeseen circumstances, IDEX expects operating results in each of the third and fourth quarters will improve from those of the same quarters last year, and the Company will again set new records in sales, net income, and earnings per share in 1996.

Cautionary Statement Under the Private Securities Litigation Reform Act

Demand for the company's products is cyclical in nature and subject to changes in general market conditions that affect demand. The Company's customers operate primarily in industries that are affected by changes in economic conditions, which in turn can affect orders. The Company operates without significant order backlogs. As a result, economic slowdowns could quickly have an adverse effect on the Company's performance. In addition, the Company's operating forecasts and budgets are based upon detailed assumptions, which it believes are reasonable, but inherent difficulties in predicting the impact of certain factors may cause actual results to differ materially from the forward-looking statements set forth above. These factors include, but are not limited to the following: The Company's utilization of its capacity and the impact of capacity utilization on costs; developments with respect to contingencies such as environmental matters and litigation; labor market conditions and raw materials costs; levels of industrial activity and economic conditions in the U.S. and other countries around the world and levels of capital spending in certain industries, all of which have a material influence on order rates: the relationship of the dollar to other currencies; interest rates; the Company's ability to integrate and operate acquired businesses on a profitable basis; and, other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(000'S OMITTED)

For the Second Quarter Ended June 30,	1996	1995
	(UNAUDITED)	
Fluid Handling Group (1)		
Net sales	$ 96,513	$ 91,426
Income from operations	20,580	19,761
Operating margin	21.3%	21.6%
Depreciation and amortization	$ 4,179	$ 3,423
Capital expenditures	2,468	2,258
Industrial Products Group (1)		
Net sales	$ 34,712	$ 35,870
Income from operations	5,143	5,822
Operating margin	14.8%	16.2%
Depreciation and amortization	829	$ 722
Capital expenditures	$ 1,248	1,024
Company		
Net sales	$131,169	$127,203
Income from operations	23,737	23,147
Operating margin	18.1%	18.2%
Depreciation and amortization (2)	$ 5,046	$ 4,160
Capital expenditures	3,716	3,283

(1) Group income from operations excludes net unallocated corporate operating expenses.

(2) Excludes amortization of debt issuance expenses.

COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(000'S OMITTED)

For the Six Months Ended June 30,	1996	1995
		(UNAUDITED)
Fluid Handling Group (1)		
Net sales	$193,130	$172,953
Income from operations	40,373	36,668
Operating margin	20.9%	21.2%
Depreciation and amortization	$ 8,482	6,625
Capital expenditures	3,798	3,599
Industrial Products Group (1)		
Net sales	$ 72,040	$ 71,030
Income from operations	11,023	11,712
Operating margin	15.3%	16.5%
Depreciation and amortization	$ 1,680	$ 1,563
Capital expenditures	2,588	1,919
Company		
Net sales	$265,055	$243,783
Income from operations	47,153	43,621
Operating margin	17.8%	17.9%
Depreciation and amortization (2)	$ 10,236	$ 8,218
Capital expenditures	6,405	5,539

(1) Group income from operations excludes net unallocated corporate operating expenses.

(2) Excludes amortization of debt issuance expenses.

Results of Operations

For purposes of this discussion and analysis section, reference is made to the tables on the preceding pages 8 and 9 and the Company's Statements of Consolidated Operations included in the Financial Statement section. IDEX consists of two business segments: Fluid Handling and Industrial Products.

Performance in the Second Quarter Ended June 30, 1996 Compared to 1995

Sales in the second quarter of 1996 were $131.2 million, and increased by 3 percent over $127.2 million in the corresponding period of 1995.

Fluid Handling Group sales of $96.5 million in the three months ended June 30, 1996 increased by $5.1 million, or 6% over the same period in 1995, due to the inclusion of recent acquisitions, Micropump (May, 1995) and Lukas (October, 1995). Sales outside the U.S. increased to 38% of total Fluid Handling Group sales in the second quarter of 1996 from 33% in the comparable 1995 period due to the inclusion of Lukas, based in Germany, and the U.K. - based operations of Micropump.

Second quarter 1996 sales in the Industrial Products Group of $34.7 million decreased $1.2 million, or 3%, from the same quarter of last year due to lower worldwide demand for higher-ticket capital goods, particularly metal fabrication equipment. Shipments outside the U.S. were 39% of total sales in the Industrial Products Group in the second quarter of 1996, down from 42% in the comparable 1995 period.

Income from operations increased $.6 million or 3% to $23.7 million in the three months ended June 30, 1996 from $23.1 million in 1995's second quarter. Second quarter 1996 operating margins of 18.1% were just about the same as the 18.2% recorded in last year's record second quarter. In the Fluid Handling Group, income from operations of $20.6 million and operating margin of 21.3% in the three-month 1996 period compare to the $19.8 million and 21.6% recorded in 1995. The slight operating margin decline resulted from the inclusion of recent acquisitions whose operating margins, as expected, were somewhat lower than the other units in the Group and whose profits were further affected by purchase accounting adjustments. Income from operations in the Industrial Products Group of $5.1 million in the second quarter of 1996 declined $.7 million from the $5.8 million in 1995. Operating margin of 14.8% in the 1996 second quarter decreased from the 16.2% achieved in 1995 due primarily to volume-related profit declines associated with lower sales of metal fabrication equipment.

Interest expense increased to $4.1 million in the second quarter of 1996 from $3.9 million in the 1995 period because of additional borrowings under the credit agreements for the acquisitions of Micropump and Lukas.

The provision for income taxes remained the same at $6.9 million in the three months ended June 30, 1996 and 1995. The effective tax rate decreased to 35.3% in the 1996 period from 36.0% in the corresponding period of 1995.

Net income of $12.7 million in the second quarter of 1996 was 3% higher than the net income of $12.3 million in same period of 1995. Record earnings per share of 64 cents in this year's second quarter improved 2% from the 63 cents earned in the same quarter of last year, which was the previous all-time high for any quarter in IDEX's history.

Performance in the Six Months Ended June 30, 1996 Compared to 1995

In the six months ended June 30, 1996, IDEX had record sales of $265.1 million, up 9% from last year's previous record of $243.8 million. Overall growth was dampened by those businesses that produce or sell to manufacturers of higher-ticket capital goods. Specifically, Strippit, which produces metal fabrication equipment; Vibratech, which serves the heavy-duty truck engine market; and Lubriquip, which makes centralized lubrication systems for machinery, have experienced sales declines this year. On an overall basis, sales in the base businesses were essentially flat with last year, with acquisitions accounting for the volume increases. International sales accounted for 38% of the total in the 1996 first half, up from 35% last year. Incoming orders in the first six months totaled $261.9 million, almost equivalent to sales, and backlogs at June 30 were at a typical 1.4 months' sales.

Fluid Handling Group sales of $193.1 million increased $20.2 million, or 12%, due to the inclusion of the recently acquired Micropump and Lukas operations. Sales outside the U.S. increased to 38% of total Fluid Handling Group sales in the first six months of 1996 from 32% in the comparable 1995 period due to the inclusion of Lukas, based in Germany, the U.K. - based operations of Micropump, and stronger worldwide demand for products of the Group's core businesses.

First half 1996 sales in the Industrial Products Group of $72.0 million increased $1.0 million, or 1%, over the same period of last year due to higher customer demand for banding and clamping devices and sign mounting systems, offset by lower worldwide shipments of metal fabrication equipment. Shipments outside the U.S. were 38% of total sales in the Industrial Products Group in the six-month 1996 period, down slightly from 39% in the comparable 1995 period.

Income from operations increased $3.5 million or 8% to $47.2 million in the six months ended June 30, 1996 from $43.6 million in 1995's first half. Six-month 1996 operating margins of 17.8% were just about the same as the 17.9% posted in last year's record first six months. In the Fluid Handling Group, income from operations of $40.4 million and operating margin of 20.9 % in the first six months of 1996 compare to the $36.7 million and 21.2% recorded in 1995. The slight operating margin decline resulted from the inclusion of recent acquisitions whose operating margins, as expected, were somewhat lower than the other units in the Group and whose profits were further affected by purchase accounting adjustments. Income from operations in the Industrial Products Group of $11.0 million in the six-month 1996 period was down $.7 million from the $11.7 million in 1995. Operating margin of 15.3% in the 1996 first half decreased from the 16.5% achieved in 1995 because of volume-related profit declines at the Company's Strippit operations.

Interest expense increased to $8.3 million in the first half of 1996 from $7.6 million in the 1995 period because of additional borrowings under the credit agreements for the acquisitions of Micropump and Lukas.

The provision for income taxes increased to $13.9 million in the six months ended June 30, 1996 from $13.0 million in the comparable 1995 period. The effective tax rate decreased slightly to 35.9% in 1996 from 36.0% in 1995.

Record net income of $24.9 million in the first six months of 1996 was 8% higher than the net income of $23.1 million in the same period of 1995. Earnings per share amounted to $1.26 in 1996's first half, a new all-time high, which was 8% higher than the $1.17 recorded in the year-ago period.

Liquidity and Capital Resources

At June 30, 1996, IDEX's working capital was $107.4 million and its current ratio was 2.5 to 1. Internally generated funds were adequate to fund capital expenditures of $6.4 million and $5.5 million, and dividends on common stock of $6.1 million and $5.3 million, for the six months ended June 30, 1996 and 1995, respectively. The capital expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term. During the six months ended June 30, 1996 and 1995, depreciation and amortization expense, excluding amortization of debt issuance expenses, was $10.2 million and $8.2 million, respectively.

At June 30, 1996, the maximum amount available under the U.S. Credit Agreement was $150 million, of which $75 million was being used. On July 17, 1996, IDEX entered into an Amended U.S. Credit Agreement increasing the maximum amount available to $250 million along with making certain adjustments to the interest rate structure. The availability under the Amended U.S. Credit Agreement declines in stages commencing July 1, 1999 to $200 million on July 1, 2000. Any amount outstanding at July 1, 2001 becomes due at that date. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate, or at LIBOR plus an applicable margin. At June 30, 1996, that applicable margin was 35 basis points. In addition, a facility fee is payable quarterly on the entire $250 million available under the Amended U.S. Credit Agreement. At June 30, 1996, the applicable facility fee percentage was 15 basis points.

The maximum amount available at June 30, 1996 under the Company's German Credit Agreement was DM 52.5 million ($34.5 million), of which DM 50.0 million ($32.8 million) was being used. The availability under the Company's German Credit Agreement declines in stages from DM 52.5 million to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001 becomes due at that date. Interest is payable quarterly on the outstanding balance at LIBOR plus 100 basis points.

IDEX believes it will generate sufficient cash flow from operations to meet its operating requirements, interest and scheduled amortization payments under both the Amended U.S. Credit Agreement and the German Credit Agreement, interest and principal payments on the Senior Subordinated Notes, approximately $14 million of planned capital expenditures and $12 million of annual dividend payments to holders of common stock in 1996. From commencement of operations in January 1988 until June 30, 1996, IDEX has borrowed $277 million under the credit agreements to complete nine acquisitions. During this same period, IDEX generated, principally from operations, cash flow of $259 million to reduce its indebtedness. In the event that suitable businesses or assets are available for acquisition by IDEX upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

On July 29, 1996 IDEX acquired Fluid Management, a Wheeling, Illinois-based manufacturer of color formulation equipment for paints, coatings, inks and dyes for approximately $137 million. Fluid Management, which also has operations in the Netherlands, Germany and Australia, is the world's leading producer of this type of equipment, with annual sales of approximately $90 million. The acquisition was accounted for using the purchase method of accounting and was financed through a $135 million borrowing under the Amended U.S. Credit Agreement and the issuance of 75,700 shares of IDEX common stock.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings. None.

Item 2. Changes in Securities. Not Applicable.

Item 3. Defaults upon Senior Securities. None.

Item 4. Submission of Matters to a Vote of Security Holders. None.

Item 5. Other Information.

On July 29, 1996, IDEX Corporation ("IDEX"), through its newly formed subsidiary Fluid Management, Inc. ("FM"), a Delaware Corporation, purchased certain assets and assumed certain liabilities of Fluid Management Limited Partnership ("FMLP") and certain related entities for approximately $137 million. The purchase price, arrived at through arms-length negotiations between IDEX and the partners of FMLP, is subject to an adjustment equal to the difference between certain targets provided in the contract and the amounts at closing. The purchase price was financed through a $135 million borrowing under IDEX's amended U.S. bank revolving credit facility with Bank of America Illinois as agent for the participating banks, and through the issuance of 75,700 shares of IDEX common stock.

The assets acquired from FMLP include trade accounts receivable, inventory, machinery and equipment comprising substantially all of FMLP's assets used in its business of manufacturing color formulation equipment for paints, coatings, inks, colorants and dyes. IDEX intends to operate the acquired assets in the same business in which FMLP operated.

It is impracticable, at this time, to provide the required financial statements and pro forma information for FM. Therefore, the required financial statements and pro forma information has not been included in this form 10-Q report. The required financial statements and pro forma financial information will be filed under cover of a report on Form 8K within 60 days.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.

(b) Reports on Form 8-K

There have been no reports on Form 8-K filed during the quarter for which this report is filed.

SIGNATURES

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

IDEX CORPORATION

August 12, 1996

/s/Wayne P. Sayatovic
Wayne P. Sayatovic
Senior Vice President -
Finance, Chief Financial
Officer and Secretary
(Duly Authorized and Principal
Financial Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE
*2.1	Asset Purchase Agreement dated July 26, 1996 between IDEX and Fluid Management Limited Partnership, Fluid Management U.S., L.L.C., Fluid Management Service, Inc., Fluid Management Canada, L.L.C., Fluid Management France SNC, FM International, Inc., Fluid Management Europe B.V. A copy of the omitted schedules will be furnished to the Commission upon request.	
3.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (formerly HI, Inc.), as amended (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
3.2	Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on February 12, 1990).	
4.1	Restated Certificate of Incorporation and By-Laws of IDEX (filed as Exhibits 3.1 through 3.2(a)).	
4.2	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and The Connecticut National Bank, as Trustee, relating to the 9-3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
4.2(a)	First Supplemental Indenture dated as of December 22, 1995 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut (formerly known as The Connecticut National Bank), a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).	
*4.2(b)	Second Supplemental Indenture dated as of July 29, 1996 among IDEX and the Subsidiaries named therein and Fleet National Bank (formerly known as Fleet National Bank Connecticut), a national banking association, as trustee.	
4.3	Specimen Senior Subordinated Note of IDEX (including specimen Guarantee) (incorporated by reference to Exhibit No. 4.3 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
4.4	Specimen Certificate of Common Stock (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
*4.5	Third Amended and Restated Credit Agreement dated as of July 17, 1996 among IDEX, Bank of America Illinois, as Agent, and other financial institutions named therein.	

Exhibit Number	Description	Page
*4.6	Amended and Restated Pledge Agreement dated as of July 17, 1996 by IDEX in favor of the Agent and Banks.	
*4.6(a)	Supplement No. 1 to the Amended and Restated Pledge Agreement dated as of August 5, 1996 by IDEX in favor of the Agent and Banks.	
*4.7	Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996 by the Subsidiaries named therein in favor of the Agent and Banks.	
*4.7(a)	Supplement No. 1 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996 by FMI Management Company in favor of the Agent and Banks.	
*4.7(b)	Supplement No. 2 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996 by Fluid Management, Inc. in favor of the Agent and Banks.	
*4.8	Registration Rights Agreement dated as of July 29, 1996 between IDEX and Mitchell H. Saranow.	

Exhibit Number	Description	Page
**10.1	Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.1(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.5(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
**10.1(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.5(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.2	Amended and Restated Employment Agreement between IDEX and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.2(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.6(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, commission File No. 1-10235).	
**10.3	Employment Agreement between IDEX and Frank J. Hansen dated as of August 1, 1994 (incorporated by reference to Exhibit No.10.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended September 30, 1994, Commission File No. 1-10235).	
**10.3(a)	First Amendment to the Employment Agreement between IDEX and Frank J. Hansen, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	

Exhibit Number	Description	Page
**10.4	Employment Agreement between IDEX and Jerry N. Derck, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.8 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.5	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.5(a)	Amended Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.9(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
**10.6	Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).	
**10.7	Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.8	Revised Form of IDEX Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22(a) to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).	
**10.9	Amendment to the IDEX Stock Option Plan for Outside Directors, adopted by resolution of the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).	
**10.10	Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).	
**10.11	Non-Qualified Stock Option Plan for Officers of IDEX (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).	
**10.12	IDEX Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).	
**10.13	1996 Stock Plan for Officers of IDEX (incorporated by reference to Exhibit No. 10.18 to the Quarterly Report of IDEX Corporation on Form 10-Q for the Quarter ended March 31, 1996, Commission File No. 1-10235).	

Exhibit Number	Description	Page
10.14	Amended and Restated IDEX Directors Deferred Compensation Plan (incorporated by reference to Exhibit No. 10.19 to the Quarterly Report of IDEX Corporation on Form 10-Q for the Quarter ended March 31, 1996, Commission File No. 1-10235).	
*27	Financial Data Schedule.	
	Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft mbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request).	

- ---
*Filed herewith.
**Management contract or compensatory plan or arrangement.

EXHIBIT 2.1

ASSET PURCHASE AGREEMENT

Dated July 26, 1996

Between

IDEX CORPORATION
(a Delaware corporation),

FLUID MANAGEMENT LIMITED PARTNERSHIP
(an Illinois limited partnership),

FLUID MANAGEMENT U.S., L.L.C
(a Illinois limited liability company),

FLUID MANAGEMENT SERVICE, INC.
(an Illinois corporation),

FLUID MANAGEMENT CANADA LLC
(an Illinois limited liability company),

FLUID MANAGEMENT FRANCE SNC
(a French partnership),

FM INTERNATIONAL, INC.
(an Illinois corporation)

and

FLUID MANAGEMENT EUROPE B.V.
(a Netherlands corporation)

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8.8	Employee Certificates

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT dated July 26, 1996 is by and among IDEX CORPORATION, a Delaware corporation with its principal place of business at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX" or "Buyer"), FLUID MANAGEMENT LIMITED PARTNERSHIP, an Illinois limited partnership, with its principal place of business at 1023 South Wheeling Road, Wheeling, Illinois 60090 ("FMLP"), FLUID MANAGEMENT U.S., L.L.C., an Illinois limited liability company ("FMLLC"), FLUID MANAGEMENT SERVICE, INC., an Illinois corporation ("FM-Service"), FLUID MANAGEMENT CANADA LLC, an Illinois limited liability company ("FM-Canada"), FLUID MANAGEMENT FRANCE SNC, a French partnership ("FM-France"), FM INTERNATIONAL INC., an Illinois corporation ("FM-International") and FLUID MANAGEMENT EUROPE B.V., a Netherlands corporation ("FM-Europe"), .

RECITALS:

A. FMLP and its Subsidiaries (as hereinafter defined) are engaged in the business of designing, manufacturing and distributing color formulation equipment and equipment used for the mixing, storage, handling or dispensing of paints, inks and other fluids, and providing services and products relating to such business.

B. Buyer desires to purchase and accept from Sellers (as hereinafter defined), and Sellers desire to sell and transfer to Buyer, substantially all of the assets and liabilities of the American Business (as hereinafter defined), including, without limitation, all of the issued and outstanding capital stock of FM-Germany (as hereinafter defined), the entity which conducts the German Business (as hereinafter defined), upon the terms and conditions contained in this Agreement.

C. Contemporaneously with the execution and delivery of this Agreement, Buyer and the Other Sellers (as hereinafter defined) are entering into the Other Purchase Agreements (as hereinafter defined) pursuant to which (1) Buyer has agreed to purchase from Bethesda (as hereinafter defined), and Bethesda has agreed to sell to Buyer, the Wheeling Real Property (as hereinafter defined) and (2) Buyer has agreed to purchase and accept from FM-Holland (as hereinafter defined) and FM-Australia (as hereinafter defined), and FM-Holland and FM-Australia have agreed to sell and transfer to Buyer, substantially all of the assets and liabilities of the Dutch Business (as hereinafter defined) and the Australian Business (as hereinafter defined), respectively, upon the terms and conditions contained in the Other Purchase Agreements.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

(a) "Accounts Receivable" shall mean all trade receivables and accounts receivable of the Business (other than (A) accounts receivable between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe and (B) Notes Receivable) as determined in accordance with GAAP (to the extent reflected on the Closing Date Financial Report).

(b) "Accounts Payable" shall mean (i) all trade accounts payable of the Business (other than accounts payable between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe) as determined in accordance with GAAP (to the extent reflected on the Closing Date Financial Report) and (ii) all checks written on any FMLP Operating Entity's "zero balance" or other bank accounts on or prior to the Closing Date which have not cleared as of the Closing Date.

(c) "Accrued Dutch Corporate Income Tax Liability" shall mean all federal, state or local corporate income taxes owing by any FMLP Operating Entity to any Governmental Authority in the Netherlands (but excluding any Taxes imposed or arising in connection with the consummation of the transactions contemplated by this Agreement and the Other Purchase Agreements) attributable to the operation of the Business through the Closing Date that are not yet due and payable as of the Closing Date, to the extent reflected on the Closing Date Financial Report.

(d) "Accrued Liabilities" shall mean (i) accrued expenses of the Business (other than Accounts Payable) of a type shown on the Interim Financial Statements as of May 31, 1996 (other than (A) expenses between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe and (B) expenses relating to any Non-Assumed Liabilities (including the current portion thereof)), as determined in accordance with GAAP, (ii) accrued expenses under the Assumed Employee Benefit Plans including (A) contributions to the Fluid Management Limited Partnership Profit Sharing and Savings Plan in an amount equal to seven percent (7%) of each eligible participant's compensation (as defined in the plan) for the portion of the plan year through the Closing Date, (B) payments under FMLP's bonus award program at the maximum bonus potential for employees of the Dutch Business and at sixty-five (65) percent of the maximum bonus potential for all other employees of the

Business based on the results of operations through the Closing Date, (C) covered medical expenses under The Saranow Companies Employee Health Care Plan incurred through the Closing Date, (D) vacation benefits earned through the Closing Date and (E) short term disability benefits incurred through the Closing Date, (iii) accrued expenses for Australian long-service leave, annual leave and sick leave, (iv) accrued expenses for real estate taxes through the Closing Date on the basis of the latest available year's taxes with appropriate adjustments for any reductions in taxes, (v) accrued expenses for the contemplated roof and other repairs to the Wheeling Real Property disclosed on the Disclosure Schedule to the extent not completed and paid for prior to Closing, (vi) overdrafts on any bank account and reimbursement obligations under any credit facility of any FMLP Operating Entity acquired by Buyer and (vii) retrospective insurance premiums or charges on or with respect to any of the Assumed Insurance (in each of items (i) through (vii), to the extent reflected on the Closing Date Financial Report).

(e) "Affiliate" shall mean, as to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

(f) "Agreement" shall mean, unless the context otherwise requires, this Asset Purchase Agreement together with the Schedules, Exhibits and the Disclosure Schedule attached hereto, and the certificates and instruments to be executed and delivered in connection herewith.

(g) "American Assumed Contracts" shall mean (i) the Material Contracts of the FMLP Operating Entities conducting the American Business other than the contracts identified on Schedule 1.1(g) (the "American Non-Assumed Contracts") and (ii) the Minor Contracts of the FMLP Operating Entities conducting the American Business, which shall be assumed by Buyer on the Closing Date.

(h) "American Assumed Employee Benefit Plans" shall mean the Employee Benefit Plans of the FMLP Operating Entities conducting the American Business other than the Employee Benefit Plans identified on Schedule 1.1(h) (the "American Non-Assumed Employee Benefit Plans"), which shall be assumed by Buyer on the Closing Date.

(i) "American Assumed Insurance" shall mean (i) the Insurance of the FMLP Operating Entities conducting the American Business relating to the American Assumed Employee Benefit Plans and (ii) all of the Insurance of FM-Service, FM-Brazil and FM-France.

(j) "American Assumed Liabilities" shall mean all liabilities and obligations of every nature of the FMLP Operating Entities conducting the American Business (other than the American Non-Assumed Liabilities), whether absolute, accrued, contingent, known, unknown, matured, unmatured or otherwise, and whether or not required to be disclosed or provided for in financial statements in accordance with GAAP or pursuant to this Agreement, including all liabilities and obligations relating to the American Assumed Contracts and the American Assumed Employee Benefit Plans.

(k) "American Business" shall mean the Business as conducted by FMLP, FMLLC, FM-Service, FM-Brazil, FM-Canada and FM-France.

(l) "American Excluded Assets" shall mean the following assets of Sellers:

(i) cash and cash equivalents, except for the Purchased Cash;

(ii) bank accounts except for any Seller's payroll accounts and petty cash accounts;

(iii) any Notes Receivable (including interest thereon) from Joseph Rygiel and Leendert Hellenberg (including, without limitation, the $100,000 mortgage note from Joseph Rygiel);

(iv) the partnership or other equity interests of FMLP in FM-France, FM-Canada, FMLLC, FM-Holland, FM-Australia and Fluid Management Systems, B.V.;

(v) any intercompany claims or receivables between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe;

(vi) any rights of any Seller under this Agreement;

(vii) any currency and interest rate hedging agreements;

(viii) any rights of any FMLP Operating Entity against its partners or shareholders;

(ix) the corporate or partnership books and records of any Seller;

(x) any rights to tax refunds (except to the extent accrued on the Closing Date Financial Report) and tax records of any Seller;

(xi) any Insurance (other than the American Assumed Insurance) of any Seller;

(xii) any rights specifically relating to American Non-Assumed Contracts or American Non-Assumed Liabilities; and

(xiii) any prepaid expenses for (A) Insurance (other than the American Assumed Insurance) and (B) rent for the Wheeling Real Property.

(m) "American Non-Assumed Liabilities" shall mean any liability or obligation for, or Losses relating to, (i) any federal, state, local or foreign income, franchise or other similar taxes (excluding sales and excise taxes) based on income (whether net, gross receipts or otherwise) of any FMLP Operating Entity conducting the American Business, (ii) any accounting fees for year-end audit of any FMLP Operating Entity conducting the American Business, (iii) any legal, accounting and other expenses incurred by any FMLP Operating Entity conducting the American Business in connection with the preparation and execution of this Agreement and the Other Purchase Agreements, and the consummation of the transactions contemplated by this Agreement and the Other Purchase Agreements, (iv) the Phantom Equity Plan, (v) any indebtedness between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe, (vi) any indebtedness (including interest thereon) or guaranties of indebtedness of any FMLP Operating Entity conducting the American Business to any Person for borrowed money (including the Funded Debt but excluding leases not capitalized under GAAP), (vii) any Insured Liabilities of any FMLP Operating Entity conducting the American Business, (viii) the American Non-Assumed Contracts, (ix) the American Non-Assumed Employee Benefit Plans, (x) any contamination with trichloroethylene and its breakdown products (collectively, "TCE") of the soil or groundwater at the Wheeling Real Property identified by Conestoga-Rovers & Associates in their reports on or prior to the date of this Agreement; provided, however, that such contamination shall constitute an American Non-Assumed Liability only to the extent of FMLP's obligations under Section 9.12 of this Agreement (the "TCE Liability"), (xi) any retrospective insurance premiums or charges on or with respect to any of the Insurance (other than the American Assumed Insurance) and (xii) any obligations of any FMLP Operating Entity to its partners or shareholders in those capacities.

(n) "American Purchased Assets" shall mean all right, title and interest of Sellers in and to all of the assets of Sellers relating to the American Business of whatsoever nature, tangible or intangible, real or personal including, without limitation, the following (except to the extent an American Excluded Asset):

(i) the Accounts Receivable;
(ii) the American Assumed Contracts;

(iii) the American Assumed Insurance;
(iv) the American Assumed Employee Benefit Plans;
(v) the Business Records;
(vi) the Customer Lists;
(vii) the Goodwill;
(viii) the Inventory;
(ix) the Notes Receivable;
(x) the Other Current Assets;
(xi) the Owned Intellectual Property;
(xii) the Owned Tangible Personal Property;
(xiii) the Permits (to the extent assignable); and
(xiv) the Purchased Cash.

(o) "American Purchase Price" shall mean the purchase price for the American Purchased Assets, the FM-Service Shares and the FM-Brazil Shares and shall be equal to the sum of (i) $72,750,000 and (ii) the Accrued Dutch Corporate Income Tax Liability, as increased or decreased by the Purchase Price Closing Adjustment and as decreased by the Consolidated Gross Profit Adjustment, if any.

(p) "Assumed Employee Benefit Plans" shall mean the American Assumed Employee Benefit Plans, the Dutch Assumed Employee Benefit Plans, the Australian Assumed Employee Benefit Plans and the German Assumed Employee Benefit Plans.

(q) "Assumed Insurance" shall mean the American Assumed Insurance, the Dutch Assumed Insurance, the Australian Assumed Insurance and the German Assumed Insurance.

(r) "Assumed Liabilities" shall mean the American Assumed Liabilities, the Dutch Assumed Liabilities, the Australian Assumed Liabilities, the German Assumed Liabilities and the Bethesda Assumed Liabilities.

(s) "Australian Business" shall mean the Business as conducted by FM-Australia.

(t) "Bethesda" shall mean Bethesda Investors Limited Partnership, an Illinois limited partnership.

(u) "Business" shall mean all activities which FMLP and its Subsidiaries are presently conducting or pursuing, including, without limitation, the design, manufacture and distribution of color formulation equipment and equipment used for the mixing, storage, handling or dispensing of paints, inks and other fluids, and the provision of services and products relating thereto. For purposes of calculating Consolidated Working Capital,

Consolidated Tangible Personal Property Gross Book Value and Consolidated Gross Profit, "Business" shall mean the business of FMLP and its Subsidiaries, on a consolidated basis, which is being acquired by Buyer pursuant to this Agreement and the Foreign Asset Purchase Agreements.

(v) "Business Records" shall mean originals or true copies of all operating data and records of the Business including, without limitation, financial, accounting and bookkeeping books and records, purchase and sale orders and invoices, sales and sales promotional data, advertising materials, marketing analyses, past and present price lists, past and present customer service files, credit files, warranty files, batch and product serial number records and files, written operating methods and procedures, specifications, operating records and other information related to the Tangible Personal Property and the Current Real Property, reference catalogues, insurance files, personnel records, records relating to potential acquisitions and other records, on whatever media, pertaining to the Business, or to customers or suppliers of, or any other parties having contracts or other business relationships with, the Business.

(w) "Buyer's Accountants" shall mean those accountants at the firm of Deloitte & Touche LLP who from time to time provide accounting services to Buyer.

(x) "Claims Period" shall mean the period beginning on the Closing Date and ending fifteen (15) months following the Closing Date.

(y) "Closing Date" shall mean the later to occur of (i) July 29, 1996 and (ii) five (5) days after all consents, approvals and other actions required to be obtained from or performed by any third party as a condition to Closing have been obtained, performed or waived, or if such day is not a business day, the next succeeding business day, or any other date as FMLP and Buyer shall mutually agree in writing.

(z) "Closing Date Consolidated Tangible Personal Property Gross Book Value" shall mean the Consolidated Tangible Personal Property Gross Book Value as of the Closing Date.

(aa) "Closing Date Consolidated Working Capital" shall mean the Consolidated Working Capital as of the Closing Date.

(ab) "COBRA" shall mean the provisions of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and all regulations thereunder.

(ac) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(ad) "Consolidated Gross Profit" shall mean the gross profit of the Business for calendar year 1996, determined in accordance with Section 9.6 and otherwise in accordance with GAAP.

(ae) "Consolidated Gross Profit Adjustment" shall mean $35,500,000 minus the Consolidated Gross Profit; provided, however, that in no event shall the Consolidated Gross Profit Adjustment be less than Zero Dollars ($0.00).

(af) "Consolidated Tangible Personal Property Gross Book Value" shall mean the book value (before allowance for depreciation and amortization) of the Owned Tangible Personal Property, determined in accordance with GAAP.

(ag) "Consolidated Tangible Personal Property Gross Book Value Adjustment" shall mean, whether positive or negative, the Closing Date Consolidated Tangible Personal Property Gross Book Value minus $14,400,000.

(ah) "Consolidated Working Capital" shall mean (i) the sum of (A) the Accounts Receivable (without reduction for any reserves), (B) the Inventory, (C) the Other Current Assets and (D) the Purchased Cash minus (ii) the sum of (A) the Accounts Payable, (B) the Accrued Liabilities and (C) the Accrued Dutch Corporate Income Tax Liability.

(ai) "Consolidated Working Capital Adjustment" shall mean, whether positive or negative, the Closing Date Consolidated Working Capital minus $18,900,000.

(aj) "Current Real Property" shall mean all Real Property currently owned or leased by any FMLP Operating Entity or in which any FMLP Operating Entity has any interest.

(ak) "Customer Lists" shall mean all past and current customer and potential customer lists of the Business.

(al) "Disclosure Schedule" shall mean the Disclosure Schedule delivered by FMLP on behalf of the FMLP Operating Entities and Bethesda simultaneously with the execution of this Agreement, which shall be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in Article 4 and the Schedules thereto.

(am) "Dutch Business" shall mean the Business as conducted by FM-Holland, FM-Spain, FM-Sweden and FM-U.K.

(an) "Employee Benefit Plan" shall mean any (i) non qualified deferred compensation or retirement plan or arrangement which is an Employee Pension Benefit Plan,

(ii) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (iii) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan) or (iv) Employee Welfare Benefit Plan or fringe benefit plan or program, any of which is maintained, administered or contributed to by any FMLP Operating Entity, or which covers any employee or former employee of any FMLP Operating Entity by reason of such Employee's employment by any FMLP Operating Entity. The term "Employee Benefit Plan" shall not include the Fluid Management Limited Partnership Phantom Equity Plan (the "Phantom Equity Plan").

(ao) "Employee Pension Benefit Plan" shall have the meaning set forth in ERISA Section 3(2).

(ap) "Employee Welfare Benefit Plan" shall have the meaning set forth in ERISA Section 3(1).

(aq) "Encumbrance" shall mean any claim, lien, pledge, option, charge, easement, security interest, right-of-way, encroachment, reservation, restriction, encumbrance, or other right of any Person, or any other restriction or limitation of any nature whatsoever, affecting title to the Current Real Property, the Tangible Personal Property, the Inventory, the Intellectual Property or any other assets of any FMLP Operating Entity.

(ar) "Enforceability Limitations" shall mean (i) bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights and (ii) the discretion of the appropriate court with respect to specific performance, injunctive relief or other terms of equitable remedies.

(as) "Environmental Claims" shall mean any written notice of violation, written notice of potential or actual responsibility or liability, or written claim, suit, action, demand, directive or order by any Governmental Authority or other Person for any damage (including, but not limited to, personal injury, tangible or intangible property damage, contribution, indemnity, damage to the environment, environmental removal, investigative costs, response or remediation costs, nuisance, pollution, contamination or other adverse effects on the environment or for fines, penalties or restrictions on existing environmental permits or licenses) resulting from or relating to (i) the presence of, a Release or threatened Release into the environment of, or exposure to, any Hazardous Substance, (ii) the generation, manufacture, processing, distribution, use, handling, transportation, storage, treatment or disposal of any Hazardous Substances, (iii) the violation, or alleged violation, of any Environmental Laws or (iv) the non-compliance or alleged non-compliance with any Environmental Laws.

(at) "Environmental Laws" shall mean any applicable statutes, ordinances, directives or other written, published laws, any written, published rules or regulations, orders, and any licenses, permits, orders, judgments, notices or other requirements issued pursuant thereto, enacted, promulgated or issued by any Governmental Authority, in effect as of the Closing Date, relating to pollution or protection of public health or the environment from Hazardous Substances (including, but not limited to, any air, surface water, groundwater, land surface or sub-surface strata, whether outside, inside or under any structure), or to the identification, reporting, generation, manufacture, processing, distribution, use, handling, treatment, storage, disposal, transporting, presence, Release or threatened Release of, any Hazardous Substances. Without limiting the generality of the foregoing, Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, and all analogous laws enacted, promulgated or lawfully issued by any Governmental Authority, but shall exclude the Occupational Safety and Health Act, as amended, and similar state laws.

(au) "Environmental Representations" shall mean those representations and warranties of FMLP with respect to environmental matters contained in paragraph (y) of each of Schedules 4.1, 4.2, 4.3 and 4.4 and in paragraph (k) of Schedule 4.5.

(av) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(aw) "ERISA Affiliate" shall mean a trade or business, whether or not incorporated, which is deemed to be in common control or affiliated with any FMLP Operating Entity within the meaning of Section 4001 of ERISA or Sections 414(b), (c), (m), or (o) of the Code.

(ax) "Escrow Agent" shall mean Bank of America Illinois.

(ay) "Escrow Funds" shall mean the amount of funds on deposit with and held by the Escrow Agent from time to time pursuant to this Agreement and the Escrow Agreement.

(az) "Excluded Assets" shall mean the American Excluded Assets, the Dutch Excluded Assets and the Australian Excluded Assets.

(ba) "Financial Statements" shall mean the audited consolidated financial statements of FMLP and its Subsidiaries for the three-year period ended December 31, 1995 (consisting of a balance sheet, a statement of income and retained earnings, a statement of

cash flows, a consolidating schedule and all related footnotes), reported on by the Sellers' Accountants without qualification.

(bb) "FMLP Operating Entities" shall mean the following entities:

(i) FMLP;
(ii) FMLLC;
(iii) FM-Service;
(iv) FM-Brazil;
(v) FM-Canada;
(vi) FM-France;
(vii) FM-Holland;
(viii) FM-U.K.;
(ix) FM-Spain;
(x) FM-Sweden;
(xi) FM-Australia; and
(xii) FM-Germany.

(bc) "FM-Australia" shall mean Fluid Management Australia L.P., an Australian limited partnership.

(bd) "FM-Brazil" shall mean Fluid Management Servicos E Vendas Limitada, a Brazilian corporation.

(be) "FM-Brazil Shares" shall mean all of the issued and outstanding capital stock of FM-Brazil.

(bf) "FM-Germany" shall mean Fluid Management GmbH, a German corporation.

(bg) "FM-Germany Shares" shall mean all of the issued and outstanding capital stock of FM-Germany.

(bh) "FM-Holland" shall mean Fluid Management Europe C.V., a Netherlands limited partnership.

(bi) "FM-Service Shares" shall mean all of the issued and outstanding capital stock of FM-Service.

(bj) "FM-Spain" shall mean Fluid Management Espana SLU, a Spanish corporation.

(bk) "FM-Sweden" shall mean Fluid Management Scandinavia AB, a Swedish corporation.

(bl) "FM-U.K." shall mean Fluid Management U.K. Ltd., a U.K. corporation.

(bm) "Foreign Asset Purchase Agreements" shall mean (i) the Asset Purchase Agreement dated the date of this Agreement between Buyer, FM Acquisition Company Australia Pty Ltd. (a wholly-owned subsidiary of Buyer), FM-Australia and FMLP (the "Australian Purchase Agreement") and (ii) the Asset Purchase Agreement dated the date of this Agreement between Buyer, FM-Holland, FM-Europe and FMLP (the "Dutch Purchase Agreement").

(bn) "Funded Debt" shall mean indebtedness of any FMLP Operating Entity or Bethesda (to the extent an Encumbrance on the Wheeling Real Property) to any Person for borrowed money (including, without limitation, indebtedness under leases capitalized under GAAP).

(bo) "GAAP" shall mean, with respect to all accounting matters and issues, generally accepted accounting principles as in effect from time to time in the United States applied consistent with the Financial Statements.

(bp) "General Partners" shall mean (i) Fluid Management Inc. and (ii) Addison Paint Equipment Corp.

(bq) "German Assumed Employee Benefit Plans" shall mean the Employee Benefit Plans of FM-Germany other than the Employee Benefit Plans identified on Schedule 1.1(bq) (the "German Non-Assumed Employee Benefit Plans").

(br) "German Assumed Insurance" shall mean all of the Insurance of FM-Germany.

(bs) "German Business" shall mean the Business as conducted by FM-Germany.

(bt) "German Non-Assumed Contracts" shall mean the Material Contracts of FM-Germany identified on Schedule 1.1(bt).

(bu) "German Non-Assumed Liabilities" shall mean Losses relating to (i) any federal, state, local or foreign income, franchise or other similar taxes (excluding sales and excise taxes) of FM-Germany, (ii) accounting fees for year-end audit of FM-Germany, (iii) legal, accounting and other expenses incurred by FM-Germany in

connection with the preparation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement, (iv) any indebtedness of FM-Germany to Bethesda, FM-International or FM-Europe, (v) any indebtedness (including interest thereon) or guaranties of indebtedness of FM-Germany to any Person for borrowed money (including the Funded Debt but excluding leases not capitalized under GAAP, (vi) the German Non-Assumed Contracts and (vii) the German Non-Assumed Employee Benefit Plans.

(bv) "German Purchase Price" shall mean the purchase price for the FM-Germany Shares, and shall be equal to $1,500,000.

(bw) "Goodwill" shall mean the goodwill of the Business.

(bx) "Governmental Authority" shall mean any federal, state, local or foreign government, or any political subdivision of any of the foregoing, or any court, agency or other entity, body, organization or group, exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government.

(by) "Governmental Requirement" shall mean any published law, statute, ordinance, directive or regulation of any Governmental Authority now in effect.

(bz) "Hazardous Substances" shall mean any pollutants, contaminants, hazardous substances, hazardous and toxic chemicals, carcinogens, wastes, dangerous wastes, and any ignitable, corrosive, reactive, toxic or other hazardous substances or materials, whether solids, liquids or gases (including, but not limited to, petroleum and its derivatives, PCBs, asbestos, radioactive materials, waste waters, sludge, slag and any other substance, material or waste), as defined in or regulated by any Environmental Laws or as determined by any Governmental Authority.

(ca) "HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

(cb) "Independent Accountants" shall mean Coopers & Lybrand LLP.

(cc) "Initial Escrow Deposit" shall mean $10,000,000.

(cd) "Insurance" shall mean any fire, product liability, automobile liability, general liability, worker's compensation, medical insurance stop-loss coverage or other form of insurance of the Business, and any tail coverage purchased with respect thereto.

(ce) "Insured Liabilities" shall mean any liabilities or obligations arising out of or relating to occurrences prior to the Closing Date subject to coverage and to the extent covered under the Insurance (other than the Assumed Insurance) or under any other insurance

policy of any FMLP Operating Entity which has been terminated but which provides coverage for occurrences prior to the date of its termination.

(cf) "Intellectual Property" shall mean all intellectual property used to conduct the Business including, without limitation, (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof, (ii) all trademarks, service marks, trade dress, logos, trade names, and corporate names (including, without limitation, the name "Fluid Management"), together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works, all copyrights, and all applications, registrations and renewals in connection therewith, (iv) all mask works and all applications, registrations, and renewals in connection therewith, (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (vi) all computer software (including data and related documentation and including software installed on hard disk drives) and (vii) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

(cg) "Interim Financial Statements" shall mean the unaudited consolidated monthly interim financial statements of FMLP and its Subsidiaries (consisting of a balance sheet and a statement of income, profit and loss) for the five (5) month period ended May 31, 1996, as delivered to Buyer, and for any subsequent period as may be delivered to Buyer pursuant to Section 6.6.

(ch) "Inventory" shall mean all raw material, work-in-process and finished goods inventory of the Business. Solely for purposes of calculating Consolidated Working Capital, "Inventory" shall mean the Inventory of the Business before reduction for reserves which is not damaged or obsolete (as determined in accordance with GAAP) or excess (as hereinafter defined), as reflected on the Closing Date Financial Report. Inventory shall be deemed to be "excess" if and only to the extent that (i) it has not already been excluded as damaged or obsolete and (ii) as of the Closing Date the total amount of any item of Inventory exceeds the aggregate usage of such item for the twelve-month period immediately preceding the Closing Date determined with reference to sales records of the FMLP Operating Entities for such period, except that any item of Inventory which relates to products introduced by any FMLP Operating Entity within the twenty-four month period immediately preceding the Closing Date (including any products introduced as a result of acquisitions) and any Colorine Inventory shall be deemed to be "excess" only if, as of the Closing Date, the total amount of any such item of Inventory exceeds the aggregate expected usage of such item, as forecasted

in good faith by FMLP, for the twelve-month period immediately following the Closing Date.

(ci) "Limited Partners" shall mean (i) MPE Partners, (ii) FMS Investment Partnership, (iii) Benn & Hamman Partnership, (iv) William Wolf and (v) Joseph Rygiel and (vi) Leendert Hellenberg.

(cj) "Loss" shall mean any and all loss, liability, deficiency, damage (excluding (i) other than with respect to Environmental Claims, consequential damages which were not reasonably foreseeable and (ii) other than as asserted in any third-party claim, punitive damages), Encumbrance (other than any Permitted Encumbrance), fine, claim, cost or expense (including, but not limited to, any court cost or any legal or accounting fee or disbursement).

(ck) "Material Contracts" shall mean the following written contracts and, to the knowledge of FMLP, oral contracts which are currently in effect and to which any FMLP Operating Entity is a party or by which any FMLP Operating Entity is bound relating to or affecting the Business:

(i) any agreement (or group of related agreements with the same Person or its Affiliates) for the lease of real property or personal property (whether or not capitalized under GAAP) providing for lease payments in excess of $50,000 per year,

(ii) any agreement (or group of related agreements with the same Person or its Affiliates) not cancelable by any FMLP Operating Entity without penalty for the purchase or sale of raw materials, commodities, supplies, products or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one (1) year, involves consideration in excess of $50,000 or is anticipated to result in a loss to any FMLP Operating Entity exceeding $10,000,

(iii) any agreement concerning any FMLP Operating Entity's membership in a partnership or joint venture,

(iv) any agreement (or group of related agreements with the same Person or its Affiliates) under which any FMLP Operating Entity has created, incurred, assumed, or guaranteed (A) any indebtedness for borrowed money (other than guarantees by any FMLP Operating Entity not being acquired by Buyer of the indebtedness of any other FMLP Operating Entity) or (B) any indebtedness or other deferred or continuing payment obligation relating to any prior acquisition by any FMLP Operating Entity (including, without limitation, under any non-competition or consulting agreement),

(v) any agreement under which any FMLP Operating Entity has imposed an Encumbrance on any of its assets;

(vi) any letter of credit or performance bond (other than those specifically related to the Non-Assumed Liabilities),

(vii) any confidentiality or non-competition agreement, other than confidentiality agreements with any FMLP Operating Entity's employees, agents, distributors and independent contractors, and non-disclosure agreements with other Persons entered into in the ordinary course of the Business,

(viii) any agreement with any Affiliate of any FMLP Operating Entity (but excluding agreements otherwise constituting Material Contracts which are (A) between or among any FMLP Operating Entities whose stock is not being acquired by Buyer or (B) between FMLP and Bethesda) which are not on an arm's length basis and which could not be readily obtained from other sources,

(ix) any profit sharing, deferred compensation, severance or other plan or arrangement for the benefit of any FMLP Operating Entity's current or former partners, shareholders, directors, officers or employees (other than any Employee Benefit Plans or agreements described in clause (xi)),

(x) any collective bargaining agreement,

(xi) any agreement not terminable at will or upon thirty (30) days notice by any FMLP Operating Entity without penalty (other than severance obligations) for the employment of any individual on a full-time, part-time, consulting or other basis,

(xii) any agreement or instruments reflecting outstanding loans or advances from any FMLP Operating Entity to such FMLP Operating Entity's directors, officers or employees, other than travel expenses advanced to any officer or employee of any FMLP Operating Entity in the ordinary course of the Business and in an amount which does not exceed $2,000 for any such officer or employee,

(xiii) any agreement for the prospective acquisition of the business or product line of any other Person,

(xiv) any distributor, sales representative or dealer agreement not terminable by any FMLP Operating Entity upon ninety (90) days or less written notice without penalty,

(xv) any Intellectual Property license or royalty agreement,

(xvi) any independent contractor agreement requiring payments by any FMLP Operating Entity in excess of $50,000 per year,

(xvii) any agreement providing for indemnification by any FMLP Operating Entity other than indemnification agreements contained in standard terms and conditions of sale, or

(xviii) any other agreement (or group of related agreements with the same Person or its Affiliates) not cancelable by any FMLP Operating Entity without penalty the performance of which will extend over a period of more than one (1) year, involves consideration in excess of $100,000 or is anticipated to result in a loss to any FMLP Operating Entity exceeding $10,000.

(cl) "Merger Agreement" shall mean the Agreement and Plan of Merger dated the date of this Agreement between Buyer, FMI Management Company, Mitchell H. Saranow and The Saranow Company pursuant to which Buyer will acquire by merger all of the shares of The Saranow Company.

(cm) "Minor Contracts" shall mean any contract and other agreement (other than the Material Contracts), whether written or oral, to which any FMLP Operating Entity is a party or by which any FMLP Operating Entity is bound relating to or affecting the Business.

(cn) "Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

(co) "Non-Assumed Liabilities" shall mean the American Non-Assumed Liabilities, the Dutch Non-Assumed Liabilities, the Australian Non-Assumed Liabilities, the German Non-Assumed Liabilities and the Bethesda Non-Assumed Liabilities. It is understood that Non-Assumed Liabilities with respect to any FMLP Operating Entity the shares or other equity interests of which are being acquired by Buyer pursuant to this Agreement or the Other Purchase Agreements (including, without limitation, FM-Service, FM-Brazil, FM-Germany, FM-U.K., FM-Sweden and FM-Spain) means liabilities which, notwithstanding that such FMLP Operating Entity remains primarily obligated therefor, are to be paid or performed by Sellers or the Other Sellers including, without limitation, the Funded Debt and any Taxes included in the Non-Assumed Liabilities.

(cp) "Notes Receivable" shall mean any notes receivable of the Business.

(cq) "Other Current Assets" shall mean all current assets of the Business other than Accounts Receivable, Inventory and Excluded Assets, as determined in accordance with GAAP (to the extent reflected on the Closing Date Financial Report).

(cr) "Other Purchase Agreements" shall mean (i) the Real Property Purchase Agreement and (ii) the Foreign Asset Purchase Agreements.

(cs) "Other Sellers" shall mean (i) Bethesda in its capacity as seller under the Real Property Purchase Agreement and (ii) each of FM-Holland, FM-Europe, FM-Australia and FM-International in its capacity as a seller under the Foreign Asset Purchase Agreements.

(ct) "Owned Intellectual Property" shall mean all Intellectual Property of the Business owned by any FMLP Operating Entity.

(cu) "Owned Tangible Personal Property" shall mean all Tangible Personal Property of the Business owned by any FMLP Operating Entity or Bethesda.

(cv) "PBGC" shall mean the Pension Benefit Guaranty Corporation.

(cw) "Permitted Encumbrances" shall mean (i) liens which will be removed by payment of liabilities reflected on the Closing Date Financial Report in the amounts reflected on the Closing Date Financial Report and (ii) liens which are removed on or prior to the Closing Date.

(cx) "Permits" shall mean all permits, licenses, consents, franchises, approvals and other authorizations required from any Governmental Authority or other Person in connection with the operation of the Business and necessary to conduct the Business as presently conducted.

(cy) "Person" shall mean any Governmental Authority, individual, association, joint venture, partnership, corporation, limited liability company, trust or other entity.

(cz) "Predecessor" shall mean a Person, if any, whose status or activities could give rise to an Environmental Claim against any FMLP Operating Entity or Bethesda as a successor in interest to such Person.

(da) "Proceeding" shall mean any claim, demand, action, suit, litigation, dispute, order, writ, injunction, judgment, assessment, decree, grievance, arbitral action, investigation or other proceeding.

(db) "Prohibited Transaction" shall have the meaning set forth in ERISA Section 406 and Code Section 4975.

(dc) "Purchased Cash" shall mean cash and cash equivalents of any FMLP Operating Entity held in any payroll account, petty cash account or any other bank account of any FMLP Operating Entity which the parties agree to transfer to Buyer.

(dd) "Purchase Price Closing Adjustment" shall mean the sum, whether positive or negative, of (i) the Consolidated Working Capital Adjustment and (ii) the Consolidated Tangible Personal Property Gross Book Value Adjustment.

(de) "Real Property" shall mean all real property now or in the past owned or leased by any FMLP Operating Entity, Bethesda or any Predecessor, or in which any FMLP Operating Entity, Bethesda or any Predecessor has now or in the past had any interest, together with (i) all buildings and improvements located thereon and (ii) all rights, privileges, interests, easements, hereditaments and appurtenances thereunto in any way incident, appertaining or belonging.

(df) "Real Property Purchase Agreement" shall mean the Real Property Purchase Agreement dated the date of this Agreement between Buyer and Bethesda.

(dg) "Related Person" shall mean any partner, shareholder, director, officer or employee of any FMLP Operating Entity, any Person related to any such partner, shareholder, director, officer or employee by blood or marriage, or any corporation, partnership, trust or other entity in which any such person has a substantial interest as a shareholder, partner, trustee or otherwise.

(dh) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping or disposing into the environment which could give rise to an Environmental Claim or which is required to be reported pursuant to 40 C.F.R. 302 or 355, or any analogous Environmental Law.

(di) "Reportable Event" shall have the meaning set forth in ERISA Section 4043.

(dj) "Representative" shall mean any officer, director, principal, attorney, accountant, agent, employee or other representative of any Person.

(dk) "Sellers" shall mean FMLP, FMLLC, FM-Canada and FM-France.

(dl) "Sellers' Accountants" shall mean those accountants at the firm of Deloitte & Touche LLP who from time to time provide accounting services to FMLP and its Subsidiaries.

(dm) "Subsidiaries" shall mean all entities which are consolidated with FMLP in the Financial Statements for the year ending December 31, 1995, and all entities acquired by FMLP or its Subsidiaries since December 31, 1995 which, if owned prior to December 31, 1995, would have been consolidated with FMLP in the Financial Statements.

(dn) "Tangible Personal Property" shall mean all tangible personal property of the Business (other than Inventory) owned or leased by any FMLP Operating Entity or Bethesda or in which any FMLP Operating Entity or Bethesda has any interest including, without limitation, show equipment, production and processing equipment, warehouse equipment, computer hardware, furniture and fixtures, transportation equipment, leasehold improvements, supplies and other tangible assets, together with any transferable manufacturer or vendor warranties related thereto. Solely for purposes of calculating Consolidated Tangible Personal Property Gross Book Value, Tangible Personal Property shall (i) include any software which is capitalized under GAAP and (ii) exclude the items in clauses (iv) and (v) of the definition of Accrued Liabilities to the extent the expenses therefor would be capitalized under GAAP.

(do) "Tax" shall mean any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, startup, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, intangible property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

(dp) "Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and any amendment thereof.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Term	Section
Accounts Receivable Guarantee Amount	9.7(b)
Amended Management Agreement	6.10
American Non-Assumed Contracts	1.1(g)
American Non-Assumed Employee Benefit Plans	1.1(h)
Australian Purchase Agreement	1.1(bm)
Casualty	10.2
Casualty Amount	10.2
Closing	3.1

Closing Certificate	2.4(a)
Closing Date Financial Report	2.4(c)
Closing Purchase Price Reconciliation	2.5(e)
Dutch Purchase Agreement	1.1(bm)
Employee Certificate	8.8
Escrow Agreement	6.7
Final Purchase Price Closing Adjustment	2.5(c)
German Non-Assumed Employee Benefit Plans	1.1(bq)
IEPA	9.12
IEPA No Further Remediation Letter	9.12
Letter Agreement	10.12
Non-Compete Agreement	6.9
Non-Transferable Assets	3.5
Phantom Equity Plan	1.1(an)
Preliminary Purchase Price Closing Adjustment	2.4(a)
Qualified Individual	9.4
Required Consents and Filings	6.3
TCE	1.1(m)
TCE Liability	1.1(m)

1.3 Terms Used in Other Purchase Agreements. All initially capitalized terms used in this Agreement but not defined in this Agreement shall have the meanings given to them in the Other Purchase Agreements.

1.4 Usage of Terms. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Use of the word "including" shall mean "including, without limitation".

1.5 References to Articles, Sections, Exhibits and Schedules. All references in this Agreement to Articles, Sections (and other subdivisions), Exhibits and Schedules refer to the corresponding Articles, Sections (and other subdivisions), Exhibits and Schedules of or attached to this Agreement, unless the context expressly, or by necessary implication, otherwise requires.

1.6 Currency Conversion Rates. Solely for purpose of calculating the Purchase Price Closing Adjustment and the Consolidated Gross Profit Adjustment, and verifying the representations and warranties of FMLP contained in this Agreement, assets,

liabilities, revenues and expenses not denominated in U.S. Dollars shall be valued based on the March 29, 1996 currency conversion rates, which as to certain currencies are set forth below:

1 German Mark	=	U.S. $.6771
1 Netherlands Guilder	=	U.S. $.6048
1 Australian Dollar	=	U.S. $.7823

ARTICLE 2
PURCHASE AND SALE OF ASSETS OF SELLERS; PURCHASE AND SALE OF FM-SERVICE SHARES, FM-BRAZIL SHARES AND FM-GERMANY SHARES

2.1 Transfer of American Purchased Assets, FM-Service Shares, FM-Brazil Shares and FM-Germany Shares. Subject to the terms and conditions contained in this Agreement, on the Closing Date:

(a) (i) Sellers shall sell, convey, transfer, assign, and deliver to Buyer, and Buyer shall acquire from Sellers, the American Purchased Assets, free and clear of any Encumbrances (other than Permitted Encumbrances) and (ii) Sellers shall retain the American Excluded Assets.

(b) FMLP shall convey, transfer, assign and deliver to Buyer, and Buyer shall acquire from FMLP, the FM-Service Shares, free and clear of any Encumbrances (other than Permitted Encumbrances).

(c) FMLP and FM-International shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall acquire from FMLP and FM-International, the FM-Brazil Shares, free and clear of any Encumbrances (other than Permitted Encumbrances).

(d) FMLP and FM-International shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall acquire from FMLP and FM-International, the FM-Germany Shares, free and clear of any Encumbrances (other than Permitted Encumbrances).

2.2 Assumption and Payment or Performance of American Assumed Liabilities; Payment or Performance of American Non-Assumed Liabilities and German Non-Assumed Liabilities. On the Closing Date, Buyer shall assume and pay or perform in accordance with their terms the American Assumed Liabilities and FM-International, FM-Europe and Sellers shall retain and pay or perform in accordance with their terms the American Non-Assumed Liabilities and the German Non-Assumed Liabilities.

2.3 Consideration; Allocation. As consideration for the sale, transfer, assignment, conveyance and delivery of the American Purchased Assets, the FM-Service Shares and the FM-Brazil Shares, Buyer shall pay to Sellers and FM-International an amount equal to the American Purchase Price and shall assume the American Assumed Liabilities. As consideration for the sale, transfer, assignment, conveyance and delivery of the FM-Germany Shares, Buyer shall pay to FMLP and FM-International the German Purchase Price. Such consideration shall be allocated as set forth on Schedule 2.3 which also sets forth the allocation of the purchase consideration payable under the Other Purchase Agreements. Unless otherwise agreed in writing by Buyer and FMLP, Buyer, Sellers and FM-International shall (i) reflect the American Purchased Assets, the FM-Service Shares, the FM-Brazil Shares and the FM-Germany Shares, in their books and for federal, state, local and foreign tax reporting purposes in accordance with such allocation, (ii) file all forms required under Section 1060 of the Code and all other tax returns and reports in accordance with and based upon such allocation and (iii) unless required to do so in accordance with a "determination" as defined in Section 1313(a)(1) of the Code, take no position in any tax return, tax proceeding, tax audit or otherwise which is inconsistent with such allocation.

2.4 Closing Certificate; Preliminary Purchase Price Closing Adjustment; Physical Inventory; Audit; Closing Date Financial Report; Final Purchase Price Closing Adjustment.

(a) Closing Certificate; Preliminary American Purchase Price Closing Adjustment. On the third business day prior to the Closing Date, the President or the Chief Financial Officer of The Saranow Company shall in good faith prepare and deliver to Buyer a certificate (the "Closing Certificate") containing a proforma estimate of the Closing Date Consolidated Working Capital and the Closing Date Consolidated Tangible Personal Property Gross Book Value, and the Consolidated Working Capital Adjustment, the Consolidated Tangible Personal Property Gross Book Value Adjustment and the Purchase Price Closing Adjustment based thereon (the "Preliminary Purchase Price Closing Adjustment"), which shall be subject to limited procedures of inquiry by Buyer and Buyer's Accountants as to reasonableness. The Closing shall proceed, and the payments required to be made on the Closing Date pursuant to Section 2.5(c) shall be determined, on the basis of the Closing Certificate and the Preliminary Purchase Price Closing Adjustment.

(b) Physical Inventory. There shall be conducted by FMLP and its Subsidiaries and observed by Sellers' Accountants, Buyer and Buyer's Accountants a physical taking of Inventory of FMLP and its Subsidiaries commencing July 26, 1996. With respect to any Inventory of FMLP and its Subsidiaries located at any premises not owned or leased by FMLP and its Subsidiaries, (i) for purposes of the Preliminary Purchase Price Closing Adjustment, FMLP shall provide to Buyer in writing a good faith estimate as to the amount of such off-site Inventory prior to the Closing Date and (ii) for purposes of the Final Purchase Price Closing Adjustment, FMLP and its Subsidiaries or Sellers' Accountants shall

obtain from each Person who is in possession of any such off-site Inventory written certification as to the amount of such off-site Inventory as of the Closing Date. The results of the physical inventory, as adjusted by additions to or deletions from Inventory to the Closing Date, shall be used in the preparation of the Closing Date Financial Report pursuant to Section 2.4(c). Subject to the criteria for excess Inventory as set forth in the definition of "Inventory", in connection with the preparation of the Closing Date Financial Report, the valuation of Inventory will be computed by Sellers' Accountants in accordance with GAAP.

(c) Audit; Closing Date Financial Report. As promptly as possible after the Closing, FMLP shall cause Sellers' Accountants to prepare and deliver to FMLP (i) an audited consolidated balance sheet with consolidating schedule of FMLP and its Subsidiaries as of the Closing Date in accordance with GAAP and (ii) a supplemental report setting forth the Closing Date Consolidated Working Capital, the Closing Date Tangible Personal Property Gross Book Value, the Consolidated Working Capital Adjustment, the Consolidated Tangible Personal Property Gross Book Value Adjustment and the definitive Purchase Price Closing Adjustment based on said audited balance sheets (the "Final Purchase Price Closing Adjustment") and (iii) a supplemental report setting forth the Consolidated Gross Profit for the period from January 1, 1996 through the Closing Date for purposes of the Consolidated Gross Profit Adjustment pursuant to Section 9.6, each of which shall be reported on by Sellers' Accountants without qualification (the "Closing Date Financial Report"). Any third-party expenses or fees incurred in preparing or in connection with the Closing Date Financial Report and the Final Purchase Price Closing Adjustment (including, without limitation, any such expenses or fees of Sellers' Accountants incurred in connection with the observation of the physical inventory pursuant to Section 2.4(b)) shall be borne by FMLP. As promptly as reasonably practicable and, in any event, not later than 60 days after the Closing Date, Sellers' Accountants shall deliver to Buyer the Closing Date Financial Report, together with their audit report and shall make available any work papers or other information then or thereafter requested by Buyer. If Buyer does not object, or otherwise fails to respond, to the Closing Date Financial Report within 20 days after delivery to Buyer, such Closing Date Financial Report shall automatically become final and conclusive. In the event that Buyer objects to the Closing Date Financial Report within such 20-day review period, FMLP and Buyer shall promptly meet and endeavor to reach agreement as to the content of the Closing Date Financial Report. If FMLP and Buyer agree on the content of the Closing Date Financial Report, such Closing Date Financial Report shall become final and conclusive. If FMLP and Buyer are unable to reach agreement within 15 days after the end of Buyer's 20-day review
period, then the Independent Accountants shall promptly be retained to undertake a determination of the Closing Date Financial Report, which determination shall be made as quickly as possible. Only disputed item(s) shall be submitted to the Independent Accountants for review. In resolving any disputed item, the Independent Accountants may not assign a value to such item greater than the greatest value for such item claimed by either party or less than the lowest value for such item claimed by either party, in each case as presented to the Independent Accountants. Such determination of the

Independent Accountants shall be final and binding on FMLP and Buyer, and all expenses of the Independent Accountants shall be borne equally by FMLP and Buyer. The Purchase Price and the payments required to be made after the Closing Date pursuant to Section 2.5(e) shall be finally determined on the basis of the Closing Date Financial Report and the Final Purchase Price Closing Adjustment.

2.5 Payments by Buyer. Buyer shall pay to FMLP, on behalf of FM-International and Sellers, the purchase consideration set forth in Section 2.3 as follows:

(a) At the Closing, Buyer shall pay to the appropriate parties the Funded Debt of all FMLP Operating Entities conducting the American Business and the German Business, by wire transfer to accounts designated in writing by such parties to Buyer not less than two (2) business days prior to the Closing Date.

(b) At the Closing, Buyer shall deposit the Initial Escrow Deposit with the Escrow Agent by wire transfer to an account designated by the Escrow Agent to Buyer in writing not less than two (2) business days prior to the Closing Date.

(c) At the Closing, Buyer shall pay to FMLP an amount equal to (i) the sum of (A) American Purchase Price (as adjusted by the Preliminary Purchase Price Closing Adjustment) and (B) the German Purchase Price minus (ii) the sum of (A) the Funded Debt of all FMLP Operating Entities conducting the American Business and German Business and (B) Initial Escrow Deposit, in cash by wire transfer to an account designated by FMLP to Buyer in writing not less than two (2) business days prior to the Closing Date.

(d) At the Closing, Buyer shall assume the American Assumed Liabilities.

(e) Within five (5) business days after determination of the Final Purchase Price Closing Adjustment, Buyer or FMLP, as the case may be, shall pay to the other the amount by which the American Purchase Price, as adjusted by the Final Purchase Price Closing Adjustment, is greater or less than the American Purchase Price, as adjusted by the Preliminary Purchase Price Closing Adjustment (such difference being the "Closing Purchase Price Reconciliation"). If the Closing Purchase Price Reconciliation is positive, Buyer shall pay such difference to FMLP. If the Closing Purchase Price Reconciliation is negative, FMLP shall pay such difference to Buyer. Amounts payable by FMLP pursuant to this Section 2.5(e) and not paid by FMLP within said five-day period shall be payable from the Escrow Funds, and FMLP shall restore the Escrow Funds as required by Section 9.2. If (i) Buyer fails to pay any amount owing to FMLP pursuant to this subsection (e) or (ii) FMLP fails to pay any amount owing to Buyer pursuant to this subsection (e) (including by application of the Escrow Funds), within the specified five business day period, then the amount so owing shall be payable on demand and interest shall accrue on the unpaid amount

from the date due until paid at a rate equal to the lower of (A) ten percent (10%) per annum or (B) the highest rate permitted by law.

2.6 Taxes. FMLP and Buyer shall each be responsible for the payment of one-half of any sales, use, transfer, excise, stamp or other similar taxes imposed by reason of the transfer of the American Purchased Assets, the FM-Service Shares, the FM-Brazil Shares and the FM-Germany Shares (including, without limitation, taxes attributable to any part or all of the Current Real Property imposed as a result of the direct or indirect transfer thereof) pursuant to this Agreement and any deficiency, interest or penalty with respect to such taxes; provided, however, that any such deficiency, interest or penalty which results from either party's failure to pay or account for the agreed-upon amount of any such sales, use, transfer, excise, stamp or other similar tax shall be borne by the party which is at fault.

ARTICLE 3
CLOSING

3.1 Closing. The closing of the transactions contemplated by this Agreement shall be held at 10:00 a.m. local time on the Closing Date at the offices of McDermott, Will & Emery, Chicago, Illinois, or any other place as Buyer and FMLP mutually agree in writing ("Closing"); provided, however, that to the extent any transfers, conveyances or other events in connection with the closing of the transactions contemplated by this Agreement are required to occur in any foreign jurisdiction, the parties shall take all steps necessary to cause such transfers, conveyances or events to occur in such jurisdiction. The Closing shall be effective as of the close of business on the Closing Date.

3.2 Conveyances at Closing.

(a) Instruments and Possession. Upon the terms and conditions contained in this Agreement, on the Closing Date, Sellers and FM-International shall deliver to Buyer (i) one or more bills of sale conveying in the aggregate all of the Owned Tangible Personal Property of Sellers, (ii) one or more assignments conveying in the aggregate all of the American Assumed Contracts, (iii) one or more assignments of the Owned Intellectual Property of Sellers in recordable form, (iv) stock certificates representing the FM-Service Shares, the FM-Brazil Shares and the FM-Germany Shares duly endorsed for transfer or accompanied by one or more duly executed stock powers, (v) the minute books and stock record books of FM-Service, FM-Brazil and FM-Germany, (vi) a lease cancellation for the lease of the Wheeling Real Property, (vii) certificates of amendment to each of the organizational documents of FMLP and its Affiliates in proper form for filing with the Secretary of State of Illinois or other applicable Governmental Authority, and all other appropriate certificates for filing in other applicable jurisdictions, changing the name of each of FMLP and its Affiliates to a name that does not contain the words "Fluid Management" or "FM" or any derivative or variation thereof, (viii) such other instruments as shall be

reasonably requested by Buyer to vest in Buyer title in and to the American Purchased Assets, the FM-Service Shares, the FM-Brazil Shares and the FM-Germany Shares in accordance with the provisions of this Agreement and (ix) such other documents and agreements as are contemplated by this Agreement.

(b) Form of Instruments. All of such instruments shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Buyer and FMLP, but shall not diminish the status of title to the American Purchased Assets, the FM-Service Shares, the FM-Brazil Shares or the FM-Germany Shares required to be delivered by Sellers and FM-International pursuant to this Agreement.

3.3 Assumptions at Closing.

(a) Instruments. Upon the terms and conditions contained in this Agreement, on the Closing Date, Buyer shall deliver to Sellers (i) an assumption of the American Assumed Liabilities, (ii) such other instruments of assumption evidencing Buyer's assumption of the American Assumed Liabilities as FMLP shall deem necessary and (iii) such other documents and agreements as are contemplated by this Agreement.

(b) Form of Instruments. All such instruments shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to FMLP and Buyer, but shall not increase or decrease the American Assumed Liabilities required to be assumed by Buyer pursuant to this Agreement.

3.4 Certificates and Other Documents. Each of Buyer, FM-International, FM-Europe and Sellers shall deliver or cause to be delivered the certificates and other documents and items described in Articles 6, 7 and 8 of this Agreement.

3.5 Non-Transferable Assets. It is understood that certain American Purchased Assets (including, without limitation, manufacturers', contractors' and other warranties and guaranties, and rights under outstanding letters of credit) may not be immediately transferable or assignable to Buyer, and Buyer may in its sole discretion allow Sellers to retain certain of such assets after the Closing Date (the "Non-Transferable Assets"), and this Agreement shall not constitute an assignment of any such Non-Transferable Assets. In such event, (i) Sellers shall grant to Buyer full use and benefit of their interest in the Non-Transferable Assets, it being the intent of the parties that Buyer shall have the benefit of the Non-Transferable Assets as though it were the sole owner thereof, (ii) Sellers shall take all actions necessary to preserve the value of the Non-Transferable Assets, (iii) Sellers shall not transfer or assign the Non-Transferable Assets to any Person other than Buyer or Buyer's assigns, (iv) Sellers shall transfer or assign the Non-Transferable Assets to Buyer at the earliest date on which such transfer or assignment can be effected and (v) Buyer shall be responsible for obligations relating to such

Non-Transferable Assets as if they had been transferred or assigned to Buyer in accordance with the terms of this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF FMLP

FMLP represents and warrants to Buyer as follows:

4.1 Representations and Warranties With Respect To the American Business. With respect to the entire Business, all FMLP Operating Entities, Bethesda and the Wheeling Real Property, FMLP makes the representations and warranties set forth in paragraph (h) (Financial Statements; Unknown Liabilities) of Schedule 4.1. With respect to the American Business and the FMLP Operating Entities conducting the American Business, FMLP makes each of the representations and warranties set forth on Schedule 4.1. Except with respect to paragraph (h) (Financial Statements; Unknown Liabilities), all references in Schedule 4.1 to FMLP Operating Entities shall mean the FMLP Operating Entities conducting the American Business.

4.2 Representations and Warranties With Respect To the Dutch Business. With respect to the Dutch Business and the FMLP Operating Entities conducting the Dutch Business, FMLP makes each of the representations and warranties set forth on Schedule 4.2. All references in Schedule 4.2 to FMLP Operating Entities shall mean the FMLP Operating Entities conducting the Dutch Business.

4.3 Representations and Warranties With Respect To the Australian Business. With respect to the Australian Business and the FMLP Operating Entities conducting the Australian Business, FMLP makes each of the representations and warranties set forth on Schedule 4.3. All references in Schedule 4.3 to FMLP Operating Entities shall mean the FMLP Operating Entities conducting the Australian Business.

4.4 Representations and Warranties With Respect To the German Business. With respect to the German Business and the FMLP Operating Entities conducting the German Business, FMLP makes each of the representations and warranties set forth on Schedule 4.4. All references in Schedule 4.4 to FMLP Operating Entities shall mean the FMLP Operating Entities conducting the German Business.

4.5 Representations and Warranties With Respect To Bethesda and the Wheeling Real Property. With respect to Bethesda and the Wheeling Real Property, FMLP makes each of the representations and warranties set forth on Schedule 4.5.

4.6 No Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OTHER PURCHASE

AGREEMENTS AND ANY CERTIFICATES AND INSTRUMENTS TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THIS AGREEMENT, FMLP MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE BUSINESS, THE AMERICAN PURCHASED ASSETS, THE FM-SERVICE SHARES, THE FM-BRAZIL SHARES, THE FM-GERMANY SHARES, THE DUTCH PURCHASED ASSETS, THE FM-SPAIN SHARES, THE FM-SWEDEN SHARES, THE FM-U.K. SHARES, THE AUSTRALIAN PURCHASED ASSETS, THE WHEELING REAL PROPERTY, THE ASSUMED LIABILITIES OR THE NON-ASSUMED LIABILITIES, AND FMLP HEREBY DISCLAIMS ALL IMPLIED REPRESENTATIONS AND WARRANTIES (INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE).

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to FMLP as follows:

5.1 Organization and Good Standing. Buyer is a Delaware corporation, duly organized, validly existing and in good standing under the laws of the state of Delaware. Buyer has full power and authority to conduct its business as presently being conducted and to own and lease its properties and assets.

5.2 Authority; Authorization; Binding Effect. Buyer has all necessary power and authority to execute and deliver this Agreement and the Other Purchase Agreements, to consummate the transactions contemplated by this Agreement and the Other Purchase Agreements and to perform its obligations under this Agreement and the Other Purchase Agreements. Copies of all resolutions of the board of directors of Buyer with respect to the transactions contemplated by this Agreement and the Other Purchase Agreements, certified by the Secretary or an Assistant Secretary of Buyer, in form reasonably satisfactory to counsel for FMLP, have been delivered to FMLP. Each of this Agreement and the Other Purchase Agreements has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations.

5.3 No Conflict or Violation. The execution and delivery of this Agreement and the Other Purchase Agreements, the consummation of the transactions contemplated by this Agreement and the Other Purchase Agreements and the performance by Buyer of its obligations under this Agreement and the Other Purchase Agreements, do not and will not result in or constitute (i) a violation of or a conflict with any provision of the certificate of incorporation or by-laws of Buyer, (ii) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the

lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any contract, agreement, indebtedness, lease, commitment, license, franchise, permit, authorization or concession to which Buyer is a party or (iii) a violation by Buyer of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award.

5.4 Consents and Approvals. Except for any filings or approvals required under the HSR Act which have been completed and with respect to which early termination of the waiting period has been granted, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by Buyer in connection with the execution, delivery and performance of this Agreement and the Other Purchase Agreements, and the consummation of the transactions contemplated by this Agreement and the Other Purchase Agreements.

5.5 No Proceedings. There is no Proceeding pending or, to the knowledge of Buyer, threatened against, relating to or affecting in any adverse manner the transactions contemplated by this Agreement and the Other Purchase Agreements.

5.6 Financial Resources. Buyer has adequate financial resources to consummate the transactions contemplated by this Agreement and the Other Purchase Agreements.

5.7 No Brokers. Buyer has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated hereby.

ARTICLE 6
COVENANTS AND CONDUCT OF THE PARTIES PRIOR TO CLOSING

FMLP on the one hand, and Buyer on the other hand, each covenant and agree with the other as follows:

6.1 Investigation by Buyer. During the period beginning on the date of this Agreement and ending on the Closing Date, Buyer and each Representative of Buyer may continue to conduct a due diligence review of each FMLP Operating Entity and the Business. In connection with such due diligence review, Buyer and each Representative of Buyer shall be granted full access to all Current Real Property upon reasonable notice and during normal business hours. In connection with such due diligence review, FMLP agrees, and shall cause each Representative of FMLP, upon reasonable prior notice, to (i) cooperate with Buyer and each Representative of Buyer, (ii) provide all information, and all documents and other data

relating to such information, reasonably requested by Buyer or any Representative of Buyer (including, without limitation, the work papers of Sellers' Accountants and all responses to auditor's inquiry letters for the past five (5) years) and (iii) permit Buyer and each Representative of Buyer to inspect any assets of any FMLP Operating Entity.

6.2 Environmental Audits. In addition to any environmental investigations and audits conducted by Buyer or its Representatives prior to the date of this Agreement, Buyer shall, at Buyer's sole expense, be permitted to cause further "Phase I" and "Phase II" environmental audits of the Current Real Property to be conducted assessing the presence and or disposition of Hazardous Substances and compliance with Environmental Laws. Each FMLP Operating Entity hereby grants a license to Buyer's qualified environmental consultants to enter upon the Current Real Property, upon giving FMLP reasonable notice, with men and materials to conduct such environmental audits. In connection with any such environmental audits and at the request of FMLP, Buyer shall from time to time enter into agreements relating to indemnification for damages and confidentiality of audit results, in the form of the Indemnification and Confidentiality Agreement between FMLP and Buyer.

6.3 Notifications, Consents and Approvals. As soon as practicable, Buyer and each FMLP Operating Entity, as applicable, shall commence all reasonable actions to obtain the consents and approvals and to make the filings set forth on Schedule 6.3 (the "Required Consents and Filings") required to consummate the transactions contemplated by this Agreement and the Other Purchase Agreements.

6.4 Conduct Pending Closing. (a) From the date of this Agreement to the Closing Date, and except as otherwise specifically provided in this Agreement or consented to or approved by Buyer in advance in writing, such consent or approval not to be unreasonably withheld or delayed, FMLP agrees for itself and on behalf of each FMLP Operating Entity as follows:

(i) Each FMLP Operating Entity shall carry on its business substantially in the same manner as heretofore conducted and shall not engage in any transaction or activity, enter into or amend any agreement or make any commitment except in the ordinary course of business.

(ii) No change or amendment shall be made in or to the certificate or other governing or organizational instruments of FM-Service, FM-Brazil, FM-U.K., FM-Sweden, FM-Spain or FM-Germany.

(iii) Each FMLP Operating Entity shall use reasonable commercial efforts to preserve its existence and business organization intact and to preserve its properties, assets and relationships with its employees, suppliers, customers and others with whom it has business relations.

(iv) No FMLP Operating Entity shall (i) grant any increase in compensation in excess of four (4) percent to any employee whose 1995 calendar-year compensation (base salary plus bonus but excluding benefits) exceeded $50,000 or (ii) enter into, or amend in any material respect, any Assumed Employee Benefit Plan.

(v) No FMLP Operating Entity shall (A) grant any special conditions with respect to any account receivable other than in the ordinary course of business (e.g., extended terms), (B) fail to pay any account payable on a timely basis in the ordinary course of business consistent with past practice, (C) except as disclosed in this Agreement, make or commit to make any capital expenditures in excess of $25,000 in the aggregate, (D) purchase Inventory in excess of supplies necessary in the ordinary course of business and consistent with past practice (and in no event exceeding, for any particular item, a six month supply) or (E) start up or acquire any new business or product line.

(vi) No FMLP Operating Entity shall voluntarily take any action which would cause, or voluntarily fail to take any action the failure of which would cause, any representation or warranty of FMLP contained in this Agreement to be breached or untrue in any respect.

(b) From the date of this Agreement to the Closing Date, and except as otherwise specifically provided in this Agreement or consented to or approved by FMLP in advance in writing, such consent or approval not to be unreasonably withheld or delayed Buyer shall not voluntarily take any action which would cause, or voluntarily fail to take any action the failure of which would cause, any representation or warranty of Buyer contained in this Agreement to be breached or untrue in any respect.

6.5 Notification of Certain Matters.

(a) FMLP shall give prompt notice to Buyer of (i) any fact or circumstance, or any occurrence or failure to occur of any event of which FMLP has knowledge, which fact, circumstance, occurrence or failure causes or, with notice or the lapse of time, would cause any representation or warranty of FMLP contained in this Agreement to be breached or untrue or inaccurate in any respect any time from the date of this Agreement to the Closing Date and (ii) any failure of FM-International, FM-Europe or any FMLP Operating Entity to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by FM-International, FM-Europe or any FMLP Operating Entity under this Agreement or any Other Purchase Agreement.

(b) Buyer shall give prompt notice to FMLP of (i) any fact or circumstance, or any occurrence or failure to occur of any event of which Buyer has knowledge, which fact, circumstance, occurrence or failure causes or, with notice or the lapse of time, would cause any representation or warranty of Buyer contained in this

Agreement to be breached or untrue or inaccurate in any respect any time from the date of this Agreement to the Closing Date and (ii) any failure of Buyer to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by Buyer under this Agreement or any Other Purchase Agreement.

(c) In the event that Buyer receives a notice from FMLP pursuant to Section 6.5(a) which relates to a breached or untrue representation or warranty of FMLP, then, in Buyer's or FMLP's reasonable judgment, if (i) such breached or untrue representation or warranty together with all other breached or untrue representations and warranties of which Buyer has been notified pursuant to Section 6.5(a) or of which Buyer has otherwise become aware would have, if revealed after the Closing Date, resulted in Losses in excess of $3,000,000, then each of Buyer and FMLP shall have five (5) business days after delivery of such notice to notify the other party in writing as to whether it elects to terminate this Agreement, in which case neither Buyer nor FMLP shall have any liability to the other or (ii) such breached or untrue representation or warranty together with all other breached or untrue representations and warranties of which Buyer has been notified pursuant to Section 6.5(a) or of which Buyer has otherwise become aware would have, if revealed after the Closing Date, not resulted in Losses exceeding $3,000,000, then Buyer and FMLP shall be required to proceed with Closing subject to Buyer preserving its indemnification rights pursuant to Section 9.1(b)(i) and any other rights and remedies it may have under this Agreement. If neither Buyer nor FMLP notifies the other pursuant to clause (i) of the preceding sentence within such 5-day period of its election to terminate this Agreement, Buyer and FMLP shall be required to proceed with Closing subject to Buyer preserving its indemnification rights pursuant to Section 9.1(b)(i) and any other rights and remedies it may have under this Agreement. In the event of termination of this Agreement by Buyer pursuant to this Section 6.5(c), the provisions of the Letter Agreement relating to payment of a "break-up fee" shall no longer apply.

(d) In the event FMLP receives a notice from Buyer pursuant to Section 6.5(b) which relates to a representation or warranty which is breached or untrue in any material respect of Buyer, FMLP shall have five (5) business days after receipt of such notice to respond in writing as to whether it desires to terminate this Agreement or proceed with Closing subject to preserving its indemnification rights pursuant to Section 9.1(c) and any other rights and remedies which it may have under this Agreement. If FMLP fails to respond within such 5-day period, it shall be required to proceed with Closing subject to preserving its indemnification rights pursuant to Section 9.1(c) and any other rights and remedies which it may have under this Agreement.

6.6 Delivery of Interim Financial Statements. Within twenty (20) days of the end of each month after the execution of this Agreement and prior to the Closing Date, FMLP shall deliver or cause to be delivered to Buyer internally prepared monthly and year-to-date interim financial statements of FMLP and its Subsidiaries. Upon delivery, such

year-to-date interim financial statements shall automatically become and be deemed to be Interim Financial Statements for purposes of this Agreement.

6.7 Escrow Agreement. On the Closing Date, FMLP, Buyer and the Escrow Agent shall enter into an escrow agreement substantially in the form of Exhibit 6.7 (the "Escrow Agreement").

6.8 Employment Agreement. On the Closing Date, Mitchell H. Saranow shall enter into an employment agreement with FMI Management Company (formerly known as The Saranow Company) substantially in the form of Exhibit 6.8 (the "Saranow Employment Agreement") and shall execute and deliver IDEX's standard form of Standards of Conduct and Business Ethics Policy and Employee Inventions and Proprietary Information Agreement, copies of which have been delivered to Mitchell H. Saranow.

6.9 Non-Compete and Confidentiality Agreement. On the Closing Date, the Sellers, the Other Sellers and others shall enter into a non-compete and confidentiality agreement with Buyer substantially in the form of Exhibit 6.9 (the "Non-Compete Agreement").

6.10 Amendment of Management Agreement. On the Closing Date, Buyer, The Saranow Company and FMLP shall enter into the Amended and Restated Management Agreement in the form of Exhibit 6.10 (the "Amended Management Agreement").

6.11 Offer of Employment to Sellers' Employees. On the Closing Date, Buyer shall offer employment to all of Sellers' employees upon substantially the same terms and conditions as such employees are presently employed; provided however, that nothing herein shall require Buyer to retain any such employee for any period of time or otherwise restrict or limit Buyer's right to terminate or otherwise alter the terms of employment of any such employee, each of whom shall be considered an employee "at will" except to the extent covered by an employment agreement or a severance agreement. Notwithstanding the foregoing, Buyer shall not take any actions which may result in any Loss to FMLP under the Worker's Adjustment and Retraining Notification Act of 1986.

6.12 Assumption of Assumed Employee Benefit Plans. Effective as of the Closing, Buyer shall assume, and be substituted for the FMLP Operating Entities as the sponsoring employer of, the Assumed Employee Benefit Plans, and except as otherwise provided in this Agreement, as of the Closing, Sellers shall have no liability with respect thereto to the participants, beneficiaries, trustees of other fiduciaries thereof. In addition, under the Assumed Employee Benefit Plans or, to the extent Buyer does not assume any of the Employee Benefit Plans and incorporates any former employees of any FMLP Operating Entity into Buyer's comparable employee benefit plans, Buyer shall use reasonable efforts to waive with respect to such employees applicable waiting periods under Buyer's plans, to give

credit to such employees toward deductibles for amounts previously paid by them under the Employee Benefit Plans, and to give such employees credit where applicable under Buyer's employee benefit plans for seniority and vesting purposes.

6.13 Fees. FMLP agrees to pay all finders' fees, brokerage commissions or similar payments owing to Dean Witter Reynolds, Inc. and any other finders' fees, brokerage commissions or similar payments owing to any Person engaged by FMLP or its Subsidiaries in connection with the transactions contemplated by this Agreement and the Other Purchase Agreements.

6.14 Elimination of Intercompany Payables. On or prior to the Closing Date, FMLP shall pay or otherwise eliminate all intercompany payables between any FMLP Operating Entity and Bethesda, FM-International or FM-Europe.

6.15 Tail Coverage. To the extent any policy of Insurance of any FMLP Operating Entity is "claims made" insurance, FMLP shall purchase "tail" coverage with respect to such policy, on the same or comparable terms as the existing coverage, from the insurance company which issued such policy or from another insurance company reasonably satisfactory to Buyer, and shall take all other actions necessary to extend the coverage under such "claims made" insurance policy to cover all occurrences through the Closing Date. On or prior to the Closing Date, FMLP shall provide to Buyer an original certificate of insurance and a copy of each insurance policy and other document or instrument relating to such extended coverage, together with evidence satisfactory to Buyer that such extended coverage shall remain in effect for a period of one (1) year after the Closing Date and that all premiums relating thereto have been fully paid. In the event that such extended coverage policy is cancelled or otherwise no longer in effect, FMLP shall purchase another policy or policies with the same or comparable coverage. Each policy of extended coverage provided by FMLP under this Section shall name Buyer as an additional insured and shall require the applicable insurance company to give Buyer thirty (30) days written notice of any change to or termination of such policy. To the extent any extended coverage obtained by FMLP hereunder is subject to a deductible or a coverage limit, FMLP shall pay the amount of such deductible and all amounts in excess of such coverage limit.

6.16 Transfer of Interest in LLC. On or prior to the Closing Date, FMLP shall cause FM-Service to take all actions as may be necessary for FM-Service to transfer its 1% interest in FMLLC to an entity not being acquired by Buyer.

6.17 Conversion FM-Brazil and FM-Germany. Prior to the Closing Date, FMLP and FM-International shall take all actions necessary to convert each of FM-Brazil and FM-Germany into a corporation for U.S. tax purposes.

6.18 Payment of Management Fees. Prior to the Closing Date, FMLP shall pay to The Saranow Company all management fees and other amounts (including, without limitation, all reimburseable expenses payable thereunder) which are due or will become due through the Closing Date. With respect to any reimburseable expenses, FMLP shall estimate in good faith all such amounts which will become due and payable through the Closing Date.

ARTICLE 7
CONDITIONS TO SELLERS' OBLIGATIONS

The obligation of Sellers and the Other Sellers to consummate the transactions contemplated by this Agreement and the Other Purchase Agreements, respectively, is subject, in the discretion of FMLP, to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any of which, in FMLP's absolute and sole discretion, may be waived in whole or in part without impairing or affecting any right of indemnification or other right or remedy under this Agreement):

7.1 Representations, Warranties and Covenants. Except as specifically provided in Section 6.5, all representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms of this Agreement, and Buyer shall have performed all agreements and covenants required by this Agreement and the Other Purchase Agreements to be performed by it prior to or at the Closing Date.

7.2 Required Consents and Filings. The Required Consents and Filings shall have been obtained or made.

7.3 No Proceedings. No Proceeding shall be pending, threatened or anticipated against Buyer or any FMLP Operating Entity seeking to enjoin, or adversely affecting, the consummation of the transactions contemplated by this Agreement or the Other Purchase Agreements.

7.4 Closing Certificate. Buyer shall have furnished FMLP with a certificate of an officer of Buyer, in form and substance satisfactory to FMLP, to evidence compliance with the conditions set forth in Sections 7.1, 7.2 and 7.3.

7.5 Legal Opinion. FMLP shall have received an opinion of Hodgson, Russ, Andrews, Woods & Goodyear, LLP, substantially in the form of Exhibit 7.5.

7.6 Closing of Other Purchase Agreements and Merger Agreement. There shall occur contemporaneously with the closing of the transactions contemplated by this

Agreement the closing of the transactions contemplated by the Other Purchase Agreements and the Merger Agreement.

ARTICLE 8
CONDITIONS TO BUYER'S OBLIGATIONS

The obligation of Buyer to consummate the transactions contemplated by this Agreement, is subject, in the discretion of Buyer, to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any of which, in Buyer's absolute and sole discretion, may be waived in whole or in part without impairing or affecting any right of indemnification or other right or remedy under this Agreement):

8.1 Representations, Warranties and Covenants. Except as specifically provided in Section 6.5, all representations and warranties of FMLP contained in this Agreement shall be true and correct in all respects at and as of the Closing Date, except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms of this Agreement and each Seller and Other Seller shall have performed or caused to be performed all agreements and covenants required by this Agreement and the Other Purchase Agreements, respectively, to be performed or caused to be performed by it prior to or at the Closing Date.

8.2 Required Consents and Filings. The Required Consents and Filings shall have been obtained or made.

8.3 No Proceedings. No Proceeding shall be pending, threatened or anticipated against Buyer or any FMLP Operating Entity seeking to enjoin, or adversely affecting, the transactions contemplated by this Agreement.

8.4 No Interruption or Adverse Change. No interruptions or suspensions of the Business as now conducted shall have occurred or, to the knowledge of FMLP, been threatened and no changes in the business, prospects, assets or financial condition of FMLP and its Subsidiaries shall have occurred or, to the knowledge of FMLP, been threatened which in each case, if they were to have occurred after the Closing Date, would have, in Buyer's reasonable judgment, resulted in Losses in the aggregate in excess of $3,000,000.

8.5 Closing Certificate. FMLP shall have furnished or caused to be furnished to Buyer a certificate or certificates in form satisfactory to Buyer to evidence compliance with the conditions set forth in Sections 8.1, 8.2, 8.3 and 8.4.

8.6 Legal Opinions. Buyer shall have received an opinion from (a) McDermott, Will & Emery substantially in the form of Exhibit 8.6(a) and (b) Gould & Ratner substantially in the form of Exhibit 8.6(b).

8.7 Standard IDEX Agreements. On the Closing Date, each of the individuals listed on Schedule 8.7 shall execute IDEX's standard form of Standards of Conduct and Business Ethics Policy and Employee Inventions and Proprietary Information Agreement.

8.8 Certificates of Employees of Seller and The Saranow Company. On the Closing Date, (i) with respect to the American Business, the Australian Business, Bethesda and the Wheeling Real Property, each of Mitchell H. Saranow, Thomas Carney, Joseph Rygiel and Michael Kudia and (ii) with respect to the Dutch Business and the German Business, each of Mitchell H. Saranow, Thomas Carney, Leendert Hellenberg and John Farla, shall execute and deliver to Buyer a certificate in the form of Exhibit 8.8 (the "Employee Certificates") pursuant to which such employee shall represent and warrant to Buyer that, to the knowledge of such individual, none of the representations and warranties in Article 4 within the scope of such individual's employment responsibility are untrue or inaccurate.

8.9 Closing of Other Purchase Agreements and Merger Agreement. There shall have occurred contemporaneously with the closing of the transactions contemplated by this Agreement the closing of the transactions contemplated by the Other Purchase Agreement and the Merger Agreement.

ARTICLE 9
COVENANTS AND CONDUCT OF THE PARTIES AFTER CLOSING

9.1 Survival and Indemnifications.

(a) Survival of Representations, Warranties, Covenants and Agreements.

(i) All representations and warranties of FMLP contained in this Agreement shall survive the Closing Date for the duration of the Claims Period; except that (A) the Environmental Representations shall survive the Closing for a period of three (3) years and (B) the representations and warranties set forth in clause (i) of paragraph (g) of Schedule 4.5 (Real Property) shall not survive the Closing. Any claim made by Buyer with respect to the representations and warranties of FMLP contained in this Agreement must be initiated by Buyer during the Claims Period, except that any claim with respect to the Environmental Representations must be initiated within three (3) years following the Closing Date. All of the representations and warranties of FMLP contained in this Agreement shall

in no respect be limited or diminished by any past or future inspection, investigation, examination or possession on the part of Buyer or its Representatives; provided, however, that to the extent that as a result of any such inspection, investigation, examination or possession prior to the Closing (A) Buyer has actual knowledge that any representation or warranty of FMLP is untrue and (B) FMLP does not have knowledge that such representation or warranty is untrue, then FMLP shall have no liability with respect to such untrue representation or warranty. All covenants and agreements made by any Seller, any Other Seller, FM-International or FM-Europe contained in this Agreement or the Other Purchase Agreements which are required to be performed prior to the Closing Date shall survive the Closing for the duration of the Claims Period, and any claim made by Buyer with respect thereto must be initiated during the Claims Period. All covenants and agreements made by any Seller, any Other Seller, FM-International or FM-Europe contained in this Agreement or the Other Purchase Agreements which are required to be performed on or after the Closing Date (including, without limitation, the obligation of Sellers, the Other Sellers, FM-International and FM-Europe in this Agreement and the Other Purchase Agreement to convey the (A) American Purchased Assets, the FM-Service Shares, FM-Brazil Shares and the FM-Germany Shares, (B) the Dutch Purchased Assets, the FM-U.K. Shares, the FM-Spain Shares and the FM-Sweden Shares, (C) the Australian Purchased Assets and (D) the Wheeling Real Property to Buyer free and clear of any Encumbrances (other than Permitted Encumbrances), and the indemnification obligations of FMLP set forth in this Section) shall survive the Closing Date until fully performed or discharged.

(ii) All representations and warranties of Buyer contained in this Agreement shall survive the Closing Date for the duration of the Claims Period. Any claim made by FMLP with respect to the representations and warranties of Buyer contained in this Agreement must be initiated during the Claims Period. All of the representations and warranties of Buyer contained in this Agreement shall in no respect be limited or diminished by any past or future inspection, investigation, examination or possession on the part of FMLP or its Representatives; provided, however, that to the extent that as a result of any such inspection, investigation, examination or possession prior to the Closing (x) FMLP has actual knowledge that any representation or warranty of Buyer is untrue and (y) Buyer does not have knowledge that such representation or warranty is untrue, then Buyer shall have no liability with respect to such untrue representation or warranty. All covenants and agreements made by Buyer contained in this Agreement and the Other Purchase Agreements which are required to be performed prior to the Closing Date shall survive the Closing for the duration of the Claims Period, and any claim made by any Seller or any Other Seller with respect thereto must be initiated during the Claims Period. All covenants and agreements made by Buyer contained in this Agreement and the Other Purchase Agreements which are required to be performed on or after the Closing Date (including the indemnification obligations of Buyer set forth in this Section) shall survive the Closing Date until fully performed or discharged.

(iii) FMLP acknowledges that, in the event that any of the representations and warranties of FMLP contained in paragraph (h) (Financial Statements; Unknown Liabilities) of Schedule 4.1 is breached or untrue then, notwithstanding (A) the fact that any other representation or warranty of FMLP contained in this Agreement is not breached or untrue and (B) the obligations of Buyer in this Agreement and the Other Purchase Agreements to assume the Assumed Liabilities, FMLP shall be liable to Buyer pursuant to Section 9.1(b)(i) for such breached or untrue representation or warranty contained in paragraph (h) (Financial Statements; Unknown Liabilities)of Schedule 4.1.

(b) Indemnification by FMLP. FMLP hereby agrees to defend, indemnify and hold harmless Buyer and its Affiliates, and the directors, officers and employees of Buyer and its Affiliates, from, against and in respect of the following:

(i) any and all Losses suffered or incurred by any of them by reason of any breached or untrue representation or warranty of FMLP contained in this Agreement and any Proceeding incident thereto; provided, however, that FMLP's obligation to indemnify Buyer and its Affiliates pursuant to this Section 9.1(b)(i) shall be limited by the following:

(A) with respect to all representations and warranties of FMLP other than the Environmental Representations, (x) FMLP shall have no liability under this Section 9.1(b)(i) until the Losses suffered or incurred with respect thereto in the aggregate exceed, and then only to the extent such Losses are in excess of, $500,000 and (y) subject to Section 9.1(d)(iv), the liability of FMLP under this Section 9.1(b)(i) for Losses suffered or incurred with respect thereto shall be limited to the amount of and satisfied solely from the Escrow Funds;

(B) with respect to the Environmental Representations, (x) FMLP shall be liable under this Section 9.1(b)(i) for Losses from the first dollar and (y) subject to Section 9.1(d)(iv), the liability of FMLP under this Section 9.1(b)(i) for Losses suffered or incurred with respect thereto (1) for the period from the Closing Date until the Escrow Distribution Date (as defined in the Escrow Agreement) shall be limited to the amount of and satisfied solely from the Escrow Funds and (2) for the period from the Escrow Distribution Date until the three (3) year anniversary of the Closing Date, shall be limited to the amount required to be set aside and maintained by FMLP in a separate bank account pursuant to Section 9.1(e)(ii).

(ii) any and all Losses suffered or incurred by any of them (before or after the Closing) by reason of the nonfulfillment of any covenant or agreement by any Seller, any Other Seller, FM-International or FM-Europe contained in this Agreement or in any Other Purchase Agreement (including, without limitation, the payment or performance by any Seller, any Other Seller, FM-International or FM-Europe of the Closing Purchase

Price Reconciliation, the Non-Assumed Liabilities or amounts owing pursuant to Section 9.7) and any Proceeding incident thereto.

(c) Indemnification by Buyer. Buyer hereby agrees to indemnify and hold harmless FMLP, the General Partners, the Limited Partners and their Affiliates, and the directors, officers and employees of FMLP, the General Partners, the Limited Partners and their Affiliates, from, against, and in respect of:

(i) any and all Losses suffered or incurred by any of them resulting from any breached or untrue representation or warranty by Buyer contained in this Agreement and any Proceeding incident thereto; or

(ii) any and all Losses suffered or incurred by any of them resulting from the nonfulfillment of any covenant or agreement by Buyer contained in this Agreement or in any Other Purchase Agreement (including, without limitation, the payment and performance by Buyer of the Assumed Liabilities) and any Proceeding incident thereto.

(d) Notification and Defense of Claims or Actions.

(i) As used in this Section, any party seeking indemnification pursuant to this Section is referred to as an "indemnified party" and any party from whom indemnification is sought pursuant to this Section is referred to as an "indemnifying party." An indemnified party which proposes to assert the right to be indemnified under this Section shall submit a written demand for indemnification setting forth in summary form the facts as then known which form the basis for the claim for indemnification. With respect to claims based on actions by third parties, an indemnified party shall, within fifteen (15) days after the receipt of notice of the commencement of any Proceeding against it in respect of which a claim for indemnification is to be made against an indemnifying party, notify the indemnifying party in writing of the commencement of such Proceeding, enclosing a copy of all papers served; provided, however, that the failure to so notify the indemnifying party of any such claim, action, suit or proceeding shall not relieve the indemnifying party from any liability which it may have to the indemnified party, except to the extent that the indemnifying party is prejudiced thereby. Thereafter, the indemnified party shall deliver to the indemnifying party, within fifteen (15) days after receipt by the indemnified party, copies of all further notices relating to such claim.

(ii) If a third-party claim is made for which an indemnified party is entitled to indemnification pursuant to Section 9.1(b) or Section 9.1(c), as the case may be, and, in the case of Section 9.1(b), if the amount claimed pursuant to such third-party claim, or the potential liability arising out of such third-party claim (in the judgment of the indemnified party), does not, after taking into account all other indemnification obligations of the indemnifying party pursuant to Section 9.1(b), exceed the indemnifying party's maximum

indemnification obligation pursuant to Section 9.1(b), then the indemnifying party shall be entitled to participate in the defense of such claim and, if the indemnifying party so chooses, and provided that the indemnifying party acknowledges the indemnifying party's obligation to indemnify the indemnified party, to assume primary responsibility for the defense of such claim with counsel selected by the indemnifying party and not reasonably objected to by the indemnified party. If the indemnifying party assumes the defense of a third-party claim as set forth in this paragraph, then (A) in no event shall the indemnified party admit any liability with respect to, or settle, compromise or discharge, any such claim without the indemnifying party's prior written consent and (B) the indemnified party shall be entitled to participate in, but not control, the defense of such claim with its own counsel at its own expense. If the indemnifying party does not assume the defense of any such claim, the indemnified party may defend such claim in a manner as it may deem appropriate (including, but not limited to, settling such claim on such terms as the indemnified party may deem appropriate).

(iii) If a third-party claim is made for which an indemnified party is entitled to indemnification pursuant to Section 9.1(b) and if the amount claimed pursuant to such third-party claim, or the potential liability arising out of such third-party claim (in the judgment of the indemnified party), after taking into account all other indemnification obligations of the indemnifying party pursuant to Section 9.1(b), exceeds the indemnifying party's maximum indemnification obligation pursuant to Section 9.1(b), then the indemnified party shall be entitled to assume primary responsibility for the defense of such claim with counsel selected by the indemnified party and not reasonably objected to by the indemnifying party. If the indemnified party assumes the defense of a third-party claim as set forth in this paragraph, then (A) in no event shall the indemnifying party admit any liability with respect to, or settle, compromise or discharge, any such claim without the indemnified party's prior written consent and (B) the indemnifying party shall be entitled to participate in, but not control, the defense of such claim with its own counsel at its own expense. If the indemnified party does not assume the defense of any such claim, the indemnifying party may defend such claim in a manner as it may deem appropriate (including, but not limited to, settling such claim, after giving twenty (20) days prior written notice of such settlement to the indemnifying party, on such terms as the indemnifying party may deem appropriate).

(iv) In the event that, pursuant to Section 9.1(d)(iii), the indemnified party has assumed primary responsibility for the defense of a third-party claim, and the indemnified party proposes to settle such third-party claim for an amount which, after taking into account all other indemnification obligations of the indemnifying party pursuant to Section 9.1(b), exceeds the indemnifying party's maximum obligation pursuant to Section 9.1(b)(i), then, provided that the indemnifying party has acknowledged the indemnifying party's obligation to indemnify the indemnified party, the indemnified party shall give the indemnifying party twenty (20) days prior written notice of such proposed settlement. The indemnifying party shall notify the indemnified party prior to the end of

such 20-day period as to whether the indemnifying party accepts or rejects such proposed settlement; provided, however, that notwithstanding anything to the contrary contained in this Section 9.1, if the indemnifying party rejects the proposed settlement, the indemnifying party shall be liable for, and shall prior to the expiration of such 20-day period post a performance bond, letter of credit or other similar security in an amount which equals, the amount by which the amount claimed pursuant to such third-party claim or, if greater, the potential liability arising out of such third-party claim (in the good faith judgment of the indemnified party), exceeds the proposed settlement amount.

(v) In the event that any claim for indemnification is made with respect to any third-party claim pursuant to this Section, (A) the party assuming primary responsibility for the defense of such claim shall at all times keep the other party informed as to the status of such claim and (B) the party not primarily responsible for the defense of such claim shall cooperate fully with the other party in connection with such defense.

(e) Obligation of FMLP to Establish and Maintain Reserve. In order to provide further assurances to Buyer of FMLP's ability to satisfy its obligations under Sections 9.1(b)(i) and 9.2.

(i) On the Closing Date, FMLP shall set aside in a separate bank account $3,000,000, and shall maintain such funds free and clear of all Encumbrances until the Escrow Distribution Date, subject only to the following permitted uses:

(A) FMLP shall use such funds to satisfy its obligation, if any, pursuant to Section 9.2(c) to restore the Escrow Funds following the final determination and payment of the Consolidated Gross Profit Adjustment; and

(B) FMLP shall use such funds to satisfy its obligation, if any, pursuant to Section 9.2(c) to pay directly to Buyer the portion of the Consolidated Gross Profit Adjustment which exceeds the available Escrow Funds.

(ii) On and after the Escrow Distribution Date until December 31, 1999, FMLP shall set aside in a separate bank account all Escrow Funds distributed from the Escrow Account from time to time to FMLP up to a maximum aggregate amount of $3,000,000, and shall use such funds solely to satisfy its obligations, if any, pursuant to Section 9.1(b)(i) to indemnify Buyer and its Affiliates for Losses suffered or incurred with respect to breached or untrue Environmental Representations.

(f) Indemnification Exclusive Remedy.

(i) Each of FMLP and Buyer acknowledges and agrees that, except in the case of fraud, following the Closing its sole remedy with respect to any and all claims

relating to the subject matter of this Agreement and the Other Purchase Agreements shall be pursuant to the indemnification provisions set forth in this Section 9.1.

(ii) FMLP and Buyer acknowledge and agree that, subject to Section 9.1(d)(iv), FMLP's maximum aggregate liability pursuant to (A) Section 9.1(b)(i) for indemnification with respect to breached or untrue representations and warranties and (B) Section 9.6 for the Consolidated Gross Profit Adjustment, shall in no event exceed $13,000,000.

(iii) FMLP acknowledges and agrees that nothing contained in Section 9.1 or elsewhere in this Agreement or any Other Purchase Agreement shall be deemed to limit in any way FMLP's obligation to perform, or its liability for indemnification pursuant to Section 9.1(b)(ii) with respect to the nonfulfillment of, each covenant and agreement of any Seller, any Other Seller, FM-International or FM-Europe contained in this Agreement or any Other Purchase Agreement including, without limitation, FMLP's obligation to pay or perform any Non-Assumed Liabilities, and to maintain the amounts required to be set aside pursuant to Section 9.1(e). Except for the obligations of FMLP pursuant to Section 9.1(b)(ii) for which the General Partners shall have liability in their capacity as general partners of FMLP, Buyer shall have no recourse against the General Partners or the Limited Partners for any obligation of FMLP under this Agreement or the Other Purchase Agreements.

9.2 Use of Escrow Funds.

(a) In the event that Buyer is entitled to indemnification from FMLP pursuant to Section 9.1(b)(i), other than any such right to indemnification relating to a breached or untrue Environmental Representation arising after the expiration of the Claims Period, Buyer shall apply to the Escrow Agent for payment of such amount out of available Escrow Funds in accordance with the terms and conditions of the Escrow Agreement.

(b) In the event that there is any Closing Purchase Price Reconciliation owing from FMLP to Buyer pursuant to Section 2.5(e) and FMLP fails to pay such amount within the five (5) business day period specified therein, Buyer shall have the right to apply to the Escrow Agent for payment of such amount out of available Escrow Funds in accordance with the terms and conditions of the Escrow Agreement; provided, however, that in the event of application of the Escrow Funds for the payment of such Closing Purchase Price Reconciliation, FMLP shall, within ten (10) days after such payment, deposit with the Escrow Agent the amount required to be deposited pursuant to the Escrow Agreement. In the event that there is any Accounts Receivable Guarantee Amount owing from FMLP to Buyer pursuant to Section 9.7 and FMLP fails to pay such amount within the five (5) business day period specified therein, Buyer shall have the right to apply to the Escrow Agent for payment of such amount out of available Escrow Funds in accordance with the

terms and conditions of the Escrow Agreement; provided, however, that in the event of application of the Escrow Funds for the payment of such Accounts Receivable Guarantee Amount, FMLP shall, within ten (10) days after such payment, deposit with the Escrow Agent the amount required to be deposited pursuant to the Escrow Agreement.

(c) In the event that there is any Consolidated Gross Profit Adjustment owing from FMLP to Buyer pursuant to Section 9.6, Buyer shall first apply to the Escrow Agent for payment of such amount out of available Escrow Funds in accordance with the terms and conditions of the Escrow Agreement. In the event that the amount of the Consolidated Gross Profit Adjustment exceeds the available Escrow Funds, then Buyer shall apply to FMLP for payment of such excess and FMLP shall pay to Buyer the amount of such excess within five (5) business days after the Consolidated Gross Profit Adjustment has been finally determined pursuant to Section 9.6; provided, however, that FMLP shall in no event be required to pay to Buyer pursuant to this sentence an amount in excess of the $3,000,000 required to be set aside by FMLP pursuant to Section 9(e)(i). Within ten (10) days after any Escrow Funds are paid to Buyer pursuant to this Section 9.2(c), FMLP shall deposit with the Escrow Agent the amount, if any, required to be deposited pursuant to the Escrow Agreement; provided, however, that FMLP's obligation to make such a deposit with the Escrow Agent shall in no event exceed the $3,000,000 required to be set aside by FMLP pursuant to Section 9.1(e)(i), as such amount may be reduced in accordance with the preceding sentence.

(d) If FMLP fails to pay (i) within the ten-day period pursuant to subsection (b) or (c) of this Section 9.2 any amount owing to restore the Escrow Funds or (ii) within the five-day period pursuant to subsection (c) of this Section 9.2 any excess Consolidated Gross Profit Adjustment owing to Buyer, then the amount so owing shall be payable on demand and interest shall accrue on the unpaid amount from the date due until paid at a rate equal to the lower of (a) ten percent (10%) per annum or (b) the highest rate permitted by law.

9.3 Use of Partnership Name or Trade Name. After the Closing, except as required by law in connection with the liquidation and winding up of FMLP and its Subsidiaries, neither FMLP nor its Affiliates, will use or refer to the name "Fluid Management" or "FM" or any trade name included within the Intellectual Property being conveyed to Buyer, or any derivative or variation thereof or any name similar thereto.

9.4 Continuation Health Care Coverage. On and after the Closing, Buyer shall make available to all Qualified Individuals (as hereafter defined) continuation health coverage under the terms and conditions as would be required of any Seller by COBRA if such obligations of any Seller were not being assumed by Buyer hereunder. Buyer also shall notify, in accordance with the requirements of COBRA, any such Qualified Individual of his or her right to obtain continuation health coverage from Buyer. For purposes of this Section,

"Qualified Individual" means any employee or qualified beneficiary of any Seller who, prior to the date of Closing or as a result of the transactions contemplated by this Agreement, has or had incurred a Qualifying Event (as defined by COBRA) and who has elected, or may elect to have, health care continuation coverage under the requirements of COBRA. Buyer further agrees that, with respect to all former employees and qualified beneficiaries thereof of any Seller to whom Buyer is required to provide COBRA continuation coverage, Buyer shall, at its sole expense, also provide for coverage of all pre-existing medical conditions of such employees and qualified beneficiaries thereof.

9.5 Access to Records and Personnel.

(a) For a period of six (6) years after the Closing Date, FMLP and its Representatives, shall have reasonable access to all books and records of any FMLP Operating Entity transferred to Buyer hereunder, and to all former employees of any FMLP Operating Entity having knowledge with respect thereto, to the extent that such access may reasonably be required in connection with matters relating to (i) liabilities of any FMLP Operating Entity not assumed by Buyer hereunder, (ii) all matters as to which FMLP is required to provide indemnification under this Agreement or (iii) the preparation of any tax returns required to be filed by any FMLP Operating Entity with respect to any periods prior to the Closing. Such access shall be afforded by Buyer upon receipt of reasonable advance notice and during normal business hours, provided such access does not unduly disrupt Buyer's normal business operations. FMLP shall be solely responsible for any costs or expenses incurred by it pursuant to this Section 9.5. If Buyer shall desire to dispose of any of such books and records prior to the expiration of such six-year period, Buyer shall, prior to such disposition, give FMLP a reasonable opportunity, at FMLP's expense, to segregate and remove such books and records as FMLP may select.

(b) For a period of six years after the Closing Date, Buyer and its representatives shall have reasonable access to all of the books and records relating to the Business which any FMLP Operating Entity, or any of its or their Representatives, may retain after the Closing Date. Such access shall be afforded by each FMLP Operating Entity and its or their Representatives upon receipt of reasonable advance notice and during normal business hours. Buyer shall be solely responsible for any costs and expenses incurred by it pursuant to this Section 9.5. If any FMLP Operating Entity shall desire to dispose of any of such books and records prior to the expiration of such six-year period, FMLP shall, prior to such disposition, give Buyer a reasonable opportunity, at Buyer's expense, to segregate and remove such books and records as Buyer may select.

9.6 Consolidated Gross Profit Adjustment.

(a) In the event that the Consolidated Gross Profit is less than $35,500,000, then FMLP shall pay to Buyer an amount equal to the Consolidated Gross

Profit Adjustment. The Consolidated Gross Profit shall be equal to (i) the Consolidated Gross Profit for the period from January 1, 1996 through the Closing Date, as reflected in the Closing Date Financial Report plus (ii) the Consolidated Gross Profit for the period from the Closing Date through December 31, 1996, as determined in accordance with Section 9.6(b); provided, however, that the Consolidated Gross Profit Adjustment shall in no event exceed the maximum amount set forth in Section 9.2(c) and shall in no event be less than Zero Dollars ($0.00). Within thirty (30) days after receipt by Buyer of the audited financial statements of Buyer for the period ended December 31, 1996, Buyer shall cause Buyer's Accountants to prepare and deliver to FMLP a written supplemental report setting forth the Consolidated Gross Profit for the period from the Closing Date through December 31, 1996, the aggregate Consolidated Gross Profit for calendar year 1996 and the Consolidated Gross Profit Adjustment. If FMLP does not object, or otherwise fails to respond, to Buyer's report of the Consolidated Gross Profit Adjustment within 20 days after receipt thereof by FMLP, such report and the calculation of Consolidated Gross Profit Adjustment reflected therein shall automatically become final and conclusive. In the event that FMLP objects to Buyer's determination of the Consolidated Gross Profit Adjustment within such 20-day review period, FMLP and Buyer shall promptly meet and endeavor to reach agreement as to the content of Buyer's report. If FMLP and Buyer agree on the Consolidated Gross Profit Adjustment, such amount shall become final and conclusive. If FMLP and Buyer are unable to reach agreement within 15 days after the end of FMLP's 20-day review period, then the Independent Accountants shall promptly be retained to undertake the determination of the Consolidated Gross Profit Adjustment, which determination shall be made as quickly as possible. Only disputed item(s) shall be submitted to the Independent Accountants for review. In resolving any disputed item, the Independent Accountants may not assign a value to such item greater than the greatest value for such item claimed by either party or less than the lowest value for such item claimed by either party, in each case as presented to the Independent Accountants. Such determination of the Independent Accountants shall be final and binding on FMLP and Buyer, and all expenses of the Independent Accountants shall be borne equally by FMLP and Buyer.

(b) The Consolidated Gross Profit for the period from the Closing Date through December 31, 1996 and the Consolidated Gross Profit Adjustment shall be determined (i) on the basis of the gross profit of Buyer on a combined and consolidated basis to reflect the gross profit of the Business, (ii) in a manner consistent with the past practices and procedures employed by FMLP in the operation of the Business (including, without limitation, the calculation of cost of goods sold), (iii) exclusive of any accounting adjustments resulting solely from the transactions contemplated by this Agreement and the Other Purchase Agreements, (iv) exclusive of the effect of any acquisitions by any FMLP Operating Entity or Buyer completed after March 29, 1996 (including, without limitation, Co-Power (Taiwan) and Tikurilla (Finland)) and (v) inclusive of an adjustment necessary to reflect the effect on gross profit which would have occurred if Buyer continued to pay rent during such period at the same rate previously paid by FMLP to Bethesda. During the period beginning on the

Closing Date and ending on December 31 1996, Buyer shall, as a condition to receiving any Consolidated Gross Profit Adjustment under this Section 9.6, (i) operate the Business in a manner substantially similar to and consistent with the manner in which FMLP operated the Business prior to the Closing Date, (ii) operate and maintain the Business as a separate business unit of Buyer substantially as structured on the Closing Date and shall not combine the Business with any other operating unit of Buyer and (iii) not discontinue, sell or otherwise dispose of any material portion of the Business except to the extent recommended or otherwise consented to by Mitchell H. Saranow. If Buyer discontinues, sells or otherwise disposes of any material portion of the Business with Mitchell H. Saranow's recommendation or consent prior to December 31, 1996, then for purposes of calculating the Consolidated Gross Profit Adjustment, the $35,500,000 target amount shall be adjusted on a pro rata daily basis for the period following such discontinuance, sale or other disposition by an amount equal to the gross profit (or loss) attributable to that portion of the Business. Furthermore, in the event that Buyer (i) terminates the employment of Mitchell H. Saranow without cause prior to December 31, 1996 or (ii) terminates the employment of Leendert Hellenberg or Joseph Rygiel without cause prior to December 31, 1996 except to the extent recommended or otherwise consented to by Mitchell H. Saranow, Buyer shall be deemed to have forfeited any right to receive the Consolidated Gross Profit Adjustment. In the event of any fire, theft or other casualty to or affecting the Business after the Closing, which casualty results in an interruption or discontinuance of production for a period of five (5) continuous days or more, then Buyer and FMLP shall promptly meet and endeavor to reach agreement as to the anticipated effect of such interruption or discontinuance on the Consolidated Gross Profit and the Consolidated Gross Profit Adjustment; provided, however, that if Buyer and FMLP are unable to reach agreement within thirty (30) days after the occurrence of the casualty, then the Independent Accountants shall be promptly retained to estimate what the Consolidated Gross Profit would have been if such casualty had not occurred and to calculate the Consolidated Gross Profit Adjustment based thereon, and such estimate and the calculation based thereon shall be final and binding upon FMLP and Buyer. In estimating what the Consolidated Gross Profit would have been, the Independent Accountants may not assign a value to the estimated Consolidated Gross Profit that is greater than the greatest value claimed by either party or less than the lowest value claimed by either party, in each case as presented to the Independent Accountants. All expenses of the Independent Accountants shall be borne equally by FMLP and Buyer. Buyer shall, upon FMLP's request, provide FMLP and its Representatives and the Independent Accountants with reasonable access to Buyer's books and records (including, without limitation, work papers of Buyer's Accountants) relating to the Business to the extent necessary for the review of the calculation of the Consolidated Gross Profit.

9.7 Collection of Accounts Receivable.

(a) As soon as reasonably possible after the Closing Date, FMLP shall deliver to Buyer an aging report of the Accounts Receivable. FMLP agrees on behalf of all

FMLP Operating Entities that, on and after the Closing Date, Buyer shall have the right and authority to collect for Buyer's account the Accounts Receivable and to endorse with the name of "Fluid Management Limited Partnership" or any other FMLP Operating Entity or otherwise, as appropriate, any documents or checks received on account of or otherwise relating to the Accounts Receivable. FMLP agrees on behalf of all FMLP Operating Entities to execute and deliver to Buyer, upon its request, one or more powers of attorney in form and substance reasonably satisfactory to Buyer as evidence the foregoing agreement. FMLP agrees on behalf of all FMLP Operating Entities that it will forthwith transfer or deliver, or will cause any lender with which any FMLP Operating Entity has lockbox arrangements, to transfer or deliver to Buyer any cash or other property that any FMLP Operating Entity or lender may receive after the Closing Date in respect of the Accounts Receivable or any other items constituting a part of the American Purchased Assets, the Dutch Purchased Assets, the Australian Purchased Assets or the German Purchased Assets.

(b) FMLP guarantees the payment of the face amount of the Accounts Receivable without reduction for any reserves. For a period of one (1) year following the Closing Date, Buyer shall use its reasonable efforts (not to include bringing or threatening to bring any legal action) to collect the Accounts Receivable. After the expiration of the one hundred twenty (120) day period following the Closing Date, Buyer shall deliver to FMLP an aging report of the Accounts Receivable. Subject to the second following sentence, FMLP shall have twenty (20) days after receipt of such aging report to elect to have Buyer assign to FMLP, without recourse, any or all of the Accounts Receivable to the extent they remain uncollected. So long as Buyer has not given any release impairing the right to collect any of such uncollected Accounts Receivable, FMLP shall pay to Buyer the full amount thereof remaining uncollected without reduction for any reserves, whereupon FMLP, at its option, may pursue collection of the same for its own account. Buyer may refuse to assign to FMLP pursuant to the second preceding sentence any Account Receivable, provided, however, that upon any such refusal, Buyer shall be deemed to have waived its right to receive from FMLP the full amount of such Account Receivable and FMLP shall have no further liability under this Section with respect to such Account Receivable. After the expiration of the one-year period following the Closing Date, Buyer may assign to FMLP, without recourse, all Accounts Receivable which remain uncollected other than those which Buyer has refused to assign to FMLP pursuant to the immediately preceding sentence. So long as Buyer has not given any release impairing the right to collect any such uncollected Account Receivable, FMLP shall thereupon pay to Buyer within five (5) business days the full amount thereof remaining uncollected without reduction for any reserves (the aggregate amount of all such uncollected Accounts Receivable being the "Accounts Receivable Guarantee Amount"), whereupon FMLP, at its option, may pursue collection of the same for its own account. If and to the extent that Buyer elects not to assign any Account Receivable to FMLP after the expiration of the one-year period, Buyer shall be deemed to have waived its right to receive the full amount of such Account Receivable from FMLP and FMLP shall have no further obligation under this Section with respect to such Account Receivable. Any

amounts collected by Buyer on Accounts Receivable shall be applied in the manner directed by the account debtor or, in the absence of any direction, shall be applied first to the oldest invoice of the account debtor. Any amounts collected by Buyer in respect of Accounts Receivable repurchased by FMLP shall forthwith be remitted to FMLP by Buyer.

9.8 Buyer's Contribution to FMLP's Profit Sharing Plan. Buyer shall make or cause to be made to the Fluid Management Profit Sharing and Savings Plan for the plan year ending December 31, 1996, an employer profit sharing contribution in an amount not less than 7% of each eligible participant's compensation (as defined in the plan) for that plan year.

9.9 Buyer's Continuation of FMLP's Bonus Plan. For the period from the Closing Date through December 31, 1996, Buyer shall maintain and administer FMLP's bonus compensation plan as in effect prior to the Closing Date with respect to all employees formerly employed by FMLP or its Subsidiaries and eligible for bonuses under such plan, and otherwise in a manner consistent with past practice of FMLP. Buyer and FMLP agree that (i) with respect to the period from January 1, 1996 through the Closing Date, such bonuses shall be equal to the amount accrued on the Closing Date Financial Report, (ii) with respect to the period from the Closing Date through December 31, 1996, Buyer shall pay additional bonus amounts on a pro rata basis based on actual levels of operation versus targeted levels of operation of the Business and otherwise consistent with past practice.

9.10 Buyer's Obligation to Honor FMLP's Vacation Benefits. Buyer shall provide to former employees of FMLP or its Subsidiaries who accept employment with Buyer all vacation benefits earned in accordance with FMLP's vacation policy through the Closing Date.

9.11 Product Liability After the Closing. For a period of five (5) years following the Closing Date, Buyer shall have FMLP and its Subsidiaries named as an additional insured on any policies of product liability insurance maintained by Buyer with respect to occurrences after the Closing Date both for products sold by any FMLP Operating Entity before the Closing Date and products sold by Buyer in the operation of the Business after the Closing Date. Any Loss (whoever asserted against) arising out of such occurrences, shall not be deemed to be a liability of FMLP or any FMLP Operating Entity not acquired by Buyer and their existence or occurrence shall not constitute a breach of any representation or warranty of FMLP contained in this Agreement.

9.12 Seller's Obligation to Remediate Contamination. FMLP will promptly cause to be engineered, installed and operated remediation systems to remove the TCE contamination in soil and/or, as applicable, groundwater at the Wheeling Real Property identified by Conestoga-Rovers & Associates in their reports on or prior to the date of this Agreement and summarized in the letter from Conestoga-Rovers & Associates to Rick

Kennedy dated July 26, 1996 (Reference No. 8620), which systems shall essentially conform to the soil vapor extraction and groundwater extraction and treatment systems described in said letter from Conestoga-Rovers & Associates to Rick W. Kennedy dated July 26, 1996 (Reference No. 8620). The selection and design of the systems shall be in FMLP's sole reasonable discretion. FMLP shall, in good faith, consult with and seek the concurrence of the Buyer before making final decisions concerning the remedial systems to be employed. The TCE contamination must be remediated in accordance with, and in satisfaction of the requirements of any applicable Environmental Laws and any Governmental Authority having jurisdiction of the matter. FMLP shall perform the remedial activities pursuant to the Site Investigation and Remedial Activities Program set forth at 415 ILCS 5/58.3 et seq. FMLP shall operate the remediation systems until the rate of contaminant removal becomes asymptotic, or for a period of eighteen (18) months after commencing such remediation, whichever comes first. Provided, however, FMLP must, at the end of the relevant period, obtain and supply to Buyer written evidence (the "IEPA No Further Remediation Letter") that the Illinois Environmental Protection Agency ("IEPA") has reviewed all relevant information and concluded that the systems need not be operated any longer and that no further remediation is necessary. The IEPA may require institutional controls. Upon receipt of the IEPA No Further Remediation Letter, FMLP's obligations will cease and Buyer agrees to accept any institutional controls imposed by IEPA or any other Governmental Authority having jurisdiction. If FMLP does not obtain such a letter from IEPA, it must continue to operate the system, and/or, at its sole option, take such other actions as are necessary, until such an assurance is obtained. Buyer shall grant FMLP access to the Facility for the purpose of carrying out any necessary remedial work. The remedial work shall minimize, to the maximum extent practicable, any interference with Buyer's occupancy and use of the Facility. The Buyer will decide, in its reasonable discretion, whether the remedial work minimizes, to the maximum extent practicable, any interference with the Buyer's occupancy and use of the Facility.

ARTICLE 10
MISCELLANEOUS

10.1 Further Assurances. Both before and after the Closing Date, each party will cooperate in good faith with each other party and will take all appropriate action and execute any agreement, instrument or other writing of any kind which may be reasonably necessary or advisable to carry out and confirm the transactions contemplated by this Agreement (including, but not limited to, obtaining consents or approvals from any Person for the transfer of the American Purchased Assets, the FM-Service Shares and the FM-Brazil Shares that are transferred subject to consents or approvals being obtained).

10.2 Risk of Loss. Risk of loss with respect to any of the property or assets of FMLP or its Subsidiaries shall be borne by FMLP or its Subsidiaries at all times prior to the Closing and shall pass to Buyer only upon transfer to Buyer at Closing of title to (i) the

American Purchased Assets, the FM-Service Shares, the FM-Brazil Shares and the FM-Germany Shares, (ii) the Wheeling Real Property, (iii) the Dutch Purchased Assets, the FM-U.K. Shares, the FM-Spain Shares and the FM-Sweden Shares and (iv) the Australian Purchased Assets. If any of the Current Real Property (including Bethesda's fee interest in the Wheeling Real Property), the Tangible Personal Property or the Inventory is lost, damaged or destroyed by fire, theft, casualty or any other cause or causes prior to the Closing (a "Casualty"), FMLP shall promptly notify Buyer in writing of such Casualty and the details thereof and shall answer promptly any reasonable requests from Buyer for details or information. Buyer shall thereafter proceed with the Closing, except that in the event of a Casualty to the Current Real Property (including Bethesda's fee interest in the Wheeling Real Property), the Tangible Personal Property or the Inventory, the American Purchase Price, the German Purchase Price, the Dutch Purchase Price or the Australian Purchase Price, or the Bethesda Purchase Price as the case may be, shall be reduced by the dollar amount (based upon replacement value) of the Casualty loss (and any insurance proceeds received or receivable as a result of such Casualty shall be payable to FMLP); provided, however, that if such Casualty(ies) are in an aggregate amount in excess of $5,000,000 from the date of this Agreement through the Closing Date or materially interfere, in Buyer's reasonable discretion, with the operation of the Business, Buyer may terminate this Agreement. The aforesaid option shall be exercised by Buyer by written notice to FMLP given within fifteen (15) days or the number of days remaining to the Closing, whichever is less, after the later of Buyer receiving (i) written notice of such Casualty and (ii) satisfactory responses to all of its reasonable requests, if any, for details or information. If this Agreement is not terminated by Buyer pursuant to this Section and if Buyer and FMLP are unable to agree as to the dollar amount of the loss (based upon replacement value) or the insurance proceeds to be recovered, Buyer, Sellers and the Other Sellers shall proceed with the Closing as scheduled, except that Buyer shall pay to the Escrow Agent (to be held in a separate account pending agreement as to the final amount) an additional amount (based upon estimated replacement value) as determined by a firm selected by the Independent Accountants (the "Casualty Amount") and the payments to be made by Buyer on the Closing Date pursuant to this Agreement and the Other Purchase Agreements shall be reduced by the Casualty Amount. The Escrow Agent shall hold the Casualty Amount until the dispute has been resolved following the Closing either by agreement of Buyer and FMLP or otherwise. In the event that the actual Casualty loss is greater than or less than the Casualty Amount held in escrow, to the extent necessary, the parties shall make appropriate adjustment payments.

10.3 Termination. This Agreement may be terminated at any time prior to the Closing Date as follows:

(a) By written agreement of Buyer and FMLP;

(b) By Buyer or FMLP by written notice to the other in the event that the Closing Date has not occurred for any reason on or prior to October 31, 1996, but only if

the terminating party is not in breach of, or default under, any provision of any of this Agreement;

(c) By Buyer or FMLP pursuant to Section 6.5.

(d) By Buyer by written notice to FMLP of its election to terminate this Agreement pursuant to Section 10.2;

(e) Automatically upon termination of any of the Other Purchase Agreements in accordance with its terms.

Except as otherwise specifically provided in Section 6.5 and Section 10.12, in the event of the termination of this Agreement by any party as provided in the preceding sentence, no party shall have any liability hereunder of any nature whatsoever, other than for indemnification pursuant to Section 9.1. In the event that a condition precedent to its obligations is not satisfied, nothing contained in this Agreement shall be deemed to require any party to terminate this Agreement, rather than to waive such condition precedent and proceed with the Closing, which waiver shall not impair or affect any right of indemnification or other right or remedy hereunder.

10.4 Notices. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and (i) delivered personally, (ii) mailed by certified mail, postage prepaid (such mailed notice to be effective four days after the date it is mailed) or (iii) sent by facsimile transmission, with a confirmation sent by way of one of the above methods, as follows:

If to any Seller addressed to:

Fluid Management Limited Partnership
860 Auburn Road
Winnetka, Illinois 60093
Attn: Mitchell H. Saranow
Telephone: (847) 501-3045
Telecopier: (847) 501-3049

With copies to:

McDermott, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606
Attn: Neal White, Esq.
Telephone: (312) 984-7579
Telecopier: (312) 984-3669

Sidley & Austin
One First National Plaza
Suite 4000
Chicago, Illinois 60603
Attn: John J. Sabl, Esq.
Steven Sutherland, Esq.
Telephone: (312) 853-7567
Telecopier: (312) 853-7036

and:

Gould & Ratner
222 North LaSalle Street
8th Floor
Chicago, Illinois 60601
Attn: Fred Tannenbaum, Esq.
Telephone: (312) 899-1613
Telecopier: (312) 236-3241

If to Buyer, addressed to:

IDEX Corporation
630 Dundee Road, Suite 400
Northbrook, Illinois 60062
Attn: Donald N. Boyce
Wayne P. Sayatovic
Telephone: (847) 498-7070
Telecopier: (847) 498-9123

With a copy to:

Hodgson, Russ, Andrews, Woods & Goodyear, LLP
Attn: Richard E. Heath, Esq.
David V.L. Bradley, Esq.
Frank J. Notaro, Esq.
1800 One M & T Plaza
Buffalo, New York 14203
Telephone: (716) 856-4000
Telecopier: (716) 849-0349

Any party may designate in a writing to any other party any other address or telecopier number to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

10.5 Knowledge. For purposes of this Agreement, "knowledge", "information" or "belief" with respect to FMLP shall mean (except as otherwise provided in this sentence) the actual knowledge, information or belief, as appropriate to the context of the statement in which the term is used, of (i) with respect to the American Business, the Australian Business, Bethesda and the Wheeling Real Property, each of Mitchell H. Saranow, Thomas Carney, Joseph Rygiel and Michael Kudia, (ii) with respect to the Dutch Business and the German Business, each of Mitchell H. Saranow, Thomas Carney, Leendert Hellenberg and John Farla, or the knowledge, information or beliefs which such individuals would have after having made a review of documents of a date not more than three (3) years old in files under his immediate personal control, with respect to the matters which are relevant to the representation, warranty, covenant or agreement being made or given.

10.6 Public Statements. Buyer and FMLP agree to cooperate, both prior to and after the Closing, in issuing any press releases or otherwise making public statements with respect to the transactions contemplated by this Agreement and the Other Purchase Agreements (including any statements to employees of any FMLP Operating Entity) and no press release or other public statements shall be issued without the joint consent of Buyer and FMLP; provided, however that Buyer may issue press releases or make public statements without FMLP's consent to the extent Buyer's counsel advises is required by law or the rules of the New York Stock Exchange as applicable to Buyer, so long as Buyer gives FMLP an opportunity to review such press release or public statement before its release.

10.7 Choice of Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Illinois without regard to principles of conflicts of law, except that, with respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject of this

Agreement, the law of the jurisdiction under which the respective entity was organized shall govern.

10.8 Expenses. Except as otherwise provided in this Agreement, FMLP shall pay all legal, accounting and other expenses of FM-International, FM-Europe and any FMLP Operating Entity or Bethesda incident to this Agreement or the Other Purchase Agreements and Buyer shall pay all legal, accounting and other expenses of Buyer incident to this Agreement or the Other Purchase Agreements. Except as otherwise provided in this Agreement, nothing contained in this Agreement shall be interpreted or construed to require Buyer to directly or indirectly pay, assume or be liable for any of the foregoing expenses of FM-International, FM-Europe and any FMLP Operating Entity or Bethesda.

10.9 Titles. The headings of the articles and sections of this Agreement are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement.

10.10 Waiver. No failure of any party to this Agreement to require, and no delay by any party to this Agreement in requiring, any other party to comply with any provision of this Agreement shall constitute a waiver of the right to require such compliance. No failure of any party to this Agreement to exercise, and no delay by any party to this Agreement in exercising, any right or remedy under this Agreement shall constitute a waiver of such right or remedy. No waiver by any party to this Agreement of any right or remedy under this Agreement shall be effective unless made in writing. Any waiver by any party to this Agreement of any right or remedy under this Agreement shall be limited to the specific instance and shall not constitute a waiver of such right or remedy in the future.

10.11 Effective; Binding. This Agreement shall be effective upon the due execution hereof by each party to this Agreement and the due execution by Mitchell H. Saranow of the agreement set forth at the end of this Agreement. Upon becoming effective, this Agreement shall be binding upon each party to this Agreement and upon each successor and assignee of each party to this Agreement and shall inure to the benefit of, and be enforceable by, each party to this Agreement and each successor and assignee of each party to this Agreement; provided, however, that, except as provided for in the following sentence, no party to this Agreement shall assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of the other parties. Buyer may assign all or a portion of its rights and obligations under this Agreement to one or more Affiliates of Buyer, provided that Buyer shall remain liable hereunder notwithstanding any such assignment.

10.12 Entire Agreement. Except for the provisions of the letter agreement dated May 31, 1996, by and among FMLP, Buyer and others (the "Letter Agreement") relating to payment by FMLP of a "break-up fee", this Agreement, together with the

Confidentiality Agreement between FMLP and Buyer, and the Indemnification and Confidentiality Agreement between FMLP and Buyer, contains the entire agreement between the parties to this Agreement with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the parties to this Agreement with respect to the subject matter of this Agreement.

10.13 Modification. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation made in the future, by any party to this Agreement, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, shall modify or terminate this Agreement, impair or otherwise affect any obligation of any party pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification of this Agreement or waiver of any such right or remedy shall be effective unless made in writing duly executed by the parties to this Agreement.

10.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. Any party may execute this Agreement by facsimile signature and the other party shall be entitled to rely on such facsimile signature as evidence that this Agreement has been duly executed by such party. Any party executing this Agreement by facsimile signature shall immediately forward to the other party an original signature page by overnight mail.

10.15 Consent to Jurisdiction. Each party to this Agreement hereby (i) consents to the jurisdiction of the United States District Court for the Northern District of Illinois or, if such court does not have jurisdiction over such matter, the applicable state court in the State of Illinois, County of Cook and (ii) irrevocably agrees that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such court. Each party to this Agreement accepts for itself and in connection with its properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum nonconvenience or any similar defense, and irrevocably agrees to be bound by any non-appealable judgment rendered thereby in connection with this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed on the day and year indicated at the beginning of this Agreement.

IDEX CORPORATION

By: /S/ Donald N. Boyce

Donald N. Boyce
Chief Executive Officer

FLUID MANAGEMENT LIMITED PARTNERSHIP

By: Fluid Management Inc.,
Managing General Partner

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Chairman

By: Addison Paint Equipment Corp.,
General Partner

By: /S/ A. Steven Crown

A. Steven Crown
President

FLUID MANAGEMENT U.S., LLC

By: Fluid Management Service, Inc.
Member

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
President

By: Fluid Management Limited
Partnership,
Member

By: Fluid Management Inc.
Managing General Partner

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Chairman

By: Addison Paint Equipment Corp.
General Partner

By: /S/ A. Steven Crown

A. Steven Crown
President

FM INTERNATIONAL, INC.

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
President

FLUID MANAGEMENT EUROPE B.V.

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Managing Director

FLUID MANAGEMENT SERVICE, INC.

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
President

FLUID MANAGEMENT CANADA LLC

By: FM International, Inc.
Member

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
President

By: Fluid Management Limited Partnership,
Member

By: Fluid Management Inc.
Managing General Partner

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Chairman

By: Addison Paint Equipment Corp.
General Partner

By: /S/ A. Steven Crown

A. Steven Crown
President

FLUID MANAGEMENT FRANCE SNC

By: Fluid Management Europe B.V.
Managing Partner

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Managing Director

By: Fluid Management Limited Partnership
Partner

By: Fluid Management Inc.
Managing General Partner

By: /S/ Mitchell H. Saranow

Mitchell H. Saranow
Chairman

By: Addison Paint Equipment Corp.
General Partner

By: /S/ A. Steven Crown

A. Steven Crown
President

By signing below, Mitchell H. Saranow does not become a party to this Agreement, but evidences only his agreement with FMLP and Buyer to execute and deliver on the Closing Date the Employment Agreement and IDEX's standard form of Standards of Conduct and Business Ethics Policy and Employee Inventions and Proprietary Information Agreement.

/S/ Mitchell H. Saranow

Mitchell H. Saranow

SCHEDULE 1.1(g)

AMERICAN NON-ASSUMED CONTRACTS

Joint Venture and Acquisition Agreements

1. Agreement, dated July 6, 1993, among FMLP, Strastint International Limited Partnership, FM-U.K., Basclan International Pty. Ltd. and others.

2. Obligations of Sellers to make payments under the Non-Competition and Confidentiality Agreement, dated July 6, 1993, among FMLP, Strastint International Limited Partnership, FM-U.K., Basclan International Pty. Ltd. and other parties thereto, except that Sellers shall assign to Buyer all rights and benefits under such Agreement.

3. Consulting Agreement, dated July 6, 1993, between Shelia Pty. Ltd., as trustee of Basclan Management Trust, FM- Australia, William A. Somers, Stephen F. Exell and Grayem Forrest.

4. Promissory Note in the principal amount of $700,000 issued by FM-U.K. to Texicon Ltd.

5. Obligations of Sellers to make payments to Ateliers Sussmeyer S.A. or Robert Sussmeyer pursuant to any of the following:

   a. Acquisition Agreement dated as of September 23, 1992, between FM-Holland, FMLP and Ateliers Sussmeyer S.A.

   b. Manufacturing and Servicing Agreement dated as of September 23, 1992, between FM-Holland, FMLP and Ateliers Sussmeyer, S.A.

   c. Non-Competition and First Offer Agreement executed by Ateliers Sussmeyer S.A. and Robert Sussmeyer.

   d. Consulting Agreement executed by Robert Sussmeyer.

6. Mutual Non-Disclosure Agreement between Fluid Management L.P. and X-Rite Incorporated dated July 1, 1994.

Real Property Leases

All leases between Bethesda and FMLP including but not limited to the following:

1. Net Lease, dated January 31, 1992 between Bethesda and FMLP.

2. First Amendment to Amended and Restated Net Lease, dated June 1, 1994, between Bethesda and FMLP.

3. Second Amendment to Net Lease, dated July 1, 1993, between Bethesda and FMLP.

Credit Facilities

1. Amended and restated Credit Agreement, dated September 29, 1995, between FMLP and Bank of America Illinois as agent and other financial institutions thereto.

2. Security Agreement, dated April 8, 1994, between FMLP and Continental Bank N.A.

3. Company Pledge Agreement, dated April 8, 1994, between FMLP and Continental Bank N.A.

4. Patent Security Agreement, dated April 8, 1994, between FMLP and Continental Bank N.A.

5. Mortgage of Patents, dated April 8, 1994, between FMLP and Continental Bank N.A.

6. Deed of Assignment, not dated, between FMLP and Bank of America Illinois.

7. Security Agreement (Assignment of Partnership Interests), dated April 8, 1994 between FMLP and Continental Bank N.A.

8. Form of Assignment Agreement, dated September 29, 1995, between FMLP and Bank of America Illinois.

9. Receivables and Claims Security Agreement, dated April 8, 1994, between FMLP and Continental Bank N.A.

10. Reimbursement obligation with respect to the Letter of Credit issued by The First National Bank of Chicago to accommodate the Strastint purchase, effective July 6, 1993 in the amount of $1,700,000 (AUS).

Guarantees

1. Continuing Guaranty for Business Credit Obligations dated April 13, 1993 in favor of Bank One by FMLP for Bethesda's obligations under that certain Commercial Mortgage Note for $3,325,000 dated April 13, 1993 of Bethesda in favor of Bank One.

Foreign Exchange Forwards, Options and Swaps

1. FMLP options and forward contracts.

2. ISDA Master Agreement dated November 21, 1994 between FMLP and Bank of America National Trust and Savings Association.

3. Confirmation between FMLP and Bank of America National Trust and Savings Association dated December 2, 1994 regarding a USD 8,000,000 swap transaction.

Mortgage and Related Documents

1. Letter Agreement for Additional Loan of $105,000 dated June 7, 1993 by and between Bank One, Chicago, Bethesda and FMLP.

2. Mortgage Modification Agreement, dated June 7, 1993, by and between Bethesda, Bank One, Chicago and FMLP.

3. Subordination Agreement of Lease, dated April 13, 1993, by FMLP and Bank One, Chicago.

4. Non-Disturbance and Attornment Agreement, dated April 13, 1993, by and among FMLP, Bank One and Bethesda Investors, L.P.

SCHEDULE 1.1(h)

AMERICAN NON-ASSUMED EMPLOYEE BENEFIT PLANS

Fluid Management Limited Partnership Phantom Equity Plan

SCHEDULE 1.1(bq)

GERMAN NON-ASSUMED EMPLOYEE BENEFIT PLANS

[None]

SCHEDULE 1.1(bt)

GERMAN NON-ASSUMED CONTRACTS

SCHEDULE 2.3

ALLOCATION OF PURCHASE PRICE

(See Attached)

SCHEDULE 4.1

REPRESENTATIONS AND WARRANTIES
RELATING TO THE AMERICAN BUSINESS

(a) Organization, Subsistence and Authority of FMLP Operating Entities to Conduct Business. Each FMLP Operating Entity is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The Disclosure Schedule sets forth the jurisdiction of organization of each FMLP Operating Entity and each jurisdiction where any FMLP Operating Entity is qualified to do business. Each FMLP Operating Entity is duly qualified to do business in, and is in good standing under the laws of, each jurisdiction in which such qualification is necessary under the applicable law as a result of the conduct of the Business. Each FMLP Operating Entity has full partnership or corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity has any stock or equity interest in any corporation, firm or any other Person.

(b) Power and Authority; Authorization; Binding Effect. Each of FM-International, FM-Europe and each FMLP Operating Entity which is a party to this Agreement has all necessary power and authority and has taken all action necessary to authorize, execute and deliver this Agreement, to consummate the transactions contemplated by this Agreement, and to perform its obligations under this Agreement. The General Partners are the only general partners of FMLP and each General Partner has all necessary power and authority and has taken all action necessary to execute and deliver this Agreement. No consent or other action of the Limited Partners is required for FMLP to execute and deliver this Agreement, to consummate the transactions contemplated by this Agreement or to perform its obligations under this Agreement. Copies of all resolutions of the board of directors of each General Partner with respect to the transactions contemplated by this Agreement, certified by the Secretary or an Assistant Secretary of such General Partner, in form reasonably satisfactory to counsel for Buyer, have been delivered to Buyer. This Agreement has been duly executed and delivered by FM-International, FM-Europe and each FMLP Operating Entity which is a party hereto and constitutes a legal, valid and binding obligation of FM-International, FM-Europe and each such FMLP Operating Entity enforceable against FM-International, FM-Europe and each such FMLP Operating Entity in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the fulfillment of the terms of this Agreement, do not and will not result in or constitute (i) a violation of or conflict with any provision of the organizational or other governing documents of FM-International, FM-Europe or any FMLP Operating Entity, (ii) except as set forth on the Disclosure Schedule, a breach of, a loss of rights under, or constitute an event,

occurrence, condition or act which is or, with the giving of notice or the lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Material Contract, Encumbrance or material Permit to which FM-International, FM-Europe or any FMLP Operating Entity is a party, (iii) a material violation by FM-International, FM-Europe or any FMLP Operating Entity of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award applicable to FM-International, FM-Europe or any FMLP Operating Entity or (iv) an imposition of any Encumbrance (other than a Permitted Encumbrance) on the American Purchased Assets, the FM-Service Shares or the FM-Brazil Shares.

(d) Consents and Approvals. Except for any filings required under the HSR Act which have been completed and with respect to which early termination of the waiting period has been granted, and as otherwise as set forth on the Disclosure Schedule, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by FM-International, FM-Europe or any FMLP Operating Entity in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement.

(e) No Proceedings. There is no Proceeding pending or, to the knowledge of FMLP, threatened in writing against or relating to the transactions contemplated by this Agreement.

(f) Capitalization of FM-Service and FM-Brazil. The Disclosure Schedule sets forth the authorized, issued and outstanding capital stock of FM-Service and FM-Brazil, the ownership thereof and any Encumbrances thereon. Except as set forth on the Disclosure Schedule, (i) there are no securities of either of FM-Service or FM-Brazil convertible into or exchangeable or exercisable for shares of its capital stock, (ii) there are no bonds, debentures, notes, or other indebtedness having the right to vote on any matters on which FM-Service's or FM-Brazil's shareholders may vote, (iii) there are no outstanding options, warrants, rights, contracts, commitments, understandings or arrangements by which FM-Service or FM-Brazil is bound to issue, repurchase or otherwise acquire or retire any of its securities and (iv) there are no voting agreements, voting trusts, buy-sell agreements, options or rights or obligations relating to the shareholders or the securities of FM-Service or FM-Brazil.

(g) Corporate Records. The minute books of each of FM-Service and FM-Brazil contain a complete and accurate record of all material meetings and actions of shareholders and directors of such corporation, and of any executive committee or other committee of the shareholders or board of directors of such corporation. The stock record book of each of FM-Service and FM-Brazil is complete and accurate and contains a complete and accurate record of all share transactions for such corporation from the date of its incorporation. The minute books and stock record books (or partnership equivalents) of

FM-International, FM-Europe and all FMLP Operating Entities other than FM-Service and FM-Brazil have been made available to Buyer for its review and contain a complete and accurate record of all material meetings of shareholders, directors, partners, members or other appropriate governing bodies, as the case may be.

(h) Financial Statements; Unknown Liabilities. FMLP has delivered to Buyer the Financial Statements and the Interim Financial Statements. The Financial Statements fairly present the financial condition and the results of operations of FMLP and its Subsidiaries as of their respective dates and for the periods then ended in accordance with GAAP applied on a consistent basis. The Interim Financial Statements fairly present the financial condition and the results of operations of FMLP and its Subsidiaries as of their respective dates and for the periods then ended in accordance with GAAP, except for normal year-end adjustments, the absence of footnote disclosures and other routine differences between audited and monthly unaudited financial statements. The books and records of FMLP and its Subsidiaries from which the Financial Statements and the Interim Financial Statements were prepared fairly reflect in all material respects the assets, liabilities and operations of FMLP and its Subsidiaries and the Financial Statements and the Interim Financial Statements are in conformity therewith. Except as disclosed on the Disclosure Schedule, there are, and as of the Closing Date there will be, no liabilities or obligations of any nature, whether absolute, accrued, contingent, known, unknown, matured, unmatured or otherwise, and whether or not required to be disclosed or provided for in financial statements in accordance with GAAP, of any FMLP Operating Entity or Bethesda except (i) liabilities and obligations reflected or reserved for in the Financial Statements and the Interim Financial Statements (including liabilities relating to items disclosed in the notes thereto), (ii) the Accrued Liabilities , (iii) the Accounts Payable, (iv) the Material Contracts set forth on the Disclosure Schedule and the Minor Contracts, (v) the Assumed Employee Benefit Plans, (vi) liabilities relating to facts, circumstances or events specifically disclosed (including those reflected on the Disclosure Schedule) in this Agreement, (vii) liabilities relating to the Permitted Encumbrances, (viii) the Non-Assumed Liabilities, (ix) liabilities subject to coverage and to the extent covered under the Assumed Insurance, (x) liabilities reflected in the calculation of the Purchase Price Closing Adjustment and the Consolidated Gross Profit Adjustment as finally determined, (xi) liabilities of which Buyer has actual knowledge and of which FMLP does not have knowledge as described in Section 9.1(a)(i), (xii) liabilities and obligations incurred between May 31, 1996 and the Closing Date in the ordinary course of the business of FMLP and its Subsidiaries (excluding acquisitions) and (xiii) actual real estate taxes pro-ated through the Closing Date and actual covered medical expenses under The Saranow Companies Health Care Plan incurred through the Closing Date, consistent with past practice, and as permitted by this Agreement. Except as set forth on the Disclosure Schedule, all assets and properties of any FMLP Operating Entity to be acquired by Buyer pursuant to this Agreement and the Other Purchase Agreements are free and clear of any Encumbrances.

(i) Tax Matters.

(i) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, (A) each FMLP Operating Entity has filed all Tax Returns that it was required to file, (B) all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been withheld, (C) all such Tax Returns were correct and complete in all material respects, (D) all Taxes required to have been paid by any FMLP Operating Entity (whether or not shown on any Tax Return) have been paid, (E) no FMLP Operating Entity is currently the beneficiary of any extension of time within which to file any Tax Return and (F) no claim has been made within the last five (5) years by any Governmental Authority in a jurisdiction where any FMLP Operating Entity does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Encumbrances (other than Permitted Encumbrances) on any of the American Purchased Assets, the FM-Service Shares or the FM-Brazil Shares that arose in connection with any failure (or alleged failure) to pay any Tax.

(ii) To the knowledge of FMLP, no Governmental Authority will assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax liability of any FMLP Operating Entity either (A) claimed or raised by any Governmental Authority in writing or (B) as to which FMLP has knowledge based upon personal contact with any agent of such authority. The Disclosure Schedule lists all federal, state, local, and foreign income Tax Returns filed with respect to any FMLP Operating Entity for taxable periods ended on or after December 31, 1992, indicates those Tax Returns which have been audited, and indicates those Tax Returns that currently are the subject of audit. FMLP has delivered to Buyer correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any FMLP Operating Entity for taxable periods ended on or after December 31, 1992.

(j) Real Property. The Disclosure Schedule contains a true, complete and correct list of the Real Property now or in the past owned or used by any FMLP Operating Entity for manufacturing. Except as set forth on the Disclosure Schedule, (i) each FMLP Operating Entity has title to the Current Real Property owned by such FMLP Operating Entity, (ii) each FMLP Operating Entity enjoys peaceful and undisturbed possession of the Current Real Property leased by such FMLP Operating Entity, (iii) no interest of any FMLP Operating Entity in the Current Real Property is subject to any commitment for sale or use by any Person other than such FMLP Operating Entity, (iv) no interest of any FMLP Operating Entity in the Current Real Property is subject to any Encumbrances (other than Permitted Encumbrances), which in any material respect interfere with or impair the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) no labor has been performed or material furnished on behalf of or at the

request of any FMLP Operating Entity for the Current Real Property for which a mechanic's or materialman's lien or liens, or any other lien, has been claimed by any Person on any FMLP Operating Entity's interest in the Current Real Property, except to the extent that the liability relating thereto is reflected on the Closing Date Financial Report, (vi) the Current Real Property, and each user thereof, is in compliance in all material respects with all applicable Governmental Requirements and (vii) no material default or breach exists with respect to any Encumbrance affecting any FMLP Operating Entity's interest in the Current Real Property. There are no condemnation or eminent domain proceedings pending or, to the knowledge of FMLP, contemplated or threatened against any FMLP Operating Entity's interest in the Current Real Property or any part thereof, and no FMLP Operating Entity knows of any desire of any Governmental Authority to take or use any FMLP Operating Entity's interest in the Current Real Property or any part thereof. Except as set forth on the Disclosure Schedule, there are no existing or, to the knowledge of FMLP, contemplated or threatened general or special assessments against any FMLP Operating Entity's interest in the Current Real Property or any portion thereof. FMLP does not have any knowledge of any pending or threatened Proceeding before any Governmental Authority which relates to the ownership, maintenance, use or operation of any FMLP Operating Entity's interest in the Current Real Property (other than periodic general reassessments, which reassessments, if any, are set forth on the Disclosure Schedule). Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the buildings and improvements on the Current Real Property (including, without limitation, the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. Except as set forth on the Disclosure Schedule, there are no repairs or replacements exceeding $100,000 in the aggregate for all Current Real Property or $25,000 for any single repair or replacement which are currently contemplated by any FMLP Operating Entity or Bethesda.

(k) Tangible Personal Property. FMLP has delivered to Buyer a list of each item of Tangible Personal Property owned by any FMLP Operating Entity having a value in excess of $5,000, and a list each item of Tangible Personal Property leased by any FMLP Operating Entity (other than individual leases of office equipment having an annual rental of less than $5,000). No FMLP Operating Entity is a party to any lease for Tangible Personal Property which is required to be capitalized under GAAP. There is no tangible personal property used in the operation of the Business other than the Tangible Personal Property. Except as set forth on the Disclosure Schedule, the Tangible Personal Property owned by each FMLP Operating Entity is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on the Disclosure Schedule, all of the Tangible Personal Property is located at the Current Real Property and there is no tangible personal property located at the Current Real Property which is not owned or leased by any FMLP Operating Entity. Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the Tangible Personal Property is, taken as a whole, in reasonable working order and

adequate for its intended use, ordinary wear and tear and normal repairs and replacements excepted. Except as disclosed on the Disclosure Schedule, there are no repairs or replacements exceeding $50,000 in the aggregate for all Tangible Personal Property or $10,000 for any single item of Tangible Personal Property which are currently contemplated by any FMLP Operating Entity.

(l) Intellectual Property.

(i) Except as set forth on the Disclosure Schedule, (A) there is no intellectual property used in the Business other than the Intellectual Property, (B) each item of Intellectual Property owned or used by any FMLP Operating Entity immediately prior to the Closing Date will be owned or available for use by Buyer on substantially similar terms and conditions immediately subsequent to the Closing Date and (C) to the knowledge of FMLP, each FMLP Operating Entity has taken reasonable commercial actions to maintain and protect each item of material Intellectual Property in the Business.

(ii) Except as set forth on the Disclosure Schedule, (A) no FMLP Operating Entity has during the last five (5) years interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties, and no FMLP Operating Entity has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that any FMLP Operating Entity must license or refrain from using any intangible property rights of any third party) which has not been resolved and (B) to the knowledge of FMLP, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of the Intellectual Property.

(iii) The Disclosure Schedule identifies each patent or registration which has been issued to any FMLP Operating Entity with respect to any of the Intellectual Property, identifies each pending patent application or application for registration which any FMLP Operating Entity has made with respect to any of the Intellectual Property, and identifies each license or other agreement which any FMLP Operating Entity has granted to any third party with respect to any of the Intellectual Property. FMLP has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses and agreements (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. The Disclosure Schedule also identifies each trade name or unregistered trademark having a value used by any FMLP Operating Entity in connection with the Business. Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) each FMLP Operating Entity possesses all right, title and interest in and to the item, free and clear of any Encumbrances (other than Permitted Encumbrances) or licenses, (B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge, (C) no Proceeding is

pending or, to the knowledge of FMLP, threatened which challenges the legality, validity, enforceability, use or ownership of the item and (D) other than routine indemnities given to distributors, sales representatives, dealers and customers, no FMLP Operating Entity has any current obligations to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iv) The Disclosure Schedule identifies each item of Intellectual Property that any third party owns and that any FMLP Operating Entity uses pursuant to license, sublicense or agreement, other than off-the-shelf computer software subject to shrinkwrap licenses. FMLP has delivered to Buyer correct and complete copies of all such licenses, sublicenses and other agreements (as amended to date). Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) the license, sublicense or other agreement covering the item is enforceable, except as may be limited by Enforceability Limitations, (B) to the knowledge of FMLP, following the Closing, the license, sublicense or other agreement will continue to be enforceable on substantially similar terms and conditions, except as may be limited by Enforceability Limitations, (C) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement is in material breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit early termination, modification or acceleration thereunder, (D) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement has repudiated any provision thereof, (E) to the knowledge of FMLP, the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling or charge, (F) to the knowledge of FMLP, no Proceeding is pending or threatened which challenges the legality, validity or enforceability of the underlying item of Intellectual Property and (G) no FMLP Operating Entity has granted any sublicense or similar right with respect to the license, sublicense or other agreement.

(v) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, Buyer's use of the Intellectual Property will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any intangible property rights of third parties as a result of the continued operation of the Business as presently conducted and as presently proposed to be conducted.

(m) Compliance with Laws; Permits. Except as set forth on the Disclosure Schedule, the conduct of the Business is in compliance in all material respects with all applicable Governmental Requirements. No FMLP Operating Entity has received any notice to the effect that, or otherwise been advised that, such FMLP Operating Entity is not in compliance in all material respects with any applicable Governmental Requirement and, to the knowledge of FMLP, there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any applicable

Governmental Requirement. The Disclosure Schedule identifies all material Permits issued to any FMLP Operating Entity and currently in effect. Except as set forth on the Disclosure Schedule, the Permits constitute all permits, consents, licenses, franchises, authorizations and approvals used in the operation of and necessary to conduct the Business. All of the Permits are valid and in full force and effect, no violations have been experienced, noted or recorded and no violations are expected, and no Proceeding is pending or, to the knowledge of FMLP, threatened to revoke or limit any of the Permits.

(n) Litigation. Except as set forth on the Disclosure Schedule, there is no Proceeding pending or, to the knowledge of FMLP, currently threatened against or relating to any FMLP Operating Entity, its partners, shareholders, directors, officers or employees, or its properties, assets or business relating to the Business.

(o) Labor Matters. (i) The Disclosure Schedule identifies for each current employee of any FMLP Operating Entity with a current annual compensation (base salary plus bonus) in excess of $50,000, his or her name, position or job title, his or her base compensation and bonus compensation earned in calendar-year 1995, and his or her current base compensation. Except as set forth on The Disclosure Schedule, (A) no FMLP Operating Entity has any obligations under any written or oral labor agreement, collective bargaining agreement or other agreement with any labor organization or employee group, (B) no FMLP Operating Entity is currently engaged in any unfair labor practice and there is no unfair labor practice charge or other employee-related or employment-related complaint against such FMLP Operating Entity pending or, to the knowledge of FMLP, threatened before any Governmental Authority, (C) there is currently no labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute or arbitration pending or, to the knowledge of FMLP, threatened against any FMLP Operating Entity and no material grievance currently being asserted, (D) no FMLP Operating Entity has experienced a labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute at any time during the three years immediately preceding the date of this Agreement and (E) there is, to the knowledge of FMLP, no organizational campaign being conducted or contemplated and there is no pending or, to the knowledge of FMLP, threatened petition before any Governmental Authority or other dispute as to the representation of any employees of any FMLP Operating Entity. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity has complied in all material respects with, and is currently in compliance in all material respects with, all applicable Governmental Requirements relating to any of its employees or consultants (including, without limitation, any Governmental Requirement of the Occupational Safety and Health Administration), and no FMLP Operating Entity has received within the past three (3) years any written notice of failure to comply with any such Governmental Requirement which has not been rectified.

(ii) Except as set forth on the Disclosure Schedule, each FMLP Operating Entity has on file a valid Form I-9 for each employee hired by such FMLP

Operating Entity or any Predecessor of such FMLP Operating Entity on or after November 7, 1986 and continuously employed after November 6, 1986 or the applicable date of hire. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, all employees of any FMLP Operating Entity employed in the U.S. are (A) United States citizens, or lawful permanent residents of the United States, (B) aliens whose right to work in the United States is unrestricted, (C) aliens who have valid, unexpired work authorization issued by the Attorney General of the United States (Immigration and Naturalization Service) or (D) aliens who have been continually employed by such FMLP Operating Entity since November 6, 1986 or the applicable date of hire. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity has been the subject of an immigration compliance or employment visit from, nor has any FMLP Operating Entity been assessed any fine or penalty by, or been the subject of any order or directive of, the United States Department of Labor or the Attorney General of the United States (Immigration and Naturalization Service).

(p) Employee Benefit Plans. The Disclosure Schedule contains a complete and accurate list of all Employee Benefit Plans. Except as set forth on the Disclosure Schedule, with respect to each Employee Benefit Plan:

(i) Such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other applicable laws.

(ii) All required reports and descriptions have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of COBRA have been met with respect to each such Employee Benefit Plan which is a "group health plan" within the meaning of COBRA.

(iii) All contributions (including all employer contributions and employee salary reduction contributions) which are due have been paid to each Employee Pension Benefit Plan and all contributions for any period ending on or before the Closing Date which are not yet due have been paid to each such Employee Pension Benefit Plan were accrued in accordance with the past customs. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to the Employee Benefit Welfare Plan or have been accrued in accordance with past customs.

(iv) No Employee Pension Benefit Plan is subject to the requirements of Section 412 of the Code or Section 302 of ERISA.

(v) There have been no "prohibited transactions" within the meaning of Section 406(a) or 406(b) of ERISA, or of Section 4975(c) of the Code with respect to any such Employee Benefit Plan. No fiduciary has any liability for breach of fiduciary duty or

any failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan.

(vi) Neither any FMLP Operating Entity, nor any ERISA Affiliate thereof, contributes to, has ever contributed to, or has ever been required to contribute to any Multiemployer Plan, or has any liability (including withdrawal liability) under any Multiemployer Plan.

(vii) Neither any FMLP Operating Entity, nor any ERISA Affiliate thereof, maintains or has ever maintained or contributed to, or has ever been required to contribute to, any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

(viii) There has been no amendment to, written interpretation or announcement (whether or not written) or change in employee participation or coverage under, any Employee Benefit Plan that would increase materially the expense of maintaining such Employee Benefit Plan above the level of expense incurred in respect of such Employee Benefit Plan for the most recent plan year.

(ix) FMLP has delivered to the Buyer true and complete copies of (i) the American Assumed Employee Benefit Plans (and related trust agreements and other funding arrangements, if any, and adoption agreements, if any), (ii) any amendments to the American Assumed Employee Benefit Plans, (iii) written interpretations of the American Assumed Employee Benefit Plans to the plan administrator of such Plan (iv) material employee communications by the plan administrator of any American Assumed Employee Benefit Plan (including, but not limited to, summary plan descriptions and summaries of material modifications as defined under ERISA), (v) the three most recent annual reports (e.g., the complete Form 5500 series) prepared in connection with each American Assumed Employee Benefit Plan (if any such report was required), including all attachments (including without limitation the actuarial valuation reports) and (vi) the three most recent actuarial valuation reports prepared in connection with each American Assumed Employee Benefit Plan (if any such report was required).

(x) There are no pending or, to the knowledge of FMLP, threatened claims, suits or other proceedings by any employees, former employees or plan participants or the beneficiaries, spouses or representatives of any of them, against any American Assumed Employee Benefit Plan, the assets held

thereunder, the trustee of any such assets, or any FMLP Operating Entity relating to any of the American Assumed Employee Benefit Plans other than ordinary and usual claims for benefits by participants or beneficiaries. Furthermore, there are no pending or, to the knowledge of FMLP, threatened suits,

investigations or other proceedings by any Governmental Authority of or against any American Assumed Employee Benefit Plan, the trustee of any assets held thereunder, or any FMLP Operating Entity relating to any of the American Assumed Employee Benefit Plans.

(xi) No liability has been incurred by any FMLP Operating Entity, or any ERISA Affiliate thereof, for any tax, penalty or other liability to any Governmental Authority with respect to any American Assumed Employee Benefit Plan and, to the knowledge of FMLP, such Plans do not expect to incur any such liability prior to the date of Closing.

(xii) No American Assumed Employee Benefit Plan provides benefits, including without limitation, death, disability, or medical benefits (whether or not insured), with respect to current or former employees of any FMLP Operating Entity beyond their retirement or other termination of service other than (i) coverage mandated by applicable law, (ii) death, disability or retirement benefits under any Employee Pension Benefit Plan, (iii) disability benefits under any Employee Welfare Benefit Plan providing for short or long term disability benefits provided under a contract of insurance or (iv) benefits, the full cost of which is borne by the current or former employee (or his or her beneficiary).

(xiii) Each American Assumed Employee Benefit Plan which is an Employee Pension Benefit Plan is "qualified" within the meaning of Section 401(a) of the Code, and has been qualified during the period from the date of its adoption to the date of this Agreement, and each trust created thereunder is tax-exempt under Section 501(a) of the Code. FMLP have delivered to the Buyer the latest determination letters of the Internal Revenue Service (if one has been received) relating to each such American Assumed Employee Benefit Plan. Such determination letters have not been revoked. Furthermore, there are no pending proceedings or, to the knowledge of the FMLP, threatened proceedings in which the "qualified" status of any such American Assumed Employee Benefit Plan is at issue and in which revocation of the determination letter has been threatened. Each such American Assumed Employed Benefit Plan has not been amended or operated, since the receipt of the most recent determination letter, in a manner that would adversely affect the "qualified" status of such Plan.

(q) Transactions with Certain Persons. Except as set forth on the Disclosure Schedule or as otherwise disclosed in this Agreement, to the knowledge of FMLP, (i) no Related Person is presently or at any time during the past one (1) year has been a party to any transaction not on an arm's-length basis with any FMLP Operating Entity including, without limitation, any contract, agreement or other arrangement (A) providing for the furnishing of services to or by, (B) providing for the rental or sale of real or personal property to or from or (C) otherwise requiring payments annually to or from (other than for services as officers or employees of any FMLP Operating Entity), such Related Person and (ii) no partner, shareholder, director, officer or employee of any FMLP Operating Entity is

related to any other partner, shareholder, director, officer or employee of any FMLP Operating Entity by blood or marriage. Except as set forth on the Disclosure Schedule, there is no outstanding amount in excess of $500 owing (including, without limitation, pursuant to any advance, note or other indebtedness instrument) from any FMLP Operating Entity to any Related Person identified on the Disclosure Schedule or from any Related Person identified on the Disclosure Schedule to any FMLP Operating Entity.

(r) Insurance. The Disclosure Schedule contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number, coverage limits, expiration dates, annual premiums, deductibles and a general description of the type of coverage provided and policy exclusions) maintained by any FMLP Operating Entity and relating to such FMLP Operating Entity's properties, assets and personnel. Except as set forth on the Disclosure Schedule, all of the Insurance is "occurrence" based insurance. The Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable law and of all contracts to which any FMLP Operating Entity is a party. No FMLP Operating Entity is in material default under any of the Insurance, and no FMLP Operating Entity has failed to give any notice or to present any claim under any of the Insurance in a due and timely manner. No notice of cancellation, termination, reduction in coverage or increase in premium (other than reductions in coverage or increases in premiums in the ordinary course) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been timely paid. No FMLP Operating Entity has experienced claims in excess of current coverage of the Insurance. Except as disclosed on the Disclosure Schedule, there will be no retrospective insurance premiums or charges on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

(s) Inventory. Except as set forth on the Disclosure Schedule, (i) all of the Inventory is owned by each FMLP Operating Entity free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Current Real Property, (ii) none of the Inventory is on consignment, (iii) the Inventory as reflected in the Financial Statements and Interim Financial Statements has been valued at the lower of cost (on a first-in, first-out basis) or market value in a manner consistent with past practices and procedures (including, without limitation, the method of computing overhead and other indirect expenses to be applied to inventory) and in accordance with GAAP and (iv) all inventory located at the Current Real Property is owned by the FMLP Operating Entities and is not held by the FMLP
Operating Entities (on consignment or otherwise) for or on behalf of any other Person.

(t) Accounts Receivable. All of the Accounts Receivable of each FMLP Operating Entity are bona fide receivables, are reflected on the books and records of each FMLP Operating Entity and arose in the ordinary course of the Business.

(u) Material Contracts. The Disclosure Schedule contains a true and correct list or description of the Material Contracts. True and correct copies of the Material Contracts have been delivered to Buyer. Each of the Material Contracts is enforceable against each FMLP Operating Entity and, to the knowledge FMLP, each other party thereto, in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations. No FMLP Operating Entity nor, to the knowledge of FMLP, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and no FMLP Operating Entity has during the past two (2) years obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the ordinary course of the Business. To the knowledge of FMLP, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become a material default by any FMLP Operating Entity or, to the knowledge of FMLP, any other party under any Material Contracts. FMLP does not know of a threatened default under any Material Contracts.

(v) Suppliers and Customers. The Disclosure Schedule contain a list of the ten (10) largest suppliers and ten (10) largest customers of the Business for calendar-year 1995. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, none of the suppliers or customers set forth on the Disclosure Schedule has informed any FMLP Operating Entity that it intends to terminate its relationship with any FMLP Operating Entity, and FMLP is not aware of any such supplier or customer that intends to terminate such relationship or of any material problem or dispute with any such supplier or customer. Each FMLP Operating Entity believes that it has good business relationships with each such supplier and customer. FMLP does not believe that the consummation of a sale of the Business will or is likely to disrupt the existing relationships with any such supplier or customer in any material respect.

(w) Business Records. No material records of accounts, personnel records and other business records for the past five (5) years relating to the Business have been destroyed and all such records are available upon request, subject to applicable Governmental Requirements and/or contractual prohibitions or limitations.

(x) Bank Accounts. The Disclosure Schedule contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by any FMLP Operating Entity and all persons entitled to draw thereon, to withdraw therefrom or with access thereto and a description of all lock box arrangements for any FMLP Operating Entity.

(y) Environmental Matters. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity and its assets, properties and operations are now and at all times prior to the Closing Date have been in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, each

Predecessor of each FMLP Operating Entity and its assets, properties and operations were in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, and except in compliance with Environmental Laws, there has been and is no Release or threatened Release of any Hazardous Substance at, on, under, in, to or from any of the Real Property, whether as a result of the operations and activities at the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor of any FMLP Operating Entity has received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence, Release or threatened Release of any Hazardous Substance at any location, whether at the Real Property or otherwise, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed of or otherwise handled at or transported from the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor has received any notice of any other claim, demand or action by any Person alleging any actual or threatened injury or damage to any Person, property, natural resource or the environment arising from or relating to the presence, Release or threatened Release of any Hazardous Substances at, on, under, in, to or from the Real Property or in connection with any operations or activities thereat, or at, on, under, in, to or from any other property. Neither the Real Property nor any operations or activities thereat is or has been subject to any judicial or administrative proceeding, order, consent, agreement or any lien relating to any applicable Environmental Laws or Environmental Claims. Except as set forth on the Disclosure Schedule, there are no underground storage tanks presently located at the Current Real Property and there have been no releases of any Hazardous Substances from any underground storage tanks or related piping at the Current Real Property. Except as set forth on the Disclosure Schedule, there are no PCBs located at, on, under or in the Current Real Property. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, there is no asbestos or asbestos-containing material located at, on, under or in the Current Real Property.

(z) Absence of Certain Changes. Except as set forth on the Disclosure Schedule, since December 31, 1995 there has not been:

(i) any material adverse change in the Business, financial condition or operations of the FMLP Operating Entities conducting the Business taken as a whole.

(ii) any increase in the compensation of or granting of bonuses payable or to become payable by any FMLP Operating Entity to any officer or employee whose 1995 calendar-year compensation (base salary plus bonus) exceeded $50,000, other than annual increases or bonuses consistent with any FMLP Operating Entity's past practices and not exceeding, for any such officer or employee, four percent (4%) of such officer's or employee's 1995 calendar-year compensation;

(iii) any sale or transfer by any FMLP Operating Entity of any tangible or intangible asset having a value greater than $5,000, any mortgage or pledge or creation of any Encumbrance relating to any such asset, any lease of real property or equipment, or any cancellation of any debt or claim, except in the ordinary course of business;

(iv) any other material transaction not in the ordinary course of the Business or not otherwise consistent with any FMLP Operating Entity's past practices involving consideration in excess of $50,000; or

(v) any material change in accounting methods or principles.

(aa) No Brokers. Except for FMLP's arrangement with Dean Witter Reynolds, Inc., no FMLP Operating Entity has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated by this Agreement.

(ab) Absence of Certain Payments. To the knowledge of FMLP, no FMLP Operating Entity, nor any other Person owned or controlled by FMLP, nor any of their respective partners, shareholders, directors, officers, employees or agents, or other people acting on behalf of any of them, have with respect to the Business (i) engaged in any activity prohibited by the United States Foreign Corrupt Practices Act of 1977 or any other similar law, regulation or decree, directive or order of any Governmental Authority or (ii) without limiting the generality of the preceding clause (i), used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to officials of any Governmental Authority. To the knowledge of FMLP, no FMLP Operating Entity, nor any Person owned or controlled by FMLP, nor any of their partners, shareholders, directors, officers, employees or agents, or other Persons acting on behalf of any of them, has accepted or received any unlawful contributions, payments, gifts or expenditures.

(ac) Products; Product Warranties.

(i) A form of each product warranty relating to products manufactured or sold by any FMLP Operating Entity at any time during the two-year period preceding the date of this Agreement is attached to or set forth on the Disclosure Schedule.

(ii) The Disclosure Schedule sets forth a true and complete list of (A) all products manufactured, marketed or sold by any FMLP Operating Entity that have been recalled or withdrawn (whether voluntarily or otherwise) at any time during the past three (3) years (for purposes of this paragraph, a product shall have been recalled or

withdrawn if all or a substantial number of products in a product line were recalled or withdrawn) and (B) all Proceedings (whether completed or pending) at any time during the past five three (3) years seeking the recall, withdrawal, suspension or seizure of any product sold by any FMLP Operating Entity.

(iii) Except as set forth on the Disclosure Schedule, FMLP is not aware of any defect in design, materials, manufacture or otherwise in any products manufactured, distributed or sold by any FMLP Operating Entity during the past five (5) years or any defect in repair to any such products which could give rise to any claims in excess of historical warranty expenses; provided, however, that for purposes of this paragraph improvements made to products in the ordinary course of business shall not be interpreted as an indication of the existence of any defects.

(iv) The Disclosure Schedule sets forth on a year-by-year basis, a true and complete list of all warranty expenses and all other unreimbursed repair, maintenance and replacement expenses incurred by any FMLP Operating Entity after January 1, 1993.

(v) Except as provided in any of the standard product warranties described in paragraph (i) of this Section and as otherwise set forth on the Disclosure Schedule, no FMLP Operating Entity has sold any products or services which are subject to an extended warranty of such FMLP Operating Entity beyond 24 months and which warranty has not yet expired.

SCHEDULE 4.2

REPRESENTATIONS AND WARRANTIES RELATING TO THE DUTCH BUSINESS

(a) Organization, Subsistence and Authority of FMLP Operating Entities to Conduct Business. Each FMLP Operating Entity is duly organized and validly existing under the laws of the jurisdiction of its organization. The Disclosure Schedule sets forth the jurisdiction of organization of each FMLP Operating Entity and each jurisdiction where any FMLP Operating Entity is qualified to do business. Each FMLP Operating Entity is duly qualified to do business in each jurisdiction in which such qualification is necessary under the applicable law as a result of the conduct of the Business. Each FMLP Operating Entity has full partnership or corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity has any stock or equity interest in any corporation, firm or any other Person.

(b) Power and Authority; Authorization; Binding Effect. FM-Europe and each FMLP Operating Entity which is a party to the Dutch Purchase Agreement has all necessary power and authority and has taken all action necessary to authorize, execute and deliver the Dutch Purchase Agreement, to consummate the transactions contemplated by the Dutch Purchase Agreement, and to perform its obligations under the Dutch Purchase Agreement. The General Partners are the only general partners of FMLP and each General Partner has all necessary power and authority and has taken all action necessary to execute and deliver the Dutch Purchase Agreement. No consent or other action of the Limited Partners is required for FMLP to execute and deliver the Dutch Purchase Agreement, to consummate the transactions contemplated by the Dutch Purchase Agreement or to perform its obligations under the Dutch Purchase Agreement. Copies of all resolutions of the board of directors of each General Partner with respect to the transactions contemplated by the Dutch Purchase Agreement, certified by the Secretary or an Assistant Secretary of such General Partner, in form reasonably satisfactory to counsel for Buyer, have been delivered to Buyer. The Dutch Purchase Agreement has been duly executed and delivered by FM-Europe and each FMLP Operating Entity which is a party thereto and constitutes a legal, valid and binding obligation of FM-Europe and each such FMLP Operating Entity enforceable against FM-International, FM-Europe and each such FMLP Operating Entity in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of the Dutch Purchase Agreement, the consummation of the transactions contemplated by the Dutch Purchase Agreement, and the fulfillment of the terms of the Dutch Purchase Agreement, do not and will not result in or constitute (i) a violation of or conflict with any provision of the organizational or other governing documents of FM-Europe or any FMLP Operating Entity, (ii) except as set forth on the Disclosure Schedule, a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice or the

lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Material Contract, Encumbrance or material Permit to which FM-Europe or any FMLP Operating Entity is a party, (iii) a material violation by FM-Europe or any FMLP Operating Entity of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award applicable to FM-Europe or any FMLP Operating Entity or (iv) an imposition of any Encumbrance (other than a Permitted Encumbrance) on the American Purchased Assets, the FM-U.K. Shares, the FM-Spain Shares or the FM-Sweden Shares.

(d) Consents and Approvals. Except as set forth on the Disclosure Schedule, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by FM-Europe or any FMLP Operating Entity in connection with the execution, delivery and performance of the Dutch Purchase Agreement and the consummation of the transactions contemplated by the Dutch Purchase Agreement.

(e) No Proceedings. There is no Proceeding pending or, to the knowledge of FMLP, threatened in writing against or relating to the transactions contemplated by the Dutch Purchase Agreement.

(f) Ownership of FM-U.K., FM-Spain and FM-Sweden. The Disclosure Schedule sets forth the authorized, issued and outstanding capital stock of FM-Sweden, FM-U.K. and FM-Spain, the ownership thereof and any Encumbrance thereon. Except as set forth on the Disclosure Schedule, (i) there are no securities of either of FM-U.K., FM-Sweden or FM-Spain convertible into or exchangeable or exercisable for shares of its capital stock, (ii) there are no bonds, debentures, notes, or other indebtedness having the right to vote on any matters on which FM-U.K., FM-Sweden or FM-Spain's shareholders may vote, (iii) there are no outstanding options, warrants, rights, contracts, commitments, understandings or arrangements by which FM-U.K., FM-Sweden or FM-Spain is bound to issue, repurchase or otherwise acquire or retire any of its securities and, there are no voting agreements, voting trusts, buy-sell agreements, options or rights or obligations relating to the shareholders or the securities of FM-U.K., FM-Sweden or FM-Spain.

(g) Corporate Records. The minute books of each of FM-U.K., FM-Spain and FM-Sweden contain a complete and accurate record of all material meetings and actions of shareholders and directors of such corporation, and of any executive committee or other committee of the shareholders or board of directors of such corporation. The stock record book of each of FM-U.K., FM-Spain and FM-Sweden is complete and accurate and contains a complete and accurate record of all share transactions for such corporation from the date of its incorporation. The minute books and stock record books (or partnership equivalents) of FM-Europe and all FMLP Operating Entities other than FM-U.K., FM-Spain and FM-Sweden have been made available to Buyer for its review and contain a complete and

accurate record of all material meetings of shareholders, directors, partners, members or other appropriate governing bodies, as the case may be.

(h) [Intentionally Deleted]

(i) Tax Matters.

(i) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, (A) each FMLP Operating Entity has filed all Tax Returns that it was required to file, (B) all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been withheld, (C) all such Tax Returns were correct and complete in all material respects, (D) all Taxes required to have been paid by any FMLP Operating Entity (whether or not shown on any Tax Return) have been paid, (E) no FMLP Operating Entity is currently the beneficiary of any extension of time within which to file any Tax Return and (F) no claim has been made within the last five (5) years by any Governmental Authority in a jurisdiction where any FMLP Operating Entity does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Encumbrances (other than Permitted Encumbrances) on any of the Dutch Purchased Assets, the FM-U.K. Shares, FM-Spain Shares and FM-Sweden Shares that arose in connection with any failure (or alleged failure) to pay any Tax.

(ii) To the knowledge of FMLP, no Governmental Authority will assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax liability of any FMLP Operating Entity either (A) claimed or raised by any Governmental Authority in writing or (B) as to which FMLP has knowledge based upon personal contact with any agent of such authority. The Disclosure Schedule lists all federal, state, local, and foreign income Tax Returns filed with respect to any FMLP Operating Entity for taxable periods ended on or after December 31, 1992, indicates those Tax Returns which have been audited, and indicates those Tax Returns that currently are the subject of audit. FMLP has delivered to Buyer correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any FMLP Operating Entity for taxable periods ended on or after December 31, 1992.

(j) Real Property. The Disclosure Schedule contains a true, complete and correct list of the Real Property now or in the past owned or used by any FMLP Operating Entity for manufacturing. Except as set forth on the Disclosure Schedule, (i) FM-Europe and each FMLP Operating Entity has title to the Current Real Property owned by such FMLP Operating Entity, (ii) each FMLP Operating Entity enjoys peaceful and undisturbed possession of the Current Real Property leased by such FMLP Operating Entity, (iii) no interest of FM-Europe or any FMLP Operating Entity in the Current Real Property is subject

to any commitment for sale or use by any Person other than such FMLP Operating Entity, (iv) no interest of FM-Europe or any FMLP Operating Entity in the Current Real Property is subject to any Encumbrances (other than Permitted Encumbrances), which in any material respect interfere with or impair the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) no labor has been performed or material furnished on behalf of or at the request of any FMLP Operating Entity for the Current Real Property for which a mechanic's or materialman's lien or liens, or any other lien, has been claimed by any Person on any FMLP Operating Entity's interest in the Current Real Property, except to the extent that the liability relating thereto is reflected on the Closing Date Financial Report, (vi) the Current Real Property, and each user thereof, is in compliance in all material respects with all applicable Governmental Requirements and (vii) no material default or breach exists with respect to any Encumbrance affecting any FMLP Operating Entity's interest in the Current Real Property. There are no condemnation or eminent domain proceedings pending or, to the knowledge of FMLP, contemplated or threatened against FM-Europe or any FMLP Operating Entity's interest in the Current Real Property or any part thereof, and no FMLP Operating Entity knows of any desire of any Governmental Authority to take or use any FMLP Operating Entity's interest in the Current Real Property or any part thereof. Except as set forth on the Disclosure Schedule, there are no existing or, to the knowledge of FMLP, contemplated or threatened general or special assessments against FM-Europe's or any FMLP Operating Entity's interest in the Current Real Property or any portion thereof. FMLP does not have any knowledge of any pending or threatened Proceeding before any Governmental Authority which relates to the ownership, maintenance, use or operation of FM-Europe's or any FMLP Operating Entity's interest in the Current Real Property (other than periodic general reassessments, which reassessments, if any, are set forth on the Disclosure Schedule). Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the buildings and improvements on the Current Real Property (including, without limitation, the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. Except as set forth on the Disclosure Schedule, there are no repairs or replacements exceeding $100,000 in the aggregate for all Current Real Property or $25,000 for any single repair or replacement which are currently contemplated by any FMLP Operating Entity.

(k) Tangible Personal Property. FMLP has delivered to Buyer a list of each item of Tangible Personal Property owned by any FMLP Operating Entity having a value in excess of $5,000, and a list each item of Tangible Personal Property leased by any FMLP Operating Entity (other than individual leases of office equipment having an annual rental of less than $5,000). No FMLP Operating Entity is a party to any lease for Tangible Personal Property which is required to be capitalized under GAAP. There is no tangible personal property used in the operation of the Business other than the Tangible Personal Property. Except as set forth on the Disclosure Schedule, the Tangible Personal Property

owned by FM-Europe or each FMLP Operating Entity is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on the Disclosure Schedule, all of the Tangible Personal Property is located at the Current Real Property and there is no tangible personal property located at the Current Real Property which is not owned or leased by any FMLP Operating Entity. Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the Tangible Personal Property is, taken as a whole, in reasonable working order andadequate for its intended use, ordinary wear and tear and normal repairs and replacements excepted. Except as disclosed on the Disclosure Schedule, there are no repairs or replacements exceeding $50,000 in the aggregate for all Tangible Personal Property or $10,000 for any single item of Tangible Personal Property which are currently contemplated by any FMLP Operating Entity.

(l) Intellectual Property.

(i) Except as set forth on the Disclosure Schedule, (A) there is no intellectual property used in the Business other than the Intellectual Property, (B) each item of Intellectual Property owned or used by FM-Europe or any FMLP Operating Entity immediately prior to the Closing Date will be owned or available for use by Buyer on substantially similar terms and conditions immediately subsequent to the Closing Date and (C) to the knowledge of FMLP, each FMLP Operating Entity has taken reasonable commercial actions to maintain and protect each item of material Intellectual Property in the Business.

(ii) Except as set forth on the Disclosure Schedule, (A) no FMLP Operating Entity has during the last five (5) years interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties, and no FMLP Operating Entity has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that any FMLP Operating Entity must license or refrain from using any intangible property rights of any third party) which has not been resolved and (B) to the knowledge of FMLP, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of the Intellectual Property.

(iii) The Disclosure Schedule identifies each patent or registration which has been issued to any FMLP Operating Entity with respect to any of the Intellectual Property, identifies each pending patent application or application for registration which any FMLP Operating Entity has made with respect to any of the Intellectual Property, and identifies each license or other agreement which any FMLP Operating Entity has granted to any third party with respect to any of the Intellectual Property. FMLP has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses and agreements (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if

applicable) of each such item. The Disclosure Schedule also identifies each trade name or unregistered trademark having a value used by any FMLP Operating Entity in connection with the Business. Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) each FMLP Operating Entity possesses all right, title and interest in and to the item, free and clear of any Encumbrances (other than Permitted Encumbrances) or licenses, (B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge, (C) no Proceeding is pending or, to the knowledge of FMLP, threatened which challenges the legality, validity, enforceability, use or ownership of the item and (D) other than routine indemnities given to distributors, sales representatives, dealers and customers, no FMLP Operating Entity has any current obligations to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iv) The Disclosure Schedule identifies each item of Intellectual Property that any third party owns and that any FMLP Operating Entity uses pursuant to license, sublicense or agreement, other than off-the-shelf computer software subject to shrinkwrap licenses. FMLP has delivered to Buyer correct and complete copies of all such licenses, sublicenses and other agreements (as amended to date). Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) the license, sublicense or other agreement covering the item is enforceable, except as may be limited by Enforceability Limitations, (B) to the knowledge of FMLP, following the Closing, the license, sublicense or other agreement will continue to be enforceable on substantially similar terms and conditions, except as may be limited by Enforceability Limitations, (C) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement is in material breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit early termination, modification or acceleration thereunder, (D) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement has repudiated any provision thereof, (E) to the knowledge of FMLP, the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling or charge, (F) to the knowledge of FMLP, no Proceeding is pending or threatened which challenges the legality, validity or enforceability of the underlying item of Intellectual Property and (G) no FMLP Operating Entity has granted any sublicense or similar right with respect to the license, sublicense or other agreement.

(v) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, Buyer's use of the Intellectual Property will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any intangible property rights of third parties as a result of the continued operation of the Business as presently conducted and as presently proposed to be conducted.

(m) Compliance with Laws; Permits. Except as set forth on the Disclosure Schedule, the conduct of the Business is in compliance in all material respects with all applicable Governmental Requirements. No FMLP Operating Entity has received any notice to the effect that, or otherwise been advised that, such FMLP Operating Entity is not in compliance in all material respects with any applicable Governmental Requirement and, to the knowledge of FMLP, there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any applicableGovernmental Requirement. The Disclosure Schedule identifies all material Permits issued to any FMLP Operating Entity and currently in effect. Except as set forth on the Disclosure Schedule, the Permits constitute all permits, consents, licenses, franchises, authorizations and approvals used in the operation of and necessary to conduct the Business. All of the Permits are valid and in full force and effect, no violations have been experienced, noted or recorded and no violations are expected, and no Proceeding is pending or, to the knowledge of FMLP, threatened to revoke or limit any of the Permits.

(n) Litigation. Except as set forth on the Disclosure Schedule, there is no Proceeding pending or, to the knowledge of FMLP, currently threatened against or relating to any FMLP Operating Entity, its partners, shareholders, directors, officers or employees, or its properties, assets or business relating to the Business.

(o) Labor Matters. The Disclosure Schedule contains an accurate and complete list of agreements, arrangements and understandings, written or oral, with all employees and directors of FM-Holland with a current annual compensation in excess of NLG 83,000 that are being transferred to Buyer by virtue of Article 1639aa of the Dutch Civil Code, including accurate and complete details of their compensation. All obligations towards all employees that are being transferred to Buyer, including but not limited to accrued salaries, bonuses, vacation pay or any other accrued or deferred compensation and benefits, which are due on the Closing Date have been paid. Except as set forth on the Disclosure Schedule, (i) no FMLP Operating Entity has any obligations under any written or oral labor agreement, collective bargaining agreement or other agreement with any labor organization or employee group, (ii) no FMLP Operating Entity is currently engaged in any unfair labor practice and there is no unfair labor practice charge or other employee related or employment related complaint against such FMLP Operating Entity pending, or to the knowledge or FMLP, threatened before any Governmental Authority, (iii) there is currently no labor strike, labor disturbance, slow down, work stoppage or other material labor dispute or arbitration pending or, to the knowledge of FMLP, threatened against any FMLP Operating Entity and no material grievance currently being asserted, (iv) no FMLP Operating Entity has experienced a labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute at any time during the three years immediately preceding the date of the Dutch Purchase Agreement and (v) there is, to the knowledge of FMLP, no organizational campaign being conducted or contemplated and there is no pending or, to the knowledge of FMLP, threatened petition before any Governmental Authority or other dispute

as to the representation of any employees of any FMLP Operating Entity. Except as disclosed on the Disclosure Schedule, each FMLP Operating Entity has complied in all material respects with all applicable Governmental Requirements relating to any of its employees or consultants and no FMLP Operating Entity has received within the past three (3) years any written notice or failure to comply with any such Governmental Requirements which has not been rectified.

(p) Employee Benefit Plans. The Disclosure Schedule contains a complete and accurate list of all Employee Benefit Plans. Except as set forth on the Disclosure Schedule, with respect to each Employee Benefit Plan:

(i) Such Employee Benefit Plan complies in form and operation in all material respects with all applicable laws and regulations, including but not limited to the Dutch Pension and Savings Fund Act ("Pensioen en Spaarfondsenwet");

(ii) All contributions (including all employer contributions and employee salary reduction contributions) which are due, have been paid towards each Employee Benefit Plan and all contributions for any period ending on or before the Closing Date which are not yet due have been adequately accrued for and in accordance with past customs. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to the Employee Benefit Plans.

(q) Transactions with Certain Persons. Except as set forth on the Disclosure Schedule or as otherwise disclosed in the Dutch Purchase Agreement, to the knowledge of FMLP, (i) no Related Person is presently or at any time during the past one (1) year has been a party to any transaction not on an arm's-length basis with any FMLP Operating Entity including, without limitation, any contract, agreement or other arrangement (A) providing for the furnishing of services to or by, (B) providing for the rental or sale of real or personal property to or from or (C) otherwise requiring payments annually to or from (other than for services as officers or employees of any FMLP Operating Entity), such Related Person and (ii) no partner, shareholder, director, officer or employee of any FMLP Operating Entity is related to any other partner, shareholder, director, officer or employee of any FMLP Operating Entity by blood or marriage. Except as set forth on the Disclosure Schedule, there is no outstanding amount in excess of $500 owing (including, without limitation, pursuant to any advance, note or other indebtedness instrument) from any FMLP Operating Entity to any Related Person identified on the Disclosure Schedule or from any Related Person identified on the Disclosure Schedule to any FMLP Operating Entity.

(r) Insurance. The Disclosure Schedule contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number, coverage limits, expiration dates, annual premiums, deductibles and a general description of the type of coverage provided and policy exclusions) maintained by

any FMLP Operating Entity and relating to such FMLP Operating Entity's properties, assets and personnel. Except as set forth on the Disclosure Schedule, all of the Insurance is "occurrence" based insurance. The Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable law and of all contracts to which any FMLP Operating Entity is a party. No FMLP Operating Entity is in material default under any of the Insurance, and no FMLP Operating Entity has failed to give any notice or to present any claim under any of the Insurance in a due and timely manner. No notice of cancellation, termination, reduction in coverage or increase in premium (other than reductions in coverage or increases in premiums in the ordinary course) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been timely paid. No FMLP Operating Entity has experienced claims in excess of current coverage of the Insurance. Except as disclosed on the Disclosure Schedule, there will be no retrospective insurance premiums or charges on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

(s) Inventory. Except as set forth on the Disclosure Schedule, (i) all of the Inventory is owned by FM-Europe or each FMLP Operating Entity free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Current Real Property, (ii) none of the Inventory is on consignment, (iii) the Inventory as reflected in the Financial Statements and Interim Financial Statements has been valued at the lower of cost (on a first-in, first-out basis) or market value in a manner consistent with past practices and procedures (including, without limitation, the method of computing overhead and other indirect expenses to be applied to inventory) and in accordance with GAAP and (iv) all inventory located at the Current Real Property is owned by the FMLP Operating Entities and is not held by the FMLP Operating Entities (on consignment or otherwise) for or on behalf of any other Person.

(t) Accounts Receivable. All of the Accounts Receivable of each FMLP Operating Entity are bona fide receivables, are reflected on the books and records of each FMLP Operating Entity and arose in the ordinary course of the Business.

(u) Material Contracts. The Disclosure Schedule contains a true and correct list or description of the Material Contracts. True and correct copies of the Material Contracts have been delivered to Buyer. Each of the Material Contracts is enforceable against each FMLP Operating Entity and, to the knowledge FMLP, each other party thereto, in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations. No FMLP Operating Entity nor, to the knowledge of FMLP, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and no FMLP Operating Entity has during the past two (2) years obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the ordinary course of the Business. To the knowledge of FMLP, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the

lapse of time or the happening of any future event or condition, would become a material default by any FMLP Operating Entity or, to the knowledge of FMLP, any other party under any Material Contracts. FMLP does not know of a threatened default under any Material Contracts.

(v) Suppliers and Customers. The Disclosure Schedule contain a list of the ten (10) largest suppliers and ten (10) largest customers of the Business for calendar-year 1995. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, none of the suppliers or customers set forth on the Disclosure Schedule has informed any FMLP Operating Entity that it intends to terminate its relationship with any FMLP Operating Entity, and FMLP is not aware of any such supplier or customer that intends to terminate such relationship or of any material problem or dispute with any such supplier or customer. Each FMLP Operating Entity believes that it has good business relationships with each such supplier and customer. FMLP does not believe that the consummation of a sale of the Business will or is likely to disrupt the existing relationships with any such supplier or customer in any material respect.

(w) Business Records. No material records of accounts, personnel records and other business records for the past five (5) years relating to the Business have been destroyed and all such records are available upon request, subject to applicable Governmental Requirements and/or contractual prohibitions or limitations.

(x) Bank Accounts. The Disclosure Schedule contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by any FMLP Operating Entity and all persons entitled to draw thereon, to withdraw therefrom or with access thereto and a description of all lock box arrangements for any FMLP Operating Entity.

(y) Environmental Matters. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity and its assets, properties and operations are now and at all times prior to the Closing Date have been in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, each Predecessor of each FMLP Operating Entity and its assets, properties and operations were in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, and except in compliance with Environmental Laws, there has been and is no Release or threatened Release of any Hazardous Substance at, on, under, in, to or from any of the Real Property, whether as a result of the operations and activities at the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor of any FMLP Operating Entity has received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence, Release or threatened Release of any Hazardous Substance at any location, whether at the Real Property or otherwise, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed of or otherwise handled at or

transported from the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor has received any notice of any other claim, demand or action by any Person alleging any actual or threatened injury or damage to any Person, property, natural resource or the environment arising from or relating to the presence, Release or threatened Release of any Hazardous Substances at, on, under, in, to or from the Real Property or in connection with any operations or activities thereat, or at, on, under, in, to or from any other property. Neither the Real Property nor any operations or activities thereat is or has been subject to any judicial or administrative proceeding, order, consent, agreement or any lien relating to any applicable Environmental Laws or Environmental Claims. Except as set forth on the Disclosure Schedule, there are no underground storage tanks presently located at the Current Real Property and there have been no releases of any Hazardous Substances from any underground storage tanks or related piping at the Current Real Property. Except as set forth on the Disclosure Schedule, there are no PCBs located at, on, under or in the Current Real Property. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, there is no asbestos or asbestos-containing material located at, on, under or in the Current Real Property.

(z) Absence of Certain Changes. Except as set forth on the Disclosure Schedule, since December 31, 1995 there has not been:

(i) any material adverse change in the Business, financial condition or operations of the FMLP Operating Entities conducting the Business taken as a whole.

(ii) any increase in the compensation of or granting of bonuses payable or to become payable by any FMLP Operating Entity to any officer or employee whose 1995 calendar-year compensation (base salary plus bonus) exceeded $50,000, other than annual increases or bonuses consistent with any FMLP Operating Entity's past practices and not exceeding, for any such officer or employee, four percent (4%) of such officer's or employee's 1995 calendar-year compensation;

(iii) any sale or transfer by any FMLP Operating Entity of any tangible or intangible asset having a value greater than $5,000, any mortgage or pledge or creation of any Encumbrance relating to any such asset, any lease of real property or equipment, or any cancellation of any debt or claim, except in the ordinary course of business;

(iv) any other material transaction not in the ordinary course of the Business or not otherwise consistent with any FMLP Operating Entity's past practices involving consideration in excess of $50,000; or

(v) any material change in accounting methods or principles.

(aa) No Brokers. Except for FMLP's arrangement with Dean Witter Reynolds, Inc., no FMLP Operating Entity has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated by the Dutch Purchase Agreement.

(ab) Absence of Certain Payments. To the knowledge of FMLP, no FMLP Operating Entity, nor any other Person owned or controlled by FMLP, nor any of their respective partners, shareholders, directors, officers, employees or agents, or other people acting on behalf of any of them, have with respect to the Business (i) engaged in any activity prohibited by the United States Foreign Corrupt Practices Act of 1977 or any other similar law, regulation or decree, directive or order of any Governmental Authority or (ii) without limiting the generality of the preceding clause (i), used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to officials of any Governmental Authority. To the knowledge of FMLP, no FMLP Operating Entity, nor any Person owned or controlled by FMLP, nor any of their partners, shareholders, directors, officers, employees or agents, or other Persons acting on behalf of any of them, has accepted or received any unlawful contributions, payments, gifts or expenditures.

(ac) Products; Product Warranties.

(i) A form of each product warranty relating to products manufactured or sold by any FMLP Operating Entity at any time during the two-year period preceding the date of the Dutch Purchase Agreement is attached to or set forth on the Disclosure Schedule.

(ii) The Disclosure Schedule sets forth a true and complete list of (A) all products manufactured, marketed or sold by any FMLP Operating Entity that have been recalled or withdrawn (whether voluntarily or otherwise) at any time during the past three (3) years (for purposes of this paragraph, a product shall have been recalled or withdrawn if all or a substantial number of products in a product line were recalled or withdrawn) and (B) all Proceedings (whether completed or pending) at any time during the past five three (3) years seeking the recall, withdrawal, suspension or seizure of any product sold by any FMLP Operating Entity.

(iii) Except as set forth on the Disclosure Schedule, FMLP is not aware of any defect in design, materials, manufacture or otherwise in any products manufactured, distributed or sold by any FMLP Operating Entity during the past five (5) years or any defect in repair to any such products which could give rise to any claims in excess of historical warranty expenses; provided, however, that for purposes of this

paragraph improvements made to products in the ordinary course of business shall not be interpreted as an indication of the existence of any defects.

(iv) The Disclosure Schedule sets forth on a year-by-year basis, a true and complete list of all warranty expenses and all other unreimbursed repair, maintenance and replacement expenses incurred by any FMLP Operating Entity after January 1, 1993.

(v) Except as provided in any of the standard product warranties described in paragraph (i) of this Section and as otherwise set forth on the Disclosure Schedule, no FMLP Operating Entity has sold any products or services which are subject to an extended warranty of such FMLP Operating Entity beyond 24 months and which warranty has not yet expired.

(ad) Neither FM-Holland nor FM-Europe has been declared bankrupt ("failliet") and no action or request is pending to declare any of them bankrupt. Neither FM-Holland nor FM-Europe has been filed or been granted moratorium of payment ("surseance van betaling")

SCHEDULE 4.3

REPRESENTATIONS AND WARRANTIES RELATING TO THE AUSTRALIAN BUSINESS

(a) Organization, Subsistence and Authority of FMLP Operating Entities to Conduct Business. Each FMLP Operating Entity is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The Disclosure Schedule sets forth the jurisdiction of organization of each FMLP Operating Entity and each jurisdiction where any FMLP Operating Entity is qualified to do business. Each FMLP Operating Entity is duly qualified to do business in, and is in good standing under the laws of, each jurisdiction in which such qualification is necessary under the applicable law as a result of the conduct of the Business. Each FMLP Operating Entity has full partnership or corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity has any stock or equity interest in any corporation, firm or any other Person.

(b) Power and Authority; Authorization; Binding Effect. FM-International and each FMLP Operating Entity which is a party to the Australian Purchase Agreement has all necessary power and authority and has taken all action necessary to authorize, execute and deliver the Australian Purchase Agreement, to consummate the transactions contemplated by the Australian Purchase Agreement, and to perform its obligations under the Australian Purchase Agreement. The General Partners are the only general partners of FMLP and each General Partner has all necessary power and authority and has taken all action necessary to execute and deliver the Australian Purchase Agreement. No consent or other action of the Limited Partners is required for FMLP to execute and deliver the Australian Purchase Agreement, to consummate the transactions contemplated by the Australian Purchase Agreement or to perform its obligations under the Australian Purchase Agreement. Copies of all resolutions of the board of directors of each General Partner with respect to the transactions contemplated by the Australian Purchase Agreement, certified by the Secretary or an Assistant Secretary of such General Partner, in form reasonably satisfactory to counsel for Buyer, have been delivered to Buyer. The Australian Purchase Agreement has been duly executed and delivered by FM-International and each FMLP Operating Entity which is a party thereto and constitutes a legal, valid and binding obligation of FM-International and each such FMLP Operating Entity enforceable against FM-International and each such FMLP Operating Entity in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of the Australian Purchase Agreement, the consummation of the transactions contemplated by the Australian Purchase Agreement, and the fulfillment of the terms of the Australian Purchase Agreement, do not and will not result in or constitute (i) a violation of or conflict with any provision of the organizational or other governing documents of FM-International or any FMLP Operating

Entity, (ii) except as set forth on the Disclosure Schedule, a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice or the lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Material Contract, Encumbrance or material Permit to which FM-International or any FMLP Operating Entity is a party, (iii) a material violation by FM-International or any FMLP Operating Entity of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award applicable to FM-International or any FMLP Operating Entity or (iv) an imposition of any Encumbrance (other than a Permitted Encumbrance) on the Australian Purchased Assets.

(d) Consents and Approvals. Except as set forth on the Disclosure Schedule, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by FM-International or any FMLP Operating Entity in connection with the execution, delivery and performance of the Australian Purchase Agreement and the consummation of the transactions contemplated by the Australian Purchase Agreement.

(e) No Proceedings. There is no Proceeding pending or, to the knowledge of FMLP, threatened in writing against or relating to the transactions contemplated by the Australian Purchase Agreement.

(f) [Intentionally Deleted]

(g) [Intentionally Deleted]

(h) [Intentionally Deleted]

(i) Tax Matters.

(i) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, (A) each FMLP Operating Entity has filed all Tax Returns that it was required to file, (B) all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been withheld, (C) all such Tax Returns were correct and complete in all material respects, (D) all Taxes required to have been paid by any FMLP Operating Entity (whether or not shown on any Tax Return) have been paid, (E) no FMLP Operating Entity is currently the beneficiary of any extension of time within which to file any Tax Return and (F) no claim has been made within the last five (5) years by any Governmental Authority in a jurisdiction where any FMLP Operating Entity does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Encumbrances (other than Permitted Encumbrances) on any of the American Purchased Assets, the FM-Service Shares or the FM-Brazil Shares that arose in connection with any failure (or alleged failure) to pay any Tax.

(ii) To the knowledge of FMLP, no Governmental Authority will assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax liability of any FMLP Operating Entity either (A) claimed or raised by any Governmental Authority in writing or (B) as to which FMLP has knowledge based upon personal contact with any agent of such authority. The Disclosure Schedule lists all federal, state, local, and foreign income Tax Returns filed with respect to any FMLP Operating Entity for taxable periods ended on or after December 31, 1992, indicates those Tax Returns which have been audited, and indicates those Tax Returns that currently are the subject of audit. FMLP has delivered to Buyer correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any FMLP Operating Entity for taxable periods ended on or after December 31, 1992.

(j) Real Property. The Disclosure Schedule contains a true, complete and correct list of the Real Property now or in the past owned or used by any FMLP Operating Entity for manufacturing. Except as set forth on the Disclosure Schedule, (i) FM-International or each FMLP Operating Entity has title to the Current Real Property owned by such FMLP Operating Entity, (ii) each FMLP Operating Entity enjoys peaceful and undisturbed possession of the Current Real Property leased by such FMLP Operating Entity, (iii) no interest of FM-International or any FMLP Operating Entity in the Current Real Property is subject to any commitment for sale or use by any Person other than such FMLP Operating Entity, (iv) no interest of FM-International or any FMLP Operating Entity in the Current Real Property is subject to any Encumbrances (other than Permitted Encumbrances), which in any material respect interfere with or impair the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) no labor has been performed or material furnished on behalf of or at the request of any FMLP Operating Entity for the Current Real Property for which a mechanic's or materialman's lien or liens, or any other lien, has been claimed by any Person on any FMLP Operating Entity's interest in the Current Real Property, except to the extent that the liability relating thereto is reflected on the Closing Date Financial Report, (vi) the Current Real Property, and each user thereof, is in compliance in all material respects with all applicable Governmental Requirements and (vii) no material default or breach exists with respect to any Encumbrance affecting any FMLP Operating Entity's interest in the Current Real Property. There are no condemnation or eminent domain proceedings pending or, to the knowledge of FMLP, contemplated or threatened against FM-International's or any FMLP Operating Entity's interest in the Current Real Property or any part thereof, and no FMLP Operating Entity knows of any desire of any Governmental Authority to take or use any FMLP Operating Entity's interest in the Current Real Property or any part thereof. Except as set forth on the Disclosure Schedule, there are no existing or, to the knowledge of FMLP, contemplated or threatened general or special assessments against FM-International's or any FMLP Operating Entity's interest in the Current Real Property or any portion thereof. FMLP does not have any knowledge of any pending or threatened Proceeding before any

Governmental Authority which relates to the ownership, maintenance, use or operation of FM-Europe's or any FMLP Operating Entity's interest in the Current Real Property (other than periodic general reassessments, which reassessments, if any, are set forth on the Disclosure Schedule). Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the buildings and improvements on the Current Real Property (including, without limitation, the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. Except as set forth on the Disclosure Schedule, there are no repairs or replacements exceeding $100,000 in the aggregate for all Current Real Property or $25,000 for any single repair or replacement which are currently contemplated by any FMLP Operating Entity.

(k) Tangible Personal Property. FMLP has delivered to Buyer a list of each item of Tangible Personal Property owned by any FMLP Operating Entity having a value in excess of $5,000, and a list each item of Tangible Personal Property leased by any FMLP Operating Entity (other than individual leases of office equipment having an annual rental of less than $5,000). Except as set forth on the Disclosure Schedule, no FMLP Operating Entity is a party to any lease for Tangible Personal Property which is required to be capitalized under GAAP. There is no tangible personal property used in the operation of the Business other than the Tangible Personal Property. Except as set forth on the Disclosure Schedule, the Tangible Personal Property owned by each FMLP Operating Entity is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on the Disclosure Schedule, all of the Tangible Personal Property is located at the Current Real Property and there is no tangible personal property located at the Current Real Property which is not owned or leased by any FMLP Operating Entity. Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the Tangible Personal Property is, taken as a whole, in reasonable working order and adequate for its intended use, ordinary wear and tear and normal repairs and replacements excepted. Except as disclosed on the Disclosure Schedule, there are no repairs or replacements exceeding $50,000 in the aggregate for all Tangible Personal Property or $10,000 for any single item of Tangible Personal Property which are currently contemplated by any FMLP Operating Entity.

(l) Intellectual Property.

(i) Except as set forth on the Disclosure Schedule, (A) there is no intellectual property used in the Business other than the Intellectual Property, (B) each item of Intellectual Property owned or used by FM-Europe or any FMLP Operating Entity immediately prior to the Closing Date will be owned or available for use by Buyer on substantially similar terms and conditions immediately subsequent to the Closing Date and (C) to the knowledge of FMLP, each FMLP Operating Entity has taken reasonable commercial actions to maintain and protect each item of material Intellectual Property in the Business.

(ii) Except as set forth on the Disclosure Schedule, (A) no FMLP Operating Entity has during the last five (5) years interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties, and no FMLP Operating Entity has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that any FMLP Operating Entity must license or refrain from using any intangible property rights of any third party) which has not been resolved and (B) to the knowledge of FMLP, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of the Intellectual Property.

(iii) The Disclosure Schedule identifies each patent or registration which has been issued to any FMLP Operating Entity with respect to any of the Intellectual Property, identifies each pending patent application or application for registration which any FMLP Operating Entity has made with respect to any of the Intellectual Property, and identifies each license or other agreement which any FMLP Operating Entity has granted to any third party with respect to any of the Intellectual Property. FMLP has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses and agreements (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. The Disclosure Schedule also identifies each trade name or unregistered trademark having a value used by any FMLP Operating Entity in connection with the Business. Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) each FMLP Operating Entity possesses all right, title and interest in and to the item, free and clear of any Encumbrances (other than Permitted Encumbrances) or licenses, (B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge, (C) no Proceeding is pending or, to the knowledge of FMLP, threatened which challenges the legality, validity, enforceability, use or ownership of the item and (D) other than routine indemnities given to distributors, sales representatives, dealers and customers, no FMLP Operating Entity has any current obligations to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iv) The Disclosure Schedule identifies each item of Intellectual Property that any third party owns and that any FMLP Operating Entity uses pursuant to license, sublicense or agreement, other than off-the-shelf computer software subject to shrinkwrap licenses. FMLP has delivered to Buyer correct and complete copies of all such licenses, sublicenses and other agreements (as amended to date). Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) the license, sublicense or other agreement covering the item is enforceable, except as may be limited by Enforceability Limitations, (B) to the knowledge of FMLP, following the Closing, the license, sublicense or other agreement will continue to be enforceable on substantially similar terms and conditions,

except as may be limited by Enforceability Limitations, (C) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement is in material breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit early termination, modification or acceleration thereunder, (D) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement has repudiated any provision thereof, (E) to the knowledge of FMLP, the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling or charge, (F) to the knowledge of FMLP, no Proceeding is pending or threatened which challenges the legality, validity or enforceability of the underlying item of Intellectual Property and (G) no FMLP Operating Entity has granted any sublicense or similar right with respect to the license, sublicense or other agreement.

(v) Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, Buyer's use of the Intellectual Property will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any intangible property rights of third parties as a result of the continued operation of the Business as presently conducted and as presently proposed to be conducted.

(m) Compliance with Laws; Permits. Except as set forth on the Disclosure Schedule, the conduct of the Business is in compliance in all material respects with all applicable Governmental Requirements. No FMLP Operating Entity has received any notice to the effect that, or otherwise been advised that, such FMLP Operating Entity is not in compliance in all material respects with any applicable Governmental Requirement and, to the knowledge of FMLP, there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any applicable Governmental Requirement. The Disclosure Schedule identifies all material Permits issued to any FMLP Operating Entity and currently in effect. Except as set forth on the Disclosure Schedule, the Permits constitute all permits, consents, licenses, franchises, authorizations and approvals used in the operation of and necessary to conduct the Business. All of the Permits are valid and in full force and effect, no violations have been experienced, noted or recorded and no violations are expected, and no Proceeding is pending or, to the knowledge of FMLP, threatened to revoke or limit any of the Permits.

(n) Litigation. Except as set forth on the Disclosure Schedule, there is no Proceeding pending or, to the knowledge of FMLP, currently threatened against or relating to any FMLP Operating Entity, its partners, shareholders, directors, officers or employees, or its properties, assets or business relating to the Business.

(o) Employment Matters

(i) Employees Generally. The Disclosure Schedule sets out true and accurate details as at the date of this Agreement of: (A) the names, job description, dates of birth and dates of commencement of employment of all employees; (B) all remuneration payable, including any allowance, bonus and commission entitlement and any other benefits provided or which FM-Australia is bound to provide (whether now or in the future) to the employees; (C) particulars of accrued long service leave, annual leave and sick leave and rostered days off with respect to the employees; and (D) particulars of any redundancy or severance pay owing as at the estimated Closing Date.

(ii) Material Employment Terms. Except as set forth on the Disclosure Schedule, FM-Australia does not have any: (A) existing service or other agreements with any employee which cannot be fairly terminated by 3 calendar months' notice or less without giving rise to any claim for damages or compensation; (B) schemes or arrangements for the payment of bonuses to employees; (C) share option or share incentive or similar schemes for any employees; (D) arrangement to pay moneys to any employee other than in respect of remuneration or emoluments of employment; (E) liability for compensation to ex-employees; (F) obligation to reinstate ex-employees; (G) knowledge of grounds for dismissal of any employee; (H) policy, practice or obligation regarding redundancy payments to employees which is more generous than the applicable award(s) or legislation; or (I) industrial agreement or enterprise agreement (whether registered or not) or plans to introduce any such agreement that applies to any employee.

(iii) Consultants, etc.. No person has any agreement, arrangement or understanding with the FM-Australia pursuant to which that person acts as a consultant or independent contractor or in a similar capacity for the Australian Business whether on a full time or a part time or retainer basis or otherwise.

(iv) Superannuation And Other Relevant Schemes. Except as set forth on the Disclosure Schedule, FM-Australia does not have any accrued liability, unfunded or contingent obligations with respect to any superannuation, retirement benefit schemes or other pension schemes or arrangements and there are no employment benefit plans, program or arrangements such as medical, dental or life insurance to which FM-Australia is a party or makes available or procures for its employees or former employees ("Relevant Scheme"). Except as set forth on the Disclosure Schedule, FM-Australia has made all occupational superannuation contributions required under any award or prescribed industrial agreement in respect of any employees and satisfied all applicable laws. Except as set forth on the Disclosure Schedule, each Relevant Scheme has at all times been administered in accordance with the relevant rules and/or trust document and (in the case of superannuation schemes) in accordance with all requirements which from time to time have needed to be satisfied in order for the Relevant Scheme to qualify for the maximum income tax concessions available to superannuation funds. Except as set forth on the isclosure Schedule, FM-Australia has provided at least the minimum level of superannuation support as prescribed by the

Superannuation Guarantee (Administration) Act 1992 in respect of each employee and there is no superannuation guarantee charge or liability accrued or payable in respect of employees.

(v) Agreements with Trade Unions. Except as set forth on the Disclosure Schedule, FM-Australia is not a party to any agreement, arrangement or understanding with any trade union or employees organization of any kind, relating to the Australian Business or the employees of the Australian Business.

(vi) Industrial Disputes. There is no existing, threatened or pending industrial dispute or pay claim involving the Australian Business or any employees of the Australian Business and there are no facts or circumstances known to FM- Australia which are likely to result in such an industrial dispute or pay claim.

(vii) Unions/Awards. Except as set forth on the Disclosure Schedule, the employees of the Australian Business are not members of any union or subject to any industrial award or determination.

(viii) No Breach of Awards. FM-Australia has never breached and is not in breach of any industrial award or determination applicable to its employees.

(p) [Intentionally Deleted]

(q) Transactions with Certain Persons. Except as set forth on the Disclosure Schedule or as otherwise disclosed in the Australian Purchase Agreement, to the knowledge of FMLP, (i) no Related Person is presently or at any time during the past one (1) year has been a party to any transaction not on an arm's-length basis with any FMLP Operating Entity including, without limitation, any contract, agreement or other arrangement (A) providing for the furnishing of services to or by, (B) providing for the rental or sale of real or personal property to or from or (C) otherwise requiring payments annually to or from (other than for services as officers or employees of any FMLP Operating Entity), such Related Person and (ii) no partner, shareholder, director, officer or employee of any FMLP Operating Entity is related to any other partner, shareholder, director, officer or employee of any FMLP Operating Entity by blood or marriage. Except as set forth on the Disclosure Schedule, there is no outstanding amount in excess of $500 owing (including, without limitation, pursuant to any advance, note or other indebtedness instrument) from any FMLP Operating Entity to any Related Person identified on the Disclosure Schedule or from any Related Person identified on the Disclosure Schedule to any FMLP Operating Entity.

(r) Insurance. The Disclosure Schedule contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number, coverage limits, expiration dates, annual premiums, deductibles and a

general description of the type of coverage provided and policy exclusions) maintained by any FMLP Operating Entity and relating to such FMLP Operating Entity's properties, assets and personnel. Except as set forth on the Disclosure Schedule, all of the Insurance is "occurrence" based insurance. The Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable law and of all contracts to which any FMLP Operating Entity is a party. No FMLP Operating Entity is in material default under any of the Insurance, and no FMLP Operating Entity has failed to give any notice or to present any claim under any of the Insurance in a due and timely manner. No notice of cancellation, termination, reduction in coverage or increase in premium (other than reductions in coverage or increases in premiums in the ordinary course) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been timely paid. No FMLP Operating Entity has experienced claims in excess of current coverage of the Insurance. Except as disclosed on the Disclosure Schedule, there will be no retrospective insurance premiums or charges on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

(s) Inventory. Except as set forth on the Disclosure Schedule, (i) all of the Inventory is owned by each FMLP Operating Entity free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Current Real Property, (ii) none of the Inventory is on consignment, (iii) the Inventory as reflected in the Financial Statements and Interim Financial Statements has been valued at the lower of cost (on a first-in, first-out basis) or market value in a manner consistent with past practices and procedures (including, without limitation, the method of computing overhead and other indirect expenses to be applied to inventory) and in accordance with GAAP and (iv) all inventory located at the Current Real Property is owned by the FMLP Operating Entities and is not held by the FMLP Operating Entities (on consignment or otherwise) for or on behalf of any other Person.

(t) Accounts Receivable. All of the Accounts Receivable of each FMLP Operating Entity are bona fide receivables, are reflected on the books and records of each FMLP Operating Entity and arose in the ordinary course of the Business.

(u) Material Contracts. The Disclosure Schedule contains a true and correct list or description of the Material Contracts. True and correct copies of the Material Contracts have been delivered to Buyer. Each of the Material Contracts is enforceable against each FMLP Operating Entity and, to the knowledge FMLP, each other party thereto, in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations. No FMLP Operating Entity nor, to the knowledge of FMLP, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and no FMLP Operating Entity has during the past two (2) years obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the ordinary course of the Business. To the knowledge of FMLP, there exists

no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become a material default by any FMLP Operating Entity or, to the knowledge of FMLP, any other party under any Material Contracts. FMLP does not know of a threatened default under any Material Contracts.

(v) Suppliers and Customers. The Disclosure Schedule contain a list of the ten (10) largest suppliers and ten (10) largest customers of the Business for calendar-year 1995. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, none of the suppliers of customers set forth on the Disclosure Schedule has informed any FMLP Operating Entity that it intends to terminate its relationship with any FMLP Operating Entity, and FMLP is not aware of any such supplier or customer that intends to terminate such relationship or of any material problem or dispute with any such supplier or customer. Each FMLP Operating Entity believes that it has good business relationships with each such supplier and customer. FMLP does not believe that the consummation of a sale of the Business will or is likely to disrupt the existing relationships with any such supplier or customer in any material respect.

(w) Business Records. No material records of accounts, personnel records and other business records for the past five (5) years relating to the Business have been destroyed and all such records are available upon request, subject to applicable Governmental Requirements and/or contractual prohibitions or limitations.

(x) Bank Accounts. The Disclosure Schedule contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by any FMLP Operating Entity and all persons entitled to draw thereon, to withdraw therefrom or with access thereto and a description of all lock box arrangements for any FMLP Operating Entity.

(y) Environmental Matters. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity and its assets, properties and operations are now and at all times prior to the Closing Date have been in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, each Predecessor of each FMLP Operating Entity and its assets, properties and operations were in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, and except in compliance with Environmental Laws, there has been and is no Release or threatened Release of any Hazardous Substance at, on, under, in, to or from any of the Real Property, whether as a result of the operations and activities at the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor of any FMLP Operating Entity has received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence, Release or threatened Release of any Hazardous Substance at any location, whether at the Real Property or otherwise, which Hazardous Substances were allegedly manufactured,

used, generated, processed, treated, stored, disposed of or otherwise handled at or transported from the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor has received any notice of any other claim, demand or action by any Person alleging any actual or threatened injury or damage to any Person, property, natural resource or the environment arising from or relating to the presence, Release or threatened Release of any Hazardous Substances at, on, under, in, to or from the Real Property or in connection with any operations or activities thereat, or at, on, under, in, to or from any other property. Neither the Real Property nor any operations or activities thereat is or has been subject to any judicial or administrative proceeding, order, consent, agreement or any lien relating to any applicable Environmental Laws or Environmental Claims. Except as set forth on the Disclosure Schedule, there are no underground storage tanks presently located at the Current Real Property and there have been no releases of any Hazardous Substances from any underground storage tanks or related piping at the Current Real Property. Except as set forth on the Disclosure Schedule, there are no PCBs located at, on, under or in the Current Real Property. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, there is no asbestos or asbestos-containing material located at, on, under or in the Current Real Property.

(z) Absence of Certain Changes. Except as set forth on the Disclosure Schedule, since December 31, 1995 there has not been:

(i) any material adverse change in the Business, financial condition or operations of the FMLP Operating Entities conducting the Business taken as a whole.

(ii) any increase in the compensation of or granting of bonuses payable or to become payable by any FMLP Operating Entity to any officer or employee whose 1995 calendar-year compensation (base salary plus bonus) exceeded $50,000, other than annual increases or bonuses consistent with any FMLP Operating Entity's past practices and not exceeding, for any such officer or employee, four percent (4%) of such officer's or employee's 1995 calendar-year compensation;

(iii) any sale or transfer by any FMLP Operating Entity of any tangible or intangible asset having a value greater than $5,000, any mortgage or pledge or creation of any Encumbrance relating to any such asset, any lease of real property or equipment, or any cancellation of any debt or claim, except in the ordinary course of business;

(iv) any other material transaction not in the ordinary course of the Business or not otherwise consistent with any FMLP Operating Entity's past practices involving consideration in excess of $50,000; or

(v) any material change in accounting methods or principles.

(aa) No Brokers. Except for FMLP's arrangement with Dean Witter Reynolds, Inc., no FMLP Operating Entity has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated by the Australian Purchase Agreement.

(ab) Absence of Certain Payments. To the knowledge of FMLP, no FMLP Operating Entity, nor any other Person owned or controlled by FMLP, nor any of their respective partners, shareholders, directors, officers, employees or agents, or other people acting on behalf of any of them, have with respect to the Business (i) engaged in any activity prohibited by the United States Foreign Corrupt Practices Act of 1977 or any other similar law, regulation or decree, directive or order of any Governmental Authority or (ii) without limiting the generality of the preceding clause (i), used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to officials of any Governmental Authority. To the knowledge of FMLP, no FMLP Operating Entity, nor any Person owned or controlled by FMLP, nor any of their partners, shareholders, directors, officers, employees or agents, or other Persons acting on behalf of any of them, has accepted or received any unlawful contributions, payments, gifts or expenditures.

(ac) Products; Product Warranties.

(i) A form of each product warranty relating to products manufactured or sold by any FMLP Operating Entity at any time during the two-year period preceding the date of the Australian Purchase Agreement is attached to or set forth on the Disclosure Schedule.

(ii) The Disclosure Schedule sets forth a true and complete list of (A) all products manufactured, marketed or sold by any FMLP Operating Entity that have been recalled or withdrawn (whether voluntarily or otherwise) at any time during the past three (3) years (for purposes of this paragraph, a product shall have been recalled or withdrawn if all or a substantial number of products in a product line were recalled or withdrawn) and (B) all Proceedings (whether completed or pending) at any time during the past five three (3) years seeking the recall, withdrawal, suspension or seizure of any product sold by any FMLP Operating Entity.

(iii) Except as set forth on the Disclosure Schedule, FMLP is not aware of any defect in design, materials, manufacture or otherwise in any products manufactured, distributed or sold by any FMLP Operating Entity during the past five (5) years or any defect in repair to any such products which could give rise to any claims in excess of historical warranty expenses; provided, however, that for purposes of this

paragraph improvements made to products in the ordinary course of business shall not be interpreted as an indication of the existence of any defects.

(iv) The Disclosure Schedule sets forth on a year-by-year basis, a true and complete list of all warranty expenses and all other unreimbursed repair, maintenance and replacement expenses incurred by any FMLP Operating Entity after January 1, 1993.

(v) Except as provided in any of the standard product warranties described in paragraph (i) of this Section and as otherwise set forth on the Disclosure Schedule, no FMLP Operating Entity has sold any products or services which are subject to an extended warranty of such FMLP Operating Entity beyond 24 months and which warranty has not yet expired.

(ad) Solvency, etc.

(i) Liquidation/Winding Up. Except as set forth on the Disclosure Schedule, FM-Australia has not had a liquidator or provisional liquidator appointed. Except as set forth on the Disclosure Schedule, FM-Australia has not passed any resolution that it be wound up. Except as set forth on the Disclosure Schedule, no application for the winding up of FM-Australia has been made.

(ii) Execution. No execution, distress or similar process has been levied upon or against all or any part of the Australian Purchased Assets.

(iii) Schemes of Arrangement. FM-Australia has not entered into any scheme of arrangement, composition, assignment for the benefit of, or other arrangement with its creditors or any class of creditors.

(iv) Receivers/Managers/etc. No receiver, receiver and manager, trustee, controller, official manager or similar officer has been appointed over all or part of the business, assets or revenues of FM-Australia.

(v) Solvency. FM-Australia is able to pay its debts as and when they fall due.

(vi) Unsatisfied Judgments. There is no unfulfilled or unsatisfied judgment or court order outstanding against FM-Australia in relating to the Australian Business or the Australian Purchased Assets.

SCHEDULE 4.4

REPRESENTATIONS AND WARRANTIES RELATING TO THE GERMAN BUSINESS

1. [Intentionally Deleted]

2. [Intentionally Deleted]

3. [Intentionally Deleted]

4. [Intentionally Deleted]

5. [Intentionally Deleted]

6. Capitalization of FM-Germany. The Disclosure Schedule sets forth the authorized, issued and outstanding capital stock of FM-Germany, the ownership thereof and any Encumbrances thereon. That capital stock is fully paid up in cash, no open or disguised capital contribution in kind and no repayment of capital have occurred. Except as set forth on the Disclosure Schedule, (i) there are no securities of either of FM-Germany convertible into or exchangeable or exercisable for shares of its capital stock, (ii) there are no bonds, debentures, notes, or other indebtedness having the right to vote on any matters on which FM-Germany's shareholders may vote, (iii) there are no outstanding options, warrants, rights, contracts, commitments, understandings or arrangements by which FM-Germany is bound to issue, repurchase or otherwise acquire or retire any of its securities and (iv) there are no voting agreements, voting trusts, buy-sell agreements, options or rights or obligations relating to the shareholders or the securities of FM-Germany.

7. Corporate Records. The corporate records of FM-Germany contain a complete and accurate account of all material meetings and actions of shareholders and directors of such corporation, and of any executive committee or other committee of the shareholders or board of directors of such corporation.

8. [Intentionally Deleted]

9. Tax Matters.

a. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, (A) each FMLP Operating Entity has filed all Tax Returns that it was required to file, (B) all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been withheld, (C) all such Tax Returns were correct and complete in all material respects, (D) all Taxes required to have been paid by any FMLP Operating Entity (whether or not shown on any Tax Return) have been paid, (E) no FMLP Operating Entity is currently

the beneficiary of any extension of time within which to file any Tax Return and (F) no claim has been made within the last five (5) years by any Governmental Authority in a jurisdiction where any FMLP Operating Entity does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Encumbrances (other than Permitted Encumbrances) on any of the American Purchased Assets, the FM-Service Shares or the FM-Brazil Shares that arose in connection with any failure (or alleged failure) to pay any Tax.

b. To the knowledge of FMLP, no Governmental Authority will assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax liability of any FMLP Operating Entity either (A) claimed or raised by any Governmental Authority in writing or (B) as to which FMLP has knowledge based upon personal contact with any agent of such authority. The Disclosure Schedule lists all federal, state, local, and foreign income Tax Returns filed with respect to any FMLP Operating Entity for taxable periods ended on or after December 31, 1992, indicates those Tax Returns which have been audited, and indicates those Tax Returns that currently are the subject of audit. FMLP has delivered to Buyer correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any FMLP Operating Entity for taxable periods ended on or after December 31, 1992.

10. Real Property. The Disclosure Schedule contains a true, complete and correct list of the Real Property now or in the past owned or used by any FMLP Operating Entity for manufacturing. Except as set forth on the Disclosure Schedule, (i) each FMLP Operating Entity has title to the Current Real Property owned by such FMLP Operating Entity, (ii) each FMLP Operating Entity enjoys peaceful and undisturbed possession of the Current Real Property leased by such FMLP Operating Entity, (iii) no interest of any FMLP Operating Entity in the Current Real Property is subject to any commitment for sale or use by any Person other than such FMLP Operating Entity, (iv) no interest of any FMLP Operating Entity in the Current Real Property is subject to any Encumbrances (other than Permitted Encumbrances), which in any material respect interfere with or impair the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) no labor has been performed or material furnished on behalf of or at the request of any FMLP Operating Entity for the Current Real Property for which a mechanic's or materialman's lien or liens, or any other lien, has been claimed by any Person on any FMLP Operating Entity's

interest in the Current Real Property, except to the extent that the liability relating thereto is reflected on the Closing Date Financial Report, (vi) the Current Real Property, and each user thereof, is in compliance in all material respects with all applicable Governmental Requirements and (vii) no material default or breach exists with respect to any Encumbrance affecting any FMLP Operating Entity's interest in the Current Real Property. There are no condemnation or eminent domain proceedings pending or, to the knowledge of FMLP, contemplated or threatened against any FMLP Operating Entity's interest in the Current Real Property or any part thereof, and no FMLP Operating Entity knows of any desire of any Governmental Authority to take or use any FMLP Operating Entity's interest in the Current Real Property or any part thereof. Except as set forth on the Disclosure Schedule, there are no existing or, to the knowledge of FMLP, contemplated or threatened general or special assessments against any FMLP Operating Entity's interest in the Current Real Property or any portion thereof. FMLP does not have any knowledge of any pending or threatened Proceeding before any Governmental Authority which relates to the ownership, maintenance, use or operation of any FMLP Operating Entity's interest in the Current Real Property (other than periodic general reassessments, which reassessments, if any, are set forth on the Disclosure Schedule). Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the buildings and improvements on the Current Real Property (including, without limitation, the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. Except as set forth on the Disclosure Schedule, there are no repairs or replacements exceeding $100,000 in the aggregate for all Current Real Property or $25,000 for any single repair or replacement which are currently contemplated by any FMLP Operating Entity.

11. Tangible Personal Property. FMLP has delivered to Buyer a list of each item of Tangible Personal Property owned by any FMLP Operating Entity having a value in excess of $5,000, and a list each item of Tangible Personal Property leased by any FMLP Operating Entity (other than individual leases of office equipment having an annual rental of less than $5,000). No FMLP Operating Entity is a party to any lease for Tangible Personal Property which is required to be capitalized under GAAP. There is no tangible personal property used in the operation of the Business other than the Tangible Personal Property. Except as set forth on the Disclosure Schedule, the Tangible Personal Property owned by each FMLP Operating Entity is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on the Disclosure Schedule, all of the Tangible Personal Property is located at the Current Real Property and there is no tangible personal property located at the Current Real Property which is not owned or leased by any FMLP Operating Entity. Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the Tangible Personal Property is, taken as a whole, in reasonable working order and adequate for its intended use, ordinary wear and tear and normal repairs and replacements excepted. Except as disclosed on the Disclosure Schedule, there are no repairs or replacements exceeding $50,000 in the aggregate for all Tangible Personal Property or $10,000 for any single item of Tangible Personal Property which are currently contemplated by any FMLP Operating Entity.

12. Intellectual Property.

a. Except as set forth on the Disclosure Schedule, (A) there is no intellectual property used in the Business other than the Intellectual Property, (B) each item of Intellectual Property owned or used by any FMLP Operating Entity immediately prior to the Closing Date will be owned or available for use by Buyer on substantially similar terms and conditions immediately subsequent to the Closing Date and (C) to the knowledge of FMLP, each FMLP Operating Entity has taken reasonable commercial actions to maintain and protect each item of material Intellectual Property in the Business.

b. Except as set forth on the Disclosure Schedule, (A) no FMLP Operating Entity has during the last five (5) years interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties, and no FMLP Operating Entity has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that any FMLP Operating Entity must license or refrain from using any intangible property rights of any third party) which has not been resolved and (B) to the knowledge of FMLP, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of the Intellectual Property.

c. The Disclosure Schedule identifies each patent or registration which has been issued to any FMLP Operating Entity with respect to any of the Intellectual Property, identifies each pending patent application or application for registration which any FMLP Operating Entity has made with respect to any of the Intellectual Property, and identifies each license or other agreement which any FMLP Operating Entity has granted to any third party with respect to any of the Intellectual Property. FMLP has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses and agreements (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. The Disclosure Schedule also identifies each trade name or unregistered trademark having a value used by any FMLP Operating Entity in connection with the Business. Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) each FMLP Operating Entity possesses all right, title and interest in and to the item, free and clear of any Encumbrances (other than Permitted Encumbrances) or licenses, (B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge, (C) no Proceeding is pending or, to the knowledge of FMLP, threatened which challenges the legality, validity, enforceability, use or ownership of the item and (D) other than routine indemnities given to distributors, sales representatives, dealers and customers, no FMLP Operating Entity has any current obligations to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

d. The Disclosure Schedule identifies each item of Intellectual Property that any third party owns and that any FMLP Operating Entity uses pursuant to license, sublicense or agreement, other than off-the-shelf computer software subject to shrinkwrap licenses. FMLP has delivered to Buyer correct and complete copies of all such licenses, sublicenses and other agreements (as amended to date). Except as set forth on the Disclosure Schedule, with respect to each item of Intellectual Property required to be identified in the Disclosure Schedule: (A) the license, sublicense or other agreement covering the item is enforceable, except as may be limited by Enforceability Limitations, (B) to the knowledge of FMLP, following the Closing, the license, sublicense or other agreement will continue to be enforceable on substantially similar terms and conditions, except as may be limited by Enforceability Limitations, (C) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement is in material breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit early termination, modification or acceleration thereunder, (D) no FMLP Operating Entity nor, to the knowledge of FMLP, any other party to the license, sublicense or other agreement has repudiated any provision thereof, (E) to the knowledge of FMLP, the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling or charge, (F) to the knowledge of FMLP, no Proceeding is pending or threatened which challenges the legality, validity or enforceability of the underlying item of Intellectual Property and (G) no FMLP Operating Entity has granted any sublicense or similar right with respect to the license, sublicense or other agreement.

e. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, Buyer's use of the Intellectual Property will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any intangible property rights of third parties as a result of the continued operation of the Business as presently conducted and as presently proposed to be conducted.

13. Compliance with Laws; Permits. Except as set forth on the Disclosure Schedule, the conduct of the Business is in compliance in all material respects with all applicable Governmental Requirements. No FMLP Operating Entity has received any notice to the effect that, or otherwise been advised that, such FMLP Operating Entity is not in compliance in all material respects with any applicable Governmental Requirement and, to the knowledge of FMLP, there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any applicable Governmental Requirement. The Disclosure Schedule identifies all material Permits issued to any FMLP Operating Entity and currently in effect. Except as set forth on the Disclosure Schedule, the Permits constitute all permits, consents, licenses, franchises, authorizations and approvals used in the operation of and necessary to conduct the Business. All of the Permits are valid and in full force and effect, no violations have been experienced, noted or recorded

and no violations are expected, and no Proceeding is pending or, to the knowledge of FMLP, threatened to revoke or limit any of the Permits.

14. Litigation. Except as set forth on the Disclosure Schedule, there is no Proceeding pending or, to the knowledge of FMLP, currently threatened against or relating to any FMLP Operating Entity, its partners, shareholders, directors, officers or employees, or its properties, assets or business relating to the Business.

15. Labor Matters. a. The Disclosure Schedule identifies for each current employee of any FMLP Operating Entity with a current annual compensation (base salary plus bonus) in excess of $50,000, his or her name, position or job title, his or her base compensation and bonus compensation earned in calendar-year 1995, and his or her current base compensation. Except as set forth on The Disclosure Schedule, (A) no FMLP Operating Entity has any obligations under any written or oral labor agreement, collective bargaining agreement or other agreement with any labor organization or employee group, (B) no FMLP Operating Entity is currently engaged in any unfair labor practice and there is no unfair labor practice charge or other employee-related or employment-related complaint against such FMLP Operating Entity pending or, to the knowledge of FMLP, threatened before any Governmental Authority, (C) there is currently no labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute or arbitration pending or, to the knowledge of FMLP, threatened against any FMLP Operating Entity and no material grievance currently being asserted, (D) no FMLP Operating Entity has experienced a labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute at any time during the three years immediately preceding the date of this Agreement and (E) there is, to the knowledge of FMLP, no organizational campaign being conducted or contemplated and there is no pending or, to the knowledge of FMLP, threatened petition before any Governmental Authority or other dispute as to the representation of any employees of any FMLP Operating Entity. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity has complied in all material respects with, and is currently in compliance in all material respects with, all applicable Governmental Requirements relating to any of its employees or consultants (including, without limitation, any Governmental Requirement of the Occupational Safety and Health Administration), and no FMLP Operating Entity has received within the past three (3) years any written notice of failure to comply with any such Governmental Requirement which has not been rectified.

b. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, all employees of any FMLP Operating Entity are (A) German citizens, or lawful permanent residents of the Germany, (B) aliens whose right to work in Germany is unrestricted, (C) aliens who have valid, unexpired work authorization issued by the relevant German authorities. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity has been the subject of an immigration compliance or employment visit from, nor has

any FMLP Operating Entity been assessed any fine or penalty by, or been the subject of any order or directive of, the relevant German authorities.

16. Employee Fringe Benefits. Except as set forth on the Disclosure Schedule, FM-Germany has not granted to any of its employees any insurance, pension commitment or other fringe benefit, be it in the form of an individual undertaking or in the form of a group or company plan. FM-Germany has made all payments due pursuant to the relevant obligations and has made the maximum accruals permissible under the tax laws for future obligations. All statutory and contractual provisions that apply to any of the fringe benefits have been properly fulfilled.

17. Transactions with Certain Persons. Except as set forth on the Disclosure Schedule or as otherwise disclosed in this Agreement, to the knowledge of FMLP, (i) no Related Person is presently or at any time during the past one (1) year has been a party to any transaction not on an arm's-length basis with any FMLP Operating Entity including, without limitation, any contract, agreement or other arrangement (A) providing for the furnishing of services to or by, (B) providing for the rental or sale of real or personal property to or from or (C) otherwise requiring payments annually to or from (other than for services as officers or employees of any FMLP Operating Entity), such Related Person and (ii) no partner, shareholder, director, officer or employee of any FMLP Operating Entity is related to any other partner, shareholder, director, officer or employee of any FMLP Operating Entity by blood or marriage. Except as set forth on the Disclosure Schedule, there is no outstanding amount in excess of $500 owing (including, without limitation, pursuant to any advance, note or other indebtedness instrument) from any FMLP Operating Entity to any Related Person identified on the Disclosure Schedule or from any Related Person identified on the Disclosure Schedule to any FMLP Operating Entity.

18. Insurance. The Disclosure Schedule contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number, coverage limits, expiration dates, annual premiums, deductibles and a general description of the type of coverage provided and policy exclusions) maintained by any FMLP Operating Entity and relating to such FMLP Operating Entity's properties, assets and personnel. Except as set forth on the Disclosure Schedule, all of the Insurance is "occurrence" based insurance. The Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable law and of all contracts to which any FMLP Operating Entity is a party. No FMLP Operating Entity is in material default under any of the Insurance, and no FMLP Operating Entity has failed to give any notice or to present any claim under any of the Insurance in a due and timely manner. No notice of cancellation, termination, reduction in coverage or increase in premium (other than reductions in coverage or increases in premiums in the ordinary course) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been timely paid. No FMLP Operating Entity has experienced claims

in excess of current coverage of the Insurance. Except as disclosed on the Disclosure Schedule, there will be no retrospective insurance premiums or charges on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

19. Inventory. Except as set forth on the Disclosure Schedule, (i) all of the Inventory is owned by each FMLP Operating Entity free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Current Real Property, (ii) none of the Inventory is on consignment, (iii) the Inventory as reflected in the Financial Statements and Interim Financial Statements has been valued at the lower of cost (on a first-in, first-out basis) or market value in a manner consistent with past practices and procedures (including, without limitation, the method of computing overhead and other indirect expenses to be applied to inventory) and in accordance with GAAP and (iv) all inventory located at the Current Real Property is owned by the FMLP Operating Entities and is not held by the FMLP Operating Entities (on consignment or otherwise) for or on behalf of any other Person.

20. Accounts Receivable. All of the Accounts Receivable of each FMLP Operating Entity are bona fide receivables, are reflected on the books and records of each FMLP Operating Entity and arose in the ordinary course of the Business.

21. Material Contracts. The Disclosure Schedule contains a true and correct list or description of the Material Contracts. True and correct copies of the Material Contracts have been delivered to Buyer. Each of the Material Contracts is enforceable against each FMLP Operating Entity and, to the knowledge FMLP, each other party thereto, in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations. No FMLP Operating Entity nor, to the knowledge of FMLP, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and no FMLP Operating Entity has during the past two (2) years obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the ordinary course of the Business. To the knowledge of FMLP, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become a material default by any FMLP Operating Entity or, to the knowledge of FMLP, any other party under any Material Contracts. FMLP does not know of a threatened default under any Material Contracts.

22. Suppliers and Customers. The Disclosure Schedule contain a list of the ten (10) largest suppliers and ten (10) largest customers of the Business for calendar-year 1995. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, none of the suppliers or customers set forth on the Disclosure Schedule has informed any FMLP Operating Entity that it intends to terminate its relationship with any FMLP Operating Entity, and FMLP is not aware of any such supplier or customer that intends to terminate such

relationship or of any material problem or dispute with any such supplier or customer. Each FMLP Operating Entity believes that it has good business relationships with each such supplier and customer. FMLP does not believe that the consummation of a sale of the Business will or is likely to disrupt the existing relationships with any such supplier or customer in any material respect.

23. Business Records. No material records of accounts, personnel records and other business records for the past five (5) years relating to the Business have been destroyed and all such records are available upon request, subject to applicable Governmental Requirements and/or contractual prohibitions or limitations.

24. Bank Accounts. The Disclosure Schedule contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by any FMLP Operating Entity and all persons entitled to draw thereon, to withdraw therefrom or with access thereto and a description of all lock box arrangements for any FMLP Operating Entity.

25. Environmental Matters. Except as set forth on the Disclosure Schedule, each FMLP Operating Entity and its assets, properties and operations are now and at all times prior to the Closing Date have been in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, each Predecessor of each FMLP Operating Entity and its assets, properties and operations were in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, and except in compliance with Environmental Laws, there has been and is no Release or threatened Release of any Hazardous Substance at, on, under, in, to or from any of the Real Property, whether as a result of the operations and activities at the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor of any FMLP Operating Entity has received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence, Release or threatened Release of any Hazardous Substance at any location, whether at the Real Property or otherwise, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed of or otherwise handled at or transported from the Real Property or otherwise. Except as set forth on the Disclosure Schedule, no FMLP Operating Entity nor any Predecessor has received any notice of any other claim, demand or action by any Person alleging any actual or threatened injury or damage to any Person, property, natural resource or the environment arising from or relating to the presence, Release or threatened Release of any Hazardous Substances at, on, under, in, to or from the Real Property or in connection with any operations or activities thereat, or at, on, under, in, to or from any other property. Neither the Real Property nor any operations or activities thereat is or has been subject to any judicial or administrative proceeding, order, consent, agreement or any lien relating to any applicable Environmental Laws or Environmental Claims. Except as set forth on the Disclosure Schedule, there are no underground storage tanks presently located at the Current Real Property and there have been

no releases of any Hazardous Substances from any underground storage tanks or related piping at the Current Real Property. Except as set forth on the Disclosure Schedule, there are no PCBs located at, on, under or in the Current Real Property. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, there is no asbestos or asbestos-containing material located at, on, under or in the Current Real Property.

26. Absence of Certain Changes. Except as set forth on the Disclosure Schedule, since December 31, 1995 there has not been:

a. any material adverse change in the Business, financial condition or operations of the FMLP Operating Entities conducting the Business taken as a whole.

b. any increase in the compensation of or granting of bonuses payable or to become payable by any FMLP Operating Entity to any officer or employee whose 1995 calendar-year compensation (base salary plus bonus) exceeded $50,000, other than annual increases or bonuses consistent with any FMLP Operating Entity's past practices and not exceeding, for any such officer or employee, four percent (4%) of such officer's or employee's 1995 calendar-year compensation;

c. any sale or transfer by any FMLP Operating Entity of any tangible or intangible asset having a value greater than $5,000, any mortgage or pledge or creation of any Encumbrance relating to any such asset, any lease of real property or equipment, or any cancellation of any debt or claim, except in the ordinary course of business;

d. any other material transaction not in the ordinary course of the Business or not otherwise consistent with any FMLP Operating Entity's past practices involving consideration in excess of $50,000; or

e. any material change in accounting methods or principles.

27. No Brokers. Except for FMLP's arrangement with Dean Witter Reynolds, Inc., no FMLP Operating Entity has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated by this Agreement.

28. Absence of Certain Payments. To the knowledge of FMLP, no FMLP Operating Entity, nor any other Person owned or controlled by FMLP, nor any of their respective partners, shareholders, directors, officers, employees or agents, or other people acting on behalf of any of them, have with respect to the Business (i) engaged in any activity prohibited by the United States Foreign Corrupt Practices Act of 1977 or any other similar

law, regulation or decree, directive or order of any Governmental Authority or (ii) without limiting the generality of the preceding clause (i), used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to officials of any Governmental Authority. To the knowledge of FMLP, no FMLP Operating Entity, nor any Person owned or controlled by FMLP, nor any of their partners, shareholders, directors, officers, employees or agents, or other Persons acting on behalf of any of them, has accepted or received any unlawful contributions, payments, gifts or expenditures.

29. Products; Product Warranties.

a. A form of each product warranty relating to products manufactured or sold by any FMLP Operating Entity at any time during the two-year period preceding the date of this Agreement is attached to or set forth on the Disclosure Schedule.

b. The Disclosure Schedule sets forth a true and complete list of (A) all products manufactured, marketed or sold by any FMLP Operating Entity that have been recalled or withdrawn (whether voluntarily or otherwise) at any time during the past three (3) years (for purposes of this paragraph, a product shall have been recalled or withdrawn if all or a substantial number of products in a product line were recalled or withdrawn) and (B) all Proceedings (whether completed or pending) at any time during the past five three (3) years seeking the recall, withdrawal, suspension or seizure of any product sold by any FMLP Operating Entity.

c. Except as set forth on the Disclosure Schedule, FMLP is not aware of any defect in design, materials, manufacture or otherwise in any products manufactured, distributed or sold by any FMLP Operating Entity during the past five (5) years or any defect in repair to any such products which could give rise to any claims in excess of historical warranty expenses; provided, however, that for purposes of this paragraph improvements made to products in the ordinary course of business shall not be interpreted as an indication of the existence of any defects.

d. The Disclosure Schedule sets forth on a year-by-year basis, a true and complete list of all warranty expenses and all other unreimbursed repair, maintenance and replacement expenses incurred by any FMLP Operating Entity after January 1, 1993.

e. Except as provided in any of the standard product warranties described in paragraph (i) of this Section and as otherwise set forth on the Disclosure Schedule, no FMLP Operating Entity has sold any products or services which are subject to an extended warranty of such FMLP Operating Entity beyond 24 months and which warranty has not yet expired.

SCHEDULE 4.5

REPRESENTATIONS AND WARRANTIES RELATING TO BETHESDA AND THE REAL PROPERTY

(a) Organization, Subsistence and Authority of Bethesda to Conduct Business. Bethesda is a limited partnership, duly organized and validly existing and in good standing under the laws of the State of Illinois. Bethesda has full partnership power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

(b) Power and Authority; Authorization; Binding Effect. Bethesda has all necessary power and authority and has taken all action necessary to authorize, execute and deliver the Real Property Purchase Agreement, to consummate the transactions contemplated by the Real Property Purchase Agreement, and to perform its obligations under the Real Property Purchase Agreement. The General Partners are the only general partners of Bethesda and each General Partner has all necessary power and authority and has taken all action necessary to execute and deliver the Real Property Purchase Agreement. No consent or other action of the Bethesda Limited Partners is required for Bethesda to execute and deliver the Real Property Purchase Agreement, to consummate the transactions contemplated by the Real Property Purchase Agreement or to perform its obligation under the Real Property Purchase Agreement. Copies of all resolutions of the board of directors of each General Partner with respect to the transactions contemplated by the Real Property Purchase Agreement, certified by the Secretary or an Assistant Secretary of such General Partner, in form reasonably satisfactory to counsel for Buyer, have been delivered to Buyer. The Real Property Purchase Agreement has been duly executed and delivered by Bethesda and constitutes a legal, valid and binding obligation of Bethesda enforceable against Bethesda in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations.

(c) No Conflict or Violation. The execution and delivery of the Real Property Purchase Agreement, the consummation of the transactions contemplated by the Real Property Purchase Agreement, and the fulfillment of the terms of the Real Property Purchase Agreement, do not and will not result in or constitute (i) a violation of or conflict with any provision of the certificate of limited partnership or limited partnership agreement of Bethesda, (ii) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice or the lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Bethesda Material Contract, Encumbrance, or Material Permit to which Bethesda is a party, (iii) a material violation by Bethesda of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award applicable to Bethesda or (iv) an imposition of any Encumbrance on the Bethesda Purchased Assets.

(d) Consents and Approvals. Except for any filings required under the HSR Act which have been completed and with respect to which early termination of the waiting period has been granted, and otherwise as set forth on the Disclosure Schedule, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by Bethesda in connection with the execution, delivery and performance of the Real Property Purchase Agreement and the consummation of the transactions contemplated by the Real Property Purchase Agreement.

(e) No Proceedings. There is no Proceeding pending or, to the knowledge of Bethesda, threatened in writing against or relating to the transactions contemplated by the Real Property Purchase Agreement.

(f) Financial Statements. Bethesda has delivered to Buyer reviewed financial statements of Bethesda for the three-year period ended December 31, 1995 (consisting of the review report, a balance sheet, statement of income and retained earnings, a statement of cash flows and all related footnotes), reviewed by Bethesda's Accountants without qualification (the "Financial Statements"). The Financial Statements fairly present the financial condition of Bethesda as of their respective dates and for the periods then ended in accordance with GAAP applied on a consistent basis.

(g) Wheeling Real Property. Except as set forth on the Disclosure Schedule, (i) Bethesda has good, marketable and indefeasible fee simple title to the Wheeling Real Property, (ii) the Wheeling Real Property is not subject to any commitment for sale or use by any Person other than the lease to Fluid Management, a true and correct copy of which has been previously delivered to Buyer, (iii) the Wheeling Real Property is not subject to any Encumbrance, other than Bethesda Permitted Encumbrances, which in any material respect interferes with or impairs the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (iv) no labor has been performed or material furnished for the Wheeling Real Property for which a mechanic's or materialman's lien or liens, or any other lien, has been or could be claimed by any Person, except to the extent that the liability related thereto is reflected on the Closing Date Financial Report, (v) the Wheeling Real Property, and each user thereof, is in compliance in all material respects with all applicable Governmental Requirements (including, without limitation, all zoning, subdivision and other applicable land use ordinances) and all existing covenants, conditions, restrictions and easements, and the current use of the Wheeling Real Property does not constitute a non-conforming use under the applicable zoning ordinances, (vi) no material default or breach exists with respect to any Encumbrance affecting the Wheeling Real Property, (vii) there are no condemnation or eminent domain proceedings pending or, to the knowledge of Bethesda, contemplated or threatened, against the Wheeling Real Property or any part thereof, and Bethesda does not know of any desire of any Governmental Authority to take or use the Wheeling Real Property or any part thereof, (viii) there are no existing, or to the knowledge of Bethesda, contemplated or threatened, general or special

assessments affecting the Wheeling Real Property or any portion thereof, except for the drainage district assessments, (ix) the Wheeling Real Property is not within any area determined to be flood-prone under the Federal Flood Protection Act of 1973, or any comparable state or local Governmental Requirement, (x) the Wheeling Real Property is not situated in an area classified by any Governmental Authority as being a "wetland" and (xi) Bethesda does not have any knowledge of any pending or threatened Proceeding before any Governmental Authority which relates to the ownership, maintenance, use or operation of the Wheeling Real Property (other than periodic general reassessments, which reassessments, if any, are set forth on the Disclosure Schedule). Other than the property being conveyed to Buyer under the Real Property Purchase Agreement, there are no items, tangible or intangible, real or personal, owned by Bethesda and used in conjunction with the Wheeling Real Property or any portion thereof. Bethesda has not received any notices from any insurance company of any defects or inadequacies in the Wheeling Real Property or any part thereof which would materially and adversely affect the insurability of the Wheeling Real Property or the premiums for the insurance thereof, and no notice has been given by any insurance company which has issued a policy with respect to any portion of the Wheeling Real Property or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work which has not been complied with. All water, sewer, gas, electric, telephone and drainage facilities and all other utilities required by law or by the normal use and operation of the Wheeling Real Property are installed to the improvements situated on the Wheeling Real Property, are connected pursuant to valid permits and are adequate to service the Wheeling Real Property as currently used and to permit compliance in all material respects with all Governmental Requirements and normal usage of the Wheeling Real Property. Access to and from the Wheeling Real Property is via public streets, which streets are sufficient to ensure adequate vehicular and pedestrian access for the present operation of the Business.

(h) Physical Condition of Buildings and Improvements. Except as set forth in the Disclosure Schedule, to the knowledge of FMLP, the buildings and improvements on the Wheeling Real Property (including, without limitation, the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been well maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. Except as set forth on the Disclosure Schedule, there are no repairs or replacements exceeding $100,000 in the aggregate for all Wheeling Real Property or $25,000 for any single repair or replacement which are currently contemplated by Bethesda.

(i) Compliance with Laws; Permits. The Wheeling Real Property is in compliance in all material respects with all applicable Governmental Requirements. Bethesda has not received any notice to the effect that, or otherwise been advised that, Bethesda is not in compliance in all material respects with any applicable Governmental Requirement, and to the knowledge of Bethesda, there are no presently existing facts, circumstances or events

which, with notice or lapse of time, would result in material violations of any applicable Governmental Requirement. The Disclosure Schedule identifies all Permits issued to Bethesda and currently in effect. The Permits constitute all permits, consents, licenses, franchises, authorizations and approvals used in the operation of and necessary to conduct the Business. All of the Permits are valid and in full force and effect, no violations have been experienced, noted or recorded and no violations are expected, and no Proceeding is pending or, to the knowledge of Bethesda, threatened to revoke or limit any of the Permits.

(j) Bethesda Contracts. The Disclosure Schedule contains a true and correct list of the Bethesda Contracts. True and correct copies of the Bethesda Contracts have been delivered to Buyer. Each of the Bethesda Contracts is enforceable against Bethesda and, to the knowledge of Bethesda, each other party thereto, in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations. Neither Bethesda nor, to the knowledge of Bethesda, any other party thereto, is in material default thereunder or in breach thereof. To the knowledge of Bethesda, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become in default by Bethesda, or to the knowledge of Bethesda, any other party under any Bethesda Contracts.

(k) Environmental Matters. Except as set forth on the Disclosure Schedule, Bethesda and its assets, properties and operations are now and at all times prior to the Closing Date have been in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, each Predecessor of Bethesda, and its assets, properties and operations were in compliance in all material respects with all applicable Environmental Laws. Except as set forth on the Disclosure Schedule, and except in compliance with Environmental Laws, there has been and is no Release or threatened Release of any Hazardous Substance at, on, under, in, to or from any of the Wheeling Real Property, whether as a result of the operations and activities at the Wheeling Real Property or otherwise. Except as set forth on the Disclosure Schedule, neither Bethesda nor any Predecessor has received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence, Release or threatened Release of any Hazardous Substance at any location, whether at the Wheeling Real Property or otherwise, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed of or otherwise handled at or transported from the Wheeling Real Property or otherwise. Except as set forth on the Disclosure Schedule, neither Bethesda nor any Predecessor has received any notice of any other claim, demand or action by any Person alleging any actual or threatened injury or damage to any Person, property, natural resource or the environment arising from or relating to the presence, Release or threatened Release of any Hazardous Substances at, on, under, in, to or from the Wheeling Real Property or in connection with any operations or activities thereat, or at, on, under, in, to or from any other property. Neither the Wheeling Real Property nor any operations or activities thereat is or has been subject to any judicial or administrative proceeding, order, consent, agreement or

any lien relating to any applicable Environmental Laws or Environmental Claims. Except as set forth on the Disclosure Schedule, there are no underground storage tanks presently located at the Current Real Property and there have been no releases of any Hazardous Substances from any underground storage tanks or related piping at the Current Real Property. Except as set forth on the Disclosure Schedule, there are no PCBs located at, on, under or in the Current Real Property. Except as set forth on the Disclosure Schedule, to the knowledge of FMLP, there is no asbestos or asbestos-containing material located at, on, under or in the Current Real Property.

(l) Documents. The Disclosure Schedule contains a true and correct list of the Documents. True and correct copies of the Documents have been delivered to Buyer. Except as set forth in the Disclosure Schedule, Bethesda has good and marketable title to the Documents.

(m) No Brokers. Except for FMLP's arrangement with Dean Witter Reynolds, Inc., Bethesda has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated by the Real Property Purchase Agreement.

SCHEDULE 6.3

REQUIRED CONSENTS AND FILINGS

Dunn Edwards Related Matters:

1. Weight Loop System Agreement dated February 25, 1992 between Dunn Edwards Corporation and FMLP.

2. Consulting Agreement between Dunn Edwards Corporation and FMLP, as successor to Miller Print Corporation.

3. Consulting Agreement between Kenneth Edwards and FMLP signed by FMLP on August 30, 1993.

4. Dunn Edwards Royalty Letter Agreement dated January 1, 1992.

Datacolor Related Matters:

1. 1995 Distributorship Agreement for Point-of-Sale Products dated September 15, 1995 between FMLP and ACS Acquisition Corp.

2. 1995 Distributorship Agreement for ink dispensing products dated September 15, 1995 between FMLP and ACS Acquisition Corp.

3. Asset Purchase Agreement, dated September 15, 1995, among FM-U.K., FMLP and Texicon LTD.

4. Software Agreement between Datacolor and FMLP dated September 15, 1995.

Joint Venture and Acquisition Agreements:

1. Exploitation Agreement, dated August 31, 1995, with Technotek BV.

2. Confidentiality and Non-Competition Agreement dated February 7, 1996, with Largo Innova, A.B.

License and Software Agreements:

1. License Agreement, dated November 1, 1981 between FMLP (purchased from Harbil Manufacturing Company, successor to Chicago Commutator Inc.) and Sears, Roebuck and Co.

2. Purchase Agreement, dated July 28, 1988, between Effective Management Systems of Illinois and FMLP as successor to Miller Paint Equipment, Ltd.

3. Software Development Agreement, dated May 22, 1995, between FM-Holland and ADIS, B.V.

Real Property Leases:

1. Lease of 599 S. Wheeling Road Property dated August 2, 1995, between NETCOM and FMLP (expires December 31, 1996).

2. Palladium Netherland lease with FM-Holland for Hub van Doorneweg 21-31 dated May 29, 1995.

3. B.V. Beleggingsfonds Hoogh Blarick and B.V. Beleggingsfonds Savosa lease with FM-Holland for Hub van Doorneweg 2 dated April 1, 1996.

4. B.V. Beleggingsfonds Hoogh Blarick and B.V. Beleggingsfonds Savosa lease with FM-Holland for Hub van Doorneweg 4 dated April 10, 1996.

5. Kwakkenbos Belgging B.V. lease with FM-Holland for Edisonweg 21, Woerden dated February 1996.

6. B.V. Radix and Verman Beheer lease with FM-Holland for Edisonweg 23, Woerden dated February 12, 1996.

7. Lease dated July 7, 1993, between Strastint Investments Pty. Ltd. and FM-Australia as successor to Strastint International Limited Partnership.

8. Lease between La Societe Europeene de Location d'Immeubles Commerciaux et Industrials (Selcomi) and FM-France dated August 2, 1995.

9. Lease dated April 28, 1994, between Northern American Life Insurance Company and Fluid Management Services, Inc. with respect to 140-150 Milner Avenue, Scarborough, Ontario.

10. License Agreement between Strastint International Limited Partnership and Commercial Dynamics Pty. Limited.

11. Uwe Salchow Lease with FM-Germany as successor to Fluid Verfahrenstechnik dated June 18, 1991.

12. Uwe Salchow Lease Assignment with FM-Germany dated March 31, 1994.

13. Uwe Salchow Lease with FM-Germany dated November 8, 1994.

14. Irvine Baynard Lease with FM-UK dated 1993.

15. Direktor Stin Akstam M.F.L. lease for FM-Sweden dated May 20, 1991. This lease has been terminated as of December 31, 1996 at the latest and possibly as early as September 30, 1996.

16. Lease between FM-Sweden and Diligentia dated June 15, 1996.

17. Cubientas y Mzov S.A. lease with FM-Spain dated June 16, 1995.

18. Lease dated July 27, 1995 between FM-UK and District of Wrekin Council for Unit 3 Trench Lock Industrial Estate, Telford, Shropshire.

Personal Property Leases:

1. Master Lease Purchase Agreement with MetLife Capital Corporation dated December 29, 1992, with Amendments #1, #2, #5, #6, #7, #8, and #9.

SCHEDULE 8.7

INDIVIDUALS EXECUTING STANDARDS OF CONDUCT AND BUSINESS ETHICS POLICY AND EMPLOYEE INVENTIONS AND CONFIDENTIALITY AGREEMENT

Mitchell H. Saranow
Joseph C. Rygiel
Thomas Carney
Michael Kudia

EXHIBIT 4.2(b)

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE is dated as of July 29, 1996 by and among IDEX CORPORATION, a Delaware corporation, as Issuer (the "Company"), BAND-IT-IDEX, INC., a Delaware corporation ("Band-It"), CORKEN, INC., a Delaware corporation ("Corken"), PULSAFEEDER, INC., a Delaware corporation ("Pulsafeeder"), VIBRATECH, INC., a Delaware corporation ("Vibratech"), VIKING PUMP, INC., a Delaware corporation ("Viking"), WARREN RUPP, INC., a Delaware corporation ("Warren Rupp"), LUBRIQUIP, INC., a Delaware corporation ("Lubriquip"), STRIPPIT, INC., a Delaware corporation ("Strippit," and together with Band-It, Corken, Pulsafeeder, Vibratech, Viking, Warren Rupp and Lubriquip, each an "Original Guarantor" and collectively, the "Original Guarantors"), HALE PRODUCTS, INC., a Pennsylvania corporation ("Hale"), MICROPUMP, INC., a Delaware corporation ("Micropump"), DUNJA VERWALTUNGSGESELLSCHAFT MBH, a German corporation ("Dunja," and together with Hale and Micropump, each a "Supplemental Guarantor" and collectively, the "Supplemental Guarantors"), FLUID MANAGEMENT, INC., a Delaware corporation ("Fluid Management"), FMI MANAGEMENT COMPANY, an Illinois corporation ("FMI," and together with the Original Guarantors, the Supplemental Guarantors and Fluid Management, the "Guarantors"), and Fleet National Bank (formerly known as Fleet National Bank of Connecticut, which was formerly known as Shawmut Bank Connecticut, National Association, which was formerly known as The Connecticut National Bank), a national banking association, as trustee (the "Trustee").

RECITALS

WHEREAS, the Company, the Original Guarantors and the Trustee entered into an Indenture, dated as of September 15, 1992 (as amended from time to time, the "Indenture"), pursuant to which the Company issued $75,000,000 in principal amount of 9 3/4% Senior Subordinated Notes due 2002 (the "Securities") (capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Indenture);

WHEREAS, the Company, the Original Guarantors, the Trustee and the Supplemental Guarantors entered into a First Supplemental Indenture, dated as of December 22, 1995 (the "First Supplemental Indenture"), pursuant to which each of the Supplemental Guarantors became a Guarantor under the Indenture;

WHEREAS, Section 11.03 of the Indenture provides that any person that was not a Guarantor on the date of the Indenture may become a Guarantor by executing and delivering to the Trustee, among other things, a supplemental indenture in form and substance satisfactory to the Trustee;

WHEREAS, Section 9.01 of the Indenture provides, among other things, that the Company and the Guarantors, when authorized by a Board Resolution of their respective Boards of Directors, and the Trustee may amend, waive or supplement the Indenture without notice to or consent of any Securityholder to make any change that would provide any

additional benefit or rights to the Securityholders or that does not adversely affect the rights of any Securityholder;

WHEREAS, the Company, the Guarantors and the Trustee desire to supplement the Indenture to include Fluid Management and FMI (each a "New Guarantor" and collectively, the "New Guarantors") as Guarantors under the Indenture, and each New Guarantor has agreed to guarantee the Securities pursuant to Article Eleven of the Indenture;

WHEREAS, all acts and things prescribed by the Indenture, by law and by the respective Certificates of Incorporation and By-Laws of the Company, the Guarantors and the Trustee necessary to make this Second Supplemental Indenture a valid instrument legally binding on the Company, the Guarantors and the Trustee, in accordance with its terms, have been duly done and performed.

NOW, THEREFORE, to comply with the provisions of the Indenture and in consideration of the above premises, the Company, the Guarantors and the Trustee covenant and agree for the equal and proportionate benefit of the respective Holders of the Securities as follows:

ARTICLE 1

Section 1.01. This Second Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes, including but not limited to discharge of the Indenture as provided in Article 8 of the Indenture.

Section 1.02 . Subject to the provisions of Article Eleven of the Indenture, each New Guarantor agrees that it will duly and punctually perform and observe all of the covenants and conditions in the Indenture to be performed by a Guarantor as if such New Guarantor had been an original Guarantor of the Securities. Any Guarantee endorsed on any Security delivered after the date of this Second Supplemental Indenture in substitution or exchange for any outstanding Security as provided in the Indenture shall be executed and delivered by each New Guarantor and each such Guarantee on each such Security shall constitute an obligation of such New Guarantor; provided, however, that each Guarantee hereunder shall be effective without such notation.

Section 1.03 . This Second Supplemental Indenture shall become effective immediately upon its execution and delivery by each of the Company, the Guarantors and the Trustee.

ARTICLE 2

Section 2.01 . Except as specifically modified herein, the Indenture, the Securities and the Guarantees are in all respects ratified and confirmed and shall remain in full force and effect in accordance with their terms.

Section 2.02. Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Second Supplemental Indenture. This Second Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions set forth in the Indenture with the same force and effect as if those terms and conditions were repeated at length herein and made applicable to the Trustee with respect hereto.

Section 2.03. The laws of the State of New York shall govern this Second Supplemental Indenture without regard to principles of conflicts of law. The Trustee, the Company, the Guarantors and the Securityholders agree to submit to the jurisdiction of the courts of the State of New York in any action or proceeding arising out of or relating to this Second Supplemental Indenture.

Section 2.04. The parties may sign any number of copies of this Second Supplemental Indenture. Each signed copy shall be an original, but all of such executed copies together shall represent the same agreement.

Section 2.05. The recitals to this Second Supplemental Indenture shall not be construed as representations of the Trustee and the Trustee makes no representation as to the accuracy of such recitals.

Section 2.06. The Trustee enters into this Second Supplemental Indenture in its capacity as Trustee under the Indenture and in reliance on an Opinion of Counsel and an Officers' Certificate.

[signature page follows]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed, all as of the date first written above.

IDEX CORPORATION,
as Issuer

By: /s/ WAYNE P. SAYATOVIC

Name: Wayne P. Sayatovic
Title: Senior Vice President - Finance,
Chief Financial Officer and Secretary

BAND-IT-IDEX, INC.
CORKEN, INC.
PULSAFEEDER, INC.
VIBRATECH, INC.
VIKING PUMP, INC.
WARREN RUPP, INC.
LUBRIQUIP, INC.
STRIPPIT, INC.
HALE PRODUCTS, INC.
MICROPUMP, INC.
DUNJA VERWALTUNGSGESELLSCHAFT MBH
FLUID MANAGEMENT, INC.
FMI MANAGEMENT COMPANY,
as Guarantors

By: /s/ WAYNE P. SAYATOVIC

Name: Wayne P. Sayatovic
Title: Vice President, Secretary and
Chief Financial Officer

FLEET NATIONAL BANK,
as Trustee

By: /s/ STEVEN CIMALORE

Name: Steven Cimalore
Title: Vice-President

EXHIBIT 4.5

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF JULY 17, 1996

AMONG

IDEX CORPORATION

BANK OF AMERICA ILLINOIS,
AS AGENT,

AND

THE OTHER FINANCIAL INSTITUTIONS PARTY HERETO

ARRANGED BY

BA SECURITIES, INC.

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This THIRD AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of July 17, 1996, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks.

BACKGROUND

1. On January 22, 1988, the Company, Continental Bank N.A. and the Agent entered into a Credit Agreement (such Credit Agreement as amended by the First Amendment dated as of May 22, 1989, and the Letter Agreement dated May 7, 1991, being herein referred to as the "Original Credit Agreement"; unless otherwise indicated, the other capitalized terms used herein shall have the meanings set forth in Article I hereto) pursuant to which Continental Bank made the initial Working Capital Loans and the initial Basic Loans (as defined in the Original Credit Agreement).

2. During the period from January 22, 1988 through May 4, 1992, the Banks, other than Continental Bank, were assigned interests in the Original Credit Agreement and were made parties to that Agreement.

3. On May 4, 1992, the Company, the Banks and the Agent entered into an Amended and Restated Credit Agreement (the "First Amended and Restated Credit Agreement") to, among other things, (i) provide for the acquisition of certain assets of Pulsafeeder, Inc. by certain wholly-owned Subsidiaries of the Company, (ii) provide a new working capital facility from certain of the Banks and (iii) modify certain of the covenants of the Original Credit Agreement, all on the terms and conditions therein set forth.

4. On January 29, 1993, the Company, the Banks and the Agent entered into the Second Amended and Restated Credit Agreement as amended by that certain first, second, third, fourth and fifth amendments thereto dated May 23, 1994, October 24, 1994, February 28, 1995, November 1, 1995 and December 22, 1995, respectively (as amended, the "Existing Credit Agreement") to, among other things, (i) to amend and extend the Commitments established by the First Amended and Restated Credit Agreement, (ii) to modify certain covenants of the First Amended and Restated Credit Agreement, and (iii) provide for various acquisitions.

5. Currently, the Company desires that the Existing Credit Agreement be amended and restated.

Accordingly, in consideration of the mutual agreements contained herein, and subject to the terms and conditions hereof, the Existing Credit Agreement is amended and restated in its entirety, and the parties hereto agree, as follows:

ARTICLE I

DEFINITIONS

1.01 Certain Defined Terms. The following terms have the following meanings:

"Absolute Rate" has the meaning specified in subsection 2.07(c).

"Absolute Rate Auction" means a solicitation of Competitive Bids setting forth Absolute Rates pursuant to Section 2.07.

"Absolute Rate Bid Loan" means a Bid Loan that bears interest at a rate determined with reference to the Absolute Rate.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary) provided that the Company or the Subsidiary is the surviving entity.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract, or otherwise.

"Agent" means BofA in its capacity as agent for the Banks and the Designated Bidders hereunder, and any successor agent arising under Section 10.09.

"Agent-Related Persons" means at any time, the Agent at such time, together with its Affiliates (including, in the case of BofA, the Arranger), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

"Agent's Payment Office" means (i) in respect of payments in Dollars, the address for payments set forth on Schedule 11.02 or such other address as the Agent may from time to time specify in accordance with Section 11.02, and, (ii) in the case of payments in any Offshore Currency, such address as the Agent may from time to time specify in accordance with Section 11.02.

"Agreed Alternative Currency" has the meaning specified in subsection 2.05(e).

"Agreement" means this Third Amended and Restated Credit Agreement as the same may be amended, supplemented, amended and restated or otherwise modified from time to time.

"Applicable Currency" means, as to any particular payment or Loan, Dollars or the Offshore Currency in which it is denominated or is payable.

"Applicable Facility Fee Percentage" means, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period:

Funded Debt to EBITDA Ratio	Applicable Facility Fee Percentage
Level I, II and III Status	.15%
Level IV Status	.20%
Level V Status	.25%

The Funded Debt to EBITDA Ratio shall be calculated by the Company as of the end of each of its fiscal quarters commencing with the first fiscal quarter ending after the date hereof and shall be reported to the Agent pursuant to the Compliance Certificate delivered in accordance with subsection 7.02(b). The Applicable Facility Fee Percentage shall be adjusted, if necessary, quarterly on the first Business Day of the month following delivery of the Compliance Certificate (the "Adjustment Date"), together with the required financial statements for the applicable fiscal quarter; provided that, if such certificate together with the financial statements are not delivered by the required delivery date hereunder, then, unless such default is cured by the end of the month such statements are due, the Applicable Facility Fee Percentage as of the first Business Day of the month following the month in which such statements were due shall be equal to .25% for the relevant period. Until adjusted as described above, the Applicable Facility Fee Percentage shall be equal to .15%, provided, further however, that from and after the effective date of the Fluid Management Acquisition and until the next Adjustment Date as provided above, the Applicable Facility Fee Percentage shall be equal to .20%.

"Applicable Margin" means, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period:

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Funded Debt to EBITDA Ratio	Applicable Margin
Level I Status	.250%
Level II Status	.350%
Level III Status	.500%
Level IV Status	.625%
Level V Status	.875%

The Funded Debt to EBITDA Ratio shall be calculated by the Company as of the end of each of its fiscal quarters commencing with the first fiscal quarter ending after the date hereof and shall be reported to the Agent pursuant to the Compliance Certificate delivered in accordance with subsection 7.02(b). The Applicable Margin shall be adjusted, if necessary, quarterly on the first Business Day of the month following delivery of the Compliance Certificate (the "Adjustment Date"), together with the required financial statements for the applicable fiscal quarter; provided that, if such certificate together with the financial statements are not delivered by the required delivery date hereunder, then, unless such default is cured by the end of the month such statements are due, the Applicable Margin as of the first Business Day of the month following the month in which such statements were due shall be equal to .875% for the relevant period. Until adjusted as described above, the Applicable Margin shall be equal to .350% provided, further however, that from and after the effective date of the Fluid Management Acquisition and until the next Adjustment Date as provided above, the Applicable Margin shall be equal to .625%.

"Arranger" means BA Securities, Inc., a Delaware corporation.

"Assignee" has the meaning specified in subsection 11.08(a).

"Attorney Costs" means and includes all reasonable out-of-pocket fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

"Bank" has the meaning specified in the introductory clause hereto.

"Banking Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Chicago are authorized or required by law to close and (i) with respect to disbursements and payments in Dollars with respect to any Loan bearing interest based upon a LIBO Rate or the Offshore Rate, a day on which dealings are carried on in the applicable offshore Dollar interbank market, and (ii) with respect to any disbursements and payments in and calculations pertaining to any Offshore Currency Loan, a day on which commercial banks are open for foreign exchange business in London, England, and on which

dealings in the relevant Offshore Currency are carried on in the applicable offshore foreign exchange interbank market in which disbursement of or payment in such Offshore Currency will be made or received hereunder.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. Section 101, et seq.).

"Base Rate" means, for any day, the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the rate of interest in effect for such day as publicly announced from time to time by BofA in Chicago, Illinois, as its "reference rate." (The "reference rate" is a rate set by BofA based upon various factors including BofA's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate.) Any change in the reference rate announced by BofA shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Committed Loan" means a Committed Loan that bears interest based on the Base Rate.

"Bid Borrowing" means a Borrowing hereunder consisting of one or more Bid Loans made to the Company on the same day by one or more Banks or Designated Bidders.

"Bid Loan" means a Loan by a Bank or a Designated Bidder to the Company under Section 2.06, which may be a LIBOR Bid Loan or an Absolute Rate Bid Loan.

"Bid Loan Lender" means, in respect of any Bid Loan, the Bank or Designated Bidder making such Bid Loan to the Company.

"Bid Loan Notes" has the meaning specified in Section 2.02.

"BofA" means Bank of America Illinois, a banking association organized under the laws of the State of Illinois.

"Borrowing" means a borrowing hereunder consisting of Loans of the same Type and in the same Applicable Currency made to the Company on the same day by the Banks or (in the case of Bid Borrowings) Designated Bidders under Article II, and may be a Committed Borrowing or a Bid Borrowing and, other than in the case of Base Rate Committed Loans, having the same Interest Period.

"Borrowing Date" means any date on which a Borrowing occurs under Section 2.03.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Chicago are authorized or required by law to close and, if the applicable Business Day relates to any Offshore Rate Loan, means a Banking Day.

"Capital Adequacy Regulation" means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

"Capital Expenditures" means, for any period and with respect to any Person, the aggregate of the principal component of all expenditures by such Person and its Subsidiaries for the acquisition or leasing of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) which should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries, less net proceeds from sales of fixed or capital assets received by such Person or any of its Subsidiaries during such period. For the purpose of this definition, the purchase price of equipment which is purchased simultaneously with the trade-in of existing equipment owned by such Person or any of its Subsidiaries or with insurance proceeds shall be included in Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for such equipment being traded in at such time, or the amount of such proceeds, as the case may be.

"Capital Lease" has the meaning specified in the definition of "Capital Lease Obligations."

"Capital Lease Obligations" means the principal component of all monetary obligations of the Company or any of its Subsidiaries under any leasing or similar arrangement which, in accordance with GAAP, is classified as a capital lease ("Capital Lease").

"Cash Collateralize" means to pledge and deposit with or deliver to the Agent, for the benefit of the Agent, the Issuing Bank and the Banks, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance reasonably satisfactory to the Agent and the Issuing Bank (which documents are hereby consented to by the Banks). Derivatives of such term shall have corresponding meanings. The Company hereby grants the Agent, for the benefit of the Agent, the Issuing Bank and the Banks, a security interest in all such cash and deposit account balances. Cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at BofA.

"Change of Control" means any of the following: (i) any person or group of persons (within the meaning of the Exchange Act) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Exchange Act) of 30% or more of the issued and outstanding shares of the Company's capital stock having the right to vote for the election of directors of the Company under ordinary circumstances; or (ii) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Company's board of directors (together with any new directors whose election by the Company's board of directors or whose nomination for election by the Company's stockholders was approved by a vote of a majority of the directors then still in

office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office.

"Closing Date" means the date on which all conditions precedent set forth in Section 5.01 are satisfied or waived by all Banks (or, in the case of subsection 5.01(e), waived by the Person entitled to receive such payment).

"Code" means the Internal Revenue Code of 1986, and all rules and regulations promulgated thereunder.

"Commitment", as to each Bank, has the meaning specified in Section 2.01.

"Committed Borrowing" means a Borrowing hereunder consisting of Committed Loans made on the same day by the Banks ratably according to their respective Pro Rata Shares and, in the case of Offshore Rate Committed Loans, having the same Interest Periods.

"Committed Loan" means a Loan by a Bank to the Company under Section 2.01, and may be an Offshore Rate Committed Loan or a Base Rate Committed Loan (each, a "Type" of Committed Loan).

"Committed Loan Notes" has the meaning specified in Section 2.02.

"Competitive Bid" means an offer by a Bank or a Designated Bidder to make a Bid Loan in accordance with subsection 2.07(b).

"Competitive Bid Request" has the meaning specified in subsection 2.07(a).

"Compliance Certificate" means a certificate substantially in the form of Exhibit 7.02(b).

"Computation Date" has the meaning specified in subsection 2.05(a).

"Consolidated Fixed Charges" means, for any period, for the Company and its Subsidiaries, the sum of (without duplication) (i) Consolidated Interest Expense, (ii) all scheduled payments of principal on Indebtedness of the Company and its Subsidiaries (including, without limitation, principal payments in respect of Capital Leases and in the case of this Agreement, scheduled reductions in the combined Commitment, but only to the extent that (a) the average daily borrowed portion of the combined Commitment during such period exceeds (b) the amount of the combined Commitment on the date of determination), (iii) taxes paid in cash, (iv) Consolidated Rental Expense, and (v) cash dividends paid by the Company, as each of the foregoing is made or incurred during such period of determination in accordance with GAAP on a consolidated basis.

"Consolidated Interest Expense" means, for any period, the sum of total interest expense (including that attributable to Capitalized Leases in accordance with GAAP) of the Company and its Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of the Company and its Subsidiaries, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, but excluding, however, any amortization of deferred financing costs, all as determined on a consolidated basis for the Company and its consolidated Subsidiaries in accordance with GAAP. Any calculation of pro forma Consolidated Interest Expense with respect to an Acquisition shall be done on the basis that (A) any Indebtedness incurred or assumed in connection with such Acquisition was incurred or assumed at the beginning of the pro forma period, (B) such Indebtedness was repaid from operating cash flow over the pro forma period at the intervals and in the amounts reasonably projected to be paid in respect of such Indebtedness over the 12-month period immediately following the Acquisition and (C) if such Indebtedness bears a floating interest rate, such interest shall be paid over the pro forma period at the rate in effect on the date of such Acquisition.

"Consolidated Net Income" and "Consolidated Net Loss" mean, respectively, with respect to any period for any Person, the aggregate of the net income (loss) of such Person for such period, determined in accordance with GAAP on a consolidated basis, provided that (i) the net income (loss) of any other Person which is not a Subsidiary shall be included in the Consolidated Net Income of such Person only to the extent of the amount of cash dividends or distributions paid to such Person or to a consolidated Subsidiary of such Person and (ii) the net income (loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded from the Consolidated Net Income of such Person. There shall be excluded in computing Consolidated Net Income the excess (but not the deficit), if any, of (i) any gain which must be treated as an extraordinary item under GAAP or any gain realized upon the sale or other disposition of any real property or equipment that is not sold in the ordinary course of business or of any capital stock of a Subsidiary of such Person over (ii) any loss which must be treated as an extraordinary item under GAAP or any loss realized upon the sale or other disposition of any real property or equipment that is not sold in the ordinary course of business or of any capital stock of the a Subsidiary of such Person, provided that any extraordinary loss incurred in connection with the repurchase or refinance of Subordinated Debt outstanding as of the date hereof shall be excluded in computing Consolidated Net Income.

"Consolidated Rental Expense" means, for any period, the sum of the aggregate payments of the Company and its Subsidiaries on a consolidated basis under agreements to rent or lease any real or personal property (exclusive of Capital Lease Obligations), all as determined on a consolidated basis for the Company and its consolidated Subsidiaries in accordance with GAAP.

"Contingent Obligation" means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse, (a) with respect to any

Indebtedness, lease, dividend, letter of credit or other obligation (the "primary obligations") of another Person (the "primary obligor"), including any obligation of that Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefor, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition 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 any such primary obligation against loss in respect thereof (each, a "Guaranty Obligation"); (b) with respect to any Surety Instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or payments; (c) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (d) in respect of any Swap Contract. The amount of any Contingent Obligation shall, in the case of Guaranty Obligations, be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof provided, that if any Guaranty Obligation (i) is limited to an amount less than the obligations guaranteed or supported the amount of the corresponding Contingent Obligation shall be equal to the lesser of the amount determined pursuant to the initial clause of this sentence and the amount to which such guaranty is so limited or (ii) is limited to recourse against a particular asset or assets of such Person the amount of the corresponding Contingent Obligation shall be equal to the lesser of the amount determined pursuant to the initial clause of this sentence and the fair market value of such asset or assets at the date for determination of the amount of the Contingent Obligation. In the case of other Contingent Obligations other than in respect of Swap Contracts, shall be equal to the maximum reasonably anticipated liability in respect thereof and, in the case of Contingent Obligations in respect of Swap Contracts, shall be equal to the Swap Termination Value.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

"Conversion/Continuation Date" means any date on which, under Section 2.04, the Company (a) converts Committed Loans of one Type to another Type, or (b) continues as Committed Loans of the same Type, but with a new Interest Period, Committed Loans having Interest Periods expiring on such date.

"Credit Extension" means and includes (a) the making of any Loans hereunder and (b) the Issuance of any Letters of Credit hereunder.

"Default" means any event or circumstance which, with the giving of notice pursuant to this Agreement, the lapse of any cure period specified herein, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Designated Bidder" means an Affiliate of a Bank that is an entity described in clause (i) or (ii) of the definition of "Eligible Assignee" and that has become a party hereto pursuant to subsection 11.09.

"Designation Agreement" means a designation agreement entered into by a Bank and a Designated Bidder and accepted by the Agent, in substantially the form of Exhibit 11.09.

"Disposition" has the meaning specified in subsection 8.02.

"Dollar Equivalent" means, at any time, (a) as to any amount denominated in Dollars, the amount thereof at such time, (b) as to any amount denominated in an Offshore Currency, the equivalent amount in Dollars as determined by the Agent at such time on the basis of the Spot Rate for the purchase of Dollars with such Offshore Currency on the most recent Computation Date provided for in subsection 2.05(a) and (c) as to any amount denominated in an Offshore L/C Currency, the equivalent amount in Dollars as determined by the Issuing Bank at such time on the basis of the Spot Rate for the purchase of Dollars with such Offshore L/C Currency..

"Dollars", "dollars" and "$" each mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary of the Company that is not a Foreign Subsidiary.

"EBIT" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) Consolidated Net Income for such period plus (b) all amounts treated as expenses for interest to the extent included in the determination of such Consolidated Net Income plus (c) all accrued taxes on or measured by income to the extent included in the determination of such Consolidated Net Income.

"EBITDA" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) EBIT plus (b) all amounts treated as expenses for depreciation or the amortization of intangibles of any kind to the extent included in the determination of Consolidated Net Income, provided that in the event of the occurrence of any Acquisition or Disposition during the period, EBITDA shall be calculated on a pro forma basis as if such Acquisition or Disposition occurred on the first day of the relevant period such that, in the case of an Acquisition, all income and expense

associated with the assets or entity acquired in connection with such acquisition for the most recently ended four fiscal quarter period for which such income and expense amounts are available shall be treated as earned or incurred by the Company over the applicable period and, in the case of a Disposition, all income and expense associated with the assets or entity sold or transferred during such period shall be eliminated over the applicable period.

"Effective Amount" means (a) with respect to any Loans on any date, the aggregate outstanding principal Dollar Equivalent amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date; and (b) with respect to any outstanding L/C Obligations on any date, the Dollar Equivalent amount of such L/C Obligations on such date after giving effect to any Issuances of Letters of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

"Eligible Assignee" means (a) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $200,000,000; (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least $200,000,000, provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (c) a Person that is primarily engaged in the business of commercial banking and that is (i) a Subsidiary of a Bank, (ii) a Subsidiary of a Person of which a Bank is a Subsidiary, or (iii) a Person of which a Bank is a Subsidiary.

"Environmental Claims" means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

"Environmental Laws" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters.

"ERISA" means the Employee Retirement Income Security Act of 1974, and all rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

"Eurodollar Reserve Percentage" has the meaning specified in the definition of "Offshore Rate".

"Event of Default" means any of the events or circumstances specified in Section 9.01.

"Exchange Act" means the Securities Exchange Act of 1934, and regulations promulgated thereunder, in each case, as amended from time to time

"FDIC" means the Federal Deposit Insurance Corporation, and any Governmental Authority succeeding to any of its principal functions.

"Federal Funds Rate" means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Agent.

"Fee Letter" has the meaning specified in subsection 2.13(a).

"Fluid Management Acquisition" means the Acquisition by the Company of the Fluid Management Division of Saranow Co. for a purchase price of approximately $135,000,000.

"Foreign Subsidiary" any Subsidiary of the Company that (A) is incorporated under the laws of a jurisdiction other than any State of the U.S., the District of Columbia or any territory, commonwealth or possession of the U.S. and (B) maintains the major portion of its assets outside the U.S.

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"Funded Debt" shall at any date mean:

(a) all outstanding principal under this Agreement;

(b) any Indebtedness outstanding and permitted under Section 8.05(h); and

(c) all other Indebtedness (excluding any Indebtedness included solely within clause (b) of the definition of Indebtedness) of the Company or any of its Subsidiaries which by its terms

(i) matures more than one year from the date of its creation, or

(ii) matures within one year from the date of its creation but, at the Company's or such Subsidiary's election, is renewable or extendible (whether or not theretofore renewed or extended) under, or payable from the proceeds of any other Indebtedness which may be incurred pursuant to the provisions of, any revolving credit or similar agreement.

"Funded Debt to EBITDA Ratio" means, for any period of four consecutive fiscal quarters (the "Four Quarter Period") the ratio of Funded Debt as of the last day of such four fiscal quarter period to EBITDA for such Four Quarter Period.

"FX Trading Office" means the Foreign Exchange Trading Center #5193, San Francisco, California, of BofA, or such other of BofA's offices as BofA may designate from time to time.

"Further Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges (including, without limitation, net income taxes and franchise taxes), and all liabilities with respect thereto, imposed by any jurisdiction on account of amounts payable or paid pursuant to Section 4.01.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the

circumstances as of (a) in the case of computation pursuant to Section 8.15, the date of this Agreement and (b) in all other cases, the applicable date.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranty Obligation" has the meaning specified in the definition of "Contingent Obligation."

"Honor Date" has the meaning specified in subsection 3.03(b).

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all Capital Lease Obligations; (g) all indebtedness referred to in clauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (h) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above. In the event any of the foregoing Indebtedness is limited to recourse against a particular asset or assets of such Person, the amount of the corresponding Indebtedness shall be equal to the lesser of the amount of such Indebtedness and the fair market value of such asset or assets at the date for determination of the amount of such Indebtedness. In addition, the amount of any Indebtedness which is also a Contingent Obligation shall be determined as provided in the definition of "Contingent Obligation."

Provided, Indebtedness shall not include sales of Permitted Foreign Receivables sold pursuant to Permitted Foreign Receivables Purchase Facilities and indemnification, recourse or repurchase obligations thereunder. For all purposes of this Agreement, the Indebtedness of any Person shall include all Indebtedness of any partnership or joint venture or limited liability company in which such Person is a general partner or a joint venturer or a member, but in any such case, only to the extent any such Indebtedness is recourse to such Person.

"Indemnified Liabilities" has the meaning specified in Section 11.05.

"Indemnified Person" has the meaning specified in Section 11.05.

"Independent Auditor" has the meaning specified in subsection 7.01(a).

"Insolvency Proceeding" means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

"Intercompany Indebtedness" means, Indebtedness of the Company or any of its Subsidiaries which, in the case of the Company, is owing to any Subsidiary of the Company and which, in the case of any Subsidiary, is owing to the Company or any of the Company's other Subsidiaries.

"Intercompany Note" means a promissory note from a Subsidiary of the Company to the Company in a form satisfactory to Agent and required to be pledged pursuant to the Pledge Agreement.

"Interest Payment Date" means, as to any Loan other than a Base Rate Committed Loan, the last day of each Interest Period applicable to such Loan and, as to any Base Rate Committed Loan, the last Business Day of each calendar quarter and each date such Committed Loan is converted into another Type of Loan, provided, however, that (a) if any Interest Period for an Offshore Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date, and (b) as to any Absolute Rate Bid Loan, such intervening dates prior to the maturity thereof as may be specified by the Company and agreed to by the applicable Bid Loan Lender in the applicable Competitive Bid shall also be Interest Payment Dates.

"Interest Period" means, (a) as to any Offshore Rate Loan, the period commencing on the Borrowing Date of such Loan or (in the case of any Offshore Rate Committed Loan) on the Conversion/Continuation Date on which the Loan is converted into or continued as an Offshore Rate Committed Loan, and ending on the date one, two, three, six or, if available to each Bank, twelve months thereafter (and in the case of any Offshore Rate Committed Loan, any other period that is 12 months or less and is consented to by the Majority Banks in the given instance) as selected by the Company in its Notice of Borrowing or Notice of Conversion/Continuation or Competitive Bid Request, as the case may be; and (b) as to any Absolute Rate Bid Loan, a period of not less than 14 days and not more than 365 days as selected by the Company in the applicable Competitive Bid Request;

provided that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of an Offshore Rate Loan, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period pertaining to an Offshore Rate Loan that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Loan shall extend beyond the Revolving Termination Date;

"Invitation for Competitive Bids" means a solicitation for Competitive Bids, substantially in the form of Exhibit 2.07(b).

"IRS" means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

"Issuance Date" has the meaning specified in subsection 3.01(a).

"Issue" means, with respect to any Letter of Credit, to issue or to extend the expiry of, or to renew or increase the amount of, such Letter of Credit; and the terms "Issued," "Issuing" and "Issuance" have corresponding meanings.

"Issuing Bank" means, with respect to any Letter of Credit, BofA or any Bank which at the request of the Company (and with the consent of the Agent, which will not be unreasonably withheld) agrees, in such Bank's sole discretion, to become an Issuing Bank for purposes of Issuing Letters of Credit pursuant to Article III.

"Joint Venture" means a single-purpose corporation, partnership, limited liability company, joint venture or other similar legal arrangement (whether created by contract or conducted through a separate legal entity) now or hereafter formed by the Company or any of its Subsidiaries with another Person in order to conduct a common venture or enterprise with such Person.

"KKR" shall mean Kohlberg Kravis Roberts & Co., a Delaware limited partnership.

"L/C Advance" means each Bank's participation in any L/C Borrowing in accordance with its Pro Rata Share.

"L/C Amendment Application" means an application form for amendment of outstanding standby or commercial documentary letters of credit as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"L/C Application" means an application form for issuances of standby or commercial documentary letters of credit as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which shall not have been reimbursed on the date when made nor converted into a Borrowing of Loans under subsection 3.03(b).

"L/C Commitment" means the commitment of the Issuing Bank to Issue, and the commitment of the Banks severally to participate in, Letters of Credit from time to time Issued or outstanding under Article III; provided that the L/C Commitment is a part of the combined Commitments, rather than a separate, independent commitment.

"L/C Obligations" means at any time the sum of (a) the aggregate undrawn amount of all Letters of Credit then outstanding, plus (b) the amount of all unreimbursed drawings under all Letters of Credit, including all outstanding L/C Borrowings.

"L/C-Related Documents" means the Letters of Credit, the L/C Applications, the L/C Amendment Applications and any other document relating to any Letter of Credit, including any of the Issuing Bank's standard form documents for letter of credit issuances.

"Lending Office" means, as to any Bank, the office or offices of such Bank specified as its "Lending Office" or "Domestic Lending Office" or "Offshore Lending Office", as the case may be, on Schedule 11.02, or such other office or offices as such Bank may from time to time notify the Company and the Agent.

"Letters of Credit" means any letters of credit (whether standby letters of credit or commercial documentary letters of credit) Issued by the Issuing Bank pursuant to Article III.

"Level I Status" exists at any date if at such date the Funded Debt to EBITDA Ratio is less than 1.75:1.00.

"Level II Status" exists at any date if at such date the Funded Debt to EBITDA Ratio is less than 2.00:1.00 but greater than or equal to 1.75:1.00.

"Level III Status" exists at any date if at such date the Funded Debt to EBITDA Ratio is less than 2.50:1.00 but greater than or equal to 2.00:1.00.

"Level IV Status" exists at any date if at such date the Funded Debt to EBITDA Ratio is less than or equal to 3.00:1.00 but greater than or equal to 2.50:1.00.

"Level V Status" exists at any date if at such date the Funded Debt to EBITDA Ratio is greater than 3.00:1.00.

"LIBO Rate" means, for any Interest Period with respect to a LIBOR Bid Loan the rate of interest per annum determined by the Agent to be (rounded upward to the nearest 1/16th of 1%) the rate of interest at which dollar deposits in the approximate amount of the LIBOR Bid Loans to be borrowed in such Bid Loan Borrowing, and having a maturity comparable to such Interest Period, would be offered to major banks in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"LIBOR Auction" means a solicitation of Competitive Bids setting forth a LIBOR Bid Margin pursuant to Section 2.07.

"LIBOR Bid Loan" means any Bid Loan that bears interest at a rate based upon the LIBO Rate.

"LIBOR Bid Margin" has the meaning specified in subsection 2.07(c)(ii)(C).

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other), any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but, in any such case, not including the interest of a lessor under an operating lease or the interest of a purchaser of Permitted Foreign Receivables under any Permitted Foreign Receivables Purchase Facility.

"Loan" means an extension of credit by a Bank or a Designated Bidder to the Company under Article II, and may be a Committed Loan or a Bid Loan.

"Loan Documents" means this Agreement, any Notes, the Fee Letters, the Subsidiary Guaranty Agreement (together with any addendums thereto), the Pledge Agreement, the L/C Related Documents and all other documents delivered to the Agent or any Bank or Designated Bidder in connection herewith or therewith.

"Majority Banks" means at any time Banks then holding in excess of 50% of the then aggregate unpaid principal amount of the Committed Loans plus the L/C Obligations, or, if no such principal amount is then outstanding, Banks then having in excess of 50% of the Commitments.

"Margin Stock" means "margin stock" as such term is defined in Regulation G, T, U or X of the FRB.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, or financial condition of the Company and its Subsidiaries taken as a whole; (b) a material impairment of the ability of the Company and its Subsidiaries to perform under any material Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Company or any Subsidiary of any Loan Document.

"Material Subsidiary" means, at any time, any Subsidiary having at such time total assets, as of the last day of the preceding fiscal quarter, having a net book value in excess 5% of the consolidated total assets of the Company, based upon the Company's most recent annual or quarterly financial statements delivered to the Agent under Section 7.01.

"Minimum Tranche" means, in respect of Loans comprising part of the same Borrowing, or to be converted or continued under Section 2.04, (a) in the case of Base Rate Loans, $1,000,000 or any multiple of $500,000 in excess thereof, and (b) in the case of Offshore Rate Loans, the Dollar Equivalent amount of $3,000,000 or any multiple of 1,000,000 units of the Applicable Currency in excess thereof.

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

"Notes" means the Committed Loan Notes and the Bid Loan Notes.

"Notice of Borrowing" means a notice in substantially the form of Exhibit 2.03(a).

"Notice of Conversion/Continuation" means a notice in substantially the form of Exhibit 2.04.

"Obligations" means all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by the Company to any Bank, Designated Bidder, the Agent, or any Indemnified Person, whether direct or indirect (including those acquired by assignment pursuant to Section 11.08(a) hereof), absolute or contingent, due or to become due, now existing or hereafter arising.

"Offshore Currency" means at any time Dutch gilders, British pounds sterling, Canadian dollars, French francs, Deutsche Mark, Japanese yen and any Agreed Alternative Currency.

"Offshore Currency Loan" means any Offshore Rate Loan denominated in an Offshore Currency.

"Offshore Currency Loan Sublimit" means, as to all Offshore Currencies in the aggregate, $125,000,000.

"Offshore L/C Currency" means, at any time, any Offshore Currency and, with respect to any Letter of Credit, any other currency agreed to by the Issuing Bank thereof.

"Offshore Rate" means, for any Interest Period, with respect to Offshore Rate Committed Loans comprising part of the same Borrowing, the rate of interest per annum (rounded upward to the next 1/16th of 1%) determined by the Agent as follows:

$$\text{Offshore Rate} = \frac{\text{IBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"Eurodollar Reserve Percentage" means for any day for any Interest Period the maximum reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to any Bank) under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"); and

"IBOR" means the rate of interest per annum determined by the Agent as the rate at which deposits in the Applicable Currency, in the approximate amount of BofA's Offshore Rate Loan for such Interest Period would be offered by BofA's Grand Cayman Branch, Grand Cayman B.W.I. (or such other office as may be designated for such purpose by BofA), to major banks in the offshore currency interbank market at their request at approximately 11:00 a.m. (New York City time) two Business Days prior to the commencement of such Interest Period.

The Offshore Rate shall be adjusted automatically as to all Offshore Rate Loans then outstanding as of the effective date of any change in the Eurodollar Reserve Percentage.

"Offshore Rate Committed Loan" means a Committed Loan that bears interest based on the Offshore Rate.

"Offshore Rate Loan" means any LIBOR Bid Loan or any Offshore Rate Committed Loan.

"Organization Documents" means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation.

"Other Taxes" means any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Loan Documents.

"Overnight Rate" means, for any day, the rate of interest per annum at which overnight deposits in the Applicable Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by BofA's London Branch to major banks in the London or other applicable offshore interbank market.

"Participant" has the meaning specified in subsection 11.08(d).

"PBGC" means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Company sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years, but excluding any Multiemployer Plans.

"Permitted Liens" has the meaning specified in Section 8.01.

"Permitted Foreign Receivables" shall mean all obligations of any obligor whose principal place of business is not in the United States (whether now existing or hereafter arising) under a contract for sale of goods or services by the Company or any of its Subsidiaries, which shall include any obligation of such obligor (whether now existing or hereafter arising) to pay interest, finance charges or amounts with respect thereto, and, with respect to any of the foregoing receivables or obligations, (a) all of the interest of the Company or any of its Subsidiaries in the goods (including returned goods) the sale of which gave rise to such receivable or obligation after the passage of title thereto to any obligor, (b) all other Liens and property subject thereto from time to time purporting to secure payment of such receivables or obligations, (c) all guarantees, insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of any such receivables or obligations and (d) all records relating to any of the foregoing and all proceeds and products of any of the foregoing.

"Permitted Foreign Receivables Purchase Facility" shall mean any agreement of the Company or any of its Subsidiaries providing for sales, transfers or conveyances of Permitted Foreign Receivables purporting to be sales (and considered sales under GAAP) that do not provide, directly or indirectly, for recourse against the seller of such Permitted Foreign Receivables (or against any of such seller's Affiliates) by way of a guaranty or any other support arrangement, with respect to the amount of such Permitted Foreign Receivables (based on the financial condition or circumstances of the obligor thereunder), other than such limited recourse as is reasonable given market standards for transactions of a similar type, taking into account such factors as historical bad debt loss experience and obligor concentration levels.

"Permitted Swap Obligations" means all obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under Swap Contracts, provided that each of the following criteria is satisfied: (a) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments or assets held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person in conjunction with a securities repurchase program not otherwise prohibited hereunder, and not for purposes of speculation or taking a "market view;" (b) such Swap Contracts do not contain any provision ("walk-away" provision) exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Company or an ERISA Affiliate sponsors or maintains or to which the Company or an ERISA Affiliate makes, is making, or is obligated to make contributions and includes any Pension Plan.

"Pledge Agreement" means the Pledge Agreement in substantially the form of Exhibit 1.01A hereto, dated as of the date hereof, made by the Company in favor of the beneficiaries named therein, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof.

"Pledged Notes" shall be the collective reference to the promissory notes from time to time pledged to the Agent pursuant to the Pledge Agreement.

"Pro Rata Share" means, as to any Bank at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Bank's Commitment divided by the combined Commitments of all Banks.

"Refinancing Indebtedness" means Indebtedness incurred to refinance other Indebtedness as long as such refinancing does not (i) result in an increase in the total principal amount thereof or (ii) create Indebtedness with a weighted average life to maturity that is less than the weighted average life to maturity of the Indebtedness being refinanced or shorten the final maturity of the Indebtedness being refinanced, provided that if such Indebtedness being refinanced is Indebtedness of the Company, then such Refinancing Indebtedness shall be Indebtedness solely of the Company.

"Replacement Bank" has the meaning specified in Section 4.08.

"Reportable Event" means, any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Responsible Officer" means the chief executive officer, the chief operating officer or the president of the Company, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer, the controller or the treasurer of the Company, or any other officer having substantially the same authority and responsibility.

"Revolving Loan" has the meaning specified in Section 2.01.

"Revolving Termination Date" means the earlier to occur of:

(a) July 1, 2001; and

(b) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Sale and Leaseback Transaction" means any arrangement, directly or indirectly, whereby a seller or transferor shall sell or otherwise transfer any real or personal property and then or thereafter lease, or repurchase under an extended purchase contract, conditional sales or other title retention agreement, the same or similar property.

"Same Day Funds" means (i) with respect to disbursements and payments in Dollars, immediately available funds, and (ii) with respect to disbursements and payments in an Offshore Currency, same day or other funds as may be determined by the Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Offshore Currency.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Spot Rate" for a currency means the rate quoted by BofA as the spot rate for the purchase by BofA of such currency with another currency through its FX Trading Office at approximately 10:00 a.m. (Chicago time) on the date two Banking Days prior to the date as of which the foreign exchange computation is made.

"Subordinated Debt" shall mean

(a) the Indebtedness evidenced by the Subordinated Notes, and

(b) all other unsecured Indebtedness of the Company for money borrowed which is subordinated in form and substance to the Obligations, and which has terms of payment, covenants and remedies, all satisfactory to the Majority Banks as evidenced by their written approval thereof.

"Subordinated Debt Indenture" means that certain Indenture dated as of September 15, 1992 among the Company, as issuer, certain Subsidiaries, as guarantors, and Fleet National Bank (as successor to The Connecticut National Bank), as indenture trustee, in connection with the issuance of the Subordinated Notes, as the same may be amended form time to time in compliance with this Agreement.

"Subordinated Notes" means certain senior subordinated notes of the Company with a maturity of ten (10) years, bearing interest at a rate of 9 3/4% per annum payable semi-annually issued pursuant to the Subordinated Debt Indenture and substantially in the form of the note set forth as Exhibit A to the Subordinated Debt Indenture, as the same may be amended from time to time in compliance with this Agreement.

"Subsidiary" of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting stock , membership interests or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or

more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Company.

"Subsidiary Guaranty Agreement" means the Amended and Restated Subsidiary Guaranty Agreement in substantially the form of Exhibit 1.01B hereto, dated as of the date hereof, made by the Subsidiary Guarantors in favor of the beneficiaries named therein, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof.

"Subsidiary Guarantor" means, individually, each of the Domestic Subsidiaries of the Company signatory to the Subsidiary Guaranty Agreement and such other Subsidiaries from time to time party to such Agreement and collectively, all of such Subsidiaries.

"Surety Instruments" means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"Swap Contract" means any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or any other, similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the Company based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include any Bank.)

"Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of each Bank and the Agent, respectively, taxes imposed on or measured by its net income by the jurisdiction (or any political subdivision thereof) under the laws of which such Bank or the Agent, as the case may be, is organized or maintains a lending office.

"Total Capitalization" means the sum of Funded Debt and total stockholders' equity (excluding treasury stock) of the Company.

"Type" has the meaning specified in the definition of "Committed Loan."

"Unfunded Pension Liability" means the excess of a Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"United States" and "U.S." each means the United States of America.

"Wholly-Owned Subsidiary" means any corporation in which (other than directors' qualifying shares required by law) 100% of the capital stock of each class having ordinary voting power, and 100% of the capital stock of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by the Company, or by one or more of the other Wholly-Owned Subsidiaries, or both.

1.02 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Agent, the Company and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Banks or the Agent merely because of the Agent's or Banks' involvement in their preparation.

1.03 Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied.

(b) References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of the Company.

1.04 Currency Equivalents Generally. For all purposes of this Agreement (but not for purposes of the preparation of any financial statements delivered pursuant hereto), the equivalent in any Offshore Currency or other currency of an amount in Dollars, and the equivalent in Dollars of an amount in any Offshore Currency or other currency, shall be determined at the Spot Rate.

ARTICLE II

THE CREDITS

2.01 Amounts and Terms of Commitments. Each Bank severally agrees, on the terms and conditions set forth herein, to make loans to the Company (each such loan, a "Revolving Loan") from time to time on any Business Day during the period from the Closing Date to the Revolving Termination Date, in an aggregate principal Dollar Equivalent amount not to exceed at any time outstanding the amount set forth opposite the Bank's name in Schedule 2.01(b) under the heading "Commitment" (such amount as the same may be reduced pursuant to Section 2.05 or as a result of one or more assignments pursuant to Section 11.08, the Bank's "Commitment"); provided, however, that, after giving effect to any Borrowing of Revolving Loans, the aggregate principal Dollar Equivalent amount of all outstanding Loans and L/C Obligations shall not exceed the combined Commitments; and provided further that, after giving effect to any Borrowing of Offshore Currency Loans, the aggregate principal Dollar Equivalent amount of all outstanding Offshore Currency Loans and L/C Obligations denominated in an Offshore L/C Currency shall not exceed the Offshore Currency Loan Sublimit. Within the limits of each Bank's Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.01, prepay pursuant to Section 2.09 and reborrow pursuant to this Section 2.01. On the Closing Date and prior to any Borrowing hereunder, each Bank which was not a Bank under the Original Credit Agreement

("Original Bank") shall purchase on the Closing Date its Pro Rata Share of the Loans of each Original Bank that are outstanding under the Original Credit Agreement immediately prior to the effectiveness of this Agreement and such aggregate amount shall constitute its Revolving Loan on the date hereof.

2.02 Loan Accounts.

(a) The Loans made by each Bank or Designated Bidder shall be evidenced by one or more loan accounts or records maintained by such Bank or Designated Bidder in the ordinary course of business. The loan accounts or records maintained by the Agent and each Bank or Designated Bidder shall be rebuttably presumptive evidence of the amount of the Loans made by the Banks and Designated Bidders to the Company and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing with respect to the Loans.

(b) Upon the request of any Bank or Designated Bidder made through the Agent, the Committed Loans made by such Bank may be evidenced by one or more notes in substantially the form of Exhibit 2.02 ("Committed Loan Notes") and the Bid Loans made by such Bank or Designated Bidder may be evidenced by one or more notes ("Bid Loan Notes"), instead of or in addition to loan accounts. Each such Bank or Designated Bidder shall endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the amount of each payment of principal made by the Company with respect thereto. Each such Bank and Designated Bidder is irrevocably authorized by the Company to endorse its Note(s) and each Bank's or Designated Bidder's record shall be rebuttably presumptive evidence of the matters set forth therein absent manifest error; provided, however, that the failure of a Bank or Designated Bidder to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Company hereunder or under any such Note to such Bank or Designated Bidder.

2.03 Procedure for Committed Borrowing.

(a) Each Committed Borrowing shall be made upon the Company's irrevocable written notice delivered to the Agent in the form of a Notice of Borrowing (which notice must be received by the Agent prior to 10:30 a.m. (Chicago time) (i) four Business Days prior to the requested Borrowing Date, in the case of Offshore Currency Loans; (ii) two Business Days prior to the requested Borrowing Date, in the case of Offshore Rate Loans denominated in Dollars; and (iii) on the requested Borrowing Date, in the case of Base Rate Loans, in any such case, specifying:

(A) the amount of the Committed Borrowing, which shall be in an aggregate amount not less than the Minimum Tranche;

(B) the requested Borrowing Date, which shall be a Business Day;

(C) the Type of Loans comprising the Committed Borrowing;

(D) the duration of the Interest Period applicable to any Offshore Rate Loan included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Committed Borrowing comprised of Offshore Rate Loans, such Interest Period shall be one month; and

(E) in the case of a Committed Borrowing comprised of Offshore Currency Loans, the Applicable Currency.

provided, however, that with respect to the Borrowing to be made on the Closing Date, the Notice of Borrowing shall be delivered to the Agent not later than 10:30 a.m. (Chicago time) on the Closing Date and unless the Company has provided the applicable advance notice for Offshore Rate Loans and has agreed to pay funding losses in the same manner as set forth in Section 4.04 hereof, such Borrowing will consist of Base Rate Loans only.

(b) The Dollar Equivalent amount of any Committed Borrowing in an Offshore Currency will be determined by the Agent for such Committed Borrowing on the Computation Date therefor in accordance with subsection 2.05(a). Upon receipt of the Notice of Borrowing, the Agent will promptly notify each Bank thereof and of the amount of such Bank's Pro Rata Share of the Committed Borrowing. In the case of a Committed Borrowing comprised of Offshore Currency Loans, such notice will provide the approximate amount of each Bank's Pro Rata Share of the Committed Borrowing, and the Agent will, upon the determination of Dollar Equivalent amount of the Committed Borrowing as specified in the Notice of Borrowing, promptly notify each Bank of the exact amount of such Bank's Pro Rata Share of the Committed Borrowing.

(c) Each Bank will make the amount of its Pro Rata Share of each Committed Borrowing available to the Agent for the account of the Company at the Agent's Payment Office by 12:00 noon (Chicago time) on the Borrowing Date requested by the Company in Same Day Funds and in the requested currency (i) in the case of a Committed Borrowing comprised of Loans in Dollars, by 12:00 noon (Chicago time), (ii) in the case of a Committed Borrowing comprised of Offshore Currency Loans, by such time as the Agent may specify. The proceeds of all such Committed Loans will then be made available to the Company by the Agent at such office by crediting the account of the Company on the books of BofA with the aggregate of the amounts made available to the Agent by the Banks and in by wire transfer in accordance with written instructions provided to the Agent by the Company of like funds as received by the Agent.

(d) After giving effect to any Borrowing, unless the Agent shall otherwise consent, there may not be more than ten different Interest Periods in effect in respect of all Committed Loans and Bid Loans together than outstanding.

2.04 Conversion and Continuation Elections for Committed Loans.

(a) The Company may, upon irrevocable written notice to the Agent in accordance with subsection 2.04(b):

(i) elect, as of any Business Day, in the case of Base Rate Committed Loans, or as of the last day of the applicable Interest Period, in the case of any other Type of Committed Loans denominated in Dollars, to convert any such Loans (or any part thereof in an amount not less than the Minimum Tranche) into Loans in Dollars of any other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Committed Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than the Minimum Tranche);

provided, that if at any time the aggregate amount of Offshore Rate Committed Loans denominated in Dollars in respect of any Committed Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than the Minimum Tranche, such Offshore Rate Loans denominated in Dollars shall automatically convert into Base Rate Loans.

(b) The Company shall deliver a Notice of Conversion/Continuation to be received by the Agent not later than 10:30 a.m. (Chicago time) at least (i) two Business Days in advance of the Conversion/Continuation Date, if the Committed Loans are to be converted into or continued as Offshore Rate Committed Loans denominated in Dollars; (ii) four Business Days in advance of the continuation date, if the Committed Loans are to be continued as Offshore Currency Committed Loans; and (iii) on the Conversion/Continuation Date, if the Committed Loans are to be converted into Base Rate Committed Loans, specifying:

(A) the proposed Conversion/Continuation Date;

(B) the aggregate amount of Committed Loans to be converted or continued;

(C) the Type of Committed Loans resulting from the proposed conversion or continuation; and

(D) other than in the case of conversions into Base Rate Committed Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to Offshore Rate Committed Loans in Dollars, the Company has failed to select timely a new Interest Period to be applicable to such Offshore Rate Committed Loans or if any Default or Event of Default then exists, unless, in either case, the Company has elected to repay such Committed Loan, the Company shall be deemed to have elected to convert such Offshore Rate Committed Loans into Base Rate Loans effective as of the expiration date of such Interest Period. If the Company has failed to select a new Interest Period to be applicable to Offshore Currency Committed Loans prior to the fourth Business Day in advance of the expiration date of the current Interest Period applicable thereto as provided in subsection 2.04(b), or if any Default or Event of Default shall then exist, subject to the provisions

of subsection 2.05(d), the Company shall be deemed to have elected to continue such Offshore Currency Committed Loans on the basis of a one month Interest Period.

(d) The Agent will promptly notify each Bank of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Company, the Agent will promptly notify each Bank of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Committed Loans with respect to which the notice was given held by each Bank.

(e) Unless the Majority Banks otherwise consent, during the existence of a Default or Event of Default, the Company may not elect to have a Committed Loan in Dollars converted into or continued as an Offshore Rate Committed Loan in Dollars or an Offshore Currency Loan continued on the basis of an Interest Period exceeding one month.

(f) After giving effect to any conversion or continuation of Committed Loans, unless the Agent shall otherwise consent, there may not be more than ten different Interest Periods in effect.

2.05 Utilization of Revolving Commitments in Offshore Currencies.

(a) The Agent will determine the Dollar Equivalent amount with respect to any (i) Committed Borrowing comprised of Offshore Currency Committed Loans as of the requested Borrowing Date, (ii) outstanding Offshore Currency Committed Loans as of the last Banking Day of each month, and (iii) outstanding Offshore Currency Committed Loans as of any redenomination date pursuant to this Section 2.05 or Section 4.05 (each such date under clauses (i) through (iii) a "Computation Date").

(b) In the case of a proposed Committed Borrowing comprised of Offshore Currency Committed Loans, the Banks shall be under no obligation to make Offshore Currency Committed Loans in the requested Offshore Currency as part of such Committed Borrowing if the Agent has received notice from any of the Banks by 3:00 p.m. (Chicago time) four Business Days prior to the day of such Committed Borrowing that such Bank cannot provide Loans in the requested Offshore Currency, in which event the Agent will give notice to the Company no later than 10:30 a.m. (Chicago time) on the third Business Day prior to the requested date of such Borrowing that the Committed Borrowing in the requested Offshore Currency is not then available, and notice thereof also will be given promptly by the Agent to the Banks. If the Agent shall have so notified the Company that any such Committed Borrowing in a requested Offshore Currency is not then available, the Company may, by notice to the Agent not later than 4:30 p.m. (Chicago time) three Business Days prior to the requested date of such Committed Borrowing, withdraw the Notice of Borrowing relating to such requested Committed Borrowing. If the Company does so withdraw such Notice of Borrowing, the Committed Borrowing requested therein shall not occur and the Agent will promptly so notify each Bank. If the Company does not so withdraw such Notice of Borrowing, the Agent will promptly so notify each Bank and such Notice of Borrowing shall be deemed to be a Notice of Borrowing that requests a Committed Borrowing comprised of Base Rate

Committed Loans in an aggregate amount equal to the amount of the originally requested Borrowing as expressed in Dollars in the Notice of Borrowing; and in such notice by the Agent to each Bank the Agent will state such aggregate amount of such Committed Borrowing in Dollars and such Bank's Pro Rata Share thereof.

(c) In the case of a proposed continuation of Offshore Currency Committed Loans for an additional Interest Period pursuant to Section 2.04, the Banks shall be under no obligation to continue such Offshore Currency Committed Loans if the Agent has received notice from any of the Banks by 3:00 p.m. (Chicago time) four Business Days prior to the day of such continuation that such Bank cannot continue to provide Committed Loans in the relevant Offshore Currency, in which event the Agent will give notice to the Company not later than 10:30 a.m. (Chicago time) on the third Business Day prior to the requested date of such continuation that the continuation of such Offshore Currency Committed Loans in the relevant Offshore Currency is not then available, and notice thereof also will be given promptly by the Agent to the Banks. If the Agent shall have so notified the Company that any such continuation of Offshore Currency Committed Loans is not then available, any Notice of Continuation/Conversion with respect thereto shall be deemed withdrawn and such Offshore Currency Committed Loans shall be redenominated into Base Rate Committed Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Committed Loans. The Agent will promptly notify the Company and the Banks of any such redenomination and in such notice by the Agent to each Bank the Agent will state the aggregate Dollar Equivalent amount of the redenominated Offshore Currency Committed Loans as of the Computation Date with respect thereto and such Bank's Pro Rata Share thereof.

(d) Notwithstanding anything herein to the contrary, during the existence of an Event of Default, upon the request of the Majority Banks, all or any part of any outstanding Offshore Currency Committed Loans shall be redenominated and converted into Base Rate Committed Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Committed Loans. The Agent will promptly notify the Company of any such redenomination and conversion request.

(e) The Company shall be entitled to request that Revolving Loans hereunder also be permitted to be made in any other lawful currency (other than Dollars), in addition to the eurocurrencies specified in the definition of "Offshore Currency" herein, that in the opinion of the Majority Banks is at such time freely traded in the offshore interbank foreign exchange markets and is freely transferable and freely convertible into Dollars (an "Agreed Alternative Currency"). The Company shall deliver to the Agent any request for designation of an Agreed Alternate Currency in accordance with Section 11.02, to be received by the Agent not later than 12:00 p.m. (Chicago time) at least ten Business Days in advance of the date of any Committed Borrowing hereunder proposed to be made in such Agreed Alternate Currency. Upon receipt of any such request the Agent will promptly notify the Banks thereof, and each Bank will use its best efforts to respond to such request within two Business Days of receipt thereof. Each Bank may grant or accept such request in its sole discretion. The Agent will promptly notify the Company of the acceptance or rejection of any such request.

2.06 Bid Borrowings. In addition to Committed Borrowings pursuant to Section 2.03, each Bank severally agrees that the Company may, as set forth in Section 2.07, from time to time request the Banks prior to the Revolving Termination Date to submit offers to make Bid Loans to the Company; provided, however, that the Banks may, but shall have no obligation to, submit such offers and the Company may, but shall have no obligation to, accept any such offers, and any Bank may designate a Designated Bidder to make such offers from time to time and, if such offers are accepted by the Company, to make such Bid Loans; and provided, further, that at no time shall (a) the outstanding aggregate principal amount of all Bid Loans made by all Banks and Designated Bidders, plus the outstanding aggregate principal amount of all Committed Loans made by all Banks exceed the combined Commitments; (b) the outstanding aggregate principal Dollar Equivalent amount of all Bid Loans made by all Banks and Designated Bidders exceed the lesser of $75,000,000 or 50% of the combined Commitments; or (c) the number of Interest Periods for Bid Loans then outstanding plus the number of Interest Periods for Committed Loans then outstanding exceeds ten.

2.07 Procedure for Bid Borrowings.

(a) When the Company wishes to request the Banks to submit offers to make Bid Loans hereunder, it shall transmit to the Agent by telephone call followed promptly by facsimile transmission a notice in substantially the form of Exhibit 2.07(a) (a "Competitive Bid Request") so as to be received no later than 9:00 a.m. (Chicago time) (x) four Business Days prior to the date of a proposed Bid Borrowing in the case of a LIBOR Auction, or (y) two Business Days prior to the date of a proposed Bid Borrowing in the case of an Absolute Rate Auction, specifying:

(i) the date of such Bid Borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Bid Borrowing, which shall be a minimum amount of $5,000,000 or in multiples of $1,000,000 in excess thereof;

(iii) whether the Competitive Bids requested are to be for LIBOR Bid Loans or Absolute Rate Bid Loans or both; and

(iv) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of "Interest Period" herein.

Subject to subsection 2.07(c), the Company may not request Competitive Bids for more than three Interest Periods in a single Competitive Bid Request and may not request Competitive Bids more than once in any period of five Business Days.

(b) Upon receipt of a Competitive Bid Request, the Agent will promptly send to the Banks and Designated Bidders by facsimile transmission an Invitation for Competitive Bids, which shall constitute an invitation by the Company to each Bank and Designated Bidder to submit

Competitive Bids offering to make the Bid Loans to which such Competitive Bid Request relates in accordance with this Section 2.07.

(c) (i) Each Bank and Designated Bidder may at its discretion submit a Competitive Bid containing an offer or offers to make Bid Loans in response to any Invitation for Competitive Bids. Each Competitive Bid must comply with the requirements of this subsection 2.07(c) and must be submitted to the Agent by facsimile transmission at the Agent's office for notices set forth on the signature pages hereto not later than (a) 8:30 a.m. (Chicago time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (2) 8:30 a.m. (Chicago time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction; provided that Competitive Bids submitted by the Agent (or any Affiliate of the Agent) in the capacity of a Bank or Designated Bidder may be submitted, and may only be submitted, if the Agent or such Affiliate notifies the Company of the terms of the offer or offers contained therein not later than (A) 8:15 a.m. (Chicago time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (B) 8:15 a.m. (Chicago time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction.

(ii) Each Competitive Bid shall be in substantially the form of Exhibit 2.07(c), specifying therein:

(A) the proposed date of Borrowing;

(B) the principal amount of each Bid Loan for which such Competitive Bid is being made, which principal amount (x) may be equal to, greater than or less than the Commitment of the quoting Bank, (y) must be $5,000,000 or in multiples of $1,000,000 in excess thereof, and (z) may not exceed the principal amount of Bid Loans for which Competitive Bids were requested;

(C) in case the Company elects a LIBOR Auction, the margin above or below LIBOR (the " LIBOR Bid Margin") offered for each such Bid Loan, expressed in multiples of 1/1000th of one basis point to be added to or subtracted from the applicable LIBOR and the Interest Period applicable thereto;

(D) in case the Company elects an Absolute Rate Auction, the rate of interest per annum expressed in multiples of 1/1000th of one basis point (the "Absolute Rate") offered for each such Bid Loan; and

(E) the identity of the quoting Bank or Designated Bidder.

A Competitive Bid may contain up to three separate offers by the quoting Bank or Designated Bidder with respect to each Interest Period specified in the related Invitation for Competitive Bids.

(iii) Any Competitive Bid shall be disregarded if it:

(A) is not substantially in conformity with Exhibit 2.07(c) or does not specify all of the information required by subsection (c)(ii) of this Section;

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bids; or

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

(d) Promptly on receipt and not later than 9:00 a.m. (Chicago time) three Business Days prior to the proposed date of Borrowing in the case of a LIBOR Auction, or 9:00 a.m. (Chicago time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction, the Agent will notify the Company of the terms (i) of any Competitive Bid submitted by a Bank or Designated Bidder that is in accordance with subsection 2.07(c), and (ii) of any Competitive Bid that amends, modifies or is otherwise inconsistent with a previous Competitive Bid submitted by such Bank or Designated Bidder with respect to the same Competitive Bid Request. Any such subsequent Competitive Bid shall be disregarded by the Agent unless such subsequent Competitive Bid is submitted solely to correct a manifest error in such former Competitive Bid and only if received within the times set forth in subsection 2.07(c). The Agent's notice to the Company shall specify (1) the aggregate principal amount of Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Request; and (2) the respective principal amounts and LIBOR Bid Margins or Absolute Rates, as the case may be, so offered. Subject only to the provisions of Sections 4.02, 4.05 and 5.02 hereof and the provisions of this subsection (d), any Competitive Bid shall be irrevocable except with the written consent of the Agent given on the written instructions of the Company.

(e) Not later than 9:30 a.m. (Chicago time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction, or 9:30 a.m. (Chicago time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction, the Company shall notify the Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection

2.07(d). The Company shall be under no obligation to accept any offer and may choose to reject all offers. In the case of acceptance, such notice shall specify the aggregate principal amount of offers for each Interest Period that is accepted. The Company may accept any Competitive Bid in whole or in part; provided that:

(i) the aggregate principal amount of each Bid Borrowing may not exceed the applicable amount set forth in the related Competitive Bid Request;

(ii) the principal amount of each Bid Borrowing must be $5,000,000 or in any multiple of $1,000,000 in excess thereof;

(iii) acceptance of offers may only be made on the basis of ascending LIBOR Bid Margins or Absolute Rates within each Interest Period, as the case may be; and

(iv) the Company may not accept any offer that is described in subsection 2.07(c)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(f) If offers are made by two or more Banks or Designated Bidders with the same LIBOR Bid Margins or Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Bid Loans in respect of which such offers are accepted shall be allocated by the Agent among such Banks or Designated Bidders as nearly as possible (in such multiples, not less than $1,000,000, as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Agent of the amounts of Bid Loans shall be conclusive in the absence of manifest error.

(g) (i) The Agent will promptly notify each Bank or Designated Bidder having submitted a Competitive Bid if its offer has been accepted and, if its offer has been accepted, of the amount of the Bid Loan or Bid Loans to be made by it on the date of the Bid Borrowing.

(ii) Each Bank or Designated Bidder, which has received notice pursuant to subsection 2.07(g)(i) that its Competitive Bid has been accepted, shall make the amounts of such Bid Loans available to the Agent for the account of the Company at the Agent's Payment Office, by 1:00 p.m. (Chicago time) in the case of Absolute Rate Bid Loans, and by 1:00 p.m. (Chicago time) in the case of LIBOR Bid Loans, on such date of Bid Borrowing, in funds immediately available to the Agent for the account of the Company at the Agent's Payment Office.

(iii) Promptly following each Bid Borrowing, the Agent shall notify each Bank and Designated Bidder of the ranges of bids submitted and the highest and lowest Bids accepted for each Interest Period requested by the Company and the aggregate amount borrowed pursuant to such Bid Borrowing.

(iv) From time to time, the Company and the Banks and Designated Bidders shall furnish such information to the Agent as the Agent may request relating to the making of Bid Loans, including the amounts, interest rates, dates of borrowings and maturities thereof, for purposes of the allocation of amounts received from the Company for payment of all amounts owing hereunder.

(h) If, on or prior to the proposed date of Borrowing, the Commitments have not been terminated and if, on such proposed date of Borrowing all applicable conditions to funding referenced in Sections 4.02, 4.05 and 5.02 hereof are satisfied, the Banks and Designated Bidders whose offers the Company has accepted will fund each Bid Loan so accepted. Nothing in this Section 2.07 shall be construed as a right of first offer in favor of the Banks or Designated Bidders or to otherwise limit the ability of the Company to request and accept credit facilities from any Person (including any of the Banks or Designated Bidders), provided that no Default or Event of Default would otherwise arise or exist as a result of the Company executing, delivering or performing under such credit facilities.

2.08 Reduction of Commitments; Mandatory Prepayments.

(a) Scheduled Reductions. The combined Commitments shall be automatically and permanently reduced by the amounts and on the dates set forth below:

Date	Amount of Reduction to combined Commitments
July 1, 1999	$25,000,000
July 1, 2000	$25,000,000

Each reduction of the Commitments shall be applied to each Bank according to its Pro Rata Share. The Company agrees that it will, on or before the date of any scheduled reduction pursuant to the above table, make a mandatory prepayment to the Agent in the amount necessary to reduce the sum of the Dollar Equivalent of (i) the aggregate principal amount of the outstanding Loans plus (ii) the L/C Obligations to an amount which is less than or equal to the combined Commitments after giving effect to such scheduled reduction.

(b) Voluntary Termination or Reduction of Commitments. The Company may, upon not less than five Business Days' prior notice to the Agent, terminate the Commitments, or

permanently reduce the Commitments by an aggregate minimum Dollar Equivalent amount of $5,000,000 or any Dollar Equivalent multiple of $1,000,000 in excess thereof; unless, after giving effect thereto and to any prepayments of Loans made on the effective date thereof, the then-outstanding principal Dollar Equivalent amount of the Loans and L/C Obligations would exceed the amount of the combined Commitments then in effect. Once reduced in accordance with this Section, the Commitments may not be increased. Any reduction of the Commitments shall be applied to each Bank according to its Pro Rata Share. All accrued commitment fees to, but not including the effective date of any reduction or termination of Commitments, shall be paid on the effective date of such reduction or termination.

2.09 Optional Prepayments.

(a) Subject to Section 4.04, unless waived by the Agent, the Company may, at any time or from time to time, upon irrevocable notice to the Agent not later than 10:30 a.m. (Chicago time) two Business Days before the date of prepayment in the case of Offshore Currency Loans and on the date of such prepayment in the case of other Loans, ratably prepay Loans in whole or in part, in minimum Dollar Equivalent amounts of $1,000,000 or any Dollar Equivalent multiple of $500,000 in excess thereof or such other amount necessary to repay in full any Offshore Currency Loan. Such notice of prepayment shall specify the date and amount of such prepayment and whether such prepayment is of Base Rate Committed Loans, Offshore Rate Committed Loans, or any combination thereof, and the Applicable Currency. Such notice shall not thereafter be revocable by the Company and the Agent will promptly notify each Bank thereof and of such Bank's Pro Rata Share of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with any amounts required pursuant to Section 4.04.

(b) Bid Loans may not be voluntarily prepaid other than with the consent of the applicable Bid Loan Lender.

2.10 Currency Exchange Fluctuations. Subject to Section 4.04, if on any Computation Date the Agent shall have determined that the aggregate Dollar Equivalent principal amount of all Loans and L/C Obligations then outstanding exceeds the combined Commitments of the Banks by more than $500,000, due to a change in applicable rates of exchange between Dollars and Offshore Currencies, then the Agent shall give notice to the Company that a prepayment is required under this Section, and the Company agrees thereupon to make prepayments of Loans such that, after giving effect to such prepayment the aggregate Dollar Equivalent amount of all Loans does not exceed the combined Commitments.

2.11 Mandatory Prepayments and Repayment.

(a) Mandatory Prepayments of Loans. Subject to Section 4.04, if on any date the Effective Amount of all Loans then outstanding plus the Effective Amount of all L/C Obligations exceeds the aggregate Commitments (other than as a result of currency exchange fluctuations), the Company shall immediately, and without notice or demand, prepay the outstanding principal amount

of the Loans in an amount equal to the lesser of such excess and the amount of the outstanding Loans and, if any excess shall still remain, shall Cash Collateralize the L/C Obligations to the extent of such remaining excess.

(b) Repayment. The Company shall repay to the Banks on the Revolving Termination Date the aggregate principal amount of Loans outstanding on such date. The Company shall repay each Bid Loan on the last day of the relevant Interest Period.

2.12 Interest.

(a) Each Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Offshore Rate plus the Applicable Margin or the Base Rate, as the case may be (and subject to the Company's right to convert to other Types of Committed Loans under Section 2.04). Each Bid Loan shall bear interest on the outstanding principal amount thereof from the relevant Borrowing Date at the rate per annum equal to the LIBO Rate plus (or minus) the LIBOR Bid Margin, or at the Absolute Rate, as the case may be.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Loans under Section 2.09 or 2.10 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid on demand of the Agent at the request or with the consent of the Majority Banks.

(c) Notwithstanding subsection (a) of this Section, if any amount of principal of or interest on any Loan, or any other amount payable hereunder or under any other Loan Document is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Company agrees to pay interest on such unpaid principal or other amount, from the date such amount becomes due until the date such amount is paid in full, and after as well as before any entry of judgment thereon to the extent permitted by law, payable on demand, at a fluctuating rate per annum equal to the Base Rate plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of the Company to any Bank or Designated Bidder hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by such Bank or Designated Bidder would be contrary to the provisions of any law applicable to such Bank or Designated Bidder limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Bank, and in such event the Company shall pay such Bank or Designated Bidder interest at the highest rate permitted by applicable law.

2.13 Fees.

(a) Arrangement, Agency Fees. The Company shall pay an arrangement fee to the Arranger for the Arranger's own account, and shall pay an agency fee to the Agent for the Agent's own account, as required by the letter agreement ("Fee Letter") between the Company and the Arranger and Agent dated June 4, 1996. On the date of each Competitive Bid Request, the Company shall pay to the Agent for the Agent's own account a bid auction fee of $150 per Bank per Competitive Bid Request.

(b) Amendment Fee. On the Closing Date, the Company shall pay to the Agent for the account of each Bank an amendment fee of .10% of each Bank's Commitment.

(c) Facility Fees. The Company shall pay to the Agent for the account of each Bank a facility fee on the average daily Commitment for such Bank, computed on a quarterly basis in arrears on the last Business Day of each calendar quarter based upon the daily Commitments for that quarter as calculated by the Agent, equal to the Applicable Facility Fee Percentage. Such facility fee shall accrue from the Closing Date to the Revolving Termination Date and shall be due and payable quarterly in arrears on the last Business Day of each fiscal quarter commencing on September 30, 1996 through the Revolving Termination Date, with the final payment to be made on the Revolving Termination Date; provided that, in connection with any reduction or termination of Commitments under Section 2.08, the accrued facility fee calculated for the period ending on such date shall also be paid on the date of such reduction or termination, with the following quarterly payment being calculated on the basis of the period from such reduction or termination date to such quarterly payment date. The facility fees provided in this subsection shall accrue at all times after the above-mentioned commencement date, including at any time during which one or more conditions in Article V are not met.

2.14 Computation of Fees and Interest.

(a) All computations of interest for Base Rate Committed Loans and of fees shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) Each determination of an interest rate or a Dollar Equivalent amount by the Agent shall be rebuttably presumptive evidence thereof in the absence of manifest error. The Agent will, at the request of the Company or any Bank, deliver to the Company or any Bank or Designated Bidder, as the case may be, a statement showing the quotations used by the Agent in determining any interest rate or Dollar Equivalent amount.

2.15 Payments by the Company.

(a) All payments to be made by the Company shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Company shall be made to the Agent for the account of the Banks and Designated Bidders at the Agent's Payment Office, and, with respect to principal of, interest on, and any other amounts relating to, any Offshore Currency Loan, shall be made in the Offshore Currency in which such Loan is denominated or payable, and, with respect to all other amounts payable hereunder, shall be made in Dollars. Such payments shall be made in Same Day Funds, and (i) in the case of Offshore Currency payments, no later than such time on the dates specified herein as may be determined by the Agent to be necessary for such payment to be credited on such date in accordance with normal banking procedures in the place of payment, and (ii) in the case of any Dollar payments, no later than 12:00 noon (Chicago time) on the date specified herein. The Agent will promptly distribute to each Bank (or Designated Bidder) its Pro Rata Share (or other applicable share as expressly provided herein) of such principal, interest, fees or other amounts, in like funds as received. Any payment which is received by the Agent later than 12:00 noon (Chicago time), or later than the time specified by the Agent as provided in clause (i) above (in the case of Offshore Currency payments), shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Agent receives notice from the Company prior to the date on which any payment is due to the Banks or Designated Bidders that the Company will not make such payment in full as and when required, the Agent may assume that the Company has made such payment in full to the Agent on such date in Same Day Funds and the Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Bank or Designated Bidder on such due date an amount equal to the amount then due such Bank or Designated Bidder. If and to the extent the Company has not made such payment in full to the Agent, each Bank or Designated Bidders shall repay to the Agent on demand such amount distributed to such Bank or Designated Bidder, together with interest thereon at the Federal Funds Rate or, in the case of a payment in an Offshore Currency, the Overnight Rate, for each day from the date such amount is distributed to such Bank or Designated Bidder until the date repaid.

2.16 Payments by the Banks to the Agent.

(a) Unless the Agent receives notice from a Bank on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, at least one Business Day prior to the date of such Borrowing, that such Bank will not make available as and when required hereunder to the Agent for the account of the Company the amount of that Bank's Pro Rata Share of the Committed Borrowing, the Agent may assume that each Bank has made such amount available to the Agent in

Same Day Funds on the Borrowing Date and the Agent may (but shall not be so required), in reliance upon such assumption, make available to the Company on such date a corresponding amount. If and to the extent any Bank shall not have made its full amount available to the Agent in Same Day Funds and the Agent in such circumstances has made available to the Company such amount, that Bank shall on the Business Day following such Borrowing Date make such amount available to the Agent, together with interest at the Federal Funds Rate or, in the case of any Borrowing consisting of Offshore Currency Loans, the Overnight Rate, for each day during such period. A notice of the Agent submitted to any Bank with respect to amounts owing under this subsection 2.16(a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Agent shall constitute such Bank's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Agent on the Business Day following the Borrowing Date, the Agent will notify the Company of such failure to fund and, upon demand by the Agent, the Company shall pay such amount to the Agent for the Agent's account, together with interest thereon for each day elapsed since the date of such Committed Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Committed Loans comprising such Committed Borrowing.

(b) The failure of any Bank to make any Committed Loan on any Borrowing Date shall not relieve any other Bank of any obligation hereunder to make a Committed Loan on such Borrowing Date, but no Bank shall be responsible for the failure of any other Bank to make the Committed Loan to be made by such other Bank on any Borrowing Date.

2.17 Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Bank shall obtain on account of the Committed Loans made by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share (or other share contemplated hereunder), such Bank shall immediately (a) notify the Agent of such fact, and (b) purchase from the other Banks such participations in the Committed Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment pro rata with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Bank, such purchase shall to that extent be rescinded and each other Bank shall repay to the purchasing Bank the purchase price paid therefor, together with an amount equal to such paying Bank's ratable share (according to the proportion of (i) the amount of such paying Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Company agrees that any Bank so purchasing a participation from another Bank may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 11.10) with respect to such participation as fully as if such Bank were the direct creditor of the Company in the amount of such participation. The Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Banks following any such purchases or repayments. Any Bank having outstanding both Committed Loans and Bid Loans at any time a right of set-off is exercised by such Bank and applying such setoff to the Loans shall apply the proceeds of such set-off first to such Bank's Committed Loans, until its Committed Loans are reduced to zero, and thereafter to its Bid Loans.

2.18 Effect of Amendment and Restatement. The Company, the Agent and the Banks acknowledge and agree that (i) this Agreement and the documents executed and delivered in connection herewith do not constitute a novation, payment and reborrowing, or termination of the loan obligations, reimbursement obligations or other monetary obligations under the Existing Credit Agreement (the "Existing Obligations") as in effect prior to the Closing Date or a novation, payment and reborrowing of the loan under the Existing Credit Agreement as in effect prior to the Closing Date, (ii) the Existing Obligations are in all respects enforceable with only the terms thereof being modified as provided by this Agreement, (iii) the liens and security interests of the Agent for the benefit of the Banks securing payment of the Existing Obligations are in all respects continuing and in full force and effect with respect to the Obligations hereunder and (iv) all references in the loan documents executed and delivered in connection with the Existing Credit Agreement to the "Credit Agreement" or the "Second Amended and Restated Credit Agreement" shall be deemed to refer without further amendment to this Agreement.

ARTICLE III

THE LETTERS OF CREDIT

3.01 The Letter of Credit Subfacility.

(a) On the terms and conditions set forth herein (i) the Issuing Bank agrees, (A) from time to time on any Business Day during the period from the Closing Date to the Revolving Termination Date to issue Letters of Credit denominated in Dollars or an Offshore L/C Currency for the account of the Company, and to amend or renew Letters of Credit previously issued by it, in accordance with subsections 3.02(c) and 3.02(d), and (B) to honor drafts under the Letters of Credit; and (ii) the Banks severally agree to participate in Letters of Credit Issued for the account of the Company; provided that the Issuing Bank shall not be obligated to Issue, and no Bank shall be obligated to participate in, any Letter of Credit if as of the date of Issuance of such Letter of Credit (the "Issuance Date"): (1) the Effective Amount of all L/C Obligations exceeds $25,000,000; (2) the Effective Amount of all L/C Obligations plus the Effective Amount of all Loans exceeds the aggregate Commitments or (3) the participation of any Bank in the Effective Amount of all L/C Obligations plus the Effective Amount of the Committed Loans of such Bank exceeds such Bank's Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, the Company's ability to obtain Letters of Credit shall be fully revolving, and, accordingly, the Company may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit which have expired or which have been drawn upon and reimbursed.

(b) The Issuing Bank shall be under no obligation to Issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin

or restrain the Issuing Bank from Issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it and for which the Issuing Bank is not compensated hereunder;

(ii) the Issuing Bank has received written notice from any Bank, the Agent or the Company, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied;

(iii) the expiry date of any requested Letter of Credit is after the scheduled Revolving Termination Date, unless all of the Banks have approved such expiry date in writing;

(iv) any requested Letter of Credit is not in form and substance acceptable to the Issuing Bank, or the Issuance of a Letter of Credit shall violate any applicable policies of the Issuing Bank; or

(v) any standby Letter of Credit is for the purpose of supporting the issuance of any letter of credit by any other Person other than a guarantee issued by a foreign bank.

3.02 Issuance, Amendment and Renewal of Letters of Credit.

(a) Each Letter of Credit shall be issued upon the irrevocable written request of the Company received by the Issuing Bank (with a copy sent by the Company to the Agent) at least two Business Days (or such shorter time as the Issuing Bank may agree in a particular instance in its sole discretion) prior to the proposed date of issuance. Each such request for issuance of a Letter of Credit shall be by facsimile, confirmed immediately in an original writing, in the form of an L/C Application, and shall specify in form and detail reasonably satisfactory to the Issuing Bank: (i) the proposed date of issuance of the Letter of Credit (which shall be a Business Day); (ii) the face amount of the Letter of Credit; (iii) the expiry date of the Letter of Credit; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by the beneficiary of the Letter of Credit in case of any drawing thereunder; (vi) the full text of any certificate to be presented by the

beneficiary in case of any drawing thereunder; (vii) the currency (which shall be Dollars or an Offshore L/C Currency) in which the Letter of Credit is to be denominated; and (viii) such other matters as the Issuing Bank may require. The Agent will promptly notify the Banks of the receipt by it of any L/C Application.

(b) If the Agent is not the Issuing Bank, by 12:00 p.m. (Chicago time) on the Business Day next preceding the requested date of issuance of a Letter of Credit, the Issuing Bank will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of the L/C Application or L/C Amendment Application from the Company and, if not, the Issuing Bank will provide the Agent with a copy thereof. Unless the Issuing Bank has received notice on or before the Business Day immediately preceding the date the Issuing Bank is to issue a requested Letter of Credit from the Agent (i) directing the Issuing Bank not to issue such Letter of Credit because such issuance is not then permitted under subsection 3.01(a) as a result of the limitations set forth in clauses (1) through (3) thereof or subsection 3.01(b)(ii); or (ii) that one or more conditions specified in Article V are not then satisfied; then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Company in accordance with the Issuing Bank's usual and customary business practices.

(c) From time to time while a Letter of Credit is outstanding and prior to the Revolving Termination Date, the Issuing Bank will, upon the written request of the Company received by the Issuing Bank (with a copy sent by the Company to the Agent) at least two Business Days (or such shorter time as the Issuing Bank may agree in a particular instance in its sole discretion) prior to the proposed date of amendment, amend any Letter of Credit issued by it. Each such request for amendment of a Letter of Credit shall be made by facsimile, confirmed immediately in an original writing, made in the form of an L/C Amendment Application and shall specify in form and detail satisfactory to the Issuing Bank: (i) the Letter of Credit to be amended; (ii) the proposed date of amendment of the Letter of Credit (which shall be a Business Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the Issuing Bank may reasonably require. The Issuing Bank shall be under no obligation to amend any Letter of Credit if: (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms of this Agreement; or (B) the beneficiary of any such Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(d) The Issuing Bank and the Banks agree that, while a Letter of Credit is outstanding and prior to the Revolving Termination Date, at the option of the Company and upon the written request of the Company received by the Issuing Bank (with a copy sent by the Company to the Agent) at least two Business Days (or such shorter time as the Issuing Bank may agree in a particular instance in its sole discretion) prior to the proposed date of notification of renewal, the Issuing Bank shall be entitled to authorize the automatic renewal of any Letter of Credit issued by it. Each such request for renewal of a Letter of Credit shall be made by facsimile, confirmed immediately in an original writing, in the form of an L/C Amendment Application, and shall specify in form and detail satisfactory to the Issuing Bank: (i) the Letter of Credit to be renewed; (ii) the proposed date of notification of renewal of the Letter of Credit (which shall be a Business Day); (iii) the revised expiry date of the Letter of Credit; and (iv) such other matters as the Issuing Bank may

require. The Issuing Bank shall be under no obligation to renew any Letter of Credit if: (A) the Issuing Bank would have no obligation at such time to issue or amend such Letter of Credit in its renewed form under the terms of this Agreement; or (B) the beneficiary of any such Letter of Credit does not accept the proposed renewal of the Letter of Credit. If any outstanding Letter of Credit shall provide that it shall be automatically renewed unless the beneficiary thereof receives notice from the Issuing Bank that such Letter of Credit shall not be renewed, and if at the time of renewal the Issuing Bank would be entitled to authorize the automatic renewal of such Letter of Credit in accordance with this subsection 3.02(d) upon the request of the Company but the Issuing Bank shall not have received any L/C Amendment Application from the Company with respect to such renewal or other written direction by the Company with respect thereto, the Issuing Bank shall nonetheless be permitted to allow such Letter of Credit to renew, and the Company and the Banks hereby authorize such renewal, and, accordingly, the Issuing Bank shall be deemed to have received an L/C Amendment Application from the Company requesting such renewal.

(e) The Issuing Bank may, at its election (or as required by the Agent at the direction of the Majority Banks), deliver any notices of termination or other communications to any Letter of Credit beneficiary or transferee, and take any other action as necessary or appropriate, at any time and from time to time, in order to cause the expiry date of such Letter of Credit to be a date not later than the Revolving Termination Date.

(f) This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit). In addition, unless the Company and the Issuing Bank shall otherwise expressly agree in writing, any purported grant of a Lien (or any requirement to do so) contained in any L/C Related Document shall be ineffective and null and void.

(g) The Issuing Bank will also deliver to the Agent, concurrently or promptly following its delivery of a Letter of Credit, or amendment to or renewal of a Letter of Credit, to an advising bank or a beneficiary, a true and complete copy of each such Letter of Credit or amendment to or renewal of a Letter of Credit.

3.03 Risk Participations, Drawings and Reimbursements.

(a) Immediately upon the Issuance of each Letter of Credit, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to the product of (i) the Pro Rata Share of such Bank, times (ii) the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively. For purposes of Section 2.01, each Issuance of a Letter of Credit shall be deemed to utilize the Commitment of each Bank by an amount equal to the amount of such participation for so long as any related L/C Obligations shall be outstanding.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Bank will promptly notify the Company and the Agent. Provided it shall have received such notice, the Company shall reimburse the Issuing Bank prior to

12:00 p.m. (Chicago time) on each date that any amount is paid by the Issuing Bank under any Letter of Credit (each such date, an "Honor Date") in an amount equal to the amount so paid by the Issuing Bank; provided that, if such Letter of Credit is denominated in an Offshore L/C Currency, the Company shall pay to the Issuing Bank the Dollar Equivalent of the amount of such Offshore L/C Currency paid by the Issuing Bank under such Letter of Credit. In the event the Company fails to reimburse the Issuing Bank for the full amount of any drawing under any Letter of Credit by 12:00 p.m. (Chicago time) on the Honor Date, the Issuing Bank will promptly notify the Agent and the Agent will promptly notify each Bank thereof, and the Company shall be deemed to have requested that Base Rate Loans be made by the Banks to be disbursed on the Honor Date under such Letter of Credit, subject to the amount of the unutilized portion of the Commitment and subject to the conditions set forth in Section 5.02 other than any notice requirements. Any notice given by the Issuing Bank or the Agent pursuant to this subsection 3.03(b) may be oral if immediately confirmed in writing (including by facsimile); provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Bank shall upon any notice pursuant to subsection 3.03(b) make available to the Agent for the account of the relevant Issuing Bank an amount in Dollars and in immediately available funds equal to its Pro Rata Share of the amount of the Dollar Equivalent of the drawing, whereupon the participating Banks shall (subject to subsection 3.03(d)) each be deemed to have made a Loan consisting of a Base Rate Loan to the Company in that amount. If any Bank so notified fails to make available to the Agent for the account of the Issuing Bank the amount of such Bank's Pro Rata Share of such amount by no later than 2:00 p.m. (Chicago time) on the Honor Date, then interest shall accrue on such Bank's obligation to make such payment, from the Honor Date to the date such Bank makes such payment, at a rate per annum equal to the Federal Funds Rate in effect from time to time during such period. The Agent will promptly give notice of the occurrence of the Honor Date, but failure of the Agent to give any such notice on the Honor Date or in sufficient time to enable any Bank to effect such payment on such date shall not relieve such Bank from its obligations under this Section 3.03.

(d) With respect to any unreimbursed drawing that is not converted into Loans consisting of Base Rate Loans to the Company in whole or in part as contemplated by Section 3.03(b), because of the Company's failure to satisfy the conditions set forth in Section 5.02 or for any other reason, the Company shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in the amount of such drawing, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate per annum equal to the Base Rate, and each Bank's payment to the Issuing Bank pursuant to subsection 3.03(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Bank in satisfaction of its participation obligation under this Section 3.03.

(e) Each Bank's obligation in accordance with this Agreement to make the Loans or L/C Advances, as contemplated by this Section 3.03, as a result of a drawing under a Letter of Credit, shall be absolute and unconditional and without recourse to the Issuing Bank and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank, the Company or any other Person

for any reason whatsoever; (ii) the occurrence or continuance of a Default, an Event of Default or a Material Adverse Effect; or (iii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided, however, that each Bank's obligation to make Loans under this Section 3.03 is subject to the conditions set forth in Section 5.02 (other than any notice requirements).

3.04 Repayment of Participations.

(a) Upon (and only upon) receipt by the Agent for the account of the Issuing Bank of immediately available funds from the Company (i) in reimbursement of any payment made by the Issuing Bank under the Letter of Credit with respect to which any Bank has paid the Agent for the account of the Issuing Bank for such Bank's participation in the Letter of Credit pursuant to Section 3.03 or (ii) in payment of interest thereon, the Agent will pay to each Bank, in the same funds as those received by the Agent for the account of the Issuing Bank, the amount of such Bank's Pro Rata Share of such funds, and the Issuing Bank shall receive the amount of the Pro Rata Share of such funds of any Bank that did not so pay the Agent for the account of the Issuing Bank.

(b) If the Agent or the Issuing Bank is required at any time to return to the Company, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by the Company to the Agent for the account of the Issuing Bank pursuant to subsection 3.04(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Bank shall, on demand of the Agent, forthwith return to the Agent or the Issuing Bank the amount of its Pro Rata Share of any amounts so returned by the Agent or the Issuing Bank plus interest thereon from the date such demand is made to the date such amounts are returned by such Bank to the Agent or the Issuing Bank, at a rate per annum equal to the Federal Funds Rate in effect from time to time.

3.05 Role of the Issuing Bank.

(a) Each Bank and the Company agree that, in paying any drawing under a Letter of Credit, the Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft and certificates expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document.

(b) No Agent-Related Person nor any of the respective correspondents, participants or assignees of the Issuing Bank shall be liable to any Bank for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Banks (including the Majority Banks, as applicable); (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any L/C-Related Document.

(c) The Company hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this

assumption is not intended to, and shall not, preclude the Company's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. No Agent-Related Person, nor any of the respective correspondents, participants or assignees of the Issuing Bank, shall be liable or responsible for any of the matters described in clauses (a) through (g) of Section 3.06; provided, however, anything in such clauses to the contrary notwithstanding, that the Company may have a claim against the Issuing Bank, and the Issuing Bank may be liable to the Company, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Company which the Company proves were caused by the Issuing Bank's willful misconduct or gross negligence or the Issuing Bank's willful misconduct or gross negligence or the Issuing Bank's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing: (i) the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation; and (ii) the Issuing Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

3.06 Obligations Absolute. The obligations of the Company under this Agreement and any L/C-Related Document to reimburse the Issuing Bank for a drawing under a Letter of Credit, and to repay any L/C Borrowing and any drawing under a Letter of Credit converted into Loans, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and each such other L/C-Related Document under all circumstances, including the following:

(a) any lack of validity or enforceability of this Agreement or any L/C-Related Document;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of the Company in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from all or any of the L/C-Related Documents;

(c) the existence of any claim, set-off, defense or other right that the Company may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by the L/C-Related Documents or any unrelated transaction;

(d) any draft, demand, certificate or 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; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit;

(e) any payment by the Issuing Bank under any Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of any Letter of Credit; or any payment made by the Issuing Bank under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of any Letter of Credit, including any arising in connection with any Insolvency Proceeding;

(f) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the obligations of the Company in respect of any Letter of Credit; or

(g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company or a guarantor.

3.07 Letter of Credit Fees.

(a) The Company shall pay to the Agent for the account of each of the Banks a letter of credit fee with respect to standby Letters of Credit equal to the Applicable Margin times the average daily maximum amount available to be drawn on such outstanding Letters of Credit and with respect to commercial Letters of Credit, a $75.00 fronting fee (for the account of the Issuer) plus a .25% exposure fee, in each case, computed on a quarterly basis in arrears on the last Business Day of each calendar quarter based upon Letters of Credit of such type outstanding for that quarter as calculated by the Agent. Such letter of credit fees shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter during which Letters of Credit are outstanding, commencing on the first such quarterly date to occur after the Closing Date, through the Revolving Termination Date (or such later date upon which the outstanding Letters of Credit shall expire), with the final payment to be made on the Revolving Termination Date (or such later expiration date).

(b) The Company shall pay to the Issuing Bank a letter of credit fronting fee for each Letter of Credit Issued by the Issuing Bank in an amount agreed to by the Company and the Issuing Bank. Such Letter of Credit fronting fee shall be due and payable on each date of Issuance of a Letter of Credit or at such other time as may be agreed upon between the Company and the Issuing Bank.

(c) The Company shall pay to the Issuing Bank from time to time on demand the normal issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the Issuing Bank relating to letters of credit as from time to time in effect.

3.08 Uniform Customs and Practice. The Uniform Customs and Practice for Documentary Credits as published by the International Chamber of Commerce most recently at the time of issuance of any Letter of Credit shall (unless otherwise expressly provided in the Letters of Credit) apply to the Letters of Credit.

3.09 Outstanding Letters of Credit. The letters of credit set forth under the caption "Letters of Credit outstanding on the Original Closing Date" on Schedule 3.09 annexed hereto and made a part hereof were issued pursuant to the Original Credit Agreement and remain outstanding as of the Closing Date (the "Outstanding Letters of Credit"). The Company, each Issuing Bank and each of the Banks hereby agree with respect to the Outstanding Letters of Credit that such Outstanding Letters of Credit, for all purposes under this Agreement shall be deemed to be Letters of Credit governed by the terms and conditions of this Agreement. Each Bank agrees to participate in each Outstanding Letter of Credit issued by any Issuing Bank in an amount equal to its Pro Rata Share of the stated amount of such Outstanding Letter of Credit.

ARTICLE IV

TAXES, YIELD PROTECTION AND ILLEGALITY

4.01 Taxes.

(a) Any and all payments by the Company to each Bank or the Agent under this Agreement and any other Loan Document shall be made free and clear of, and without deduction or withholding for, any Taxes. In addition, the Company shall pay all Other Taxes.

(b) If the Company shall be required by law to deduct or withhold any Taxes, Other Taxes or Further Taxes from or in respect of any sum payable hereunder to any Bank or the Agent, then:

(i) the sum payable shall be increased as necessary so that, after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 4.01), such Bank or the Agent, as the case may be, receives and retains an amount equal to the sum it would have received and retained had no such deductions or withholdings been made;

(ii) the Company shall make such deductions and withholdings;

(iii) the Company shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) the Company shall also pay to each Bank or the Agent for the account of such Bank, at the time interest is paid, Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed.

(c) The Company agrees to indemnify and hold harmless each Bank and the Agent for the full amount of (i) Taxes, (ii) Other Taxes, and (iii) Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed, and any liability

(including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes, Other Taxes or Further Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date the Bank or the Agent makes written demand therefor.

(d) Within 30 days after the date of any payment by the Company of Taxes, Other Taxes or Further Taxes, the Company shall furnish to each Bank or the Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to such Bank or the Agent.

(e) If the Company is required to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 4.01, then such Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by the Company which may thereafter accrue, if such change in the sole judgment of such Bank is not otherwise disadvantageous to such Bank.

(f) Notwithstanding anything to the contrary contained in this Agreement, in no event shall the Company be either (i) obligated to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 4.01 or (ii) prohibited from deducting or withholding for any applicable Taxes pursuant to subsection (a) of this Section 4.01, if the Bank or Agent fails to deliver forms to the Company in accordance with Section 10.10 on a timely basis, unless such failure would not have occurred but for a change in law or regulation or in the interpretation thereof by any governmental or regulatory agency or body charged with the administration or interpretation thereof, or the introduction of any law or regulation, that occurs on or after the date hereof.

4.02 Illegality.

(a) If any Bank determines that the introduction of any Requirement of Law, or any change in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Bank or its applicable Lending Office or such Bank's Designated Bidders in the case of LIBOR Bid Loans, to make Offshore Rate Loans (including Offshore Rate Loans in any Applicable Currency), then, on notice thereof by the Bank to the Company through the Agent, any obligation of that Bank or Designated Bidder to make Offshore Rate Loans (including in respect of any LIBOR Bid Loan as to which the Company has accepted such Bank's or Designated Bidder's Competitive Bid, but as to which the Borrowing Date has not arrived) shall be suspended until the Bank notifies the Agent and the Company that the circumstances giving rise to such determination no longer exist.

(b) If a Bank determines that it is unlawful for such Bank or such Bank's Designated Bidders to maintain any Offshore Rate Loan, the Company shall, upon its receipt of notice of such fact and demand from such Bank (with a copy to the Agent), prepay in full such Offshore Rate Loans of that Bank then outstanding, together with interest accrued thereon and amounts required under Section 4.04, either on the last day of the Interest Period thereof, if the Bank

or Designated Bidder may lawfully continue to maintain such Offshore Rate Loans to such day, or immediately, if the Bank or Designated Bidder may not lawfully continue to maintain such Offshore Rate Loan. If the Company is required to so prepay any Offshore Rate Loan, then concurrently with such prepayment, the Company shall (without regard to whether the conditions specified in Section 5.02 have been satisfied) borrow from the affected Bank, in the amount of such repayment, a Base Rate Committed Loan.

(c) If the obligation of any Bank to make or maintain Offshore Rate Committed Loans has been so terminated or suspended, the Company may elect, by giving notice to the Bank through the Agent that all Loans which would otherwise be made by the Bank as Offshore Rate Committed Loans shall be instead Base Rate Loans.

(d) Before giving any notice to the Agent under this Section, the affected Bank shall designate a different Lending Office with respect to its Offshore Rate Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Bank, be illegal or otherwise disadvantageous to the Bank.

4.03 Increased Costs and Reduction of Return.

(a) If any Bank determines that, due to either (i) the introduction of or any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Offshore Rate or in respect of the assessment rate payable by any Bank to the FDIC for insuring U.S. deposits) in or in the interpretation of any law or regulation after the date of this Agreement or (ii) the compliance by that Bank with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) after the date of this Agreement, there shall be any increase in the cost to such Bank of agreeing to make or making, funding or maintaining any Offshore Rate Committed Loans or participating in Letters of Credit, or, in the case of the Issuing Bank, any increase in the cost to the Issuing Bank of agreeing to issue, issuing or maintaining any Letter of Credit or of agreeing to make or making, funding or maintaining any unpaid drawing under any Letter of Credit, then the Company shall be liable for, and shall from time to time, upon demand (with a copy of such demand to be sent to the Agent), pay to the Agent for the account of such Bank, additional amounts as are sufficient to compensate such Bank for such increased costs.

(b) If any Bank shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by the Bank (or its Lending Office) or any corporation controlling the Bank with any Capital Adequacy Regulation, in any such case, after the date of this Agreement, affects or would affect the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank and (taking into consideration such Bank's or such corporation's policies with respect to capital adequacy and such Bank's desired return on capital) determines that the amount of such capital is increased as a consequence of its Commitment[s], loans, credits or obligations

under this Agreement, then, upon demand of such Bank to the Company through the Agent, the Company shall pay to the Bank, from time to time as specified by the Bank, additional amounts sufficient to compensate the Bank for such increase.

4.04 Funding Losses. The Company shall reimburse each Bank and hold each Bank harmless from any loss or expense which the Bank may sustain or incur as a consequence of:

(a) the failure of the Company to make on a timely basis any payment of principal of any Offshore Rate Loan;

(b) the failure of the Company to borrow, continue or convert a Committed Loan after the Company has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/ Continuation, except as set forth in subsections 2.05(b) or (c);

(c) the failure of the Company to make any prepayment in accordance with any notice delivered under Section 2.09;

(d) the prepayment (including pursuant to Section 2.09 or 2.10) or other payment (including after acceleration thereof) of an Offshore Rate Loan on a day that is not the last day of the relevant Interest Period; or

(e) the automatic conversion under Section 2.04 of any Offshore Rate Committed Loan to a Base Rate Committed Loan on a day that is not the last day of the relevant Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Offshore Rate Committed Loans or from fees payable to terminate the deposits from which such funds were obtained or from charges relating to any Offshore Currency Loans. For purposes of calculating amounts payable by the Company to the Banks under this Section and under subsection 4.03(a), each Offshore Rate Committed Loan made by a Bank (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the IBOR used in determining the Offshore Rate for such Offshore Rate Loan by a matching deposit or other borrowing in the interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Offshore Rate Loan is in fact so funded.

4.05 Inability to Determine Rates. If the Agent determines that for any reason adequate and reasonable means do not exist for determining the Offshore Rate for any requested Interest Period with respect to a proposed Offshore Rate Loan, or the Majority Banks that the Offshore Rate applicable pursuant to subsection 2.12(a) for any requested Interest Period with respect to a proposed Offshore Rate Loan does not adequately and fairly reflect the cost to the Banks of funding such Loan, the Agent will promptly so notify the Company and each Bank. Thereafter, the obligation of the Banks to make or maintain Offshore Rate Loans, as the case may be, hereunder shall be suspended until the Agent revokes such notice in writing. Upon receipt of such notice, the Company may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Company does not revoke such Notice, the Banks shall make, convert or

continue the Committed Loans, as proposed by the Company, in the amount specified in the applicable notice submitted by the Company, but such Loans shall be made, converted or continued as Base Rate Committed Loans instead of Offshore Rate Loans. In the case of any Offshore Currency Loans, the Borrowing or continuation shall be in an aggregate amount equal to the Dollar Equivalent amount of the originally requested Borrowing or continuation in the Offshore Currency, and to that end any outstanding Offshore Currency Loans which are the subject of any continuation shall be redenominated and converted into Base Rate Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Loans.

4.06 Reserves on Offshore Rate Loans. The Company shall pay to each Bank, as long as such Bank shall be required under regulations of the FRB to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), and, in respect of any LIBOR Bid Loan, under any applicable regulations of the central bank or other relevant Governmental Authority in the country in which the Offshore Currency of such Offshore Rate Committed Loan circulates, additional costs on the unpaid principal amount of each LIBOR Bid Loan equal to the actual costs of such reserves allocated to such Loan by the Bank (as determined by the Bank in good faith, which determination shall be conclusive), payable on each date on which interest is payable on such LIBOR Bid Loan, provided the Company shall have received at least 15 days' prior written notice (with a copy to the Agent) of such additional interest from the Bank. If a Bank fails to give notice 15 days prior to the relevant Interest Payment Date, such additional interest shall be payable 15 days from receipt of such notice.

4.07 Certificates of Banks. Any Bank or Designated Bidder claiming reimbursement or compensation under this Article IV shall deliver to the Company (with a copy to the Agent) a certificate setting forth in reasonable detail the amount payable to the Bank or Designated Bidder hereunder and such certificate shall be conclusive and binding on the Company in the absence of manifest error. Notwithstanding anything to the contrary contained in this Agreement, no amounts shall be payable by the Company pursuant to Section 4.03, 4.04 or 4.06 with respect to any period commencing more than 90 days before the delivery of the certificate contemplated by this Section 4.07, unless such amounts are claimed as a result of the retroactive effect of any newly enacted or adopted law, rule or regulation and such certificate is delivered within 180 days after such enactment or adoption.

4.08 Substitution of Banks. If any Bank has (x) delivered a certificate pursuant to Section 4.07 or notified the Agent that it is unable to extend or maintain any Offshore Rate Loans (including Offshore Currency Loans) or (y) failed to fund a Loan at any time that such Bank shall have been committed to make such Loan or in the event such Bank may be replaced pursuant to the provisions of Section 11.08(e) hereof (in any such case, an "Affected Bank"), the Company shall have the right to replace the Affected Bank in accordance with this Section 4.08. In any such event the Company may (i) request the Affected Bank to use its best efforts to obtain a replacement bank or financial institution satisfactory to the Company to acquire and assume all or a ratable part of all of such Affected Bank's Loans and Commitment (a "Replacement Bank"); (ii) request one more of the other Banks to acquire and assume all or part of such Affected Bank's Loans and Commitment; or (iii) designate a Replacement Bank. Any such designation of a Replacement Bank under clause (i) or

(iii) shall be subject to the prior written consent of the Agent (which consent shall not be unreasonably withheld).

4.09 Survival. The agreements and obligations of the Company in this Article IV shall survive the payment of all other Obligations.

ARTICLE V

CONDITIONS PRECEDENT

5.01 Conditions of Initial Loans. The obligation of each Bank to make its initial Credit Extension hereunder, and to receive through the Agent the initial Competitive Bid Request, is subject to the condition that the Agent shall have received on or before the date of the initial Credit Extension or Competitive Bid Request all of the following, in form and substance satisfactory to the Agent and each Bank, and in sufficient copies for each Bank:

(a) Loan Documents. This Agreement, the Notes, the Subsidiary Guaranty Agreement and the Pledge Agreement executed by each party thereto and shall have delivered to Agent all the Pledged Stock and Pledged Notes referred to therein then owned, if any, by the Company, (x) endorsed in blank in the case of promissory notes constituting Pledged Notes and (y) together with executed and undated stock powers, in the case of capital stock constituting Pledged Stock and the other documents and instruments required to be delivered under the Pledge Agreement;

(b) Resolutions; Incumbency.

(i) Copies of the resolutions of the board of directors of the Company and each Subsidiary that may become party to a Loan Document authorizing the transactions contemplated hereby, certified as of the Closing Date by the Secretary or an Assistant Secretary of such Person; and

(ii) A certificate of the Secretary or Assistant Secretary of the Company, and each Subsidiary that may become party to a Loan Document certifying the names and true signatures of the officers of the Company or such Subsidiary authorized to execute, deliver and perform, as applicable, this Agreement, and all other Loan Documents to be delivered by it hereunder;

(c) Organization Documents; Good Standing. Each of the following documents:

(i) the articles or certificate of incorporation and the bylaws of the Company and each Subsidiary party to any Loan Document as in effect on the Closing Date, certified by the Secretary or Assistant Secretary of the Company or such Subsidiary as of the Closing Date; and

(ii) a good standing certificate for the Company and each Subsidiary party to any Loan Document from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation and the state of its principal place of business as of a recent date;

(d) Legal Opinions. An opinion of Latham and Watkins, special counsel to the Company and addressed to the Agent and the Banks, substantially in the form of Exhibit 5.01(d);

(e) Payment of Fees. Evidence of payment by the Company of all accrued and unpaid fees, to the extent then due and payable on the Closing Date, including without limitation all accrued interest and fees due and owing under the Original Credit Agreement;

(f) Certificate. A certificate signed by a Responsible Officer on behalf of the Company, dated as of the Closing Date, stating that:

(i) the representations and warranties contained in Article VI are true and correct on and as of such date, as though made on and as of such date;

(ii) no Default or Event of Default exists or would result from the initial Borrowing; and

(iii) there has occurred since December 31, 1995, no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect; and

(g) Other Documents. Such other approvals, opinions, documents or materials as the Agent or any Bank may reasonably request.

5.02 Conditions to All Credit Extensions. The obligation of each Bank to make any Loan to be made by it (including its initial Loan), the obligations of any Bank or Designated Bidder to make any Bid Loan as to which the Company has accepted the relevant Competitive Bid and the obligation of the Issuing Bank to issue, and of each Bank to participate in, any Letter of Credit are subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date:

(a) Notice of Borrowing or Issuance. The Agent shall have received (with, in the case of the initial Loan only, a copy for each Bank) a Notice of Borrowing or in the case of any Issuance of any Letter of Credit, the Agent and the Issuing Bank shall have received an L/C Application or L/C Amendment Application, as required under Section 3.02;

(b) Continuation of Representations and Warranties. The representations and warranties in Article VI shall be true and correct on and as of such Borrowing Date with the same effect as if made on and as of such Borrowing Date (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct as of such earlier date); and

(c) No Existing Default. No Default or Event of Default shall exist or shall result from such Borrowing.

Each Notice of Borrowing and L/C Application or L/C Amendment Application submitted by the Company hereunder shall constitute a representation and warranty by the Company hereunder, as of the date of each such notice and as of each Borrowing Date, that the conditions in Section 5.02 are satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Agent and each Bank that:

6.01 Corporate Existence and Power. The Company and each of its Subsidiaries:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(b) has the power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver, and perform its obligations under the Loan Documents;

(c) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; and

(d) is in compliance with all Requirements of Law;

except, in each case referred to in clause (c) or clause (d), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.02 Corporate Authorization; No Contravention. The execution, delivery and performance by the Company and its Subsidiaries of this Agreement and each other Loan Document to which such Person is party, have been duly authorized by all necessary corporate action, and do not and will not:

(a) contravene the terms of any of that Person's Organization Documents;

(b) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any material Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its property is subject; or

(c) violate any Requirement of Law applicable to such Person.

6.03 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company or any of its Subsidiaries of the Agreement or any other Loan Document other than those which have already been obtained or made.

6.04 Binding Effect. This Agreement and each other Loan Document to which the Company or any of its Subsidiaries is a party constitute the legal, valid and binding obligations of the Company and any of its Subsidiaries to the extent it is a party thereto, enforceable against such Person in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

6.05 Litigation. Except as specifically disclosed in Schedule 6.05, there are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of the Company, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against the Company, or its Subsidiaries or any of their respective properties which:

(a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby; or

(b) may reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

6.06 No Default. No Default or Event of Default exists or would result from the incurring of any Obligations by the Company. As of the Closing Date, neither the Company nor any Subsidiary is in default under or with respect to any Contractual Obligation in any respect which,

individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect, or that would, if such default had occurred after the Closing Date, create an Event of Default under subsection 9.01(e).

6.07 ERISA Compliance. Except as specifically disclosed in Schedule 6.07:

(a) Each Plan sponsored or maintained by the Company or an ERISA Affiliate is in compliance in all respects with the applicable provisions of ERISA, the Code and other federal or state law except where the failure to so comply, together with all other such failures to comply, could reasonably be expected to result in liability to the Company in an aggregate amount in excess of $5,000,000 . Each Plan sponsored or maintained by the Company or an ERISA Affiliate which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS and to the best knowledge of the Company, nothing has occurred which would cause the loss of such qualification. The Company and each ERISA Affiliate has made all required contributions to any Plan subject to Section 412 of the Code sponsored or maintained by the Company or an ERISA Affiliate, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan sponsored or maintained by the Company or an ERISA Affiliate, except where the failure to make such required contribution, together with all such other failures to make required contributions, could reasonably be expected to result in liability of the Company in an aggregate amount in excess of $5,000,000.

(b) There are no pending or, to the best knowledge of Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan sponsored or maintained by the Company which has resulted or could reasonably be expected to result in a liability of the Company in an aggregate amount in excess of $5,000,000. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan, other than a Multiemployer Plan or, to the knowledge of the Company and each ERISA Affiliate, with respect to any Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event or Events have occurred which could reasonably be expected to result in liability of the Company in an aggregate amount in excess of $5,000,000; (ii) the aggregate amount of Unfunded Pension Liability among all Pension Plans does not exceed $5,000,000; (iii) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, liability under Title IV of ERISA with respect to all Pension Plans (other than premiums due and not delinquent under Section 4007 of ERISA) in an aggregate amount in excess of $5,000,000; (iv) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a all Plans in an aggregate amount in excess of $5,000,000; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA and which could reasonably be expected to result in liability of the Company in an amount in excess of $5,000,000.

6.08 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 7.12. Neither the Company nor any Subsidiary is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

6.09 Title to Properties. The Company and each Subsidiary have good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of their respective businesses, except for such defects in title as could not, individually or in the aggregate, have a Material Adverse Effect. As of the Closing Date, the property of the Company and its Subsidiaries is subject to no Liens, other than Permitted Liens.

6.10 Taxes. The Company and its Subsidiaries have filed all Federal and other material tax returns and reports required to be filed, and have paid all Federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Company or any Subsidiary that would, if made, have a Material Adverse Effect.

6.11 Financial Condition.

(a) The unaudited consolidated financial statements of the Company and its Subsidiaries dated March 31, 1996, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date:

(i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, subject to ordinary, good faith year end audit adjustments and the absence of footnotes;

(ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and results of operations for the period covered thereby; and

(iii) except as specifically disclosed in Schedule 6.11, show all material indebtedness and other liabilities, direct or contingent, of the Company and its consolidated Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Contingent Obligations.

(b) Since March 31, 1996, there has been no Material Adverse Effect.

6.12 Environmental Matters. Except as specifically disclosed in Schedule 6.12, the Company is not in violation of any Environmental Laws and there are no pending Environmental

Claims against the Company which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

6.13 Regulated Entities. None of the Company, any Person controlling the Company, or any Subsidiary, is an "Investment Company" within the meaning of the Investment Company Act of 1940. The Company is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

6.14 Subsidiaries. As of the date of this Agreement, the Company has no Subsidiaries other than those specifically disclosed in part (a) of Schedule 6.14 hereto and has no equity investments in any other corporation or entity other than those specifically disclosed in part (b) of Schedule 6.14. Unless otherwise indicated on Schedule 6.14, as of the date of this Agreement, all of the issued and outstanding shares of capital stock of each of the Subsidiaries listed on Schedule 6.14 are owned directly or indirectly through wholly-owned Subsidiaries by the Company and all of such shares have been duly and validly authorized and issued and are fully paid and non-assessable and no party has a right to acquire any such capital stock and there are no outstanding subscription options, warrants, commitments, convertible securities, preemptive rights or other rights exercisable or exchangeable for or convertible into such capital stock.

6.15 Insurance. Except as specifically disclosed in Schedule 6.15, the properties of the Company and its Subsidiaries are insured as required by Section 7.06.

6.16 Swap Obligations. Neither the Company nor any of its Subsidiaries has incurred any outstanding obligations under any Swap Contracts, other than Permitted Swap Obligations.

6.17 Subordinated Debt. The subordination provisions of the Subordinated Notes and the Subordinated Debt Indenture will be enforceable against the holders of the Subordinated Notes by the holder of any Senior Indebtedness which has not effectively waived the benefits thereof, and the Notes and all other monetary obligations hereunder are within the definition of "Senior Indebtedness" and "Specified Senior Indebtedness" included in such provisions and are entitled to the benefits of the subordination created by the Subordinated Debt Indenture and the Subordinated Notes. All payments of principal of or interest on the Subordinated Notes made by the Company or from the liquidation of its property will be subject to such subordination provisions. The Company acknowledges that each bank now or hereafter entering into this Agreement is making its Loans in reliance upon such subordination provisions. The Subordinated Note have been duly registered or qualified under applicable federal or state securities laws or are exempt from such registration or qualification.

6.18 Security Documents. The security interests created in favor of Agent, as Pledgee for the benefit of the Banks under the Pledge Agreement, constitute first perfected security interests in the Pledged Stock and Pledged Notes, subject to no security interests of any other Person other than Liens permitted hereby. Except as set forth in the Pledge Agreement, no filings, registrations or recordings which have not been made or will not have been made (or submitted for recordation)

within 10 Business Days after the Closing Date are required in order to perfect the security interests created in the Pledged Stock or Pledged Notes under the Pledge Agreement. All of the capital stock of each Material Subsidiary which is a Domestic Subsidiary is pledged to the Agent pursuant to the Pledge Agreement, provided, however, that the consolidated total assets of Domestic Subsidiaries, the capital stock of which is not pledged to the Agent under the Pledge Agreement shall not exceed 7.5% of the Company's consolidated total assets.

6.19 Full Disclosure. None of the representations or warranties made by the Company or any Subsidiary in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Company or any Subsidiary in connection with the Loan Documents (including the offering and disclosure materials delivered by or on behalf of the Company to the Banks prior to the Closing Date) taken as a whole, contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered. All projections and pro forma financial information contained in any materials furnished by or on behalf of the Company or any of its Subsidiaries to each Bank are based on good faith estimates and assumptions by the management of the Company or the applicable Subsidiary, it being recognized by Banks, however, that projections as to future events are not to be viewed as fact and that actual results during the period or periods covered by any such projections may differ from the projected results and that the differences may be material.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid, unless the Majority Banks waive compliance in writing:

7.01 Financial Statements. The Company shall deliver to the Agent and each Bank:

(a) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the audited consolidated balance sheet of the Company and its Subsidiaries as at the end of such year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of Deloitte & Touche or another nationally-recognized independent public accounting firm ("Independent Auditor") which report shall state that such consolidated financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a consistent basis. Such opinion shall not be qualified or limited, in either case, because of a restricted or limited examination by the Independent Auditor of any material portion of the Company's or any Subsidiary's records and shall be delivered to the Agent pursuant to a reliance letter between the Agent and Banks and such Independent Auditor in form and substance satisfactory to the Agent;

(b) as soon as available, but not later than 45 days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the fiscal quarter ended June 30, 1996), a copy of the unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and the related consolidated statements of income for such quarter and the year to date period ending, shareholders' equity and cash flows for the period commencing on the first day of the fiscal year and ending on the last day of such quarter, and certified by a Responsible Officer as fairly presenting, in accordance with GAAP (subject to ordinary, good faith year-end audit adjustments), the financial position and the results of operations of the Company and the Subsidiaries;

(c) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of an unaudited consolidating balance sheet of the Company and its Subsidiaries as at the end of such year and the related consolidating statement of income, shareholders' equity and cash flows for such year, certified by a Responsible Officer as having been developed and used in connection with the preparation of the financial statements referred to in subsection 7.01(a);

(d) promptly when available and in any event within 45 days after the close of each Fiscal Year commencing with the Fiscal Year ending December 31, 1996, a business and financial plan, including projections of cash flows and statements of income (each on both a consolidated and consolidating basis), for the Company and its Subsidiaries for the then current Fiscal Year, setting forth such projections (on a consolidated basis) on a quarter-by-quarter basis and including a projected year-end consolidated balance sheet; and

(e) promptly upon receipt thereof, copies of all statements as to the material weaknesses of accounting controls submitted to the Company by independent public accountants in connection with each annual or interim audit made by such accountants of the financial statements of the Company or any of its Subsidiaries.

To the extent included therein, the information required to be delivered pursuant to this Section 7.01 may be delivered by delivery of the financial statements and reports required to be delivered pursuant to subsection 7.02(c).

7.02 Certificates; Other Information. The Company shall furnish to the Agent and each Bank:

(a) concurrently with the delivery of the financial statements referred to in subsection 7.01(a), a certificate of the Independent Auditor stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsections 7.01(a) and (b), a Compliance Certificate executed by a Responsible Officer;

(c) promptly, copies of all financial statements and reports that the Company sends to its shareholders, and copies of all financial statements and regular, periodical or special reports (including Forms 10K, 10Q and 8K but not including Forms 3, 4 or 5) that the Company or any Subsidiary may make to, or file with, the SEC; and

(d) promptly, such additional information regarding the business, financial or corporate affairs of the Company or any Subsidiary as the Agent, at the request of any Bank, may from time to time reasonably request.

7.03 Notices. The Company shall promptly notify the Agent and each Bank:

(a) of the occurrence of any Default or Event of Default, upon a Responsible Officer becoming aware thereof;

(b) of any matter that has resulted or may (in the reasonable judgment of the Company), reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of the Company or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between the Company or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Company or any Subsidiary; including pursuant to any applicable Environmental Laws;

(c) of the occurrence of any of the following events affecting the Company or any ERISA Affiliate (but in no event more than 30 days after such event), and deliver to the Agent and each Bank a copy of any notice with respect to such event that is filed with a Governmental Authority and any notice delivered by a Governmental Authority to the Company or any ERISA Affiliate with respect to such event:

(i) an ERISA Event or Events which could reasonably be expected to result in liability of the Company in an aggregate amount in excess of $5,000,000; or

(ii) the Unfunded Pension Liability among all Pension Plans is reasonably expected to exceed $5,000,000.

(d) of any material change in accounting policies or financial reporting practices by the Company or any of its consolidated Subsidiaries;

(e) upon the request from time to time of the Agent, the Swap Termination Values, together with a description of the method by which such values were determined, relating to any then-outstanding Swap Contracts to which the Company or any of its Subsidiaries is party.

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action

the Company or any affected Subsidiary proposes to take with respect thereto and at what time (although the failure to take any such action shall not constitute a Default or Event of Default under this Agreement). Each notice under subsection 7.03(a) shall describe each Default or Event of Default which has occurred or which is expected to occur.

7.04 Preservation of Corporate Existence, Etc. The Company shall, and shall cause each Material Subsidiary to:

(a) preserve and maintain in full force and effect its corporate existence and good standing under the laws of its state or jurisdiction of incorporation, except as otherwise permitted by this Agreement;

(b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of its business except in connection with transactions permitted by Section 8.03 and sales of assets permitted by Section 8.02 and except for any of the foregoing the expiration or termination of which could not reasonably be expected to have a Material Adverse Effect;

(c) use reasonable efforts, in the ordinary course of business, to preserve its business organization and goodwill; and

(d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

7.05 Maintenance of Property. The Company shall maintain, and shall cause each Material Subsidiary to maintain, and preserve all its property which is used in its business in good working order and condition, ordinary wear and tear excepted except where the failure to so maintain or preserve could not reasonably be expected to have a Material Adverse Effect, except as permitted by Section 8.02.

7.06 Insurance. The Company shall maintain, and shall cause each Subsidiary to maintain, with financially sound and reputable independent insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, provided that the Company and its Subsidiaries may self-insure against such risks and in such amounts as is usually self-insured by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates.

7.07 Payment of Tax Obligations. The Company shall, and shall cause each Subsidiary to, pay and discharge as the same shall become due and payable, all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being

contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Company or such Subsidiary.

7.08 Compliance with Laws. The Company shall comply, and shall cause each Subsidiary to comply, in all material respects with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business (including the Federal Fair Labor Standards Act), except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.09 Compliance with ERISA. The Company shall, and shall cause each of its ERISA Affiliates to: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan which is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code except, in the case of (a),(b) and (c) above where such failure to maintain or contribute could not reasonably be expected to result in liability of the Company in excess of $5,000,000 in the aggregate.

7.10 Inspection of Property and Books and Records. The Company shall maintain and shall cause each Subsidiary to maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Company and such Subsidiary. The Company shall permit, and shall cause each Subsidiary to permit, representatives and independent contractors of the Agent or representatives of any Bank to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and, in the presence of the Company if the Company shall so request, independent public accountants, all such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Company.

7.11 Environmental Laws. The Company shall, and shall cause each Subsidiary to, conduct its operations and keep and maintain its property in compliance with all Environmental Laws, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.12 Use of Proceeds. The Company shall use the proceeds of the Loans for working capital and other general corporate purposes not in contravention of any Requirement of Law (including Regulation G, T, U and X of the FRB) or of any Loan Document.

7.13 Additional Guarantors. In the event any Domestic Subsidiary shall hereafter become a Material Subsidiary, the Company shall promptly cause such Material Subsidiary to become a party to the Subsidiary Guaranty Agreement by executing an addendum thereto in form satisfactory to the Agent.

ARTICLE VIII

NEGATIVE AND FINANCIAL COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid, unless the Majority Banks waive compliance in writing:

8.01 Limitation on Liens. The Company shall not, and shall not suffer or permit any Subsidiary to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its property, whether now owned or hereafter acquired, other than the following ("Permitted Liens"):

(a) any Lien existing on property of the Company or any Subsidiary on the Closing Date and set forth in Schedule 8.01 securing Indebtedness outstanding on such date;

(b) any Lien created under any Loan Document;

(c) Liens for taxes, fees, assessments or other governmental charges which are not delinquent or remain payable without penalty, or to the extent that non-payment thereof is permitted by Section 8.07, provided that no notice of lien has been filed or recorded under the Code;

(d) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business which are not delinquent for more than 90 days or remain payable without penalty or which are being contested in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(f) Liens on the property of the Company or its Subsidiary securing (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, (ii) contingent obligations on surety and appeal bonds, and (iii) other non-delinquent obligations of a like nature; in each case, incurred in the ordinary course of business and treating as non-delinquent any delinquency which is being contested in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(g) Liens consisting of judgment or judicial attachment liens with respect to judgments which do not constitute an Event of Default and in the aggregate do not exceed $5,000,000;

(h) easements, rights-of-way, restrictions and other similar encumbrances which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the businesses of the Company and its Subsidiaries;

(i) Liens on assets of corporations which become Subsidiaries after the date of this Agreement, provided, however, that such Liens existed at the time the respective corporations became Subsidiaries and were not created in anticipation thereof;

(j) purchase money security interests on any property acquired or held by the Company or its Subsidiaries in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided that (i) any such Lien attaches to such property concurrently with or within 90 days after the acquisition thereof, (ii) such Lien attaches solely to the property so acquired in such transaction and the proceeds thereof, (iii) the principal amount of the debt secured thereby does not exceed 100% of the cost of such property, and (iv) the principal amount of the Indebtedness secured by any and all such purchase money security interests shall not at any time exceed, together with Indebtedness permitted under subsection 8.05(d), $10,000,000;

(k) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the FRB, and (ii) such deposit account is not intended by the Company or any Subsidiary to provide collateral to the depository institution; and

(l) Liens consisting of pledges of cash collateral or government securities to secure on a mark-to-market basis Permitted Swap Obligations only, provided that (i) the counterparty to any Swap Contract relating to such Permitted Swap Obligations is under a similar requirement to deliver similar collateral from time to time to the Company or the Subsidiary party thereto on a mark-to-market basis; and (ii) the aggregate value of such collateral so pledged by the Company and the Subsidiaries together in favor of any counterparty does not at any time exceed $5,000,000.

(m) Liens securing reimbursement obligations for letters of credit which encumber only goods, or documents of title covering goods, which are purchased in transactions for which such letters of credit are issued; and

(n) any extension, renewal or substitution of or for any of the foregoing Liens; provided that (i) the Indebtedness or other obligation or liability secured by the applicable Lien shall not exceed the Indebtedness or other obligation or liability existing immediately prior to such extension, renewal or substitution and (ii) the Lien securing such Indebtedness or other obligation

or liability shall be limited to the property which, immediately prior to such extension, renewal or substitution, secured such Indebtedness or other obligation or liability; and

(o) other Liens securing obligations (other than Indebtedness for money borrowed) which do not exceed $2,000,000 in the aggregate at any one time outstanding.

8.02 Disposition of Assets. The Company shall not, and shall not suffer or permit any Subsidiary to, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (collectively, a "Disposition") (whether in one or a series of transactions) any property (including accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, except:

(a) Dispositions of inventory, or used, worn-out, obsolete or surplus equipment, all in the ordinary course of business;

(b) Dispositions of equipment and other fixed assets to the extent that such equipment or other fixed assets is exchanged for credit against the purchase price of similar replacement equipment or other fixed assets, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment or other fixed assets; and

(c) Dispositions of Permitted Foreign Receivables pursuant to Permitted Foreign Receivables Purchase Facilities; and

(d) Disposition of assets received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business; and

(e) Dispositions of assets between and among the Company and its Wholly-Owned Subsidiaries and the Disposition of assets from any other Subsidiary to the Company or a Wholly-Owned Subsidiary of the Company; and

(f) Dispositions not otherwise permitted hereunder which are made for fair market value; provided, that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, (ii) the aggregate sales price from such disposition shall be paid in cash (provided, that the Company may accept promissory notes in an aggregate principal amount outstanding at any time not to exceed $2,000,000), and (iii) the aggregate value of all assets so sold by the Company and its Subsidiaries pursuant to this clause (f), together, shall not exceed in any fiscal year, 5% of the consolidated total assets of the Company as of the end of the most recent fiscal year (but excluding, for purposes of calculation of such 5% amount, the assets of any operating business sold as a whole in compliance with the proviso at the end of this subsection), provided further that the sale by the Company or any Subsidiary of one or more operating business in one year which, in the aggregate, accounts for more than 10% of EBITDA of the Company as of the most recently ended fiscal year shall require the consent of the Majority Banks and, the Company, on a

pro forma basis calculated as of the last day of the most recently completed fiscal quarter, shall be in compliance with the Funded Debt to EBITDA Ratio as of the date of such disposition.

Upon the permitted Disposition by any Subsidiary Guarantor of all or substantially all of its assets to any Person (and after the subsequent distribution of the consideration received therefor by such Subsidiary Guarantor to the Company or another Guarantor), such Guarantor shall be automatically released from its obligations under the Subsidiary Guaranty Agreement. The Agent shall provide written confirmation of such release to the Company upon the Company's request therefor.

8.03 Consolidations and Mergers. The Company shall not, and shall not suffer or permit any Subsidiary to, merge, consolidate with or into any Person, except:

(a) any Subsidiary may merge with the Company, provided that the Company shall be the continuing or surviving corporation, or with any one or more Subsidiaries, provided that if any transaction shall be between a Subsidiary and a Wholly-Owned Subsidiary, the Wholly-Owned Subsidiary shall be the continuing or surviving corporation; and

(b) any Subsidiary may sell all or substantially all of its assets (upon voluntary liquidation or otherwise), to the Company or another Wholly-Owned Subsidiary or as otherwise permitted by Section 8.02.

Any Disposition of assets which would be permitted by Section 8.02 may also be done via merger or consolidation and such merger or consolidation (which results solely in a Disposition otherwise permitted by Section 8.02) shall be permitted pursuant to this Section 8.03.

8.04 Loans and Investments. The Company shall not purchase or acquire, or suffer or permit any Subsidiary to purchase or acquire, or make any commitment therefor, any capital stock, equity interest, or any obligations or other securities of, or any interest in, any Person, or make or commit to make any Acquisitions, or make or commit to make any advance, loan, extension of credit or capital contribution to or any other investment in, any Person including any Affiliate of the Company (together, "Investments"), except for:

(a) Investments held by the Company or Subsidiary in the form of cash or cash equivalents;

(b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business;

(c) extensions of credit by the Company or its Subsidiaries to their employees in the ordinary course of business for travel, relocation and related expenses;

(d) existing Investments in Subsidiaries and the other Investments identified on Schedule 8.04 (in each case, as such Investments may be adjusted due to appreciation, repayment of principal, payment of interest, return of capital and similar circumstances);

(e) additional Investments in any Domestic Subsidiary (other than an Investment constituting an Acquisition which shall be governed by Section 8.04 (g) or (h) below; provided that (i) any such additional equity Investments in Domestic Subsidiaries after the Closing Date shall not exceed, in the aggregate $10,000,000 outstanding, and (ii) any such Investment constituting a loan or advance to a Domestic Subsidiary shall be made from the Company pursuant to one of the Pledged Notes;

(f) Investments by Borrower or any Domestic Subsidiary in any Foreign Subsidiary after the Closing Date in an amount which will not result in a breach of Section 8.15 or, in the case of any Foreign Subsidiary, Investments in any Subsidiary of such Foreign Subsidiary or Investments consisting of a loan or advance of available cash to another Foreign Subsidiary;

(g) subject to the last sentence of this Section 8.04, the purchase or acquisition by the Company or any of its Subsidiaries of at least 75% of the stock of, or substantially all of the assets of, any corporation (or any division thereof) or the purchase or acquisition by the Company or any of its Subsidiaries of a partnership, joint venture, or similar interest in a Person but only if after giving effect thereto, the aggregate amount paid (whether in cash, notes or stock or by way of liabilities assumed) shall not exceed $50,000,000 in any one purchase or acquisition;

(h) subject to the last sentence of this Section 8.04, the purchase or acquisition by the Company or any of its Subsidiaries of at least 75% of the stock of, or substantially all of the assets of, any corporation (or any division thereof), or the purchase or acquisition by the Company or any of its Subsidiaries of a partnership, joint venture or similar interest in a Person, but only after giving effect thereto, the pro forma EBITDA less the pro forma Capital Expenditures of the Company (assuming such purchase or acquisition had occurred on the first day of the most recently ended four fiscal quarter period) for the period of four quarters immediately preceding the date such purchase or acquisition is consummated exceeds the pro forma Consolidated Interest Expenses of the Company for such four quarter period by a ratio of 3.0 to 1.0;

(i) Investments constituting Permitted Swap Obligations or payments or advances under Swap Contracts relating to Permitted Swap Obligations;

(j) Investments in the ordinary course of business by any Subsidiary of the Company engaged in the manufacturer sale of machine tools by way of agreements providing for the repurchase by such Subsidiary of machine tools sold by it in the event that its customer shall default in its obligations to a third party who, directly or indirectly, provided financing for the acquisition of such machine tools;

(k) Investments held by any Subsidiary of the Company in any of its customers or suppliers which are received as distributions in bankruptcy proceedings or as negotiated

settlements for obligations incurred to it by such customer for the purchase of goods manufactured or services provided by it; and

(l) Investments by way of stock or similar ownership interests of 50% or less in any Person in an aggregate amount not to exceed $5,000,000 at any one time;

(m) Investments by way of promissory notes or received in connection with a disposition permitted by Section 8.02(f);

(n) additional investments of a nature not contemplated by the foregoing clauses (a) through (k) not to exceed $10,000,000 in the aggregate at any time outstanding.

Notwithstanding any provision of the foregoing clauses (g) and (h) of this Section 8.04 to the contrary, any Acquisition otherwise provided for in clause (g) or (h) of this Section 8.04 shall be permitted if and only if: (1) before and after giving effect to such Acquisition, no Default or Event of Default shall have occurred and be continuing, (2) after giving effect to such Acquisition not less than 5% of the aggregate Commitment shall be unused on the date such Acquisition is consummated, (3) not less than 10 days prior to the consummation of such Acquisition, the Company shall provide to the Agent annual financial statements (audited, if available) and unaudited interim financial statements for such person, pro forma financial projections for such Person and for the Company on a consolidated basis giving effect to such Acquisition, all in such detail as shall be reasonably satisfactory to the Agent, (4) if required by Section 7.13, the Company shall promptly deliver to Agent the addendum to the Subsidiary Guaranty Agreement executed by any Subsidiary organized to effect such an Acquisition or newly acquired in connection with an Acquisition and, pursuant to the Pledge Agreement, deliver the stock certificates evidencing all issued and outstanding shares of stock of any such Subsidiary, along with stock powers executed in blank, simultaneously with the consummation of such Acquisition and the Company will cause any such Subsidiary to execute an Intercompany Note, evidencing any loan from the Company or any such Subsidiary, the proceeds of which were applied to the costs and expenses of such Acquisition, and the Company shall, pursuant to the Pledge Agreement, deliver to the Agent, such Intercompany Note of such Subsidiary, endorsed in blank by the Company, within thirty (30) days following the consummation of such Acquisition; and (5) the prior, effective written consent or approval of such Acquisition by the board of directors or equivalent governing body of the acquiree is obtained. Promptly following the consummation of any such Acquisition, the Company shall provide to the Agent a copy of the agreement or agreements setting forth the terms and conditions of such Acquisition in its then current form, including all material exhibits and other material agreements executed and delivered, or required to be executed and delivered in connection therewith, including, without limitation, any environmental assessment reports, if applicable, certified by a Responsible Officer to be true, correct and complete,

8.05 Limitation on Indebtedness. The Company shall not, and shall not suffer or permit any Subsidiary to, create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Indebtedness incurred pursuant to this Agreement;

(b) Indebtedness consisting of Contingent Obligations permitted pursuant to Section 8.07;

(c) Indebtedness existing on the Closing Date and set forth in Schedule 8.05, including Indebtedness incurred to support LUKAS GmbH in a principal amount not to exceed $35,000,000 and any Refinancing Indebtedness with respect thereto;

(d) Indebtedness secured by Liens permitted by subsection 8.01(i) and (j) in an aggregate amount outstanding at any time not to exceed $10,000,000;

(e) Intercompany Indebtedness to the extent permitted by Section 8.04; provided, however, that in the event of any subsequent issuance or transfer of any capital stock which results in the holder of such Indebtedness ceasing to be a Subsidiary of the Company or any subsequent transfer of such Indebtedness (other than to the Company or any of its Subsidiaries) such Indebtedness shall be required to be permitted under another clause of this Section 8.05; provided, further, however, that (x) in the case of Intercompany Indebtedness consisting of a loan or advance to Borrower, each such loan or advance shall be subordinated to the indefeasible payment in full of all of Borrower's obligations pursuant to this Agreement and the other Loan Documents and (y) in the case of Intercompany Indebtedness consisting of a loan or advance from the Company to any Domestic Subsidiary, such Indebtedness shall be evidenced by a Pledged Note;

(f) Subordinated Debt of the Company in an aggregate amount not to exceed $150,000,000 so long as, with respect to any Subordinated Debt incurred after the date hereof, a portion of the proceeds thereof are used as soon as practicable after the issuance thereof to redeem or defease all of the outstanding Subordinated Notes (it being understood that with respect to such Subordinated Debt, the approval of the Majority Banks required by clause (b) of the definition of Subordinated Debt will not be unreasonably withheld); and

(g) Indebtedness of any Foreign Subsidiary and unsecured guarantees thereof by the Company provided that the aggregate amount of such Indebtedness under this clause (g) does not exceed, without duplication, $75,000,000 at any one time outstanding.

(h) Unsecured Indebtedness of the Company which when added to the amount of Indebtedness outstanding and permitted pursuant to Section 8.05(g) does not in the aggregate exceed $75,000,000 at any one time outstanding.

8.06 Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, enter into, or cause, suffer or permit to exist:

(a) any arrangement or contract with any of its other Affiliates of a nature customarily entered into by Persons which are Affiliates of each other for tax or financial reporting purposes (including, without limitation, management or similar contracts or

arrangements relating to the allocation of revenues, taxes and expenses or otherwise) unless such arrangement or contract is fair and equitable to the Company or such Subsidiary;

(b) any other transaction, arrangement or contract with any of its other Affiliates which would not be entered into by a prudent Person in the position of the Company or such Subsidiary with, or which is on terms which are less favorable than are obtainable from, any Person which is not one of its Affiliates;

provided, however, that nothing in this Section shall be construed to restrict the Company from paying (i) an annual fee to KKR or its Affiliates for the rendering of management consulting and financial services to the Company and its Subsidiaries in an aggregate amount not to exceed an amount reasonably determined by taking into account the practices of KKR with respect to other companies for which it performs such management consulting and financial services and the amount of assets of the Company relative to such other companies, (ii) reasonable and customary regular fees to directors of the Company who are not employees of the Company, and (iii) normal and customary financial advisory fees to KKR or its Affiliates made in connection with the acquisition or disposition of any Subsidiary of the Company permitted hereunder so long as no other such fees are paid by the Company to any other financial advisor in connection with such acquisition or disposition.

8.07 Contingent Obligations. The Company shall not, and shall not suffer or permit any Subsidiary to, create, incur, assume or suffer to exist any Contingent Obligations except:

(a) endorsements for collection or deposit in the ordinary course of business;

(b) Permitted Swap Obligations;

(c) Contingent Obligations of the Company and its Subsidiaries existing as of the Closing Date and listed in Schedule 7.08;

(d) Contingent Obligations with respect to Surety Instruments incurred in the ordinary course of business;

(e) Contingent Obligations of a Subsidiary required to be entered into pursuant to the Subordinated Debt Indenture;

(f) Guaranty Obligations of the Company or any Subsidiary Guarantor with respect to any Indebtedness permitted pursuant to this Agreement; and

(g) in addition to other Contingent Obligations permitted hereunder, Contingent Obligations which do not exceed $1,000,000 in the aggregate at any one time outstanding.

8.08 Restricted Payments. The Company shall not, and shall not suffer or permit any Subsidiary to, (i) declare or make any dividend payment or other distribution of assets, properties,

cash, rights, obligations or securities on account of any shares of any class of its capital stock, or purchase, redeem or otherwise acquire for value any shares of its capital stock or any warrants, rights or options to acquire such shares, now or hereafter outstanding, (ii) prepay or repay any principal of or make any payment of interest on, or redeem, or set aside any funds for the payment, prepayment or redemption of, or purchase or otherwise acquire any interest in, any Subordinated Debt or (iii) make any deposit for any of the foregoing purposes (each of (i), (ii) or (iii), a "Restricted Payment"); except that:

(a) any Wholly-Owned Subsidiary may pay dividends and make distributions to the Company or to any other Wholly-Owned Subsidiary;

(b) the Company and any Subsidiary may declare and make dividend payments, dividends or distributions payable in its common stock, or warrants to purchase its common stock, or splitups or reclassifications of its common stock into additional or other shares of its common stock, or conversions from one class of common stock into another or other distributions payable solely in its common stock;

(c) The Company may, subject to the subordination provisions contained in the Subordinated Debt Indenture, make payments of interest accrued on the Subordinated Notes or other Subordinated Debt when due;

(d) the Company may prepay, redeem or defease all of the principal amount of the Subordinated Notes with the proceeds of other Subordinated Debt incurred pursuant to Section 8.05(f) or with the proceeds from the issuance or sale of non-redeemable common stock subsequent to the date hereof (other than an issuance or sale to a Subsidiary or an employee stock ownership plan); and

(e) the Company may make Restricted Payments, in an aggregate amount from and after the Closing Date not in excess of 50% of Consolidated Net Income of the Company and its Subsidiaries arising after January 1, 1993, and computed on a cumulative consolidated basis; provided that, immediately after giving effect to such proposed action (or in the case of dividends declared not earlier than 45 days prior to the payment thereof at the time of such declaration), no Default or Event of Default would exist.

8.09 ERISA. The Company shall not, and shall not suffer or permit any of its ERISA Affiliates to: (a) engage in a prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably expected to result in liability of the Company in an aggregate amount in excess of $5,000,000; or (b) engage in a transaction that could be subject to Section 4069 or 4212(c) of ERISA and which could reasonably be expected to result in liability of the Company in excess of $5,000,000.

8.10 Change in Business. The Company shall not, and shall not suffer or permit any Subsidiary to, engage in any material line of business substantially different from those lines of business carried on by the Company and its Subsidiaries on the date hereof.

8.11 Accounting Changes. The Company shall not, and shall not suffer or permit any Subsidiary to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of the Company.

8.12 Modifications, etc. of Subordinated Debt and Related Documents. The Company will not

(a) consent to any increase of the interest rate applicable to, or any amendment of any subordination or sinking fund provisions or terms of required repayment or redemption contained in or applicable to, any Subordinated Debt or any Guaranty thereof (except any extension in time of any such sinking fund provision or term of required prepayment or redemption), or

(b) consent or agree to any amendment, supplement or waiver to the Subordinated Debt Indenture, the Subordinated Notes or any instruments executed pursuant thereto or any other Subordinated Debt which increase materially the obligations (payment or otherwise) of or burdens upon the Company thereunder or supplements the rights or the holders of the Subordinated Notes (including without limitation in connection with any Guaranty by any Subsidiary thereunder) or the holders of such other Subordinated Debt in a manner detrimental to the Banks.

8.13 Sale-Leasebacks. The Company shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, lease any property as lessee in connection with a Sale and Leaseback Transaction entered into after the Closing Date.

8.14 No Negative Pledges; Subsidiary Payments. The Company will not, and will not permit any of its Subsidiaries (other than Foreign Subsidiaries in connection with the financings contemplated by Section 8.05(g)) to enter into or suffer to exist any agreement (excepting this Agreement and any Instrument executed pursuant hereto and the Subordinated Debt Indenture or any other agreement evidencing Subordinated Debt) (a) prohibiting the creation or assumption of any security interest upon its properties or assets, whether now owned or hereafter acquired or (b) which would restrict the ability of any Subsidiary to pay or make dividends or distributions, in cash or kind, or to make loans, advances or other payments of whatsoever nature, or to make transfers or dispositions of all or part of its assets, in each case to the Company; provided, however, in the case of a consensual Lien on assets or property that is permitted pursuant to Section 8.01, the Lien holder may, solely with respect of the assets or property to which such Lien attaches, contract for and receive a negative pledge with respect thereto and the proceeds and products thereof.

8.15 Foreign Operations. The Company will not permit more than 30% of its consolidated total assets to be held by Foreign Subsidiaries or otherwise located outside of the United States.

8.16 Financial Covenants

(a) Fixed Charge Coverage Ratio. For the period of four consecutive fiscal quarters ending on the last day of each fiscal quarter, the Company shall not permit the ratio of (i)

EBITDA less Capital Expenditures plus Consolidated Rental Expense, in each case for such four fiscal quarter period to (ii) Consolidated Fixed Charges for such period to be less than 1.25:1.0.

(b) Leverage Ratio. The Company shall not permit the ratio of (a) Funded Debt to (b) Total Capitalization of the Company at the end of any fiscal quarter to exceed 70%.

(c) Funded Debt to EBITDA. The Company shall not permit the Funded Debt to EBITDA Ratio as of the last day of any fiscal quarter ending within the periods set forth below to exceed the applicable ratio set forth below:

PERIOD	MAXIMUM RATIO
Closing Date - 9/30/98	3.50 to 1.0
12/31/98 - 9/30/99	3.25 to 1.0
12/31/99 and thereafter	3.00 to 1.0

ARTICLE IX

EVENTS OF DEFAULT

9.01 Event of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. The Company fails to pay, (i) when and as required to be paid herein, any amount of principal of any Loan or any amount of interest on any Bid Loan, or (ii) within five (5) days after the same becomes due, any interest, fee or any other amount payable hereunder or under any other Loan Document; or

(b) Representation or Warranty. Any representation or warranty by the Company or any Subsidiary made or deemed made herein, in any other Loan Document, or which is contained in any certificate, document or financial or other statement by the Company, any Subsidiary, or any Responsible Officer, furnished at any time under this Agreement, or in or under any other Loan Document, is incorrect in any material respect on or as of the date made or deemed made; or

(c) Specific Defaults. The Company fails to perform or observe any term, covenant or agreement (i) contained in Sections 8.01, 8.04, 8.05 or 8.07 and such failure continues unremedied for five Business Days or (ii) contained in any of Section 7.03(a) or 7.12 or in any other provision of Article VIII; or

(d) Other Defaults. The Company or any Subsidiary party thereto fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document,

and such default shall continue unremedied for a period of 20 days after the date upon which written notice thereof is given to the Company by the Agent or any Bank; or

(e) Cross-Default. (i) The Company or any Subsidiary (A) fails to make any payment in respect of any Indebtedness or Contingent Obligation (other than in respect of Swap Contracts), having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $5,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure; or (B) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness or Contingent Obligation, and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness to be declared to be due and payable prior to its stated maturity, or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (1) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (2) any Termination Event (as so defined) as to which the Company or any Subsidiary is an Affected Party (as so defined), and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than $5,000,000; or

(f) Insolvency; Voluntary Proceedings. The Company or any Material Subsidiary (i) ceases or fails to be solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against the Company or any Material Subsidiary, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of the Company's or any Material Subsidiary's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) the Company or any Material Subsidiary admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) the Company or any Material Subsidiary acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or

(h) ERISA. (i) An ERISA Event or Events shall occur with respect to one or more Pension Plans or Multiemployer Plans which has resulted in liability of the Company under Title IV of ERISA to such plans or the PBGC in an aggregate amount in excess of $5,000,000; (ii) the aggregate amount of Unfunded Pension Liability among all Pension Plans at any time exceeds $5,000,000; or (iii) the Company or any ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $5,000,000; or

(i) Monetary Judgments. One or more non-interlocutory judgments, non- interlocutory orders, decrees or arbitration awards is entered against the Company or any Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) as to any single or related series of transactions, incidents or conditions, of $5,000,000 or more, and the same shall remain unsatisfied, unvacated and unstayed pending appeal for a period of 10 days after the entry thereof; or

(j) Change of Control. There occurs any Change of Control; or

(k) Guarantor Defaults. Any Subsidiary Guarantor fails in any material respect to perform or observe (after giving effect to any applicable grace period set forth therein) any term, covenant or agreement in the Subsidiary Guaranty Agreement; or the Subsidiary Guaranty Agreement is for any reason partially (including with respect to future advances) or wholly revoked or invalidated, or otherwise ceases to be in full force and effect, or any Subsidiary Guarantor or any other Person contests in any manner the validity or enforceability thereof or denies that it has any further liability or obligation thereunder; or any event described at subsections (f) or (g) of this Section occurs with respect to any Subsidiary Guarantor; or

(l) Invalidity of Subordination Provisions. The subordination provisions of the Subordinated Notes or any agreement or instrument governing any other Subordinated Debt is for any reason revoked or invalidated, or otherwise cease to be in full force and effect, any Person contests in any manner the validity or enforceability thereof or denies that it has any further liability or obligation thereunder, or the Indebtedness hereunder is for any reason subordinated or does not have the priority contemplated by this Agreement or such subordination provisions.

9.02 Remedies. If any Event of Default occurs and is continuing, the Agent shall, at the request of, or may, with the consent of, the Majority Banks,

(a) declare the commitment of each Bank to make Loans to be terminated, whereupon such commitments shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company; and

(c) exercise on behalf of itself and the Banks all rights and remedies available to it and the Banks under the Loan Documents or applicable law;

provided, however, that upon the occurrence and during the continuance of any Event of Default specified in subsection (f) or (g) of Section 9.01 with respect to the Company, the obligation of each Bank to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Agent or any Bank. In addition, following the occurrence and during the continuance of an Event of Default, so long as any Letter of Credit has not been fully drawn and has not been canceled or expired by its terms, upon demand by the Agent at the request of the Majority Banks, the Company shall Cash Collateralize the dollar amount of the aggregate undrawn amount of all Letters of Credit. Such funds shall be promptly applied by the Agent to reimburse the Issuing Bank for drafts drawn from time to time under the Letters of Credit. Such funds, if any, remaining following the payment of all Obligations in full or the earlier termination of all Events of Default shall, unless the Agent is otherwise directed by a court of competent jurisdiction, be promptly paid over to the Company.

9.03 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE X

THE AGENT

10.01 Appointment and Authorization; "Agent". Each Bank hereby irrevocably (subject to Section 10.09) appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

10.02 Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

10.03 Liability of Agent. None of the Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Banks for any recital, statement, representation or warranty made by the Company or any Subsidiary or Affiliate of the Company, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Company or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Company or any of the Company's Subsidiaries or Affiliates.

10.04 Reliance by Agent.

(a) The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Banks as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Majority Banks (or all of the Banks, as may be required) and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Banks.

(b) For purposes of determining compliance with the conditions specified in Section 5.01, each Bank that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Agent to such Bank for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Bank.

10.05 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Banks, unless the Agent shall have received written notice from a Bank or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Agent will notify the Banks of its receipt of any such notice. The Agent shall take such action with respect to such Default or Event of Default as may be requested by the Majority Banks in accordance with Article IX; provided, however, that unless and until the Agent has received any such request, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Banks.

10.06 Credit Decision. Each Bank acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Agent hereinafter taken, including any review of the affairs of the Company and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Bank. Each Bank represents to the Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Company and its Subsidiaries hereunder. Each Bank also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Banks by the Agent, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of any of the Agent-Related Persons.

10.07 Indemnification of Agent. Whether or not the transactions contemplated hereby are consummated, the Banks shall indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), pro rata, from and against any and all Indemnified Liabilities (excluding any losses suffered by the Agent as a result of the Borrower's failure to pay fee owing to the Agent); provided, however, that no Bank shall be liable for the payment to the Agent-Related Persons of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Bank shall reimburse the Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or

legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Company. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of the Agent.

10.08 Agent in Individual Capacity. BofA and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company and its Subsidiaries and Affiliates as though BofA were not the Agent hereunder and without notice to or consent of the Banks. The Banks acknowledge that, pursuant to such activities, BofA or its Affiliates may receive information regarding the Company or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Subsidiary) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to its Loans, BofA shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Agent, and the terms "Bank" and "Banks" include BofA in its individual capacity.

10.09 Successor Agent. The Agent may, and at the request of the Majority Banks shall, resign as Agent upon 30 days' notice to the Banks. If the Agent resigns under this Agreement, the Majority Banks shall appoint from among the Banks a successor agent for the Banks which successor agent shall be approved by the Company. If no successor agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Banks and the Company, a successor agent from among the Banks. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Agent and the term "Agent" shall mean such successor agent and the retiring Agent's appointment, powers and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article X and Sections 11.04 and 11.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Banks shall perform all of the duties of the Agent hereunder until such time, if any, as the Majority Banks appoint a successor agent as provided for above.

10.10 Withholding Tax. (a) If any Bank is a "foreign corporation, partnership or trust" within the meaning of the Code and such Bank claims exemption from, or a reduction of, U.S. withholding tax under Sections 1441 or 1442 of the Code, such Bank agrees with and in favor of the Agent and the Company, to deliver to the Agent and the Company:

(i) if such Bank claims an exemption from, or a reduction of, withholding tax under a United States tax treaty, two properly completed and executed copies of IRS Form 1001 before the payment of any interest in the first calendar year and before the payment of any interest in each third succeeding calendar year during which interest may be paid under this Agreement;

(ii) if such Bank claims that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Bank, two properly completed and executed copies of IRS Form 4224 before the payment of any interest is due in the first taxable year of such Bank and in each succeeding taxable year of such Bank during which interest may be paid under this Agreement; and

(iii) such other form or forms as may be required under the Code or other laws of the United States as a condition to exemption from, or reduction of, United States withholding tax.

Such Bank agrees to promptly notify the Agent and the Company of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(b) If any Bank claims exemption from, or reduction of, withholding tax under a United States tax treaty by providing IRS Form 1001 and such Bank sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of the Company to such Bank, such Bank agrees to notify the Agent and the Company of the percentage amount in which it is no longer the beneficial owner of Obligations of the Company to such Bank. To the extent of such percentage amount, the Agent and the Company will treat such Bank's IRS Form 1001 as no longer valid.

(c) If any Bank claiming exemption from United States withholding tax by filing IRS Form 4224 with the Agent sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of the Company to such Bank, such Bank agrees to undertake sole responsibility for complying with the withholding tax requirements imposed by Sections 1441 and 1442 of the Code.

(d) If any Bank is entitled to a reduction in the applicable withholding tax, the Agent or the Company may withhold from any interest payment to such Bank an amount equivalent to the applicable withholding tax after taking into account such reduction. However, if the forms or other documentation required by subsection (a) of this Section are not delivered to the Agent or the Company, then the Agent or the Company may withhold from any interest payment to such Bank not providing such forms or other documentation an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code, without reduction.

(e) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that the Agent or the Company did not properly withhold tax from amounts paid to or for the account of any Bank (because the appropriate form was not delivered or was not properly executed, or because such Bank failed to notify the Agent or the Company of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Bank shall indemnify the Agent and the Company fully for all amounts paid, directly or indirectly, by the Agent or the Company as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts

payable to the Agent or the Company under this Section, together with all costs and expenses (including Attorney Costs). The obligation of the Banks under this subsection shall survive the payment of all Obligations and the resignation or replacement of the Agent.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Company or any applicable Subsidiary therefrom, shall be effective unless the same shall be in writing and signed by the Majority Banks (or by the Agent at the written request of the Majority Banks) and the Company or any Subsidiary Guarantor, as applicable, and acknowledged by the Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Banks and the Company and acknowledged by the Agent, do any of the following:

(a) increase or extend the Commitment of any Bank (or reinstate any Commitment terminated pursuant to Section 9.02);

(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest (other than interest payable solely as a result of Section 2.12(c)), fees or other amounts due to the Banks (or any of them) hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest (other than interest payable solely as a result of Section 2.12(c)) specified herein on any Loan, or (subject to clause (ii) below) any fees or other amounts payable hereunder or under any other Loan Document;

(d) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Banks or any of them to take any action hereunder;

(e) release (other than a release provided for in the last paragraph of Section 8.02) any Subsidiary Guarantor from the Subsidiary Guaranty Agreement; or

(f) amend the definition of "Majority Banks" , this Section, or Section 2.16, or any provision herein providing for consent or other action by all Banks;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Majority Banks or all the Banks, as the case may be, affect the rights or duties of the Agent under this Agreement or any other Loan Document, and (ii) the Fee Letters

may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto.

11.02 Notices.

(a) All notices, requests, consents, approvals, waivers and other communications shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission, provided that any matter transmitted by the Company by facsimile (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 11.02, and (ii) shall be followed promptly by delivery of a hard copy original thereof) and mailed, faxed or delivered, to the address or facsimile number specified for notices on Schedule 11.02; or, as directed to the Company or the Agent, to such other address as shall be designated by such party in a written notice to the other parties, and as directed to any other party, at such other address as shall be designated by such party in a written notice to the Company and the Agent.

(b) All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if delivered, upon delivery; except that notices pursuant to Article II or X to the Agent shall not be effective until actually received by the Agent.

(c) Any agreement of the Agent and the Banks herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Company. The Agent and the Banks shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Company to give such notice and the Agent and the Banks shall not have any liability to the Company or other Person on account of any action taken or not taken by the Agent or the Banks in reliance upon such telephonic or facsimile notice. The obligation of the Company to repay the Loans shall not be affected in any way or to any extent by any failure by the Agent and the Banks to receive written confirmation of any telephonic or facsimile notice or the receipt by the Agent and the Banks of a confirmation which is at variance with the terms understood by the Agent and the Banks to be contained in the telephonic or facsimile notice.

11.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Bank, 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.

11.04 Costs and Expenses. The Company shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse the Agent promptly after demand (subject to subsection 5.01(f)) for all reasonable out-of-pocket costs and expenses incurred by the Agent in connection with the development, preparation, delivery, administration and execution of, and any amendment, supplement, waiver or

modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including reasonable Attorney Costs incurred by the Agent with respect thereto; and

(b) pay or reimburse the Agent, the Arranger and each Bank promptly after demand (subject to subsection 5.01(f)) for all reasonable out-of-pocket costs and expenses (including Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the Loans, and including in any Insolvency Proceeding or appellate proceeding).

11.05 Company Indemnification. Whether or not the transactions contemplated hereby are consummated, the Company shall indemnify, defend and hold the Agent-Related Persons, and each Bank and each of its respective officers, directors, employees, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including Attorney Costs) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Loans and the termination, resignation or replacement of the Agent or replacement of any Bank) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any Loan Document, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any Insolvency Proceeding or appellate proceeding) related to or arising out of this Agreement or the Loans or the use of the proceeds thereof, or related to any Offshore Currency transactions entered into in connection herewith, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Company shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section shall survive payment of all other Obligations.

11.06 Payments Set Aside. To the extent that the Company makes a payment to the Agent or the Banks, or the Agent or the Banks exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Bank severally agrees to pay to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent.

11.07 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Company may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent and each Bank.

11.08 Assignments, Participations, etc.

(a) Any Bank may, with the written consent of the Company at all times other than during the existence of an Event of Default and the Agent, which consents shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of the Company or the Agent shall be required in connection with any assignment and delegation by a Bank to an Eligible Assignee that is an Affiliate of such Bank) (each an "Assignee") all, or any ratable part of all, of the Loans, the Commitments and the other rights and obligations of such Bank hereunder, in a minimum amount of $5,000,000; provided, however, that the Company and the Agent may continue to deal solely and directly with such Bank in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Company and the Agent by such Bank and the Assignee; (ii) such Bank and its Assignee shall have delivered to the Company and the Agent an Assignment and Acceptance in the form of Exhibit 11.08 ("Assignment and Acceptance") together with any Note or Notes subject to such assignment and (iii) the assignor Bank or Assignee has paid to the Agent a processing fee in the amount of $3,500.

(b) From and after the date that the Agent notifies the assignor Bank that it has received (and provided its consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Bank under the Loan Documents, and (ii) the assignor Bank shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents.

(c) Within five Business Days after its receipt of notice by the Agent that it has received an executed Assignment and Acceptance and payment of the processing fee, (and provided that it consents to such assignment in accordance with subsection 11.08(a)), the Company shall execute and deliver to the Agent, new Notes evidencing such Assignee's assigned Loans and Commitment and, if the assignor Bank has retained a portion of its Loans and its Commitment, replacement Notes in the principal amount of the Loans retained by the assignor Bank (such Notes to be in exchange for, but not in payment of, the Notes held by such Bank). Immediately upon each Assignee's making its processing fee payment under the Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Bank pro tanto. Unless the Company shall otherwise agree, the Agent shall not deliver any new Notes

executed by the Company unless the Agent shall have received the old Notes to be replaced or customary indemnification in favor of the Agent and the Company with respect to lost or destroyed notes. Such old Notes shall be promptly returned to the Company.

(d) Any Bank may at any time sell to one or more commercial banks or other Persons not Affiliates of the Company (a "Participant") participating interests in any Loans, the Commitment of that Bank and the other interests of that Bank or Designated Bidder (the "Originator") hereunder and under the other Loan Documents; provided, however, that (i) the Originator's obligations under this Agreement shall remain unchanged, (ii) the Originator shall remain solely responsible for the performance of such obligations, (iii) the Company and the Agent shall continue to deal solely and directly with the Originator in connection with the Originator's rights and obligations under this Agreement and the other Loan Documents, and (iv) no Bank shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment, consent or waiver would require unanimous consent of the Banks as described in the first proviso to Section 11.01. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 4.01, 4.03 and 11.05 as though it were also a Bank or Designated Bidder (as the case may be) hereunder. Notwithstanding the immediately preceding sentence, all amounts payable by the Company or any Subsidiary under this Agreement and each other Loan document shall be determined as if no such participation had been sold.

(e) Notwithstanding any other provision in this Agreement, any Bank or Designated Bidder may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and the Note held by it in favor of any Federal Reserve Bank in accordance with Regulation A of the FRB or U.S. Treasury Regulation 31 CFR Section 203.14, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law. Notwithstanding any such pledge, such Bank shall remain liable to the Company and the Issuing Bank as if such pledge had not been made. In the event of any enforcement or proposed enforcement of such pledge, the Company shall have the right to replace such Bank pursuant to the provisions of Section 4.08.

11.09 Designated Bidders. Any Bank may designate one Designated Bidder to have a right to offer and make Bid Loans pursuant to Section 2.06; provided, however, that (i) each such Bank making any such designation shall retain the right to make Bid Loans, and (ii) the parties to each such designation shall execute and deliver to the Agent a Designation Agreement. Upon its receipt of an appropriately completed Designation Agreement executed by a designating Bank and a designee representing that it is a Designated Bidder, the Agent will accept such Designation Agreement and give prompt notice thereof to the Company, whereupon such designation of such Designated Bidder shall become effective and shall become a party to this Agreement as a "Designated Bidder."

11.10 Confidentiality. Each Bank and Designated Bidder agrees to take and to cause its Affiliates to take normal and reasonable precautions and exercise due care to maintain the

confidentiality of all information identified as "confidential" or "secret" by the Company and provided to it by the Company or any Subsidiary, or by the Agent on the Company's or such Subsidiary's behalf, under this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other Loan Documents or in connection with other business now or hereafter existing or contemplated with the Company or any Subsidiary; except to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by the Bank or Designated Bidder, or (ii) was or becomes available on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to the Bank or Designated Bidder; provided, however, that any Bank or Designated Bidder may disclose such information (A) at the request or pursuant to any requirement of any Governmental Authority to which the Bank or Designated Bidder is subject or in connection with an examination of such Bank or Designated Bidder by any such authority; (B) pursuant to subpoena or other court process; (C) when required to do so in accordance with the provisions of any applicable Requirement of Law; (D) to the extent reasonably required in connection with any litigation or proceeding to which the Agent, any Bank, Designated Bidder or their respective Affiliates may be party; (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (F) to such Bank's or Designated Bidder's independent auditors and other professional advisors; (G) to any Participant or Assignee, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Banks hereunder; (H) as to any Bank or Designated Bidder or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Company or any Subsidiary is party or is deemed party with such Bank or Designated Bidder or such Affiliate; and (I) to its Affiliates, provided such Affiliate agrees to use such information solely in connection with this Agreement and agrees in writing to keep such information confidential.

11.11 Set-off. In addition to any rights and remedies of the Banks provided by law, if an Event of Default exists or the Loans have been accelerated, each Bank and Designated Bidder is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by the Company to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Bank or Designated Bidder to or for the credit or the account of the Company against any and all Obligations owing to such Bank or Designated Bidder, now or hereafter existing, irrespective of whether or not the Agent or such Bank or Designated Bidder shall have made demand under this Agreement or any Loan Document and although such Obligations may be contingent or unmatured. Each Bank and Designated Bidder agrees promptly to notify the Company and the Agent after any such set-off and application made by such Bank or Designated Bidder; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

11.12 Automatic Debits of Fees. With respect to any commitment fee, arrangement fee, or other fee, or any other cost or expense (excluding Attorney Costs) due and payable to the Agent, BofA or the Arranger under the Loan Documents, the Company hereby irrevocably authorizes BofA

to debit any deposit account of the Company with BofA in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such fee or other cost or expense. If there are insufficient funds in such deposit accounts to cover the amount of the fee or other cost or expense then due, such debits will be reversed (in whole or in part, in BofA's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section shall be deemed a set-off.

11.13 Notification of Addresses, Lending Offices, Etc. Each Bank and Designated Bidder shall notify the Agent in writing of any changes in the address to which notices to the Bank and Designated Bidder should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

11.14 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

11.15 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

11.16 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Company, the Banks, the Designated Bidders, the Agent and the Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

11.17 Governing Law and Jurisdiction.

(a) THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE COMPANY, THE AGENT AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON

CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

11.18 Waiver of Jury Trial. THE COMPANY, THE BANKS AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE COMPANY, THE BANKS, THE DESIGNATED BIDDERS AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

11.19 Judgment. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Company in respect of any such sum due from it to the Agent hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Agent of any sum adjudged to be so due in the Judgment Currency, the Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Agent in the Agreement Currency, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement currency so purchased is greater than the sum originally due to the Agent in such currency, the Agent agrees to return the amount of any excess to the Company (or to any other Person who may be entitled thereto under applicable law).

11.20 Senior Debt. The Company represents and warrants that the Obligations hereunder constitute "Senior Indebtedness" under the "Bank Credit Agreement" as such terms are defined in the Subordinated Debt Indenture; provided, however, that if for any reason such Indebtedness or any portion thereof does not constitute such Senior Indebtedness under the Bank Credit Agreement, the Company, to such extent, hereby designates the Obligations hereunder as "Designated Senior Indebtedness" pursuant to the terms of the Subordinated Debt Indenture.

11.21 Entire Agreement. This Agreement, together with the other Loan Documents supersedes the commitment letter dated June 4, 1996 from BofA and the Arranger and embodies the entire agreement and understanding among the Company, the Banks and the Agent, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

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

IDEX CORPORATION

By: Douglas C. Lennox

Title: Treasurer

Copy to:
Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, NY 10019
Attention: Michael T. Tokarz

BANK OF AMERICA ILLINOIS, AS AGENT

By: David A. Johanson

David A. Johanson

Title: Vice President

BANK OF AMERICA ILLINOIS, AS A BANK

By:

Title: Sr. V.P.

BANK OF SCOTLAND

By: Catherine M. Oniffrey

Catherine M. Oniffrey

Title: Vice President

NATIONAL CITY BANK

By: Brian J. Cullina

Brian J. Cullina

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: Karen C. Brogan

Title: Commercian Banking Officer

UNION BANK OF CALIFORNIA, N.A.
(SUCCESSOR IN INTEREST TO UNION BANK)

By: NanBrusati Dias

Title: Vice President and District Manager

UNITED STATES NATIONAL BANK
OF OREGON

By: Tom Lee

Title: Vice President

THE HARRIS TRUST AND SAVINGS
BANK CO.

By: Frank Pagura

Title: V. P.

SCHEDULE 2.01

COMMITMENTS
AND PRO RATA SHARES

Bank	Commitment	Pro Rata Share
Bank of America Illinois	$ 66,000,000	26.4%
PNC Bank, National Association	40,000,000	16.0%
Harris Trust and Savings Bank	33,000,000	13.2%
Union Bank of California, N.A.	33,000,000	13.2%
U.S. National Bank of Oregon	33,000,000	13.2%
National City Bank	30,000,000	12.0%
Bank of Scotland	15,000,000	6.0%
TOTAL	$250,000,000	100%

Schedule 6.05

Litigation

None.

Schedule 6.07

ERISA

None.

Schedule 6.11

Permitted Liabilities

None.

Schedule 6.12

Environmental Matters

None.

Schedule 6.14

Existing Subsidiaries

	Jurisdiction of Incorporation	Ownership
IDEX Corporation	Delaware	100%
Band-It-IDEX, Inc.	Delaware	100%
Band-It Company, Ltd.	Great Britain	100%
Band-It Clamps (Asia) Pte. Ltd.	Singapore	90%
Corken, Inc.	Delaware	100%
Hale Products, Inc.	Pennsylvania	100%
Hale Products Europe GmbH	Germany	100%
Dunja Verwaltugsgesellschaft mbH	Germany	100%
Lukas Hydraulik GmbH	Germany	100%
Godiva Products Ltd.	Great Britain	100%
Seithal Limited	Great Britain	100%
Godiva Group Limited	Great Britain	100%
Ginswat Ltd.	Hong Kong	100%
Lubriquip, Inc.	Delaware	100%
KLS Lubriquip, Inc.	Wisconsin	100%
Micropump, Inc.	Delaware	100%
MM Holding Co.	Delaware	100%
Consis, LLC (50% owned)	Washington	100%
Micropump Limited	Great Britain	100%
Pulsafeeder, Inc.	Delaware	100%
Pulsafeeder Pte Ltd.	Singapore	100%
Signfix Holdings Limited	Great Britain	
Signfix Limited	Great Britain	
Tespa France SARL	France	
Tespa GmbH	Germany	
Strippit, Inc.	Delaware	100%
Strippit S.A.	France	100%
Strippit Ltd.	Great Britain	100%
Vibratech, Inc.	Delaware	100%

Viking Pump, Inc.	Delaware	100%
Viking Pump International, Inc.	Delaware	100%
Viking Pump (Europe) Ltd.	Ireland	100%
Johnson Pump (UK) Ltd.	Great Britain	100%
Viking Pump of Canada Inc.	Ontario	100%
Atlas Pump and Machine Co., Inc.	Ontario	
Warren Rupp, Inc.	Delaware	100%
Warren Rupp (Europe) Ltd.	Ireland	100%
IDEX Foreign Sales Corp.	Barbados	100%

Dormant Corporations

Name	Parent	Organized	Note
KLS International Corp.	Lubriquip, Inc.	Del.	
Strippit International, Inc.	Strippit, Inc.	Del.	
Hale Products International, Inc.	Hale Products, Inc.	U.S.V.I.	
Hale Products Group, Ltd.	Godiva Products Ltd.	U.K.	
Hale Products Europe Ltd.	Godiva Products Ltd.	U.K.	
Hale Products U.K. Ltd.	Godiva Products Ltd.	U.K.	
Godiva Emergency Products Ltd.	Seithal Ltd.	U.K.	
Godiva Group Limited	Godiva Group Limited	U.K.	
Trinity Hathaway Ltd.	Godiva Group Limited	U.K.	

Schedule 6.15

Insurance Matters

None.

Schedule 8.01

Permitted Liens

1. Liens relating to a capital lease of Corken, Inc.'s office and manufacturing facility securing obligations in a principal amount not exceeding $3,000,000 under and pursuant to that certain Lease between Corken, Inc. and 3805 General Partnership dated as of August 28, 1990.

2. Liens on certain assets of Pulsafeeder, Inc. in connection with an Industrial Revenue Bond securing obligations not exceeding $150,000.

Schedule 8.04

Loans & Investments

1. 50% interest in Consis L.L.C. owned by M.M. Holding Co. currently carried on the financial statements at $268,000.

Schedule 8.05

Permitted Indebtedness

1. Capital lease obligations of Corken, Inc.'s in connection with the lease of its office and manufacturing facility in a principal amount not exceeding $3,000,000 under and pursuant to that certain Lease between Corken, Inc. and 3805 General Partnership dated as of August 28, 1990.

2. Indebtedness of Pulsafeeder, Inc. in connection with an Industrial Revenue Bond in a principal amount not exceeding $150,000.

3. Indebtedness of Dunja Verwaltugsgesellschaft mbH in connection with a credit facility with Bank of America NT & SA (Frankfurt Branch) ("BofA Frankfurt") in an aggregate principal amount not exceeding DM52,500,000, as described in that certain letter agreement dated September 29, 1995 from BofA Frankfurt.

4. Guaranty of IDEX Corporation in connection with the Indebtedness described in item 3 above.

Schedule 8.07

Contingent Obligations

1. Guaranty of IDEX Corporation described in item 4 of Schedule 8.05.

SCHEDULE 11.02

OFFSHORE AND DOMESTIC LENDING OFFICES,
ADDRESSES FOR NOTICES

BANK OF AMERICA ILLINOIS, as Agent

Bank of America Illinois
Attention: David Graham, Vice President
Telephone: (312) 828-7933
Facsimile: (312) 974-9102

AGENT'S PAYMENT OFFICE:

231 South LaSalle St.
8th Floor
Chicago, Illinois 60697

BANK OF AMERICA ILLINOIS, as a Bank

Domestic and Offshore Lending Office:

Notices (other than Borrowing notices and Notices of Conversion/Continuation):

Bank of America Illinois
Attention: Eileen Sachanda
2850 West Golf Road
Rolling Meadows, Illinois 60008

BANK OF SCOTLAND

181 West Madison Street
Suite 4710
Chicago, Illinois 60602
Attn: Colin Ferguson, Vice President
Telephone: (312) 263-4054
Facsimile: (312) 263-1143

HARRIS TRUST AND SAVINGS BANK

111 West Monroe Street
Chicago, Illinois 60690
Attn: Frank Pagura, Vice President
Telephone: (312) 461-2781
Facsimile: (312) 987-4856

NATIONAL CITY BANK

National City Center
1900 East 9th Street
Cleveland, Ohio 44114-3484
Attn: Brian Cullina, Vice President
Telephone: (216) 575-2822
Facsimile: (216) 575-9396

PNC BANK, NATIONAL ASSOCIATION

500 West Madison Street
Suite 3140
Chicago, Illinois 60661
Attn: Karen Brogan, Commercial Banking Officer
Telephone: (312) 906-3457
Facsimile: (312) 906-3420

UNION BANK OF CALIFORNIA

350 California Street
San Francisco, California 94104
Attn: Nan Brusati Dias, Multinational Department
Telephone: (415) 705-7050
Facsimile: (415) 705-7046

UNITED STATES NATIONAL BANK OF OREGON

555 Southwest Oak Street
PL-4
Portland, Oregon 97204
Attn: Thomas Lee, Vice President
Telephone: (503) 275-6381
Facsimile: (503) 275-4267

EXHIBIT 1.01A

FORM OF
AMENDED AND RESTATED PLEDGE AGREEMENT

This Amended and Restated Pledge Agreement (as amended, restated, supplemented, renewed or otherwise modified from time to time, this "Agreement") is entered into as of July 17, 1996, by IDEX Corporation, a Delaware corporation (the "Company"), and any Subsidiary which may hereafter become a party hereto in accordance with Section 6.5 hereof (each a "Pledgor" and collectively, the "Pledgors"), in favor of Bank of America Illinois, as Agent (in such capacity, the "Agent") for itself and the financial institutions from time to time party to the Credit Agreement described below (the "Banks").

RECITALS:

A. The Company, the Agent and the Banks entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Banks are willing to continue to make certain Loans to the Company and the Issuing Bank is willing to continue to issue Letters of Credit for the account of the Company as provided in the Credit Agreement on the condition (among others) that the Pledgors enter into this Agreement.

C. The Company has previously entered into pledges (See Recital D below) pursuant to that certain Credit Agreement, among the Company, Agent and various banking institutions, dated January 22, 1988 (herein, as amended by the First Amendment dated as of May 22, 1989, a Letter Agreement dated as of May 7, 1991, the Amended and Restated Credit Agreement dated as of May 4, 1992, the Second Amended and Restated Credit Agreement dated as of January 29, 1993, which in turn was amended by the First Amendment dated as of May 23, 1994, the Second Amendment dated as of October 24, 1994, the Third Amendment dated as of February 28, 1995, the Fourth Amendment dated November 1, 1995 and the Fifth Amendment dated December 22, 1995), and such pledges are hereby deemed to be amended and restated by this Agreement.

D. The Company is party to that certain Senior Pledge Agreement, dated January 22, 1988, by and between the Company and Bank of America Illinois (successor to Continental Illinois National Bank and Trust Company of Chicago). That certain Senior Pledge Agreement was subsequently amended on the following dates: May 7, 1991, May 4, 1992, October 24, 1994, and November 1, 1995. Pursuant to these amendments, capital stock and intercompany notes of the following subsidiaries were pledged by the Company: Corken, Inc. (successor to CIC Acquisition Corp.); Pulsafeeder, Inc. (successor to PLF Acquisition Corporation and MCL Acquisition

Corporation); Hale Products, Inc.; and Micropump, Inc. The foregoing Senior Pledge Agreement, as amended, is hereinafter referred to as the "Original Pledge Agreement".

E. In order to induce the Banks to continue to make such Loans available to the Company and to induce the Issuing Bank to continue to issue such Letters of Credit for the account of the Company, and for other valuable consideration, the Company is required to execute and deliver this Agreement and to grant to Agent under this Agreement a continuing Security Interest in

(1) all Pledged Notes; and

(2) all Pledged Shares.

F. Pledgor hereby agrees that the Original Pledge Agreement is hereby amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS

1.1. Certain Terms. The following terms (whether or not underscored) when used in this Agreement shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agent" shall have the meaning provided in the preamble hereto.

"Banks" shall have the meaning provided in the preamble hereto.

"Company"shall have the meaning provided in preamble hereto.

"Collateral" shall have the meaning provided in Section 2.1 below.

"Credit Agreement" shall have the meaning provided in Recital A hereto.

"Default" shall mean any Event of Default or any event or condition which, with notice or lapse of time or both, would constitute an Event of Default.

"Distributions" shall mean all stock dividends, liquidating dividends, shares of stock resulting from stock splits, reclassifications, warrants, options, non-cash dividends and other distributions on or with respect to any shares of capital stock whether similar or dissimilar to the foregoing but shall not mean Dividends as that term is defined herein.

"Dividends" shall mean cash dividends and cash distributions made out of capital surplus.

"Instrument" shall mean any document or writing (whether by formal agreement, letter or otherwise) under which any obligation is evidenced, assumed or undertaken, or any right to any security interest is granted or perfected.

"Instrument executed pursuant hereto" and similar terms shall mean the Pledged Notes and each Instrument executed and delivered by the Company or any Subsidiary pursuant to this Agreement, whether or not mentioned herein.

"Intercompany Note" means a promissory note from a Subsidiary of the Company to the Company in a form satisfactory to Agent and required to be pledged pursuant to the Agreement.

"Note" shall mean any promissory note of the Company executed and delivered pursuant to the Credit Agreement to evidence any Loans made thereunder and any other promissory note of the Company accepted by any Bank in substitution or replacement therefor.

"Obligations" shall have the meaning ascribed to it in the Credit Agreement.

"Pledged Notes" shall mean all Intercompany Notes either in the form as they currently exist and hereafter substantially in the form of Exhibit A (with only such changes as are agreed to by the Agent) indentified on Schedule I attached hereto (as the same may be amended from time to time) which are now being delivered by the Company to Agent or may from time to time hereafter be delivered by the Company or any Subsidiary for the purpose of pledge under this Agreement.

"Pledged Property" shall mean the Pledged Notes and/or the Pledged Shares.

"Pledged Shares" shall mean the certificates representing the shares of the capital stock as identified on Schedule II attached hereto (as the same may be amended from time to time) which are now being delivered by the Company to Agent or may from time to time hereafter be delivered by the Company or any Subsidiary for the purpose of pledge under this Agreement.

"Pledgor" shall have the meaning provided in the preamble hereto.

"Ratably" or "Ratable Distribution" shall mean, in the context of a distribution of Collateral or a distribution of proceeds of any of the Collateral, an allocation of such moneys among the Banks pro rata in accordance with their respective proportion of the aggregate dollar amount of the obligations to which the distribution is being applied.

"Security Instrument" shall mean any security agreement, chattel mortgage, assignment, financing or similar statement or notice, continuation statement, other agreement or Instrument, or amendment or supplement to any thereof, providing for, evidencing or perfecting any Security Interest.

"Security Interest" shall mean any interest in any real or personal property or fixture which secures payment of performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other Security Interest of any kind, whether arising under a Security Instrument or as a matter of law, judicial process or otherwise.

1.2. Credit Agreement Definitions. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings given to such terms from time to time in the Credit Agreement. References to the Banks or any Bank herein shall include the Issuing Bank in its capacity as a Bank and as Issuing Bank.

1.3. References to Parties. References to any party in this Agreement shall include its permitted successors and assigns.

ARTICLE II
PLEDGE

2.1. Grant of Security Interest. As security for payment of all Obligations of such Pledgor, each Pledgor hereby ratifies and confirms its pledge and grant of a security interest pursuant to the Original Pledge Agreement and hereby pledges, assigns and transfers to Agent and grants to Agent a continuing security interest in and to the Pledged Property, whether now or hereafter delivered by such Pledgor to Agent, together with all Dividends, Distributions, interest and other payments and rights with respect thereto and all proceeds of any of the foregoing (all of the items referred to in this Section 2.1 being herein called the "Collateral"). Any Pledged Notes delivered by each Pledgor to Agent which, notwithstanding any applicable requirement of this Agreement or the Credit Agreement, were not endorsed by each Pledgor to the order of Agent, and upon the occurrence of any Event of Default any other Collateral delivered by each Pledgor to Agent which was not endorsed by each Pledgor to the order of Agent, may be so endorsed by Agent on behalf of each Pledgor.

All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Agent in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof or thereof, shall, to the extent lawful, become a part of the Obligations secured hereby.

2.2. Release of Pledged Property.

(a) In the event that each Pledgor, to the extent permitted under the Credit Agreement, disposes of all Pledged Shares issued by any Subsidiary or any Subsidiary disposes of all or substantially all of its assets then, upon the occurrence of such disposition and each Pledgor's prepayment of such amounts, if any, then required by the Banks to be paid on the Obligations, the Pledged Note issued by such Subsidiary and/or, if applicable, the Pledged Shares issued by such Subsidiary, shall cease to be Pledged Property and shall

be released by the Agent to each Pledgor. Any such release may occur pursuant to an escrow or other arrangement for a concurrent disposition and release.

(b) In the event that any Dividend is paid on any Pledged Shares or any interest or principal is paid on any Pledged Notes at a time when no Default of the nature referred to in clauses (f) or (g) of Section 9.01 of the Credit Agreement and no Event of Default has occurred and is continuing and the proceeds thereof are not applied to any of the Obligations, such Dividend or interest or principal shall thereupon cease to be Pledged Property and shall be deemed to be released by Agent to each Pledgor.

ARTICLE III
CERTAIN UNDERTAKINGS

3.1. Payments of Pledged Notes. Subject to the restrictions of Section 3.3 below, any Subsidiary which is obligated under any Pledged Note may prepay such Pledged Note in whole or in part without premium or penalty.

3.2. Quarterly Reports. Each Pledgor shall provide each Bank, as part of the financial information delivered quarterly pursuant to clause (b) of Section 7.01 of the Credit Agreement (commencing with the fiscal quarter ending June 30, 1996), a schedule, in form satisfactory to each Bank, setting forth as to each Pledged Note on the last day of the fiscal quarter for which such information is delivered:

(a) its maker, date and original principal amount;

(b) its actual outstanding principal amount on the last day of such fiscal quarter; and

(c) the amount of all prepayments of such Pledged Note made during such quarter.

3.3. Additional Undertakings. Except in connection with any action permitted by Section 2.2, each Pledgor will not, without the prior written consent of Agent,

(a) enter into any agreement amending, supplementing or waiving any provision of any Pledged Note or compromising or releasing or extending the time for payment of any obligation of the maker thereunder; or

(b) take or omit to take any action the taking or omission of which would result in any impairment or alteration of any obligation of the maker of any Pledged Note.

ARTICLE IV

WARRANTIES, ETC.

Each Pledgor represents and warrants unto Agent and each Bank that at the date of each pledge hereunder by each Pledgor to Agent of any Pledged Property,

(a) Each Pledgor is or will then be the lawful owner of, and has or will have good and marketable title to (and has or will have full right and authority to pledge and assign), such Pledged Property, free and clear of all liens or encumbrances except any lien or security interest granted pursuant hereto in favor of Agent or otherwise permitted by the Credit Agreement;

(b) the Pledged Notes then pledged hereunder are in full force and effect and are enforceable in accordance with their respective terms, subject as to enforcement only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability of the rights of creditors generally and general principles of equity;

(c) the pledge of the Pledged Property then pledged hereunder is effective to create a valid first lien on and a first perfected security interest in such Pledged Property;

(d) in the case of any Pledged Shares, all of such Pledged Shares have been duly and validly issued, are fully paid and non-assessable; and

(e) the Pledged Shares constitute the percentage of the shares of capital stock of the Domestic Subsidiaries specified on Schedule II hereto or in the supplement pursuant to which such shares have been pledged.

ARTICLE V
BENEFIT OF PLEDGED SECURITIES, ETC.

5.1. Protect Collateral. Except in connection with any action permitted by Section 2.2, each Pledgor will not sell, assign, transfer, pledge or encumber in any other manner the Collateral (except in favor of Agent hereunder). Each Pledgor will warrant and defend the right and title herein granted unto Agent in and to the Collateral (and all right, title and interest represented by the Collateral) against the claims and demands of all Persons whomsoever except as permitted by the Credit Agreement.

5.2. Stock Powers, Endorsements, etc. Each Pledgor agrees that all Pledged Notes delivered by each Pledgor pursuant to this Agreement will be duly endorsed by each Pledgor to the order of Agent and that all Pledged Shares delivered by each Pledgor pursuant to this Agreement will be accompanied by duly executed undated blank stock powers. Each Pledgor will, from time to time, upon request of Agent, promptly execute such endorsements and deliver to Agent such stock powers

and similar documents, satisfactory in form and substance to Agent, with respect to the Collateral as Agent may reasonably request and will, from time to time, upon request of Agent, after the occurrence and during the continuance of any Event of Default, promptly transfer any shares which are part of the Collateral into the name of any nominee designated by Agent.

5.3. Certain Other Agreements Regarding Collateral. Subject to Section 2.2, each Pledgor will, at all times, keep pledged to Agent pursuant hereto all of the Pledged Notes, all Distributions, all shares of capital stock of each Domestic Subsidiary that is a Material Subsidiary existing as of the date hereto and each Domestic Subsidiary which becomes a Material Subsidiary after the date hereof, and 65% of shares of capital stock of each direct Foreign Subsidiary which becomes a Material Subsidiary after the date hereof, and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral.

Each Pledgor agrees to deliver (properly endorsed where required hereby or requested by Agent) to Agent:

(a) after, but not prior to, the time that any Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occurred and be continuing, promptly upon receipt thereof by each Pledgor and without any request therefor by Agent, all Dividends, all interest and other cash payments and all cash proceeds of the Pledged Property and other Collateral, all of which shall be held by Agent as additional Collateral for use in accordance with Section 5.5; and

(b) after a Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occurred, promptly upon request of Agent, such proxies and other documents as may be necessary to allow Agent to exercise the voting power with respect to any share of capital stock included in the Collateral;

provided, however, that unless a Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occurred and be continuing, each Pledgor shall, subject to Article III, be entitled:

(c) to exercise as it shall deem fit, but in a manner not inconsistent with the terms of the Credit Agreement, Loan Document, any Note or any Instrument executed pursuant thereto, the voting power and all other incidental rights of ownership with respect to any Pledged Shares or any Pledged Notes (subject to each Pledgor's obligation to deliver to Agent such capital stock and Subsidiary Notes in pledge hereunder); and

(d) to the prompt return from Agent of any and all such Dividends, all interest and other cash payments and all cash proceeds of the Pledged Property and other Collateral delivered to the Agent in accordance with clause (a) of Section 5.3 after payment in full of all Obligations then due or to become due within 30 days thereafter.

All Dividends, Distributions, interest and payments which may at any time and from time to time be held by each Pledgor but which each Pledgor is then obligated to deliver to Agent, shall, until delivery to Agent, be held by each Pledgor separate and apart from its other property in trust for Agent.

Agent agrees that unless an Event of Default shall have occurred and be continuing, Agent shall, upon the written request of each Pledgor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by each Pledgor which are necessary to allow each Pledgor to exercise voting power with respect to any share of capital stock included in the Collateral; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken by each Pledgor that would impair the Collateral or be inconsistent with or violate any provision of this Agreement, the Credit Agreement, Loan Documents, any Note or any Instrument executed pursuant to the Credit Agreement.

5.4. Actions upon Event of Default. Whenever an Event of Default shall have occurred and be continuing, Agent shall have all rights and remedies of a secured party after default under the Uniform Commercial Code as in effect in the State of Illinois or other applicable law to the extent not inconsistent with all rights provided hereby. Any notification required by law of intended disposition by Agent of any of the Collateral shall be deemed reasonably and properly given if given at least 30 days before such disposition. Without limitation of the above, Agent may, upon direction of the Majority Banks, from time to time, before the Obligations shall be declared due and payable, but only if an Event of Default shall have occurred and be continuing, without prior notice to each Pledgor, take all or any of the following actions:

(a) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder;

(b) notify the parties obligated on any of the Collateral to make payment to Agent of any amount due or to become due thereunder;

(c) enforce collection of any of the Collateral by suit or otherwise;

(d) endorse any checks, drafts or other writings in each Pledgor's name to allow collection of the Collateral; and

(e) take control of any proceeds of the Collateral.

Without limitation of the above, Agent may, upon direction of the Majority Banks, whenever an Event of Default shall have occurred and be continuing, and the Obligations shall have been declared immediately due and payable, without prior notice to each Pledgor, take all or any of the following actions:

(f) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder;

(g) notify the parties obligated on any of the Collateral to make payment to Agent of any amount due or to become due thereunder;

(h) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(i) endorse any checks, drafts or other writings in each Pledgor's name to allow collection of the Collateral;

(j) take control of any proceeds of the Collateral; and

(k) execute (in the name, place and stead of each Pledgor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

In furtherance of the foregoing, each Pledgor hereby irrevocably constitutes and appoints the Agent, as its true and lawful attorney-in-fact with full power and authority in the name and in the place and stead of each Pledgor, and in its own name, effective upon the occurrence and during the continuance of an Event of Default, to file any claims or take any action (in law or in equity) which Agent may deem desirable to accomplish the purposes of this Agreement.

Each Pledgor understands that compliance with the federal securities laws, applicable blue sky or other state securities laws or similar laws analogous in purpose or effect may strictly limit the course of conduct of Agent if Agent were to attempt to dispose of all or any part of the Collateral and may also limit the extent to which or the manner in which any subsequent transferee of the Collateral may dispose of the same. Accordingly, each Pledgor agrees that IF ANY COLLATERAL IS SOLD AT ANY PUBLIC OR PRIVATE SALE, AGENT MAY ELECT TO SELL ONLY TO A BUYER WHO WILL GIVE FURTHER ASSURANCES, SATISFACTORY IN FORM AND SUBSTANCE TO AGENT, RESPECTING COMPLIANCE WITH THE REQUIREMENTS OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED; AND A SALE SUBJECT TO SUCH CONDITION SHALL BE DEEMED COMMERCIALLY REASONABLE. Without limiting the generality of the foregoing, the provisions of this paragraph would apply if, for example, Agent were to place all or any part of the Collateral for private placement by an investment banking firm, or if such investment banking firm purchased all or any part of the Collateral for its own account, or if Agent placed all or any part of the Collateral privately with a purchaser or purchasers.

5.5. Application of Moneys. Any moneys received by Agent upon payment to it of any Collateral held by it or as proceeds of any of the Collateral may be applied by Agent to the payment of any expenses incurred by it in connection with the Collateral, including, without limitation, reasonable attorneys' fees and legal expenses and all amounts payable by each Pledgor under Section 11.04 of the Credit Agreement. Any balance of such moneys so received by Agent shall be applied by Agent:

(a) first, Ratably, (i) to the unpaid interest (including, without limitation, post-petition interest) accrued and then due on all Notes (including any premium, if any, thereon), and (ii) to all unpaid closing, commitment and agents fees, if any, accrued and then due;

(b) second, Ratably among all holders of Notes on account of all principal of the Notes then due;

(c) third, if any Event of Default shall have occurred and be continuing, Ratably (i) to the unpaid interest accrued on all Notes not then due, (ii) to the outstanding principal amount of all Notes not then due, and (iii) to the payment in full of all other items which constitute Obligations under the definition thereof;

(d) fourth, if any Event of Default shall have occurred and be continuing and all items which constitute Obligations under the definition thereof, whether or not then due, shall have been paid in full, ratably to all other Obligations to any Bank then due; and

(e) fifth, if no Event of Default shall have occurred and be continuing or after payment in full of all Obligations and other obligations referred to above, to the payment to each Pledgor or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such moneys.

ARTICLE VI
MISCELLANEOUS

6.1. Obligations Not Affected. The obligations of each Pledgor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to the Credit Agreement, or any Instrument contemplated thereby or any assignment or transfer thereof, except amendments or modifications hereto effected in accordance with Section 6.5;

(b) any exercise, non-exercise or waiver by Agent or any Bank of any right, remedy, power or privilege under or in respect of this Agreement, the Credit Agreement or any Instrument executed pursuant hereto;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, the Credit Agreement or any Instrument executed pursuant hereto or any assignment or transfer of any thereof; or

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or the like, of each Pledgor or any other Person, whether or not each Pledgor shall have notice or knowledge of any of the foregoing.

6.2. Protection of Collateral. Agent may from time to time, at its option, perform any act which each Pledgor agrees hereunder to perform and which a Pledgor or Pledgors fails to perform after being requested in writing to so perform (it being understood that no such request need be given after the occurrence and during the continuance of any Event of Default) and Agent may from time to time take any other action which Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein. Such Pledgor or Pledgors will, upon demand, repay to Agent all moneys advanced by Agent in connection with the foregoing, together with interest at a rate (or any maximum lesser rate permitted by applicable law) per annum equal to the sum of the Base Rate from time to time most recently announced by Agent plus 2%.

6.3. Agent Not Responsible. Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; however, Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral if it takes such action for that purpose as a Pledgor or Pledgors reasonably request in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of Agent to comply with any such request shall at any time not in itself be deemed a failure to exercise reasonable care.

6.4. Additional Pledges. If the Company or any Subsidiary hereafter incorporates, acquires or otherwise obtains a Domestic Subsidiary which is also a Material Subsidiary ("New Domestic Subsidiary"), then the Company shall pledge or shall cause such Subsidiary to pledge to Agent all of the New Domestic Subsidiary's Intercompany Notes, all of its Distributions, all of its shares of capital stock and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral. In addition, if the Company or any Domestic Subsidiary hereafter incorporates, acquires or otherwise obtains a Foreign Subsidiary which is also a Material Subsidiary ("New Foreign Subsidiary"), then the Company shall pledge or shall cause such Subsidiary to pledge to Agent 65% of the shares of capital stock of such New Foreign Subsidiary and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral. Upon the occurrence of any of the foregoing, the Company shall execute and deliver or shall cause its Subsidiary to execute and deliver a supplement to this Agreement in the form of Exhibit B (with only such changes thereto as are agreed to by the Agent), and in the case of the Company pledging shares of a New Domestic

Subsidiary or New Foreign Subsidiary, such shares shall be deemed to be Pledged Shares, and in the case of a new Subsidiary executing such supplement, such Person shall be deemed a Pledgor for all purposes hereunder.

6.5. Successors and Assigns. This Agreement shall be binding upon each Pledgor and its successors and assigns and shall inure to the benefit of, and shall be enforceable by, the Agent and the Banks and their respective successors and assigns pursuant to the Credit Agreement.

6.6. Further Assurances. Each Pledgor, jointly and severally, agrees to do such further acts and things and to execute and deliver such additional agreements, powers and instruments as the Agent may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Agent its rights, powers and remedies under this Agreement, the Credit Agreement or any other Loan Document.

6.7. Loan Document. This Agreement is a Loan Document executed and delivered pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof. Without limiting the generality of the foregoing, the provisions of Sections 1.02 and 1.03 of the Credit Agreement shall apply to the interpretation and administration of this Agreement as if such provisions were incorporated herein, with all references to the "Agreement" in such Sections 1.02 and 1.03 being deemed to be references to this Amended and Restated Senior Pledge Agreement.

6.8. Waivers; Writing Required. No delay or omission by the Agent or any Bank to exercise any right under this Agreement shall impair any such right, nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Agreement shall be deemed a waiver of any other breach or default. Any amendment or waiver of any provision of this Agreement must be in writing and signed by the Pledgors and the Agent, in accordance with the terms of Section 11.01 of the Credit Agreement.

6.9. Remedies. All rights and remedies provided in this Agreement and any instrument or agreement referred to herein are cumulative and are not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

6.10. Costs and Expenses. Each Pledgor agrees to pay or reimburse the Agent and each Bank promptly after demand for all reasonable out-of-pocket costs and expenses (including reasonable Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement during the existence of an Event of Default or after acceleration of the Loans (including all costs and expenses incurred in connection with any "workout" or restructuring regarding amounts due under this Agreement, and including all costs and expenses incurred in any Insolvency Proceeding or appellate proceeding).

6.11. Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement referred to herein shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement referred to herein.

6.12. GOVERNING LAW AND JURISDICTION.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PLEDGORS, THE COMPANY, THE AGENT AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PLEDGORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE PLEDGORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

6.13. WAIVER OF JURY TRIAL. THE PLEDGORS, THE COMPANY, THE BANKS AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE PLEDGORS, THE COMPANY, THE BANKS, THE DESIGNATED BIDDERS AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A

JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

6.14. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

6.15. Headings. Section and other headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

6.16. Entire Agreement. This Agreement (a) integrates all the terms and conditions mentioned herein or incidental hereto, (b) supersedes all oral negotiations and prior writings with respect to the subject matter hereof, and (c) is intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Agreement and as the complete and exclusive statement of the terms agreed to by the parties.

[SIGNATURE PAGE FOLLOWS]

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

IDEX CORPORATION

By: ----------

Title: ----------

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: ----------

Facsimile No.: (312) 498-3940

BANK OF AMERICA ILLINOIS,
as Agent

By: ----------

Title: ----------

SCHEDULE I

PLEDGED NOTES

Subsidiary	Date	Principal Amount of Intercompany Note
Band-It-IDEX, Inc.	10/24/94	$18,411,086
Vibratech, Inc.	10/24/94	$11,506,929
Lubriquip, Inc.	10/24/94	$27,599,999
Strippit, Inc.	10/24/94	$15,342,572
Viking Pump, Inc.	10/24/94	$38,356,430
Warren Rupp, Inc.	10/24/94	$30,685,144
Corken, Inc.	10/24/94	$11,000,000
Pulsafeeder, Inc.	10/24/94	$56,000,000
Hale Products, Inc.	10/24/94	$70,000,000
Micropump, Inc.	11/01/95	$22,000,000

SCHEDULE II

PLEDGED SHARES

Subsidiary Issuer	Capital Stock	
	Number of Shares	Certificate Number
Band-It-IDEX, Inc. (f/k/a Houdaille Band-It, Inc. and f/k/a Band-It-Houdaille, Inc.)	100	2
Vibratech, Inc. (f/k/a Houdaille Hydraulics, Inc. and f/k/a Hydraulics-Houdaille, Inc.)	100	2
Lubriquip, Inc. (f/k/a Houdaille Lubriquip, Inc. and f/k/a Lubriquip-Houdaille, Inc.)	100	2
Strippit, Inc. (f/k/a Houdaille Strippit-DiAcro, Inc. and f/k/a Strippit-Houdaille, Inc.)	100	2
Viking Pump, Inc. (f/k/a Houdaille Viking Pump, Inc. and f/k/a Viking Pump-Houdaille, Inc.)	100	2
Warren Rupp, Inc. (f/k/a Houdaille Warren Rupp, Inc. and f/k/a Warren-Rupp-Houdaille, Inc.)	100	2
Corken, Inc. (f/k/a CIC Acquisition Corp.)	100	2
Pulsafeeder, Inc. (f/k/a PLF Acquisition Corporation)	100	1
Hale Products, Inc. (f/k/a Hale Fire Pump Company)	100	1
Micropump, Inc. (f/k/a MC Acquisition Corp.)	100	1

EXHIBIT A

FORM OF INTERCOMPANY NOTE

FOR VALUE RECEIVED, the undersigned, _____, a _____ corporation ("Borrower"), promises to pay to the order of _____, a _____ corporation ("Lender"), on the demand of the Lender (or immediately upon any acceleration described in the last paragraph of this Intercompany Note), the amount that has been advanced and is then outstanding hereunder, together with interest thereon as hereinafter set forth.

This Intercompany Note is one of the Intercompany Notes referred to and defined in that certain Amended and Restated Pledge Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") by IDEX Corporation (together with its successors and assignors, "IDEX Corporation"), a Delaware corporation and certain of its subsidiaries (including Borrower), in favor of Bank of America Illinois, as Agent for the financial institutions from time to time party to that certain Credit Agreement referred to in the Pledge Agreement. Unless otherwise defined herein, each capitalized term used herein shall have the meaning assigned thereto in the Pledge Agreement or, if not defined therein, as defined in the Credit Agreement referred to in the Pledge Agreement.

Borrower hereby expressly acknowledges and agrees that Lender may, pursuant to the terms of the Pledge Agreement, pledge all of its rights, title and interest hereunder to the Agent (as defined in the Pledge Agreement) for the benefit of the Agent and the Banks identified in the Pledge Agreement.

This Intercompany Note is a note under which advances, repayments and new advances may be made from time to time, provided that Lender shall not be obligated to make any advance hereunder. Advances hereunder may be requested by Borrower orally or in writing.

The principal balance of advances outstanding from time to time under this Intercompany Note shall bear interest at a per annum rate to be agreed by Lender and Borrower from time to time; interest shall be computed on a daily basis using a year of 365 or 366 days, as the case may be, and assessed for the actual number of days elapsed. Interest shall be payable in arrears with such frequency as agreed by Borrower and Lender from time to time, but in no event less frequently than quarterly, on the last day of each such period as so agreed by Borrower and Lender and otherwise on demand.

If any payment hereunder is due and payable on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day, and interest shall be payable thereon during such extension at the rate specified above.

Any and all principal and interest not paid when due and owing under this Intercompany Note shall bear interest at a per annum rate equal to two percent (2.0%) plus the interest rate applicable hereunder on the date that such principal and/or interest is first due but not paid. If this Intercompany Note or any part of the indebtedness evidenced hereby is not paid when due, Borrower promises to pay all reasonable costs of collection, including, without limitation, Attorney Costs and all other reasonable expenses incurred by the holder hereof in connection therewith, whether or not suit is filed hereon.

If any interest payable hereunder exceeds the maximum amount then permitted by applicable law, Borrower shall be obligated to pay the maximum amount then permitted by applicable law and Borrower shall continue to pay the maximum amount from time to time permitted by applicable law until all such interest otherwise due hereunder (in the absence of such restraint imposed by applicable law) has been paid in full.

Both the principal of and interest on this Intercompany Note are payable in lawful money of the United States of America to Lender, to such account as Lender may designate from time to time, in same day funds. At the time of each advance hereunder, and upon each repayment of amounts outstanding hereunder, Lender shall make a notation either on the schedule attached hereto and made a part hereof, or in Lender's own books and records, in each case specifying the amount of such advance, the interest rate in effect from time to time hereunder and the amount of principal and interest paid, as the case may be; provided, that Lender's failure to make any such recordation or notation shall not affect the obligations of Borrower hereunder. Such records shall be prima facie evidence of the amount and timing of all advances, repayments and interest rate determinations.

Presentment, protest and notice of nonpayment and protest are hereby waived by Borrower.

THIS INTERCOMPANY NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Whenever possible each provision of this Intercompany Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Intercompany Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Intercompany Note.

Whenever in this Intercompany Note reference is made to Lender or Borrower, such reference shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Intercompany Note shall be binding upon Borrower and its

successors and assigns, and shall inure to the benefit of the Lender and its successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower.

Immediately upon any acceleration of amounts owing by IDEX Corporation under the Credit Agreement or any of the other Loan Documents (whether as the result of a declaration by the Agent or the occurrence of an Event of Default described in clause (f) or (g) of Section 9.01 of the Credit Agreement), all principal, interest and other amounts owing hereunder shall become due and payable without the requirement of any acceleration or request, and without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Intercompany Note to be duly executed as of _____.

[BORROWER]

By: ----------

Name: ----------

Title: ----------

SCHEDULE A
TO
INTERCOMPANY NOTE

SCHEDULE OF ADVANCES AND REPAYMENTS

EXHIBIT B

FORM OF SUPPLEMENT TO THE AMENDED AND RESTATED
SENIOR PLEDGE AGREEMENT

This Supplement No. _____ dated as of _____ (this "Supplement") to the Pledge Agreement (as defined below) is by _____, a _____ corporation (the "Pledgor"), in favor of Bank of America Illinois, as Agent (as defined in the Pledge Agreement) under the Pledge Agreement for the benefit of the secured parties thereunder.

RECITALS:

A. IDEX Corporation, a Delaware corporation (the "Company"), the Agent and the Banks (as defined in the Pledge Agreement) entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Company is a party to that certain Amended and Restated Pledge Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") with Bank of America Illinois, as Agent for the financial institutions from time to time party to that certain Credit Agreement. Unless otherwise defined herein, each capitalized term used herein shall have the meaning assigned thereto in the Pledge Agreement or, if not defined therein, as defined in the Credit Agreement referred to in the Pledge Agreement.

C. Pursuant to Section 6.4 of the Pledge Agreement, this Supplement is required to be executed and delivered to the Agent.

In consideration of the premises above and as set forth in the Pledge Agreement, the parties hereto agree as follows:

ARTICLE I
SUPPLEMENT TO PLEDGE AGREEMENT

1.1. Supplement to Pledge Agreement. In accordance with Section 6.4 of the Pledge Agreement, Pledgor, by its execution and delivery of this Supplement, [INSERT THE FOLLOWING IF PLEDGOR IS NOT ALREADY A PARTY TO THE PLEDGE AGREEMENT:

becomes a party to the Pledge Agreement with the same force and effect as if originally named therein a "Pledgor", and Pledgor hereby (a) agrees to all the terms and provisions of the Pledge Agreement, (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all material respects on and as of the date hereof and (c) agrees that the Schedules hereto (which are designated as supplements to the corresponding Schedules to the Pledge Agreement) are hereby incorporated in their entirety into such corresponding Schedules to the Pledge Agreement. Each reference to a "Pledgor" in the Pledge Agreement shall be deemed to include the Pledgor. Each reference to "Pledged Notes", "Pledged Shares", and "Pledged Property" in the Pledge Agreement shall be deemed to include the Pledged Notes, Pledged Shares and Pledged Property pledged herein. All of the terms of the Pledge Agreement are hereby incorporated in their entirety.] [INSERT THE FOLLOWING IF PLEDGOR IS A PARTY TO THE PLEDGE AGREEMENT: Pledgor hereby (a) represents and warrants that the representations and warranties made by it as a Pledgor under the Pledge Agreement are true and correct in all material respects on and as of the date hereof and (b) agrees that the Schedules hereto (which are designated as supplements to the corresponding Schedules to the Pledge Agreement) are hereby incorporated in their entirety into such corresponding Schedules to the Pledge Agreement. Each reference to "Pledged Notes", "Pledged Shares", and "Pledged Property" in the Pledge Agreement shall be deemed to include the Pledged Notes, Pledged Shares and Pledged Property pledged herein.]

1.2. Additional Representations, Warranties and Covenants. Pledgor represents and warrants to the Agent and the Banks that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

ARTICLE II
SECURITY INTERESTS

2.1. Grant of Security Interest.

(a) As security for payment of all Obligations of such Pledgor, [INSERT THE FOLLOWING IF PLEDGOR IS PARTY TO THE PLEDGE AGREEMENT: each Pledgor hereby ratifies and confirms its pledge and grant of a security interest pursuant to the Pledge Agreement and] [INSERT THE FOLLOWING IF PLEDGOR IS NOT ALREADY A PARTY TO THE PLEDGE AGREEMENT: each Pledgor] hereby pledges, assigns and transfers to Agent and grants to Agent a continuing security interest in and to the shares of capital stock and/or promissory notes identified on Schedules I and II attached hereto together with all Dividends, Distributions, interest and other payments and rights with respect thereto and all proceeds of any of the foregoing (all of the items referred to in this Section 2.1 being herein called the "Collateral"). The parties agree that such capital stock and/or promissory notes shall be Pledged Shares or Pledged Notes pursuant to the Pledge Agreement and shall be subject to the terms and conditions of the Pledge Agreement.

(b) All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Agent in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof or thereof, shall, to the extent lawful, become a part of the Obligations secured hereby.

(c) The Pledged Notes listed on Schedule I hereto and the certificates representing the Pledged Shares listed on Schedule II hereto shall be delivered to the Agent contemporaneously herewith together with appropriate undated note powers and stock powers duly executed in blank. Neither the Agent nor any Bank shall be obligated to preserve or protect any rights with respect to the Pledged Notes or the Pledged Shares or to receive or give any notice with respect thereto whether or not the Agent or any Bank (other than the Company) is deemed to have knowledge of such matters.

(d) The assignments and security interests under this Supplement granted to the Agent shall not relieve Pledgor from the performance of any term, covenant, condition or agreement on Pledgor's part to be performed or observed under or in respect of any of the Collateral pledged by it hereunder or from any liability to any Person under or in respect of any of such Collateral or impose any obligation on the Agent to perform or observe any such term, covenant, condition or agreement on Pledgor's part to be so performed or observed or impose any liability on the Agent for any act or omission on the part of Pledgor relative thereto or for any breach of any representation or warranty on the part of Pledgor contained in this Supplement, the Pledge Agreement or any other Loan Document, or in respect of the Collateral pledged by it hereunder or made in connection herewith or therewith. The obligations of Pledgor contained in this paragraph shall survive the termination of the Pledge Agreement and the discharge of Pledgor's other obligations thereunder.

(e) Pledgor agrees, at its own expense, to execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter to register, file or record in any and all appropriate governmental offices, any and all documents and instruments reasonably deemed by the Agent to be necessary or desirable for the creation and perfection of the foregoing security interests granted pursuant hereto. Pledgor further agrees to take all actions reasonably requested by the Agent (including, without limitation, the filing of UCC-1 financing statements) in connection with the granting of such security interests. Pledgor agrees to pay in full all taxes, fees and other charges payable in connection with the actions described in this clause (e).

2.2 Power of Attorney. Pledgor hereby constitutes and appoints the Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of a Default Event (in the name of Pledgor or otherwise), in the Agent's discretion, to take any action and to execute any instrument which the Agent may reasonably deem necessary or advisable to accomplish the purposes of the Pledge Agreement, which appointment as attorney is coupled with an interest.

ARTICLE III
MISCELLANEOUS

3.1. Miscellaneous Provisions. Each of the provisions set forth in Sections 6.1 through 6.17 (inclusive) of the Pledge Agreement is hereby incorporated by reference mutatis mutandis with the same effect as if such provisions had been set forth herein with each reference therein to "this Agreement" deemed to be a reference to "this Supplement" and each reference to a "Pledgor" deemed to be a reference to " Pledgor".

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. ____ to the Pledge Agreement to be duly and properly executed and delivered as of the date first written above.

[PLEDGOR]

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

Agreed and Accepted:

BANK OF AMERICA ILLINOIS,
as Agent

By:

Title:

SCHEDULE I (TO SUPPLEMENT NO. _____)

PLEDGED NOTES

SCHEDULE II (TO SUPPLEMENT NO. _____)

PLEDGED SHARES

EXHIBIT 1.01B

FORM OF
AMENDED AND RESTATED SUBSIDIARY GUARANTY AGREEMENT

This Amended and Restated Subsidiary Guaranty (as amended, restated, supplemented, renewed or otherwise modified from time to time, this "Guaranty") is entered into as of July 17, 1996, by each of the undersigned corporations and each Person that becomes a party hereto in accordance with Section 4.6 hereof (each a "Guarantor" and collectively, the "Guarantors"), in favor of Bank of America Illinois, as Agent for itself (in such capacity, the "Agent") and the financial institutions from time to time party to the Credit Agreement described below (the "Banks").

RECITALS:

A. IDEX Corporation, a Delaware corporation (the "Company"), the Agent and the Banks entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Banks are willing to make certain Loans to the Company and the Issuing Bank is willing to issue Letters of Credit for the account of the Company as provided in the Credit Agreement on the condition (among others) that the Guarantors enter into this Guaranty.

C. Each Guarantor has previously entered into guaranties (See Recital D below) pursuant to that certain Credit Agreement, among the Company, Agent and various banking institutions, dated January 22, 1988 (herein, as amended by the First Amendment dated as of May 22, 1989, a Letter Agreement dated as of May 7, 1991, the Amended and Restated Credit Agreement dated as of May 4, 1992, the Second Amended and Restated Credit Agreement dated as of January 29, 1993, which in turn was amended by the First Amendment dated as of May 23, 1994, the Second Amendment dated as of October 24, 1994, the Third Amendment dated as of February 28, 1995, the Fourth Amendment dated November 1, 1995 and the Fifth Amendment dated December 22, 1995), and such guaranties are hereby deemed to be amended and restated by this Guaranty.

D. Each Guarantor has previously entered into the following respective guaranties: Guaranty Agreement, dated January 22, 1988, entered into by Lubriquip, Inc. (successor to Lubriquip-Houdaille, Inc.), Warren Rupp, Inc. (successor to Warren Rupp-Houdaille, Inc.), Viking Pump, Inc. (successor to Viking Pump-Houdaille, Inc.), Vibratech, Inc. (successor to Hydraulics-Houdaille, Inc.), Band-It-IDEX, Inc. (successor to Band-It-Houdaille, Inc.), Strippit, Inc. (successor to Strippit-Houdaille, Inc.); Guaranty Agreement, dated May 7, 1991, entered into by Corken, Inc. (successor to CIC Acquisition Corp.); Guaranty Agreement, dated May 4, 1992, entered into by Pulsafeeder, Inc. (successor to PLF Acquisition Corporation and MCL Acquisition Corporation); Guaranty Agreement, dated October 24, 1994, entered into by Hale Products, Inc.; Guaranty Agreement, dated November 1, 1995, entered into by Micropump, Inc.; and the Guaranty

Agreement, dated December 22, 1995, entered into by Dunja Verwaltungsgesellschaft mbH. All of the foregoing guaranty agreements collectively referred to as the "Original Guaranty Agreements".

E. Each Guarantor, as a wholly-owned Subsidiary of the Company, will derive continuing, substantial and direct benefits (which benefits are hereby acknowledged by the Guarantors) from the Loans and the Letters of Credit and other benefits to be provided to the Company under the Credit Agreement.

F. In order to induce the Banks to continue to make such Loans available to the Company and to induce the Issuing Bank to issue such Letters of Credit for the account of the Company, and for other valuable consideration, the Guarantors hereby agree that the Original Guaranty Agreements are hereby amended and restated in their entirety as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms used in this Guaranty have the meanings given to such terms from time to time in the Credit Agreement. References to the Banks or any Bank herein shall include the Issuing Bank in its capacity as a Bank and as Issuing Bank.

2. Guaranty.

2.1 Guaranty. Each Guarantor hereby irrevocably, absolutely and unconditionally jointly and severally guarantees the full and punctual payment or performance when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all of the Obligations, including (a) Obligations in respect of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code or the operation of Sections 502(b) and 506(b) of the Bankruptcy Code and (b) Obligations to deliver and pledge cash collateral upon certain events. This Guaranty constitutes a guarantee of payment and performance when due and not of collection, and each Guarantor specifically agrees that it shall not be necessary or required that the Agent or any Bank exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Company (or any other Person) before or as a condition to the obligations of such Guarantor hereunder. The Agent or any Bank may permit the indebtedness of the Company to the Agent or any Bank to include indebtedness other than the Obligations and may apply any amounts received from any source, other than from the Guarantors, to that portion of the Company's indebtedness to the Agent or any Bank which is not a part of the Obligations.

2.2 Obligations Independent. The obligations hereunder are independent of the obligations of the Company, and a separate action or actions may be brought and prosecuted against the Guarantors whether action is brought against the Company or whether the Company be joined in any such action or actions.

2.3 Authorization of Renewals, Etc. Each Guarantor authorizes the Agent and each Bank without notice or demand and without affecting its liability hereunder, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time for payment, or otherwise change the terms, of the Obligations, including any increase or decrease of the rate of interest thereon, or otherwise change the terms of the Credit Agreement or any other Loan Document;

(b) to receive and hold security for the payment of this Guaranty or the Obligations and exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any such security;

(c) to apply such security and direct the order or manner of sale thereof as the Agent, or any Bank, as the case may be, in its or their discretion may determine; and

(d) to release or substitute any one or more of any endorsers or guarantors of the Obligations.

Each Guarantor further agrees the performance or occurrence of any of the acts or events described in clauses (a), (b), (c) and (d) above with respect to indebtedness or other obligations of the Company, other than the Obligations, to the Agent or any Bank, shall not affect the liability of such Guarantor hereunder.

2.4 Waiver of Certain Rights. Each Guarantor waives any right to require the Agent or any Bank:

(a) to proceed against the Company or any other Person;

(b) to proceed against or exhaust any security for the Obligations or any other indebtedness of the Company to the Agent or any Bank; or

(c) to pursue any other remedy in the Agent's or any such Bank's power whatsoever.

2.5 Waiver of Certain Defenses. Each Guarantor waives any defense arising by reason of any disability or other defense of the Company, or the cessation from any cause whatsoever of the liability of the Company, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor relief proceeding, or from any other cause, or any claim that such Guarantor's obligations exceed or are more burdensome than those of the Company.

2.6 Waiver of Presentments, Etc. Each Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty and of the existence, creation or incurring of new or additional Obligations or any other indebtedness of Company to the Agent or any Bank.

2.7 Information Relating to Company. Each Guarantor acknowledges and agrees that it shall have the sole responsibility for obtaining from the Company such information concerning the Company's financial condition or business operations as such Guarantor may require and that neither the Agent nor any Bank has any duty at any time to disclose to any Guarantor any information relating to the business operations or financial condition of the Company.

2.8 Right of Set-off. In addition to any rights and remedies of the Banks provided by law, if any Guarantor has failed to make any payment due hereunder upon demand, each Bank is authorized at any time and from time to time, without prior notice to such Guarantor, any such notice being waived by such Guarantor to the fullest extent permitted by law, to set-off and apply any and all Guarantor deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of such Guarantor against any and all obligations of such Guarantor now or hereafter existing under this Guaranty or any other Loan Document, irrespective of whether or not the Agent or such Bank shall have made demand under this Guaranty or any other Loan Document and although such obligations may be contingent or unmatured. Each Bank agrees promptly to notify such Guarantor and the Agent after any such set-off and application made by such Bank; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section 2.8 are in addition to the other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

2.9 Reinstatement of Guaranty. If any payment or transfer of any interest in property by the Company to the Agent or any Bank in fulfillment of any Obligation is rescinded or must at any time (including after the return or cancellation (other than by written release herefrom) of this Guaranty) be returned, in whole or in part, by the Agent or any Bank to the Company or any other Person, upon the insolvency, bankruptcy or reorganization of the Company or otherwise, this Guaranty shall be reinstated with respect to any such payment or transfer, regardless of any such prior return or cancellation.

2.10 Powers. It is not necessary for the Agent or any Bank to inquire into the powers of the Company or of the officers, directors, partners or agents acting or purporting to act on its behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

2.11 Taxes.

(a) Any and all payments by any Guarantor to each Bank or the Agent under this Guaranty shall be made free and clear of, and without deduction or withholding for, any Taxes. In addition, such Guarantor shall pay all Other Taxes.

(b) If any Guarantor shall be required by law to deduct or withhold any Taxes, Other Taxes or Further Taxes from or in respect of any sum payable hereunder to any Bank or the Agent, then:

(i) the sum payable shall be increased as necessary so that, after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 2.11), such Bank or the Agent, as the case may be, receives and retains an amount equal to the sum it would have received and retained had no such deductions or withholdings been made;

(ii) such Guarantor shall make such deductions and withholdings;

(iii) such Guarantor shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) such Guarantor shall also pay to each Bank or the Agent for the account of such Bank, at the time interest is paid, Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed.

(c) Each Guarantor agrees to indemnify and hold harmless each Bank and the Agent for the full amount of (i) Taxes, (ii) Other Taxes and (iii) Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed, and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes, Other Taxes or Further Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date the Bank or the Agent makes written demand therefor.

(d) Within 30 days after the date of any payment by any Guarantor of Taxes, Other Taxes or Further Taxes, such Guarantor shall furnish to each Bank or the Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to such Bank or the Agent.

(e) If any Guarantor is required to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 2.11, then such Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by such Guarantor which may thereafter accrue, if such change in the sole judgment of such Bank is not otherwise disadvantageous to such Bank.

(f) Notwithstanding anything to the contrary contained in this Guaranty, in no event shall any Guarantor be either (i) obligated to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 2.11 or (ii) prohibited from deducting

or withholding for any applicable Taxes pursuant to subsection (a) of this Section 2.11, if the Bank or Agent fails to deliver forms to such Guarantor in accordance with Section 10.10 of the Credit Agreement on a timely basis, unless such failure would not have occurred but for a change in law or regulation or in the interpretation thereof by any governmental or regulatory agency or body charged with the administration or interpretation thereof, or the introduction of any law or regulation, that occurs on or after the date hereof.

(g) For purposes of this Section, (i) "Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of each Bank and the Agent, respectively, taxes imposed on or measured by such Bank's or the Agent's net income by the jurisdiction (or any political subdivision thereof) under the laws of which such Bank or the Agent, as the case may be, is organized or maintains a lending office; (ii) "Other Taxes" means any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery, performance, execution or registration of, or otherwise with respect to, this Guaranty; and (iii) "Further Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges (including, without limitation, net income taxes and franchise taxes), and all liabilities with respect thereto, imposed by any jurisdiction on account of amounts payable or paid pursuant to this Guaranty.

2.12 Subrogation. None of the Guarantors shall have any right of subrogation, indemnification or recourse to any Obligations or collateral or other guarantees therefor or against the Company or any of its assets or property until the Obligations shall have been paid in full.

3. Representations and Warranties. Each Guarantor represents and warrants to the Agent and each Bank as follows:

3.1 Corporate Existence and Power. Such Guarantor (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (b) has the power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver and perform its obligations under this Guaranty and any other Loan Document to which it is a party; (c) is duly qualified as a foreign corporation, and licensed and in good standing, under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and (d) is in compliance with all Requirements of Law except where the failure to do so or to so comply could not reasonably be expected to have a Material Adverse Effect.

3.2 Corporate Authorization; No Contravention. The execution, delivery and performance by such Guarantor of this Guaranty and any other Loan Document to which it is party,

have been duly authorized by all necessary corporate action, and do not and will not (a) contravene the terms of any of such Guarantor's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any lien under, any document evidencing any Contractual Obligation to which such Guarantor is a party or any order, injunction, writ or decree of any Governmental Authority to which such Guarantor or its property is subject; or (c) violate any Requirement of Law applicable to such Guarantor.

3.3 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Guarantor of this Guaranty or any other Loan Document to which it is a party.

3.4 Binding Effect. This Guaranty and each other Loan Document to which such Guarantor is a party constitute the legal, valid and binding obligations of such Guarantor, enforceable against such Guarantor in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

3.5 Regulated Entities. None of such Guarantor, any Person controlling such Guarantor or any Subsidiary of such Guarantor is (a) an "Investment Company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur or guarantee Indebtedness.

3.6 Other Representations. Each of the Guarantors represents and warrants as to itself that all representations and warranties relating to it contained in the Credit Agreement are true and correct in all material respects as of the date hereof.

4. Miscellaneous.

4.1 Application of Payments on Guaranty. All payments required to be made by any Guarantor hereunder shall, unless otherwise expressly provided herein, be made to the Agent for the account of the Banks at the Agent's Payment Office and, with respect to principal of, interest on, and any other amounts relating to, any Offshore Currency Loan, shall be made in the Offshore Currency in which such Loan is denominated or payable and, with respect to all other amounts payable hereunder, shall be made in Dollars. The Agent will promptly distribute to each Bank its Pro Rata Share (or other applicable share as expressly provided in the Credit Agreement) of such principal, interest, fees or other amounts in like funds as received. Payments received from any Guarantor shall, unless otherwise expressly provided herein, be applied to costs, fees or other expenses due under the Loan Documents, any interest (including interest due under Section 2.12 of the Credit Agreement), any principal due under the Loan Documents and any other Obligations, in such order as the Agent, with the consent of or at the request of the Banks, shall determine.

4.2 Assignments, Participations, Confidentiality. Any Bank may from time to time, without notice to the Guarantors and without affecting the Guarantors' obligations hereunder, transfer its interest in the Obligations to Participants and Assignees as provided in the Credit Agreement. Each Guarantor agrees that each such transfer will give rise to a direct obligation of such Guarantor to each Assignee to which the Company, if required, shall have consented to and that each Assignee shall have the same rights and benefits under this Guaranty as it would have if it were a Bank party to the Credit Agreement and this Guaranty. The Guarantors, the Agent and each Bank agree that the provisions of Section 11.10 of the Credit Agreement shall apply to all information identified as "confidential" or "secret" by any Guarantor and provided to the Agent or such Bank by any Guarantor or any Subsidiary of a Guarantor under this Guaranty or any other Loan Document to which such Guarantor is a party.

4.3 Successors and Assigns. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of, and shall be enforceable by, the Agent and the Banks and their respective successors and assigns pursuant to the Credit Agreement.

4.4 Further Assurances. Each Guarantor, jointly and severally, agrees to do such further acts and things and to execute and deliver such additional agreements, powers and instruments as either Agent or any Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Guaranty or to better assure and confirm unto the Agent or any Bank their rights, powers and remedies under this Guaranty, the Credit Agreement or any other Loan Document.

4.5 Loan Document. This Guaranty is a Loan Document executed and delivered pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof. Without limiting the generality of the foregoing, the provisions of Sections 1.02 and 1.03 of the Credit Agreement shall apply to the interpretation and administration of this Guaranty as if such provisions were incorporated herein, with all references to the "Agreement" in such Sections 1.02 and 1.03 being deemed to be references to this Guaranty.

4.6 Waivers; Writing Required. No delay or omission by the Agent or any Bank to exercise any right under this Guaranty shall impair any such right, nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Guaranty shall be deemed a waiver of any other breach or default. Any amendment or waiver of any provision of this Guaranty must be in writing and signed by the Guarantors and the Agent, with the written consent of the Banks, in accordance with the terms of Section 11.01 of the Credit Agreement, provided that an additional Subsidiary of the Company may become a Guarantor under this Guaranty pursuant to the requirements of Section 7.13 of the Credit Agreement by executing and delivering to the Agent a supplement to this Guaranty in the form of Exhibit A attached hereto (with only such changes thereto as are agreed to by the Agent), whereupon, without further action, approval or consent by any other Person, such Subsidiary shall be deemed to be a Guarantor for all purposes under this Guaranty.

4.7 Remedies. All rights and remedies provided in this Guaranty and any instrument or agreement referred to herein are cumulative and are not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

4.8 Costs and Expenses. Each Guarantor agrees to pay or reimburse the Agent and each Bank promptly after demand for all reasonable out-of-pocket costs and expenses (including reasonable Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Guaranty during the existence of an Event of Default or after acceleration of the Loans (including all costs and expenses incurred in connection with any "workout" or restructuring regarding amounts due under this Guaranty, and including all costs and expenses incurred in any Insolvency Proceeding or appellate proceeding).

4.9 Severability. The illegality or unenforceability of any provision of this Guaranty or any instrument or agreement referred to herein shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Guaranty or any instrument or agreement referred to herein.

4.10 GOVERNING LAW AND JURISDICTION.

(a) THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY, EACH OF THE GUARANTORS, THE COMPANY, THE AGENT AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE GUARANTORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE GUARANTORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

4.11 WAIVER OF JURY TRIAL. THE GUARANTORS, THE COMPANY, THE BANKS AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS GUARANTY, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GUARANTORS, THE COMPANY, THE BANKS, THE DESIGNATED BIDDERS AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS GUARANTY OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY AND THE OTHER LOAN DOCUMENTS.

4.12 Nature of Obligations. All obligations and liabilities of the Guarantors hereunder shall be joint and several.

4.13 Certain Limitations. Anything contained in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the Bankruptcy Code or any provisions of applicable state law.

4.14 Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Guaranty.

4.15 Headings. Section and other headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

4.16 Entire Agreement. This Guaranty (a) integrates all the terms and conditions mentioned herein or incidental hereto, (b) supersedes all oral negotiations and prior writings with respect to the subject matter hereof, and (c) is intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Guaranty and as the complete and exclusive statement of the terms agreed to by the parties.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty by their duly authorized officers as of the day and year first above written.

BAND-IT-IDEX, INC.

By: ----------

Title: ----------

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: ----------

Facsimile No.: (312) 498-3940

CORKEN, INC.

By: ----------

Title: ----------

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: ----------

Facsimile No.: (312) 498-3940

LUBRIQUIP, INC.

By: ----------

Title: ----------

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: ----------

Facsimile No.: (312) 498-3940

PULSAFEEDER, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

STRIPPIT, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

VIBRATECH, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

VIKING PUMP, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

WARREN RUPP, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

HALE PRODUCTS, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

MICROPUMP, INC.

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

DUNJA VERWALTUGSGESELLSCHAFT mbH

By:

Title:

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention:

Facsimile No.: (312) 498-3940

BANK OF AMERICA ILLINOIS,
as Agent

By:

Title:

EXHIBIT A

FORM OF SUPPLEMENT TO THE AMENDED AND RESTATED
SUBSIDIARY GUARANTY AGREEMENT

This Supplement No. _____ dated as of _____ (this "Supplement") to the Amended and Restated Subsidiary Guaranty Agreement (as defined below) is made by _____, a _____ corporation ("New Guarantor"), in favor of the Agent and Banks (as defined below).

RECITALS:

A. Idex Corporation, a Delaware corporation (the "Company"), is a party to that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), with Bank of America Illinois, as Agent for itself (in such capacity the "Agent") and the financial institutions from time to time party to the Credit Agreement (the "Banks").

B. New Guarantor is a Subsidiary of the Company (as defined in the Credit Agreement).

C. As a condition precedent to their entering into the Credit Agreement, the Agent and the Banks thereunder required the Company to cause certain of its Subsidiaries to execute and deliver that certain Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996 (as heretofore or hereafter amended, restated, supplemented or otherwise modified from time to time, the "Subsidiary Guaranty Agreement").

D. The proceeds of Credit Extensions (as defined in the Credit Agreement) heretofore have been and hereafter will be used in part to enable the Company to make valuable transfers to each of the Guarantors (including New Guarantor) in connection with the operation of its businesses.

E. The Company and New Guarantor are engaged in related businesses, and New Guarantor will derive substantial direct and indirect benefit from the making of the Credit Extensions.

F. Pursuant to Section 7.13 of the Credit Agreement, the Company and the Company's Subsidiaries are required to cause each Domestic Subsidiary which is also a Material Subsidiary that was not in existence (or not such a Subsidiary) on the date of the Credit Agreement to become a Guarantor under the Subsidiary Guaranty Agreement upon becoming a Subsidiary.

G. Section 4.6 of the Subsidiary Guaranty Agreement provides that additional Subsidiaries of the Company may become Guarantors under the Subsidiary Guaranty Agreement by execution and delivery of an instrument in the form of this Supplement.

H. In consideration of the premises and to induce the Banks to continue to make Credit Extensions, New Guarantor hereby agrees as follows:

1. Definitions. Each capitalized term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Subsidiary Guaranty Agreement or, if not defined herein or in the Subsidiary Guaranty Agreement, in the Credit Agreement.

2. Guaranty of Obligations. In accordance with Section 4.6 of the Subsidiary Guaranty Agreement, New Guarantor, by its execution and delivery of this Supplement, hereby becomes a Guarantor under the Subsidiary Guaranty Agreement for all purposes thereunder with the same force and effect as if originally named therein as a Guarantor, without further action, approval or consent by any other Person, and New Guarantor hereby (a) agrees to all the terms and provisions of the Subsidiary Guaranty Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties deemed to be made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof. Each reference to a "Guarantor" in the Subsidiary Guaranty Agreement shall be deemed for all purposes to include New Guarantor. All of the terms of the Subsidiary Guaranty Agreement are hereby incorporated in their entirety.

3. Representations and Warranties. New Guarantor represents and warrants to the Beneficiaries that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

4. Effect of Supplement. Upon the effectiveness hereof, each reference in the Subsidiary Guaranty Agreement to "this Guaranty," "hereunder," "hereof," "herein," or words of like import referring to the Subsidiary Guaranty Agreement and each reference in the other Loan Documents to the "Subsidiary Guaranty Agreement," "thereunder," "thereof," or words of like import referring to the Subsidiary Guaranty Agreement shall mean and be a reference to the Subsidiary Guaranty Agreement as amended by this Supplement. The Subsidiary Guaranty Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

5. Miscellaneous Provisions. Each of the provisions set forth in Sections 4.6 through 4.16 (inclusive) of the Subsidiary Guaranty Agreement is hereby incorporated by reference mutatis mutandis with the same effect as if such provisions had been set forth herein with each reference therein to "this Guaranty" deemed to be a reference to "this Supplement" and each reference to a "Guarantor" deemed to be a reference to "New Guarantor".

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Guarantor has caused this Supplement No. ____ to the Subsidiary Guaranty Agreement to be duly executed and delivered by its properly and duly authorized officer as of the date first written above.

[NEW GUARANTOR]

By: ----------

Title: ----------

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: ----------

Facsimile No.: (312) 498-3940

Accepted:

BANK OF AMERICA ILLINOIS,
as Agent

By: ----------

Title: ----------

EXHIBIT 2.02

FORM OF AMENDED AND RESTATED PROMISSORY NOTE

$_____ (Dollar Equivalent) Chicago, Illinois
_____ __, 1996

FOR VALUE RECEIVED, the undersigned, IDEX Corporation, a Delaware corporation (the "Company"), hereby unconditionally promises to pay to the order of _____ (the "Bank") at the office of the Agent (as defined in the Credit Agreement referred to below) at 231 South LaSalle Street, Chicago, Illinois 60697, in the Applicable Currency in which such Loan was made, in funds customary for the settlement of international transactions in such Applicable Currency and in immediately available funds, the aggregate unpaid principal amount of all Loans made by the Bank to the Company pursuant to Section 2.02 of the Credit Agreement (as hereinafter defined). The Company acknowledges that Loans, subject to the terms and conditions of the Credit Agreement, may be made in currencies other than Dollars and agree to repay or prepay, as the case may be, all such Loans in the Applicable Currency in which such Loan was made in the manner set forth in the Credit Agreement, regardless of whether the Dollar Equivalent thereof at the time of payment is less than, equal to or greater than the Commitment of the Bank or the Dollar Equivalent of such Loan at any other time. Except as expressly provided by the Credit Agreement with respect to currency fluctuations, the Company agree that the Dollar Equivalent of all Loans made by such Bank shall not exceed _____ ($_____). The Company further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the applicable interest rate per annum determined as provided in, and payable as specified in, Article II of the Credit Agreement.

The holder of this Note is authorized to record the date, Type, currency and amount of each Loan made by the Bank pursuant to Section 2.02 of the Credit Agreement, each continuation thereof, the date of each interest rate conversion pursuant to Sections 2.04 of the Credit Agreement and the Dollar Equivalent principal amount subject thereto, the date and amount of each payment or prepayment

of principal hereof and, in the case of each Offshore Rate Loan, the length of the Interest Period with respect thereto on the Schedules annexed hereto and made a part hereof (or on any other record customarily maintained by such Bank with respect to this Note) or otherwise on the records of the Bank, and any such recordation shall (in the absence of manifest error) constitute prima facie evidence of the accuracy of the information recorded; provided, however, that the failure to make any such recordation shall not affect the obligations of the Company in respect of such Loan.

This Note is one of the Notes referred to in that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Company, Bank of America Illinois, as Agent, and the Banks named therein, and is subject to the provisions thereof and to optional and mandatory prepayment in whole or in part as provided therein. Terms defined in the Credit Agreement are used herein with their defined meanings unless otherwise defined herein.

This Note is delivered in substitution and replacement of, but not in payment or as a novation of, certain notes previously executed by the Company to evidence loans under the Original Credit Agreement, First Amended and Restated Credit Agreement and the Existing Credit Agreement, and any and all outstanding amounts due pursuant to such notes, including without limitation, all accrued and unpaid interest, shall be evidenced hereby and paid in accordance with the terms hereof.

Upon the occurrence and during the continuance of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note may become, or may be declared to be, immediately due and payable, all as provided therein.

The Company represents and warrants that the Obligations hereunder constitute "Senior Indebtedness" under the "Bank Credit Agreement" as such terms are defined in the Subordinated Debt Indenture; provided, however, that if for any reason such Indebtedness or any portion thereof does not constitute such Senior Indebtedness under the Bank Credit Agreement, the Company, to such extent, hereby designates the Obligations hereunder as "Designated

Senior Indebtedness" pursuant to the terms of the Subordinated Debt Indenture.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

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THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS.

IDEX CORPORATION

By:

Title:

Schedule A to
Promissory Note

BASE RATE LOANS AND
REPAYMENTS OF BASE RATE LOANS

Date	Amount of Base Rate Loans	Amount Converted to Base Rate Loans	Amount of Principal Repaid	Amount Converted to Offshore Rate Loans	Unpaid Principal Balance of Base Rate Loans	Notation Made By

Schedule B to
Promissory Note

OFFSHORE CURRENCY LOANS AND
REPAYMENTS OF OFFSHORE CURRENCY LOANS

Date	Amount of Offshore Currency Loans	Amount Converted to Offshore Rate Loans	Interest Period and Offshore Rate with respect thereto	Amount of Principal Repaid	Amount Converted to Base Rate Loans	Unpaid Principal Balance of Offshore Currency Loans	Notation Made By

Schedule C to
Promissory Note

OFFSHORE RATE LOANS AND
REPAYMENTS OF OFFSHORE RATE LOANS

Date	Amount of Offshore Rate Loan	Agreed Alternative Currency	Interest Period and Offshore Rate with respect thereto	Amount of Principal Repaid	Unpaid Principal Balance of Offshore Rate Loans	Notation Made By

EXHIBIT 2.03(a)

FORM OF NOTICE OF BORROWING(1)

Date: ----------

Bank of America Illinois, as Agent
231 South LaSalle Street
Chicago, Illinois 60697
Attention: ----------
Telecopy: ----------

Dear Sir or Madam:

Reference is made to that certain Third Amended and Restated Credit Agreement, dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among IDEX Corporation (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned, IDEX Corporation, hereby gives notice pursuant to Section 2.03(a) of the Credit Agreement of its request for the Banks to make a Revolving Loan as follows.

1. Amount of the Borrowing (in an aggregate amount not less than the Minimum Tranche)(2) ----------

2. Borrowing Date ----------

- ----------

(1) Such irrevocable notice shall be given to the Agent prior to 10:30 a.m., Chicago time, four Business Days prior to the requested Borrowing Date, in the case of Offshore Currency Loans, two Business Days prior to the requested Borrowing Date, in the case of Offshore Rate Loans denominated in Dollars, and on the requested Borrowing Date, in the case of Base Rate Loans.

(2) In the case of a Borrowing comprised of Offshore Currency Loans, specify the Applicable Currency.

(a Business Day)

3. Type of Loans comprising the Borrowing ----------

4. Duration of the Interest Period applicable to such Loans(3) ----------

The undersigned represents and warrants that the Borrowing requested hereby complies with the requirements of Section 2.03(a), and the undersigned confirms that it has satisfied the conditions set forth in Section 5.02 of the Credit Agreement.

IDEX CORPORATION

By: ----------

Name: ----------

Title: ----------

- ----------

(3) If this Notice of Borrowing fails to specify the duration of the Interest Period for any Borrowing comprised of Offshore Rate Loans, such Interest Period shall be one month.

EXHIBIT 2.04

FORM OF NOTICE OF CONVERSION/CONTINUATION(1)

Bank of America Illinois, as Agent
231 South LaSalle Street
Chicago, Illinois 60697
Attention:

Telecopy:

, 199

Dear Sir or Madam:

Reference is made to that certain Third Amended and Restated Credit Agreement, dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among IDEX Corporation (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned, IDEX Corporation, hereby gives notice pursuant to Section 2.04 of the Credit Agreement that it (i) elects, as of any Business Day, in the case of Base Rate Committed Loans, or as of the last day of the applicable Interest Period, in the case of any other Type of Committed Loans, to convert any such Loans (or any part thereof in an amount not less than the Minimum Tranche) into Loans in Dollars of any other Type; or (ii) elects, as of the last day of the applicable Interest Period, to continue any Committed Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than the Minimum

- ---

(1) This Notice of Conversion/Continuation must be received by the Agent not later than 10:30 a.m. Chicago time, (i) at least two Business Days in advance of the Conversion/Continuation Date, if the Committed Loans are to be converted into or continued as Offshore Rate Committed Loans denominated in Dollars; (ii) at least four Business Days in advance of the continuation date, if the Committed Loans are to be continued as Offshore Currency Committed Loans; and (iii) on the Conversion/Continuation Date, if the Committed Loans are to be converted into Base Rate Committed Loans.

Tranche),(2) and sets forth below the terms on which such conversion or continuation is requested to be made.

(A) Proposed Conversion/ Continuation Date ----------

(B) Aggregate amount of Committed Loans to be converted or continued ----------

(C) Type of Committed Loans resulting from proposed conversion or continuation ----------

(D) Duration of the requested Interest Period applicable to such Committed Loans ----------

IDEX CORPORATION

By: ----------
Name: ----------
Title: ----------

- ----------

(2) If at any time the aggregate amount of Offshore Rate Committed Loans denominated in Dollars in respect of any Committed Borrowing is reduced, by payment, prepayment or conversion of part thereof to be less than the Minimum Tranche, such Offshore Rate Loans denominated in Dollars shall automatically convert into Base Rate Loans.

EXHIBIT 2.07(b)

FORM OF INVITATION FOR COMPETITIVE BIDS

Via Facsimile

To the Banks and Designated Bidders Listed on Annex A attached hereto:

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended from time to time, the "Credit Agreement"), among IDEX Corporation (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Capitalized terms used herein have the meanings specified in the Credit Agreement.

Pursuant to subsection 2.07(b) of the Credit Agreement, you are hereby invited to submit offers to make Bid Loans to the Company based on the following specifications:

1. Date of Bid Borrowing: _____, 199_;

2. Aggregate amount of Bid Borrowing: $_____;

3. The Bid Loan shall be [LIBOR Bid Loans] [Absolute Rate Bid Loans]; and

4. Interest Period[s]: _____, [_____] and [_____].

All Competitive Bids must be in the form of Exhibit 2.07(c) to the Credit Agreement and must be received by the Agent no later than 8:30 a.m. (Chicago time) on _____, 199_.

BANK OF AMERICA ILLINOIS, as Agent

By: ----------

Title: ----------

Annex A
TO EXHIBIT F

List of Banks

Bank of America Illinois, as a Bank

Facsimile: (___) ___-____

[Bank]

Facsimile: (___) ___-____

[Bank]

Facsimile: (___) ___-____

[Bank]

Facsimile: (___) ___-____

[Bank]

Facsimile: (___) ___-____

EXHIBIT 2.07(c)

FORM OF COMPETITIVE BID

, 199
---------- -

Bank of America Illinois, as Agent
231 South LaSalle Street
Chicago, IL 60697
Attention:

Ladies and Gentlemen:

Reference is made to the Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended from time to time, the "Credit Agreement"), by and among IDEX Corporation (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Capitalized terms used herein have the meanings (if any) specified in the Credit Agreement.

In response to the Competitive Bid Request of the Company dated _____, 199_ and in accordance with subsection 2.07(c)of the Credit Agreement, the undersigned Bank offers to make [a] Bid Loan[s] thereunder in the following principal amount[s] at the following interest rates for the following Interest Period[s]:

Date of Bid Borrowing: _____, 199_

Aggregate Maximum Bid Amount: $_____

[LIBOR Bid Margin: _____]

[Absolute Rate: _____]

[NAME OF BANK/DESIGNATED BIDDER]

By:

Title:

EXHIBIT 5.01(d)

FORM OF LEGAL OPINION OF COMPANY'S COUNSEL

_____ __, 1996

Bank of America Illinois, as Agent
231 South LaSalle Street
Chicago, Illinois 60697

Attention: _____

Re: Idex Corporation

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own and operate its properties and to carry on its business as now conducted. The Company has the corporate power and authority to execute, deliver and perform its obligations under the Credit Agreement, and to carry out the transactions contemplated by each thereof.

2. Each of the Domestic Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has all requisite corporate power to own and operate its properties and to carry on its business as now conducted. Each Domestic Subsidiary has the corporate power and authority to execute, deliver and perform its obligations under the Consent and to carry out the transactions contemplated thereby.

3. The execution, delivery and performance of the Credit Agreement and the other Loan Documents to which the Company is a party have been duly authorized by all necessary corporate action on the part of the Company. The Credit Agreement and the other Loan Documents to which the Company is a party constitute the legally valid and binding obligation of the Company, enforceable against the Company in accordance with their terms. The Amended and Restated Subsidiary Guarantee Agreement (i) has been duly

executed and delivered by the Domestic Subsidiaries and (ii) constitutes a legally valid and binding obligation of the Domestic Subsidiaries, enforceable against the Domestic Subsidiaries in accordance with their terms.

4. None of the execution and delivery of the Credit Agreement or the other Loan Documents to which the Company is a party by the Company, and the compliance with and performance of the terms and conditions thereof by the Company on or prior to the date hereof (A) conflicts with, results in a breach or violation of, or constitutes a default under, any of the terms, conditions or provisions of (x) the Restated Certificate of Incorporation or Bylaws of the Company, (y) any term of any material indenture, loan agreement or other Instrument evidencing borrowed money, or any material order, writ, judgment or decree, in each case known to us, to which the Company is a party or by which any of the Company's properties or assets are bound, or (z) any Illinois or United States federal statute, rule or regulation or the General Corporation Law of Delaware, or (B) results in the creation of any Security Interest upon any of the properties or assets of the Company under any agreement referred to in clause (y) above (other than Security Interests created pursuant to any of the Instruments executed pursuant to the Credit Agreement).

5. None of the execution and delivery of the Amended and Restated Subsidiary Guaranty Agreement by each Subsidiary Guarantor, and the compliance with and performance of the terms and conditions thereof by each Subsidiary Guarantor on or prior to the date hereof (A) conflicts with, results in a breach or violation of, or constitutes a default under, any of the terms, conditions or provisions of (x) the Restated Certificate of Incorporation or Bylaws of any Subsidiary Guarantor, (y) any term of any material indenture, loan agreement or other Instrument evidencing borrowed money, or any material order, writ, judgment or decree, in each case known to us, to which any Subsidiary Guarantor is a party or by which any of a Subsidiary Guarantor's properties or assets are bound, or (z) any Illinois or United States federal statute, rule or regulation or the General Corporation Law of Delaware, or (B) results in the creation of any Security Interest upon any of the properties or assets of any Subsidiary Guarantor under any agreement referred to in clause (y) above (other than Security Interests created pursuant to any of the Instruments executed pursuant to the Credit Agreement).

6. No governmental consents, approvals, authorizations, registrations, declarations or filings are required by the Company or any Subsidiary Guarantor in connection with (i) the due execution, delivery and performance by any such party of any Loan Document or (ii) the perfection of or the exercise by any such party of any of its rights and remedies under any Loan Document, except for any requisite compliance with federal and state securities laws in connection with any sale of any portion of such property under any Loan Document.

7. To the best of our knowledge, there are no actions, suits or proceedings pending or threatened against the Company or any Subsidiary Guarantor (other than actions, suits or proceedings disclosed to Banks in [Schedule 6.05] to the Credit Agreement) with respect to the Credit Agreement, any Instrument executed pursuant thereto, or the transactions contemplated by any thereof.

8. The Notes and all other monetary Liabilities are within the definition of "Senior Indebtedness" contained in the Subordinated Debt Indenture and referred to in the Subordinated Notes and are entitled to the benefits of the subordination provisions created by the Subordinated Debt Indenture and referred to in the Subordinated Notes.

EXHIBIT 7.02(b)

FORM OF COMPLIANCE CERTIFICATE

The undersigned, being the _____ of IDEX Corporation (the "Company"), pursuant to Section 7.02(b) of that certain Third Amended and Restated Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein but not otherwise defined herein have the meanings ascribed to such terms in the Credit Agreement) dated as of July 17, 1996 by and among the Company, the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"), hereby certifies that:

(i) The Company has complied and is in compliance with all the terms, covenants and conditions of the Credit Agreement, except as set forth on Schedule I hereto;

(ii) There exists no Default or Event of Default under the Credit Agreement, except as set forth below;

(iii) Except as set forth below, the representations and warranties contained in Article VI of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on the date hereof; and

(iv) Schedule I attached hereto sets forth financial data and computations evidencing compliance (or non-compliance) with the covenants set forth in Section 8.16 of the Credit Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph (ii), listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Company

has taken, is taking or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this _____ day of _____ _____, 19__.

IDEX CORPORATION

By: ----------

Name: ----------

Title: ----------

SCHEDULE I

SECTION 8.05(F)

1.	Permitted aggregate Subordinated Debt of the Company	$150,000,000
2.	Actual aggregate Subordinated Debt of the Company	$_____

SECTION 8.16 -- FINANCIAL COVENANTS

SECTION 8.16(A) -- FIXED CHARGE COVERAGE RATIO

1.	Required Fixed Charge Coverage Ratio for the applicable period		1.25 to 1.0
2.	Actual Fixed Charge Coverage Ratio for the applicable period		
	(a)	EBITDA for the applicable period, less Capital Expenditures plus Consolidated Rental Expense, in each case for such four fiscal quarter period, as applicable	$_____
	(b)	Consolidated Fixed Charges for the applicable period	$_____
	(c)	Ratio of (a) to (b)	_____ to 1.0

SECTION 8.16(B) -- LEVERAGE RATIO

1.	Required Leverage Ratio for the applicable period		70%
2.	Actual Leverage Ratio for the applicable period		
	(a)	Funded Debt	$_____
	(b)	Total Capitalization	$_____
	(c)	Ratio of (a) to (b)	_____%

SECTION 8.16(C) -- FUNDED DEBT TO EBITDA

1.	Maximum Funded Debt to EBITDA ratio for the applicable fiscal year	_____ to 1.0
2.	Actual Funded Debt to EBITDA ratio for the applicable fiscal year	
	(a) Funded Debt as of the last day of the fiscal quarter	$_____
	(b) EBITDA as of the last day of the fiscal quarter	$_____
	(c) Ratio of (a) to (b)	_____ to 1.0

EXHIBIT 11.08

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among IDEX Corporation (the "Company" or the "Borrower"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Capitalized terms used herein but not otherwise defined herein shall have the respective meanings assigned to such terms in the Credit Agreement.

_____ (the "Assignor") and _____ (the "Assignee") hereby agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor without recourse and without representation or warranty, a _____% interest ($5,000,000 minimum) in and to all of the Assignor's rights, benefits and obligations under such Assignor's Revolving Commitment with respect to the Borrowers, such Assignor's Revolving Loans and such Assignor's Note.

2. (a) The Assignor represents and warrants that it is the legal and beneficial owner of the interests being assigned by it hereunder and that such interests are free and clear of any adverse claim.

(b) The Assignee acknowledges and agrees that neither the Assignor nor the Agent makes any representation or warranty or assumes any responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the authorization, execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant thereto.

(c) The Assignee acknowledges and agrees that neither the Assignor nor the Agent makes any representation or

warranty or assumes any responsibility with respect to the financial condition or creditworthiness of the Borrowers or any other Person or the performance or observance by the Borrowers or any other Person of any obligations under any Loan Document or any other instrument or document furnished pursuant thereto. The Assignee acknowledges and agrees that (i) the Assignee has made and will continue to make such inquiries and has taken and will continue to take such care on its own behalf as would have been the case had the Assignee made the Assignor's Revolving Commitment directly to the Borrowers without the intervention of such Assignor, the Agent or any other Person, and (ii) the Assignee has made and will continue to make its own credit analysis and decisions relating to the Loan Documents independently and without reliance upon the Assignor, the Agent or any other Person, and based on such documents and information as it has deemed appropriate.

(d) The Assignor attaches the Note referred to in paragraph 1 above and requests that the Agent exchange such Note for a new Note, dated _____, 19__, in the principal amount of $_____, payable to the order of the Assignee.

3. The effective date for this Assignment and Acceptance shall be _____, 19___ (the "Effective Date") [at least five (5) Business Days after the execution hereof]. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Agent for acceptance by the Agent, and the Borrowers, as applicable, and the Assignor shall pay to the Agent a $3,500 assignment fee. Following such payment, and acceptance by the Agent, and the Borrowers, as applicable, of this Assignment and Acceptance, a photostatic copy hereof shall be delivered to the Borrowers. Within five (5) Business Days after the Borrowers' receipt of such photostatic copy, the Borrowers shall execute and deliver to the Agent the new Note. The Agent shall deliver the new Note to the payee(s) thereof and shall mark the Note referred to in paragraph 1 above as "replaced" and shall deliver the same to the Borrowers.

4. Upon such acceptance by the Agent, and the Borrowers, as applicable, as of the Effective Date:

(a) The Assignee, in addition to any rights, benefits and obligations under the Loan Documents held by it

immediately prior to the Effective Date, shall have the rights, benefits and obligations of a Bank under the Loan Documents that have been assigned to it (including, but not limited to, obligations to the Borrowers under the Loan Documents) pursuant to this Assignment and Acceptance. The Assignee shall become a Bank for all purposes of the Credit Agreement, and execution hereof shall be deemed to be execution thereof; and

(b) The Assignor, to the extent provided in this Assignment and Acceptance, shall relinquish its rights and benefits and be released from its obligations under the Credit Agreement (and, in the case of an Assignment covering all or the remaining portion of the Assignor's rights, benefits and obligations under the Loan Documents, the Assignor shall cease to be a Bank under the Loan Documents).

5. Upon such acceptance by the Agent, and the Borrowers, as applicable, from and after the Effective Date, the Agent shall make payments under the Credit Agreement in respect of the interests assigned hereby (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Assignee. The Assignor and the Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

6. The Assignor agrees to give written notice of this Assignment and Acceptance to the Agent, each Bank and the Borrowers, which written notice shall include the addresses and related information with respect to the Assignee.

7. The Assignee (a) represents and warrants to the Assignor, the Agent and the Company that under applicable law and treaties no tax will be required to be withheld by the Assignor with respect to any payments to be made to the Assignee hereunder, (b) agrees to furnish (if it is organized under the laws of any jurisdiction other than the United States or any State thereof) to the Agent and the Company prior to the time that the Agent or Company is required to make any payment of principal, interest or fees hereunder, duplicate executed originals of either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 (wherein the Assignee claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) and

agrees to provide new Forms 4224 or 1001 upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by the Assignee, and (c) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

[signature page follows]

8. THIS AGREEMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

[NAME OF ASSIGNOR]

By:

Title:

[NAME OF ASSIGNEE]

By:

Title:

Accepted this _____ day of
_____, 19___

BANK OF AMERICA ILLINOIS, AS AGENT

By:

Title:

Accepted this _____ day of
_____, 19___

IDEX CORPORATION

By:

Title:

EXHIBIT 11.09

FORM OF DESIGNATION AGREEMENT

Dated _____, 19__

Reference is made to the Third Amended and Restated Credit Agreement dated as of July 17, 1996 (the "Credit Agreement") among IDEX Corporation, a Delaware corporation (the Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

_____ (the "Designator") and _____ the ("Designee") agree as follows:

1. The Designator hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make Bid Loans pursuant to Section 2.06 of the Credit Agreement.

2. The Designator makes no representation or warranty and assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto or (ii) the financial condition of the Company or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Designee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 6.11 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (ii) agrees that it will, independently and without reliance upon the Agent, the Designator or any other Bank and based on such documents and information as it shall deem appropriate at

the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an entity qualified to be a Designated Bidder; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) 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 Designated Bidder; and (vi) specifies as its Lending Office with respect to Bid Loans (and address for notices) the offices set forth beneath its name on the signature page hereof.

4. Following the execution of this Designation Agreement by the Designator and its Designee, it will be delivered to the Agent for acceptance by the Agent. The effective date of this Designation Agreement shall be the date of acceptance thereof by the Agent (the "Effective Date").

5. Upon such acceptance and recording by the Agent, as of the Effective Date, the Designee shall be a party to the Credit Agreement as a "Designated Bidder" with a right to make Bid Loans pursuant to Section 2.06 of the Credit Agreement and the rights and obligations of a Designated Bidder related thereto.

6. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

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

[NAME OF DESIGNATOR]

By:

Title:

[NAME OF DESIGNEE]

By:

Title:

202
Lending Office (and
address for notices):
[Address]

Accepted [as of] the ___ day
of _____, 19__

BANK OF AMERICA ILLINOIS

By:

Title:

- ---

EXHIBIT 4.6

AMENDED AND RESTATED PLEDGE AGREEMENT

This Amended and Restated Pledge Agreement (as amended, restated, supplemented, renewed or otherwise modified from time to time, this "Agreement") is entered into as of July 17, 1996, by IDEX Corporation, a Delaware corporation (the "Company"), and any Subsidiary which may hereafter become a party hereto in accordance with Section 6.5 hereof (each a "Pledgor" and collectively, the "Pledgors"), in favor of Bank of America Illinois, as Agent (in such capacity, the "Agent") for itself and the financial institutions from time to time party to the Credit Agreement described below (the "Banks").

RECITALS:

A. The Company, the Agent and the Banks entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Banks are willing to continue to make certain Loans to the Company and the Issuing Bank is willing to continue to issue Letters of Credit for the account of the Company as provided in the Credit Agreement on the condition (among others) that the Pledgors enter into this Agreement.

C. The Company has previously entered into pledges (See Recital D below) pursuant to that certain Credit Agreement, among the Company, Agent and various banking institutions, dated January 22, 1988 (herein, as amended by the First Amendment dated as of May 22, 1989, a Letter Agreement dated as of May 7, 1991, the Amended and Restated Credit Agreement dated as of May 4, 1992, the Second Amended and Restated Credit Agreement dated as of January 29, 1993, which in turn was amended by the First Amendment dated as of May 23, 1994, the Second Amendment dated as of October 24, 1994, the Third Amendment dated as of February 28, 1995, the Fourth Amendment dated November 1, 1995 and the Fifth Amendment dated December 22, 1995), and such pledges are hereby deemed to be amended and restated by this Agreement.

D. The Company is party to that certain Senior Pledge Agreement, dated January 22, 1988, by and between the Company and Bank of America Illinois (successor to Continental Illinois National Bank and Trust Company of Chicago). That certain Senior Pledge Agreement was subsequently amended on the following dates: May 7, 1991, May 4, 1992, October 24, 1994, and November 1, 1995. Pursuant to these amendments, capital stock and intercompany notes of the following subsidiaries were pledged by the Company: Corken, Inc. (successor to CIC Acquisition Corp.); Pulsafeeder, Inc. (successor to PLF Acquisition Corporation and MCL Acquisition Corporation); Hale Products, Inc.; and Micropump, Inc. The foregoing Senior Pledge Agreement, as amended, is hereinafter referred to as the "Original Pledge Agreement".

E. In order to induce the Banks to continue to make such Loans available to the Company and to induce the Issuing Bank to continue to issue such Letters of Credit for the account of the Company, and for other valuable consideration, the Company is required to execute and deliver this Agreement and to grant to Agent under this Agreement a continuing Security Interest in

(1) all Pledged Notes; and

(2) all Pledged Shares.

F. Pledgor hereby agrees that the Original Pledge Agreement is hereby amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS

1.1. Certain Terms. The following terms (whether or not underscored) when used in this Agreement shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agent" shall have the meaning provided in the preamble hereto.

"Banks" shall have the meaning provided in the preamble hereto.

"Company" shall have the meaning provided in preamble hereto.

"Collateral" shall have the meaning provided in Section 2.1 below.

"Credit Agreement" shall have the meaning provided in Recital A hereto.

"Default" shall mean any Event of Default or any event or condition which, with notice or lapse of time or both, would constitute an Event of Default.

"Distributions" shall mean all stock dividends, liquidating dividends, shares of stock resulting from stock splits, reclassifications, warrants, options, non-cash dividends and other distributions on or with respect to any shares of capital stock whether similar or dissimilar to the foregoing but shall not mean Dividends as that term is defined herein.

"Dividends" shall mean cash dividends and cash distributions made out of capital surplus.

"Instrument" shall mean any document or writing (whether by formal agreement, letter or otherwise) under which any obligation is evidenced, assumed or undertaken, or any right to any security interest is granted or perfected.

"Instrument executed pursuant hereto" and similar terms shall mean the Pledged Notes and each Instrument executed and delivered by the Company or any Subsidiary pursuant to this Agreement, whether or not mentioned herein.

"Intercompany Note" means a promissory note from a Subsidiary of the Company to the Company in a form satisfactory to Agent and required to be pledged pursuant to the Agreement.

"Note" shall mean any promissory note of the Company executed and delivered pursuant to the Credit Agreement to evidence any Loans made thereunder and any other promissory note of the Company accepted by any Bank in substitution or replacement therefor.

"Obligations" shall have the meaning ascribed to it in the Credit Agreement.

"Pledged Notes" shall mean all Intercompany Notes either in the form as they currently exist and hereafter substantially in the form of Exhibit A (with only such changes as are agreed to by the Agent) identified on Schedule I attached hereto (as the same may be amended from time to time) which are now being delivered by the Company to Agent or may from time to time hereafter be delivered by the Company or any Subsidiary for the purpose of pledge under this Agreement.

"Pledged Property" shall mean the Pledged Notes and/or the Pledged Shares.

"Pledged Shares" shall mean the certificates representing the shares of the capital stock as identified on Schedule II attached hereto (as the same may be amended from time to time) which are now being delivered by the Company to Agent or may from time to time hereafter be delivered by the Company or any Subsidiary for the purpose of pledge under this Agreement.

"Pledgor" shall have the meaning provided in the preamble hereto.

"Ratably" or "Ratable Distribution" shall mean, in the context of a distribution of Collateral or a distribution of proceeds of any of the Collateral, an allocation of such moneys among the Banks pro rata in accordance with their respective proportion of the aggregate dollar amount of the obligations to which the distribution is being applied.

"Security Instrument" shall mean any security agreement, chattel mortgage, assignment, financing or similar statement or notice, continuation statement, other agreement or Instrument, or amendment or supplement to any thereof, providing for, evidencing or perfecting any Security Interest.

"Security Interest" shall mean any interest in any real or personal property or fixture which secures payment of performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other Security Interest of any kind, whether arising under a Security Instrument or as a matter of law, judicial process or otherwise.

1.2. Credit Agreement Definitions. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings given to such terms from time to time in the Credit Agreement. References to the Banks or any Bank herein shall include the Issuing Bank in its capacity as a Bank and as Issuing Bank.

1.3. References to Parties. References to any party in this Agreement shall include its permitted successors and assigns.

ARTICLE II
PLEDGE

2.1. Grant of Security Interest. As security for payment of all Obligations of such Pledgor, each Pledgor hereby ratifies and confirms its pledge and grant of a security interest pursuant to the Original Pledge Agreement and hereby pledges, assigns and transfers to Agent and grants to Agent a continuing security interest in and to the Pledged Property, whether now or hereafter delivered by such Pledgor to Agent, together with all Dividends, Distributions, interest and other payments and rights with respect thereto and all proceeds of any of the foregoing (all of the items referred to in this Section 2.1 being herein called the "Collateral"). Any Pledged Notes delivered by each Pledgor To Agent which, notwithstanding any applicable requirement of this Agreement or the Credit Agreement, were not endorsed by each Pledgor to the order of Agent, and upon the occurrence of any Event of Default any other Collateral delivered by each Pledgor to Agent which was not endorsed by each Pledgor to the order of Agent, may be so endorsed by Agent on behalf of each Pledgor.

All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Agent in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof or thereof, shall, to the extent lawful, become a part of the Obligations secured hereby.

2.2. Release of Pledged Property.

(a) In the event that each Pledgor, to the extent permitted under the Credit Agreement, disposes of all Pledged Shares issued by any Subsidiary or any Subsidiary disposes of all or substantially all of its assets then, upon the occurrence of such disposition and each Pledgor's prepayment of such amounts, if any, then required by the Banks to be paid on the Obligations, the Pledged Note issued by such Subsidiary and/or, if applicable, the Pledged Shares issued by such Subsidiary, shall cease to be Pledged Property and shall be released by the Agent to each Pledgor. Any such release may occur pursuant to an escrow or other arrangement for a concurrent disposition and release.

(b) In the event that any Dividend is paid on any Pledged Shares or any interest or principal is paid on any Pledged Notes at a time when no Default of the nature referred to in clauses (f) or (g) of Section 9.01 of the Credit Agreement and no Event of Default has

occurred and is continuing and the proceeds thereof are not applied to any of the Obligations, such Dividend or interest or principal shall thereupon cease to be Pledged Property and shall be deemed to be released by Agent to each Pledgor.

ARTICLE III
CERTAIN UNDERTAKINGS

3.1. Payments of Pledged Notes. Subject to the restrictions of Section 3.3 below, any Subsidiary which is obligated under any Pledged Note may prepay such Pledged Note in whole or in part without premium or penalty.

3.2. Quarterly Reports. Each Pledgor shall provide each Bank, as part of the financial information delivered quarterly pursuant to clause (b) of Section 7.01 of the Credit Agreement (commencing with the fiscal quarter ending June 30, 1996), a schedule, in form satisfactory to each Bank, setting forth as to each Pledged Note on the last day of the fiscal quarter for which such information is delivered:

(a) its maker, date and original principal amount;

(b) its actual outstanding principal amount on the last day of such fiscal quarter;

(c) the amount of all prepayments of such Pledged Note made during such quarter.

3.3. Additional Undertakings. Except in connection with any action permitted by Section 2.2, each Pledgor will not, without the prior written consent of Agent,

(a) enter into any agreement amending, supplementing or waiving any provision of any Pledged Note or compromising or releasing or extending the time for payment of any obligation of the maker thereunder; or

(b) take or omit to take any action the taking or omission of which would result in any impairment or alteration of any obligation of the maker of any Pledged Note.

ARTICLE IV
WARRANTIES, ETC.

Each Pledgor represents and warrants unto Agent and each Bank that at the date of each pledge hereunder by each Pledgor to Agent of any Pledged Property,

(a) Each Pledgor is or will then be the lawful owner of, and has or will have good and marketable title to (and has or will have full right and authority to pledge and assign),

such Pledged Property, free and clear of all liens or encumbrances except any lien or security interest granted pursuant hereto in favor of Agent or otherwise permitted by the Credit Agreement;

(b) the Pledged Notes then pledged hereunder are in full force and effect and are enforceable in accordance with their respective terms, subject as to enforcement only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability of the rights of creditors generally and general principles of equity;

(c) the pledge of the Pledged Property then pledged hereunder is effective to create a valid first lien on and a first perfected security interest in such Pledged Property;

(d) in the case of any Pledged Shares, all of such Pledged Shares have been duly and validly issued, are fully paid and non-assessable; and

(e) the Pledged Shares constitute the percentage of the shares of capital stock of the Domestic Subsidiaries specified on Schedule II hereto or in the supplement pursuant to which such shares have been pledged.

ARTICLE V
BENEFIT OF PLEDGED SECURITIES, ETC.

5.1. Protect Collateral. Except in connection with any action permitted by Section 2.2. each Pledgor will not sell, assign, transfer, pledge or encumber in any other manner the Collateral (except in favor of Agent hereunder). Each Pledgor will warrant and defend the right and title herein granted unto Agent in and to the Collateral (and all right, title and interest represented by the Collateral) against the claims and demands of all Persons whomsoever except as permitted by the Credit Agreement.

5.2. Stock Powers. Endorsements. etc. Each Pledgor agrees that all Pledged Notes delivered by each Pledgor pursuant to this Agreement will be duly endorsed by each Pledgor to the order of Agent and that all Pledged Shares delivered by each Pledgor pursuant to this Agreement will be accompanied by duly executed undated blank stock powers. Each Pledgor will, from time to time, upon request of Agent, promptly execute such endorsements and deliver to Agent such stock powers and similar documents, satisfactory in form and substance to Agent, with respect to the Collateral as Agent may reasonably request and will, from time to time, upon request of Agent, after the occurrence and during the continuance of any Event of Default, promptly transfer any shares which are part of the Collateral into the name of any nominee designated by Agent.

5.3. Certain Other Agreements Regarding Collateral. Subject to Section 2.2, each Pledgor will, at all times, keep pledged to Agent pursuant hereto all of the Pledged Notes, all Distributions, all shares of capital stock of each Domestic Subsidiary, that is a Material Subsidiary existing as of

the date hereto and each Domestic Subsidiary which becomes a Material Subsidiary after the date hereof, and 65% of shares of capital stock of each direct Foreign Subsidiary which becomes a Material Subsidiary after the date hereof, and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral.

Each Pledgor agrees to deliver (properly endorsed where required hereby or requested by Agent) to Agent:

(a) after, but not prior to, the time that any Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occured and be continuing, promptly upon receipt thereof by each Pledgor and without any request therefor by Agent, all Dividends, all interest and other cash payments and all cash proceeds of the Pledged Property and other Collateral, all of which shall be held by Agent as additional Collateral for use in accordance with Section 5.5; and

(b) after a Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occurred, promptly upon request of Agent, such proxies and other documents as may be necessary to allow Agent to exercise the voting power with respect to any share of capital stock included in the Collateral;

provided, however, that unless a Default of the nature referred to in clause (f) or (g) of Section 9.01 of the Credit Agreement or an Event of Default shall have occurred and be continuing, each Pledgor shall, subject to Article III, be entitled:

(c) to exercise as it shall deem fit, but in a manner not inconsistent with the terms of the Credit Agreement, Loan Document, any Note or any Instrument executed pursuant thereto, the voting power and all other incidental rights of ownership with respect to any Pledged Shares or any Pledged Notes (subject to each Pledgor's obligation to deliver to Agent such capital stock and Subsidiary Notes in pledge hereunder); and

(d) to the prompt return from Agent of any and all such Dividends, all interest and other cash payments and all cash proceeds of the Pledged Property and other Collateral delivered to the Agent in accordance with clause (a) of Section 5.3 after payment in full of all Obligations then due or to become due within 30 days thereafter.

All Dividends, Distributions, interest and payments which may at any time and from time to time be held by each Pledgor but which each Pledgor is then obligated to deliver to Agent, shall, until delivery to Agent, be held by each Pledgor separate and apart from its other property in trust for Agent.

Agent agrees that unless an Event of Default shall have occurred and be continuing, Agent shall, upon the written request of each Pledgor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by each Pledgor which are necessary to allow each Pledgor

to exercise voting power with respect to any share of capital stock included in the Collateral; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken by each Pledgor that would impair the Collateral or be inconsistent with or violate any provision of this Agreement, the Credit Agreement, Loan Documents, any Note or any Instrument executed pursuant to the Credit Agreement.

5.4. Actions upon Event of Default. Whenever an Event of Default shall have occurred and be continuing, Agent shall have all rights and remedies of a secured party after default under the Uniform Commercial Code as in effect in the State of Illinois or other applicable law to the extent not inconsistent with all rights provided hereby. Any notification required by law of intended disposition by Agent of any of the Collateral shall be deemed reasonably and properly given if given at least 30 days before such disposition. Without limitation of the above, Agent may, upon direction of the Majority Banks, from time to time, before the Obligations shall be declared due and payable, but only if an Event of Default shall have occurred and be continuing, without prior notice to each Pledgor, take all or any of the following actions:

(a) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder;

(b) notify the parties obligated on any of the Collateral to make payment to Agent of any amount due or to become due thereunder;

(c) enforce collection of any of the Collateral by suit or otherwise;

(d) endorse any checks, drafts or other writings in each Pledgor's name to allow collection of the Collateral; and

(e) take control of any proceeds of the Collateral.

Without limitation of the above, Agent may, upon direction of the Majority Banks, whenever an Event of Default shall have occurred and be continuing, and the Obligations shall have been declared immediately due and payable, without prior notice to each Pledgor, take all or any of the following actions:

(f) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder;

(g) notify the parties obligated on any of the Collateral to make payment to Agent of any amount due or to become due thereunder;

(h) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(i) endorse any checks, drafts or other writings in each Pledgor's name to allow collection of the Collateral;

(j) take control of any proceeds of the Collateral; and

(k) execute (in the name, place and stead of each Pledgor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

In furtherance of the foregoing, each Pledgor hereby irrevocably constitutes and appoints the Agent, as its true and lawful attorney-in-fact with full power and authority in the name and in the place and stead of each Pledgor, and in its own name, effective upon the occurrence and during the continuance of an Event of Default, to file any claims or take any action (in law or in equity) which Agent may deem desirable to accomplish the purposes of this Agreement.

Each Pledgor understands that compliance with the federal securities laws, applicable blue sky or other state securities laws or similar laws analogous in purpose or effect may strictly limit the course of conduct of Agent if Agent were to attempt to dispose of all or any part of the Collateral and may also limit the extent to which or the manner in which any subsequent transferee of the Collateral may dispose of the same. Accordingly, each Pledgor agrees that IF ANY COLLATERAL IS SOLD AT ANY PUBLIC OR PRIVATE SALE, AGENT MAY ELECT TO SELL ONLY TO A BUYER WHO WILL GIVE FURTHER ASSURANCES, SATISFACTORY IN FORM AND SUBSTANCE TO AGENT, RESPECTING COMPLIANCE WITH THE REQUIREMENTS OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED; AND A SALE SUBJECT TO SUCH CONDITION SHALL BE DEEMED COMMERCIALLY REASONABLE. Without limiting the generality of the foregoing, the provisions of this paragraph would apply if, for example, Agent were to place all or any part of the Collateral for private placement by an investment banking firm, or if such investment banking firm purchased all or any part of the Collateral for its own account, or if Agent placed all or any part of the Collateral privately with a purchaser or purchasers.

5.5. Application of Moneys. Any moneys received by Agent upon payment to it of any Collateral held by it or as proceeds of any of the Collateral may be applied by Agent to the payment of any expenses incurred by it in connection with the Collateral, including, without limitation, reasonable attorneys' fees and legal expenses and all amounts payable by each Pledgor under Section 11.04 of the Credit Agreement. Any balance of such moneys so received by Agent shall be applied by Agent:

(a) first, Ratably, (i) to the unpaid interest (including, without limitation, post-petition interest) accrued and then due on all Notes (including any premium, if any, thereon), and (ii) to all unpaid closing, commitment and agents fees, if any, accrued and then due;

(b) second, Ratably among all holders of Notes on account of all principal of the Notes then due;

(c) third, if any Event of Default shall have occurred and be continuing, Ratably l) to the unpaid interest accrued on all Notes not then due, (ii) to the outstanding principal amount of all Notes not then due, and (iii) to the payment in full of all other items which constitute Obligations under the definition thereof;

(d) fourth, if any Event of Default shall have occurred and be continuing and all items which constitute Obligations under the definition thereof, whether or not then due, shall have been paid in full, ratably to all other Obligations to any Bank then due; and

(e) fifth, if no Event of Default shall have occurred and be continuing or after payment in full of all Obligations and other obligations referred to above, to the payment to each Pledgor or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such moneys.

ARTICLE VI
MISCELLANEOUS

6.1. Obligations Not Affected. The obligations of each Pledgor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to the Credit Agreement, or any Instrument contemplated thereby or any assignment or transfer thereof, except amendments or modifications hereto effected in accordance with Section 6.5;

(b) any exercise, non-exercise or waiver by Agent or any Bank of any right, remedy, power or privilege under or in respect of this Agreement, the Credit Agreement or any Instrument executed pursuant hereto;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, the Credit Agreement or any Instrument executed pursuant hereto or any assignment or transfer of any thereof; or

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or the like, of each Pledgor or any other Person, whether or not each Pledgor shall have notice or knowledge of any of the foregoing.

6.2. Protection of Collateral. Agent may from time to time, at its option, perform any act which each Pledgor agrees hereunder to perform and which a Pledgor or Pledgors fails to perform after being requested in writing to so perform (it being understood that no such request need be given aver the occurrence and during the continuance of any Event of Default) and Agent may from time to time take any other action which Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein. Such Pledgor or Pledgors will, upon demand, repay to Agent all moneys advanced by Agent in connection with the foregoing, together with interest at a rate (or any maximum lesser rate permitted by applicable law) per annum equal to the sum of the Base Rate from time to time most recently announced by Agent plus 2%.

6.3. Agent Not Responsible. Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; however, Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral if it takes such action for that purpose as a Pledgor or Pledgors reasonably request in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of Agent to comply with any such request shall at any time not in itself be deemed a failure to exercise reasonable care.

6.4. Additional Pledges. If the Company or any Subsidiary hereafter incorporates, acquires or otherwise obtains a Domestic Subsidiary which is also a Material Subsidiary ("New Domestic Subsidiary"), then the Company shall pledge or shall cause such Subsidiary to pledge to Agent all of the New Domestic Subsidiary's Intercompany Notes, all of its Distributions, all of its shares of capital stock and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral. In addition, if the Company or any Domestic Subsidiary hereafter incorporates, acquires or otherwise obtains a Foreign Subsidiary which is also a Material Subsidiary ("New Foreign Subsidiary"), then the Company shall pledge or shall cause such Subsidiary to pledge to Agent 65% of the shares of capital stock of such New Foreign Subsidiary and all other securities, instruments and rights from time to time received by or distributable to each Pledgor in respect of any Collateral. Upon the occurrence of any of the foregoing, the Company shall execute and deliver or shall cause its Subsidiary to execute and deliver a supplement to this Agreement in the form of Exhibit B (with only such changes thereto as are agreed to by the Agent), and in the case of the Company pledging shares of a New Domestic Subsidiary or New Foreign Subsidiary, such shares shall be deemed to be Pledged Shares, and in the case of a new Subsidiary executing such supplement, such Person shall be deemed a Pledgor for all purposes hereunder.

6.5. Successors and Assigns. This Agreement shall be binding upon each Pledgor and its successors and assigns and shall inure to the benefit of, and shall be enforceable by, the Agent and the Banks and their respective successors and assigns pursuant to the Credit Agreement.

6.6. Further Assurances. Each Pledgor, jointly and severally, agrees to do such further acts and things and to execute and deliver such additional agreements, powers and instruments as the Agent may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Agent its rights, powers and remedies under this Agreement, the Credit Agreement or any other Loan Document.

6.7. Loan Document. This Agreement is a Loan Document executed and delivered pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof. Without limiting the generality of the foregoing, the provisions of Sections 1.02 and 1.03 of the Credit Agreement shall apply to the interpretation and administration of this Agreement as if such provisions were incorporated herein, unto all references to the "Agreement" in such Sections 1.02 and 1.03 being deemed to be references to this Amended and Restated Senior Pledge Agreement.

6.8. Waivers: Writing Required. No delay or omission by the Agent or any Bank to exercise any right under this Agreement shall impair any such right, nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Agreement shall be deemed a waiver of any other breach or default. Any amendment or waiver of any provision of this Agreement must be in writing and signed by the Pledgors and the Agent, in accordance with the terms of Section 11.01 of the Credit Agreement.

6.9. Remedies. All rights and remedies provided in this Agreement and any instrument or agreement referred to herein are cumulative and are not exclusive of any rights or remedies otherwise provided by law. Any single or par exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

6.10. Costs and Expenses. Each Pledgor agrees to pay or reimburse the Agent and each Bank promptly after demand for all reasonable out-of-pocket costs and expenses (including reasonable Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement during the existence of an Event of Default or after acceleration of the Loans (including all costs and expenses incurred in connection with any "workout" or restructuring regarding amounts due under this Agreement, and including all costs and expenses incurred in any Insolvency Proceeding or appellate proceeding).

6.11. Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement referred to herein shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement referred to herein.

6.12. GOVERNING LAW AND JURISDICTION.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED

THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WILL RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF AGREEMENT, EACH OF THE PLEDGORS, THE COMPANY, THE AGENT AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PLEDGORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE PLEDGORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

6.13. WAIVER OF JURY TRIAL. THE PLEDGORS, THE COMPANY, THE BANKS AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE PLEDGORS, THE COMPANY, THE BANKS, THE DESIGNATED BIDDERS AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND TO OTHER LOAN DOCUMENTS.

6.14. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

6.15. Headings. Section and other headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

6.16. Entire Agreement. This Agreement (a) integrates all the terms and conditions mentioned herein or incidental hereto, (b) supersedes all oral negotiations and prior writings with respect to the subject matter hereof, and (c) is intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Agreement and as the complete and exclusive statement of the terms agreed to by the parties.

[SIGNATURE PAGE FOLLOWS]

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

IDEX

By: Douglas C. Lennox

Title: Treasurer

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Treasurer

Facsimile No.: (847) 498-3940

BANK OF AMERICA ILLINOIS,
as Agent

By: David A. Johanson

David A. Johnson
Title: Vice President

SCHEDULE I

PLEDGED NOTES

Subsidiary	Date	Principal Amount of Intercompany Note
Band-it-IDEX, Inc.	10/24/94	$18,411,086
Vibratech, Inc.	10/24/94	$11,506,929
Lubriquip, Inc.	10/24/94	$27,599,999
Strippit, Inc.	10/24/94	$15,342,572
Viking Pump, Inc.	10/24/94	$38,356,430
Warren Rupp, Inc.	10/24/94	$30,685,144
Corken, Inc.	10/24/94	$11,000,000
Pulsafeeder, Inc.	10/24/94	$56,000,000
Hale Products, Inc.	10/24/94	$70,000,000
Micropump, Inc.	11/01/95	$22,000,000

SCHEDULE II

PLEDGED SHARES

Subsidiary Issuer	Capital Stock	
	Number of Shares	Certificate Number
Band-It-IDEX, Inc. (f/k/a Houdaille Band-It, Inc. and f/k/a Band-It-Houdaille, Inc.)	100	2
Vibratech, Inc. (f/k/a Houdaille Hydraulics, Inc. and f/k/a Hydraulics-Houdaille, Inc.)	100	2
Lubriquip, Inc. (f/k/a Houdaille Lubriquip, Inc. and f/k/a Lubriquip-Houdaille, Inc.)	100	2
Strippit, Inc. (f/k/a Houdaille Strippit-DiAcro, Inc. and f/k/a Strippit-Houdaille, Inc.)	100	2
Viking Pump, Inc. (f/k/a Houdaille Viking Pump, Inc. and f/k/a Viking Pump-Houdaille, Inc.)	100	2
Warren Rupp, Inc. (f/k/a Houdaille Warren Rupp, Inc. and f/k/a Warren-Rupp-Houdaille, Inc.)	100	2
Corken, Inc. (f/k/a CIC Acquisition Corp.)	100	2
Pulsafeeder, Inc. (f/k/a PLF Acquisition Corporation)	100	2
Hale Products, Inc. (f/k/a Hale Fire Pump Company)	100	2
Micropump, Inc. (f/k/a MC Acquisition Corp.)	100	2

EXHIBIT A

FORM OF INTERCOMPANY NOTE

FOR VALUE RECEIVED, the undersigned,_____, a _____ corporation ("Borrower"), promises to pay to the order of _____, a _____ corporation ("Lender"), on the demand of the Lender (or immediately upon any acceleration described in the last paragraph of this Intercompany Note), the amount that has been advanced and is then outstanding hereunder, together with interest thereon as hereinafter set forth.

This Intercompany Note is one of the Intercompany Notes referred to and defined in that certain Amended and Restated Pledge Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") by IDEX Corporation (together with its successors and assignors, "IDEX Corporation"), a Delaware corporation and certain of its subsidiaries (including Borrower), in favor of Bank of America Illinois, as Agent for the financial institutions from time to time party to that certain Credit Agreement referred to in the Pledge Agreement. Unless otherwise defined herein, each capitalized term used herein shall have the meaning assigned thereto in the Pledge Agreement or, if not defined therein, as defined in the Credit Agreement referred to in the Pledge Agreement.

Borrower hereby expressly acknowledges and agrees that Lender may, pursuant to the terms of the Pledge Agreement, pledge all of its rights, title and interest hereunder to the Agent (as defined in the Pledge Agreement) for the benefit of the Agent and the Banks identified in the Pledge Agreement.

This Intercompany Note is a note under which advances, repayments and new advances may be made from time to time, provided that Lender shall not be obligated to make any advance hereunder. Advances hereunder may be requested by Borrower orally or in writing.

The principal balance of advances outstanding from time to time under this Intercompany Note shall bear interest at a per annum rate to be agreed by Lender and Borrower from time to time; interest shall be computed on a daily basis using a year of 365 or 366 days, as the case may be, and assessed for the actual number of days elapsed. Interest shall be payable in arrears with such frequency as agreed by Borrower and Lender from time to time, but in no event less frequently than quarterly, on the last day of each such period as so agreed by Borrower and Lender and otherwise on demand.

If any payment hereunder is due and payable on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day, and interest shall be payable thereon during such extension at the rate specified above.

Any and all principal and interest not paid when due and owing under this Intercompany Note shall bear interest at a per annum rate equal to two percent (2.0%) plus the interest rate applicable hereunder on the date that such principal and/or interest is first due but not paid. If this Intercompany Note or any part of the indebtedness evidenced hereby is not paid when due, Borrower promises to pay all reasonable costs of collection, including, without limitation, Attorney Costs and all other reasonable expenses incurred by the holder hereof in connection therewith, whether or not suit is filed hereon.

If any interest payable hereunder exceeds the maximum amount then permitted by applicable law, Borrower shall be obligated to pay the maximum amount then permitted by applicable law and Borrower shall continue to pay the maximum amount from time to time permitted by applicable law until all such interest otherwise due hereunder (in the absence of such restraint imposed by applicable law) has been paid in full.

Both the principal of and interest on this Intercompany Note are payable in lawful money of the United States of America to Lender, to such account as Lender may designate from time to time, in same day funds. At the time of each advance hereunder, and upon each repayment of amounts outstanding hereunder, Lender shall make a notation either on the schedule attached hereto and made a part hereof, or in Lender's own books and records, in each case specifying the amount of such advance, the interest rate in effect from time to time hereunder and the amount of principal and interest paid, as the case may be; provided, that Lender's failure to make any such recordation or notation shall not affect the obligations of Borrower hereunder. Such records shall be prima facie evidence of the amount and timing of all advances, repayments and interest rate determinations.

Presentment, protest and notice of nonpayment and protest are hereby waived by Borrower.

THIS INTERCOMPANY NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Whenever possible each provision of this Intercompany Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Intercompany Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Intercompany Note.

Whenever in this Intercompany Note reference is made to Lender or Borrower, such reference shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Intercompany Note shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of the Lender and its successors and

assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower.

Immediately upon any acceleration of amounts owing by IDEX Corporation under the Credit Agreement or any of the other Loan Documents (whether as the result of a declaration by the Agent or the occurrence of an Event of Default described in clause (f) or (g) of Section 9.01 of the Credit Agreement), all principal, interest and other amounts owing hereunder shall become due and payable without the requirement of any acceleration or request, and without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Intercompany Note to be duly executed as of _____.

[BORROWER]

By: _____
Name: _____
Title:_____

SCHEDULE A
TO
INTERCOMPANY NOTE

Schedule of Advances and Repayments

EXHIBIT 4.6(a)

SUPPLEMENT TO THE AMENDED AND RESTATED
SENIOR PLEDGE AGREEMENT

This Supplement No. 1 dated as of August 5, 1996, (this "Supplement") to the Pledge Agreement (as defined below) is by IDEX Corporation, a Delaware corporation (the "Pledgor"), in favor of Bank of America Illinois, as Agent (as defined in the Pledge Agreement) under the Pledge Agreement for the benefit of the secured parties thereunder.

RECITALS:

A. The Pledgor, the Agent and the Banks (as defined in the Pledge Agreement) entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Pledgor is a party to that certain Amended and Restated Pledge Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") with Bank of America Illinois, as Agent for the financial institutions from time to time party to that certain Credit Agreement. Unless otherwise defined herein, each capitalized term used herein shall have the meaning assigned thereto in the Pledge Agreement or, if not defined therein, as defined in the Credit Agreement referred to in the Pledge Agreement.

C. Pursuant to Section 6.4 of the Pledge Agreement, this Supplement is required to be executed and delivered to the Agent.

In consideration of the premises above and as set forth in the Pledge Agreement, the parties hereto agree as follows:

ARTICLE I
SUPPLEMENT TO PLEDGE AGREEMENT

1.1 Supplement to Pledge Agreement. In accordance with Section 6.4 of the Pledge Agreement, Pledgor, by its execution and delivery of this Supplement, hereby (a) represents and warrants that the representations and warranties made by it as a Pledgor under the Pledge Agreement are true and correct in all material respects on and as of the date hereof and (b) agrees that the Schedules hereto (which are designated as supplements to the corresponding Schedules of the Pledge Agreement) are hereby incorporated in their entirety into such corresponding Schedules of the Pledge Agreement. Each reference to "Pledged Notes," "Pledged Shares" and "Pledged Property" in the Pledge Agreement shall be deemed to include the Pledged Notes, Pledged Shares and Pledged Property pledged herein.

1.2 Additional Representations, Warranties and Covenants. Pledgor represents and warrants to the Agent and the Banks that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

ARTICLE II
SECURITY INTERESTS

2.1 Grant of Security Interest.

(a) As security for payment of all Obligations of such Pledgor, Pledgor hereby ratifies and confirms its pledge and grant of a security interest pursuant to the Pledge Agreement and hereby pledges, assigns and transfers to Agent and grants to Agent a continuing security interest in and to the shares of capital stock and/or promissory notes identified on Schedules I and II attached hereto together with all Dividends, Distributions, interest and other payments and rights with respect thereto and all proceeds of any of the foregoing (all of the items referred to in this Section 2.1 being herein called the "Collateral"). The parties agree that such capital stock and/or promissory notes shall be Pledged Shares or Pledged Notes pursuant to the Pledge Agreement and shall be subject to the terms and conditions of the Pledge Agreement.

(b) All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Agent in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof or thereof, shall, to the extent lawful, become a part of the Obligations secured hereby.

(c) The Pledged Notes listed on Schedule I hereto and the certificates representing the Pledged Shares listed on Schedule II hereto shall be delivered to the Agent contemporaneously herewith together with appropriate undated note powers and stock powers duly executed in blank. Neither the Agent nor any Bank shall be obligated to preserve or protect any rights with respect to the Pledged Notes or the Pledged Shares or to receive or give any notice with respect thereto whether or not the Agent or any Bank (other than the Pledgor) is deemed to have knowledge of such matters.

(d) The assignments and security interests under this Supplement granted to the Agent shall not relieve Pledgor from the performance of any term, covenant, condition or agreement on Pledgor's part to be performed or observed under or in respect of any of the Collateral pledged by it hereunder or from any liability to any Person under or in respect of any of such Collateral or impose any obligation on the Agent to perform or observe any such term, covenant, condition or agreement on Pledgor's part to be so performed or observed or impose any liability on the Agent for any act or omission on the part of Pledgor relative thereto or for any breach of any representation or warranty on the part of Pledgor contained in this Supplement, the Pledge Agreement or any other Loan Document, or in respect of the Collateral pledged by it hereunder or made in connection herewith or therewith. The obligations of Pledgor contained in this paragraph shall survive the termination of the Pledge Agreement and the discharge of Pledgor's other obligations thereunder.

(e) Pledgor agrees, at its own expense, to execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter to register, file or record in any and all appropriate governmental offices, any and all documents and instruments reasonably deemed by the Agent to be necessary or desirable for the creation and perfection of

the foregoing security interests granted pursuant hereto. Pledgor further agrees to take all actions reasonably requested by the Agent (including, without limitation, the filing of UCC-1 financing statements) in connection with the granting of such security interests. Pledgor agrees to pay in full all taxes, fees and other charges payable in connection with the actions described in this clause (e).

2.2 Power of Attorney. Pledgor hereby constitutes and appoints the Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of a Default Event (in the name of Pledgor or otherwise), in the Agent's discretion, to take any action and to execute any instrument which the Agent may reasonably deem necessary or advisable to accomplish the purposes of the Pledge Agreement, which appointment as attorney is coupled with an interest.

ARTICLE III
MISCELLANEOUS

3.1 Miscellaneous Provisions. Each of the provisions set forth in Sections 6.1 through 6.17 (inclusive) of the Pledge Agreement is hereby incorporated by reference mutatis mutandis with the same effect as if such provisions had been set forth herein with each reference therein to "this Agreement" deemed to be a reference to "this Supplement" and each reference to a "Pledgor" deemed to be a reference to "Pledgor".

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. 1 to the Pledge Agreement to be duly and properly executed and delivered as of the date first written above.

IDEX Corporation

By: /s/ WAYNE P. SAYATOVIC

Name: Wayne P. Sayatovic
Title: Senior Vice President - Finance,
Chief Financial Officer and Secretary

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Douglas C. Lennox
Facsimile No.: 312/498-3940

Accepted:

BANK OF AMERICA ILLINOIS,
as Agent

By:

Title:

SCHEDULE I (to Supplement No. 1)

PLEDGED NOTES

Subsidiary	Date	Principal Amount of Intercompany Note
Fluid Management, Inc.	7/29/96	$100,000,000

SCHEDULE II (to Supplement No. 1)

PLEDGED SHARES

Subsidiary Issuer	Capital Stock	
	Number of Shares	Certificate Number
FMI Management Company (f/k/a The Saranow Company)	1000	1
Fluid Management, Inc. (f/k/a FM Acquistion Corp)	100	1

Exhibit 4.7

AMENDED AND RESTATED SUBSIDIARY GUARANTY AGREEMENT

This Amended and Restated Subsidiary Guaranty (as amended, restated, supplemented, renewed or otherwise modified from time to time, this "Guaranty") is entered into as of July 17, 1996, by each of the undersigned corporations and each Person that becomes a party hereto in accordance with Section 4.6 hereof (each a "Guarantor" and collectively, the "Guarantors"), in favor of Bank of America Illinois, as Agent for itself (in such capacity, the "Agent") and the financial institutions from time to time party to the Credit Agreement described below (the "Banks").

RECITALS:

A. IDEX Corporation, a Delaware corporation (the "Company"), the Agent and the Banks entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996. The Third Amended and Restated Credit Agreement as now in effect or hereafter extended, renewed, modified, supplemented, amended or restated is hereinafter called the "Credit Agreement".

B. The Banks are willing to make certain Loans to the Company and the Issuing Bank is willing to issue Letters of Credit for the account of the Company as provided in the Credit Agreement on the condition (among others) that the Guarantors enter into this Guaranty.

C. Each Guarantor has previously entered into guaranties (See Recital D below) pursuant to that certain Credit Agreement, among the Company, Agent and various banking institutions, dated January 22, 1988 (herein, as amended by the First Amendment dated as of May 22, 1989, a Letter Agreement dated as of May 7, 1991, the Amended and Restated Credit Agreement dated as of May 4, 1992, the Second Amended and Restated Credit Agreement dated as of January 29, 1993, which in turn was amended by the First Amendment dated as of May 23, 1994, the Second Amendment dated as of October 24, 1994, the Third Amendment dated as of February 28, 1995, the Fourth Amendment dated November 1, 1995 and the Fifth Amendment dated December 22, 1995), and such guaranties are hereby deemed to be amended and restated by this Guaranty.

D. Each Guarantor has previously entered into the following respective guaranties: Guaranty Agreement, dated January 22, 1988, entered into by Lubriquip, Inc. (successor to Lubriquip-Houdaille, Inc.), Warren Rupp, Inc. (successor to Warren Rupp-Houdaille, Inc.), Viking Pump, Inc. (successor to Viking Pump-Houdaille, Inc.), Vibratech, Inc. (successor to Hydraulics-Houdaille, Inc.), Band-It-IDEX, Inc. (successor to Band-It-Houdaille, Inc.), Strippit, Inc. (successor to Strippit-Houdaille, Inc.); Guaranty Agreement, dated May 7, 1991, entered into by Corken, Inc. (successor to CIC Acquisition Corp.); Guaranty Agreement, dated May 4, 1992, entered into by Pulsafeeder, Inc. (successor to PLF Acquisition Corporation and MCL Acquisition Corporation); Guaranty Agreement, dated October 24, 1994, entered into by Hale Products, Inc.; Guaranty Agreement, dated November 1, 1995, entered into by Micropump, Inc.; and the Guaranty Agreement, dated December 22, 1995, entered into by Dunja Verwaltungsgesellschaft mbH. All of the foregoing guaranty agreements collectively referred to as the "Original Guaranty Agreements".

E. Each Guarantor, as a wholly-owned Subsidiary of the Company, will derive continuing, substantial and direct benefits (which benefits are hereby acknowledged by the Guarantors) from the Loans and the Letters of Credit and other benefits to be provided to the Company under the Credit Agreement.

F. In order to induce the Banks to continue to make such Loans available to the Company and to induce the Issuing Bank to issue such Letters of Credit for the account of the Company, and for other valuable consideration, the Guarantors hereby agree that the Original Guaranty Agreements are hereby amended and restated in their entirety as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms used in this Guaranty have the meanings given to such terms from time to time in the Credit Agreement. References to the Banks or any Bank herein shall include the Issuing Bank in its capacity as a Bank and as Issuing Bank.

2. Guaranty.

2.1 Guaranty. Each Guarantor hereby irrevocably, absolutely and unconditionally jointly and severally guarantees the full and punctual payment or performance when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all of the Obligations, including (a) Obligations in respect of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code or the operation of Sections 502(b) and 506(b) of the Bankruptcy Code and (b) Obligations to deliver and pledge cash collateral upon certain events. This Guaranty constitutes a guarantee of payment and performance when due and not of collection, and each Guarantor specifically agrees that it shall not be necessary or required that the Agent or any Bank exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Company (or any other Person) before or as a condition to the obligations of such Guarantor hereunder. The Agent or any Bank may permit the indebtedness of the Company to the Agent or any Bank to include indebtedness other than the Obligations and may apply any amounts received from any source, other than from the Guarantors, to that portion of the Company's indebtedness to the Agent or any Bank which is not a part of the Obligations.

2.2 Obligations Independent. The obligations hereunder are independent of the obligations of the Company, and a separate action or actions may be brought and prosecuted against the Guarantors whether action is brought against the Company or whether the Company be joined in any such action or actions.

2.3 Authorization of Renewals, Etc. Each Guarantor authorizes the Agent and each Bank without notice or demand and without affecting its liability hereunder, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time for payment, or otherwise change the terms, of the Obligations, including any increase or decrease of the rate of interest thereon, or otherwise change the terms of the Credit Agreement or any other Loan Document;

(b) to receive and hold security for the payment of this Guaranty or the Obligations and exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any such security;

(c) to apply such security and direct the order or manner of sale thereof as the Agent, or any Bank, as the case may be, in its or their discretion may determine; and

(d) to release or substitute any one or more of any endorsers or guarantors of the Obligations.

Each Guarantor further agrees the performance or occurrence of any of the acts or events described in clauses (a), (b), (c) and (d) above with respect to indebtedness or other obligations of the Company, other than the Obligations, to the Agent or any Bank, shall not affect the liability of such Guarantor hereunder.

2.4 Waiver of Certain Rights. Each Guarantor waives any right to require the Agent or any Bank:

(a) to proceed against the Company or any other Person;

(b) to proceed against or exhaust any security for the Obligations or any other indebtedness of the Company to the Agent or any Bank; or

(c) to pursue any other remedy in the Agent's or any such Bank's power whatsoever.

2.5 Waiver of Certain Defenses. Each Guarantor waives any defense arising by reason of any disability or other defense of the Company, or the cessation from any cause whatsoever of the liability of the Company, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor relief proceeding, or from any other cause, or any claim that such Guarantor's obligations exceed or are more burdensome than those of the Company.

2.6 Waiver of Presentments, Etc. Each Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty and of the existence, creation or incurring of new or additional Obligations or any other indebtedness of Company to the Agent or any Bank.

2.7 Information Relating to Company. Each Guarantor acknowledges and agrees that it shall have the sole responsibility for obtaining from the Company such information concerning the Company's financial condition or business operations as such Guarantor may require and that neither the Agent nor any Bank has any duty at any time to disclose to any Guarantor any information relating to the business operations or financial condition of the Company.

2.8 Right of Set-off. In addition to any rights and remedies of the Banks provided by law, if any Guarantor has failed to make any payment due hereunder upon demand, each Bank

is authorized at any time and from time to time, without prior notice to such Guarantor, any such notice being waived by such Guarantor to the fullest extent permitted by law, to set-off and apply any and all Guarantor deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of such Guarantor against any and all obligations of such Guarantor now or hereafter existing under this Guaranty or any other Loan Document, irrespective of whether or not the Agent or such Bank shall have made demand under this Guaranty or any other Loan Document and although such obligations may be contingent or unmatured. Each Bank agrees promptly to notify such Guarantor and the Agent after any such set-off and application made by such Bank; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section 2.8 are in addition to the other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

2.9 Reinstatement of Guaranty. If any payment or transfer of any interest in property by the Company to the Agent or any Bank in fulfillment of any Obligation is rescinded or must at any time (including after the return or cancellation (other than by written release herefrom) of this Guaranty) be returned, in whole or in part, by the Agent or any Bank to the Company or any other Person, upon the insolvency, bankruptcy or reorganization of the Company or otherwise, this Guaranty shall be reinstated with respect to any such payment or transfer, regardless of any such prior return or cancellation.

2.10 Powers. It is not necessary for the Agent or any Bank to inquire into the powers of the Company or of the officers, directors, partners or agents acting or purporting to act on its behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

2.11 Taxes.

(a) Any and all payments by any Guarantor to each Bank or the Agent under this Guaranty shall be made free and clear of, and without deduction or withholding for, any Taxes. In addition, such Guarantor shall pay all Other Taxes.

(b) If any Guarantor shall be required by law to deduct or withhold any Taxes, Other Taxes or Further Taxes from or in respect of any sum payable hereunder to any Bank or the Agent, then:

(i) the sum payable shall be increased as necessary so that, after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 2.11), such Bank or the Agent, as the case may be, receives and retains an amount equal to the sum it would have received and retained had no such deductions or withholdings been made;

(ii) such Guarantor shall make such deductions and withholdings;

(iii) such Guarantor shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) such Guarantor shall also pay to each Bank or the Agent for the account of such Bank, at the time interest is paid, Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed.

(c) Each Guarantor agrees to indemnify and hold harmless each Bank and the Agent for the full amount of (i) Taxes, (ii) Other Taxes and (iii) Further Taxes in the amount that the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed, and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes, Other Taxes or Further Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date the Bank or the Agent makes written demand therefor.

(d) Within 30 days after the date of any payment by any Guarantor of Taxes, Other Taxes or Further Taxes, such Guarantor shall furnish to each Bank or the Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to such Bank or the Agent.

(e) If any Guarantor is required to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 2.11, then such Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by such Guarantor which may thereafter accrue, if such change in the sole judgment of such Bank is not otherwise disadvantageous to such Bank.

(f) Notwithstanding anything to the contrary contained in this Guaranty, in no event shall any Guarantor be either (i) obligated to pay any amount to any Bank or the Agent pursuant to subsection (b) or (c) of this Section 2.11 or (ii) prohibited from deducting or withholding for any applicable Taxes pursuant to subsection (a) of this Section 2.11, if the Bank or Agent fails to deliver forms to such Guarantor in accordance with Section 10.10 of the Credit Agreement on a timely basis, unless such failure would not have occurred but for a change in law or regulation or in the interpretation thereof by any governmental or regulatory agency or body charged with the administration or interpretation thereof, or the introduction of any law or regulation, that occurs on or after the date hereof.

(g) For purposes of this Section, (i) "Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of each Bank and the Agent, respectively, taxes imposed on or measured by such Bank's or the Agent's net income

by the jurisdiction (or any political subdivision thereof) under the laws of which such Bank or the Agent, as the case may be, is organized or maintains a lending office; (ii) "Other Taxes" means any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery, performance, execution or registration of, or otherwise with respect to, this Guaranty; and (iii) "Further Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges (including, without limitation, net income taxes and franchise taxes), and all liabilities with respect thereto, imposed by any jurisdiction on account of amounts payable or paid pursuant to this Guaranty.

2.12 Subrogation. None of the Guarantors shall have any right of subrogation, indemnification or recourse to any Obligations or collateral or other guarantees therefor or against the Company or any of its assets or property until the Obligations shall have been paid in full.

3. Representations and Warranties. Each Guarantor represents and warrants to the Agent and each Bank as follows:

3.1 Corporate Existence and Power. Such Guarantor (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (b) has the power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver and perform its obligations under this Guaranty and any other Loan Document to which it is a party; (c) is duly qualified as a foreign corporation, and licensed and in good standing, under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and (d) is in compliance with all Requirements of Law except where the failure to do so or to so comply could not reasonably be expected to have a Material Adverse Effect.

3.2 Corporate Authorization; No Contravention. The execution, delivery and performance by such Guarantor of this Guaranty and any other Loan Document to which it is party, have been duly authorized by all necessary corporate action, and do not and will not (a) contravene the terms of any of such Guarantor's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any lien under, any document evidencing any Contractual Obligation to which such Guarantor is a party or any order, injunction, writ or decree of any Governmental Authority to which such Guarantor or its property is subject; or (c) violate any Requirement of Law applicable to such Guarantor.

3.3 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Guarantor of this Guaranty or any other Loan Document to which it is a party.

3.4 Binding Effect. This Guaranty and each other Loan Document to which such Guarantor is a party constitute the legal, valid and binding obligations of such Guarantor, enforceable against such Guarantor in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

3.5 Regulated Entities. None of such Guarantor, any Person controlling such Guarantor or any Subsidiary of such Guarantor is (a) an "Investment Company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur or guarantee Indebtedness.

3.6 Other Representations. Each of the Guarantors represents and warrants as to itself that all representations and warranties relating to it contained in the Credit Agreement are true and correct in all material respects as of the date hereof.

4. Miscellaneous.

4.1 Application of Payments on Guaranty. All payments required to be made by any Guarantor hereunder shall, unless otherwise expressly provided herein, be made to the Agent for the account of the Banks at the Agent's Payment Office and, with respect to principal of, interest on, and any other amounts relating to, any Offshore Currency Loan, shall be made in the Offshore Currency in which such Loan is denominated or payable and, with respect to all other amounts payable hereunder, shall be made in Dollars. The Agent will promptly distribute to each Bank its Pro Rata Share (or other applicable share as expressly provided in the Credit Agreement) of such principal, interest, fees or other amounts in like funds as received. Payments received from any Guarantor shall, unless otherwise expressly provided herein, be applied to costs, fees or other expenses due under the Loan Documents, any interest (including interest due under Section 2.12 of the Credit Agreement), any principal due under the Loan Documents and any other Obligations, in such order as the Agent, with the consent of or at the request of the Banks, shall determine.

4.2 Assignments, Participations, Confidentiality. Any Bank may from time to time, without notice to the Guarantors and without affecting the Guarantors' obligations hereunder, transfer its interest in the Obligations to Participants and Assignees as provided in the Credit Agreement. Each Guarantor agrees that each such transfer will give rise to a direct obligation of such Guarantor to each Assignee to which the Company, if required, shall have consented to and that each Assignee shall have the same rights and benefits under this Guaranty as it would have if it were a Bank party to the Credit Agreement and this Guaranty. The Guarantors, the Agent and each Bank agree that the provisions of Section 11.10 of the Credit Agreement shall apply to all information identified as "confidential" or "secret" by any Guarantor and provided to the Agent or such Bank by any Guarantor or any Subsidiary of a Guarantor under this Guaranty or any other Loan Document to which such Guarantor is a party.

4.3 Successors and Assigns. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of, and shall be enforceable by, the Agent and the Banks and their respective successors and assigns pursuant to the Credit Agreement.

4.4 Further Assurances. Each Guarantor, jointly and severally, agrees to do such further acts and things and to execute and deliver such additional agreements, powers and instruments as either Agent or any Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Guaranty or to better assure and confirm unto the Agent or any Bank their rights, powers and remedies under this Guaranty, the Credit Agreement or any other Loan Document.

4.5 Loan Document. This Guaranty is a Loan Document executed and delivered pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof. Without limiting the generality of the foregoing, the provisions of Sections 1.02 and 1.03 of the Credit Agreement shall apply to the interpretation and administration of this Guaranty as if such provisions were incorporated herein, with all references to the "Agreement" in such Sections 1.02 and 1.03 being deemed to be references to this Guaranty.

4.6 Waivers; Writing Required. No delay or omission by the Agent or any Bank to exercise any right under this Guaranty shall impair any such right, nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Guaranty shall be deemed a waiver of any other breach or default. Any amendment or waiver of any provision of this Guaranty must be in writing and signed by the Guarantors and the Agent, with the written consent of the Banks, in accordance with the terms of Section 11.01 of the Credit Agreement, provided that an additional Subsidiary of the Company may become a Guarantor under this Guaranty pursuant to the requirements of Section 7.13 of the Credit Agreement by executing and delivering to the Agent a supplement to this Guaranty in the form of Exhibit A attached hereto (with only such changes thereto as are agreed to by the Agent), whereupon, without further action, approval or consent by any other Person, such Subsidiary shall be deemed to be a Guarantor for all purposes under this Guaranty.

4.7 Remedies. All rights and remedies provided in this Guaranty and any instrument or agreement referred to herein are cumulative and are not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

4.8 Costs and Expenses. Each Guarantor agrees to pay or reimburse the Agent and each Bank promptly after demand for all reasonable out-of-pocket costs and expenses (including reasonable Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Guaranty during the existence of an Event of Default or after acceleration of the Loans (including all costs and expenses incurred in connection with any "workout" or restructuring regarding amounts due under this Guaranty, and including all costs and expenses incurred in any Insolvency Proceeding or appellate proceeding).

4.9 Severability. The illegality or unenforceability of any provision of this Guaranty or any instrument or agreement referred to herein shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Guaranty or any instrument or agreement referred to herein.

4.10 GOVERNING LAW AND JURISDICTION.

(a) THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY, EACH OF THE GUARANTORS, THE COMPANY, THE AGENT AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE GUARANTORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE GUARANTORS, THE COMPANY, THE AGENT, THE DESIGNATED BIDDERS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

4.11 WAIVER OF JURY TRIAL. THE GUARANTORS, THE COMPANY, THE BANKS AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS GUARANTY, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GUARANTORS, THE COMPANY, THE BANKS, THE DESIGNATED BIDDERS AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER

PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS GUARANTY OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY AND THE OTHER LOAN DOCUMENTS.

4.12 Nature of Obligations. All obligations and liabilities of the Guarantors hereunder shall be joint and several.

4.13 Certain Limitations. Anything contained in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the Bankruptcy Code or any provisions of applicable state law.

4.14 Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Guaranty.

4.15 Headings. Section and other headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

4.16 Entire Agreement. This Guaranty (a) integrates all the terms and conditions mentioned herein or incidental hereto, (b) supersedes all oral negotiations and prior writings with respect to the subject matter hereof, and (c) is intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Guaranty and as the complete and exclusive statement of the terms agreed to by the parties.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty by their duly authorized officers as of the day and year first above written.

BAND-IT-IDEX, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

CORKEN, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

LUBRIQUIP, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

PULSAFEEDER, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

STRIPPIT, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

VIBRATECH, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

VIKING PUMP, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

WARREN RUPP, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

HALE PRODUCTS, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

MICROPUMP, INC.

By: /s/ [Douglas C. Lennox]

Title: Vice President

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Vice President

Facsimile No.: (847) 498-3940

DUNJA VERWALTUGSGESELLSCHAFT mbH

By: /s/ [Robert Grindel]

Title: Manging Director

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Managing Director
Facsimile No.: (947) 498-3940

BANK OF AMERICA ILLINOIS,
as Agent

By: /s/ [David A. Johanson]

Title: Vice President

EXHIBIT 4.7(a)

SUPPLEMENT TO THE AMENDED AND RESTATED SUBSIDIARY GUARANTY AGREEMENT

This Supplement No. 1 dated as of August 5, 1996, (this "Supplement") to the Amended and Restated Subsidiary Guaranty Agreement (as defined below) is made by FMI Management Company, an Illinois Corporation, ("New Guarantor"), in favor of the Agent and Banks (as defined below).

RECITALS:

A. IDEX Corporation, a Delaware corporation (the "Company"), is a party to that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), with Bank of America Illinois, as Agent for itself (in such capacity the "Agent") and the financial institutions from time to time party to the Credit Agreement (the "Banks").

B. New Guarantor is a Subsidiary of the Company (as defined in the Credit Agreement).

C. As a condition precedent to their entering into the Credit Agreement, the Agent and the Banks thereunder required the Company to cause certain of its Subsidiaries to execute and deliver that certain Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996 (as heretofore or hereafter amended, restated, supplemented or otherwise modified from time to time, the "Subsidiary Guaranty Agreement").

D. The proceeds of Credit Extensions (as defined in the Credit Agreement) heretofore have been and hereafter will be used in part to enable the Company to make valuable transfers to each of the Guarantors (including New Guarantor) in connection with the operation of its businesses.

E. The Company and New Guarantor are engaged in related businesses, and New Guarantor will derive substantial direct and indirect benefit from the making of the Credit Extensions.

F. Pursuant to Section 7.13 of the Credit Agreement, the Company and the Company's Subsidiaries are required to cause each Domestic Subsidiary which is also a Material Subsidiary that was not in existence (or not such a Subsidiary) on the date of the Credit Agreement to become a Guarantor under the Subsidiary Guaranty Agreement upon becoming a Subsidiary.

G. Section 4.6 of the Subsidiary Guaranty Agreement provides that additional Subsidiaries of the Company may become Guarantors under the Subsidiary Guaranty Agreement by execution and delivery of an instrument in the form of this Supplement.

H. In consideration of the premises and to induce the Banks to continue to make Credit Extensions, New Guarantor hereby agrees as follows:

1. Definitions. Each capitalized term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Subsidiary Guaranty Agreement or, if not defined herein or in the Subsidiary Guaranty Agreement, in the Credit Agreement.

2. Guaranty of Obligations. In accordance with Section 4.6 of the Subsidiary Guaranty Agreement, New Guarantor, by its execution and delivery of this Supplement, hereby becomes a Guarantor under the Subsidiary Guaranty Agreement for all purposes thereunder with the same force and effect as if originally named therein as a Guarantor, without further action, approval or consent by any other Person, and New Guarantor hereby (a) agrees to all the terms and provisions of the Subsidiary Guaranty Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties deemed to be made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof. Each reference to a "Guarantor" in the Subsidiary Guaranty Agreement shall be deemed for all purposes to include New Guarantor. All of the terms of the Subsidiary Guaranty Agreement are hereby incorporated in their entirety.

3. Representations and Warranties. New Guarantor represents and warrants to the Beneficiaries that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal valid and binding obligation, enforceable against it in accordance with its terms.

4. Effect of Supplement. Upon the effectiveness hereof, each reference in the Subsidiary Guaranty Agreement to "this Guaranty," "hereunder," "hereof," "herein," or words of like import referring to the Subsidiary Guaranty Agreement and each reference in the other Loan Documents to the "Subsidiary Guaranty Agreement," "thereunder," "thereof," or words of like import referring to the Subsidiary Guaranty Agreement shall mean and be a reference to the Subsidiary Guaranty Agreement as amended by this Supplement. The Subsidiary Guaranty Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

5. Miscellaneous Provisions. Each of the provisions set forth in Sections 4.6 through 4.16 (inclusive) of the Subsidiary Guaranty Agreement is hereby incorporated by reference mutatis mutandis with the same effect as if such provisions had been set forth herein with each reference therein to "this Guaranty" deemed to be a reference to "this Supplement" and each reference to a "Guarantor" deemed to be a reference to "New Guarantor".

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Guarantor has caused this Supplement No. 1 to the Subsidiary Guaranty Agreement to be duly executed and delivered by its properly and duly authorized officer as of the date first written above.

FMI MANAGEMENT COMPANY

By: /s/ WAYNE P. SAYATOVIC

Name: Wayne P. Sayatovic
Title: Vice President, Secretary and
Chief Financial Officer

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Douglas C. Lennox
Facsimile No.: 312/498-3940

Accepted:

BANK OF AMERICA ILLINOIS,
as Agent

By:

Title:

EXHIBIT 4.7(b)

SUPPLEMENT TO THE AMENDED AND RESTATED
SUBSIDIARY GUARANTY AGREEMENT

This Supplement No. 2 dated as of August 5, 1996, (this "Supplement") to the Amended and Restated Subsidiary Guaranty Agreement (as defined below) is made by Fluid Management, Inc., a Delaware corporation ("New Guarantor"), in favor of the Agent and Banks (as defined below).

RECITALS:

A. IDEX Corporation, a Delaware corporation (the "Company"), is a party to that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), with Bank of America Illinois, as Agent for itself (in such capacity the "Agent") and the financial institutions from time to time party to the Credit Agreement (the "Banks").

B. New Guarantor is a Subsidiary of the Company (as defined in the Credit Agreement).

C. As a condition precedent to their entering into the Credit Agreement, the Agent and the Banks thereunder required the Company to cause certain of its Subsidiaries to execute and deliver that certain Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996 (as heretofore or hereafter amended, restated, supplemented or otherwise modified from time to time, the "Subsidiary Guaranty Agreement").

D. The proceeds of Credit Extensions (as defined in the Credit Agreement) heretofore have been and hereafter will be used in part to enable the Company to make valuable transfers to each of the Guarantors (including New Guarantor) in connection with the operation of its businesses.

E. The Company and New Guarantor are engaged in related businesses, and New Guarantor will derive substantial direct and indirect benefit from the making of the Credit Extensions.

F. Pursuant to Section 7.13 of the Credit Agreement, the Company and the Company's Subsidiaries are required to cause each Domestic Subsidiary which is also a Material Subsidiary that was not in existence (or not such a Subsidiary) on the date of the Credit Agreement to become a Guarantor under the Subsidiary Guaranty Agreement upon becoming a Subsidiary.

G. Section 4.6 of the Subsidiary Guaranty Agreement provides that additional Subsidiaries of the Company may become Guarantors under the Subsidiary Guaranty Agreement by execution and delivery of an instrument in the form of this Supplement.

H. In consideration of the premises and to induce the Banks to continue to make Credit Extensions, New Guarantor hereby agrees as follows:

1. Definitions. Each capitalized term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Subsidiary Guaranty Agreement or, if not defined herein or in the Subsidiary Guaranty Agreement, in the Credit Agreement.

2. Guaranty of Obligations. In accordance with Section 4.6 of the Subsidiary Guaranty Agreement, New Guarantor, by its execution and delivery of this Supplement, hereby becomes a Guarantor under the Subsidiary Guaranty Agreement for all purposes thereunder with the same force and effect as if originally named therein as a Guarantor, without further action, approval or consent by any other Person, and New Guarantor hereby (a) agrees to all the terms and provisions of the Subsidiary Guaranty Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties deemed to be made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof. Each reference to a "Guarantor" in the Subsidiary Guaranty Agreement shall be deemed for all purposes to include New Guarantor. All of the terms of the Subsidiary Guaranty Agreement are hereby incorporated in their entirety.

3. Representations and Warranties. New Guarantor represents and warrants to the Beneficiaries that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal valid and binding obligation, enforceable against it in accordance with its terms.

4. Effect of Supplement. Upon the effectiveness hereof, each reference in the Subsidiary Guaranty Agreement to "this Guaranty," "hereunder," "hereof," "herein," or words of like import referring to the Subsidiary Guaranty Agreement and each reference in the other Loan Documents to the "Subsidiary Guaranty Agreement," "thereunder," "thereof," or words of like import referring to the Subsidiary Guaranty Agreement shall mean and be a reference to the Subsidiary Guaranty Agreement as amended by this Supplement. The Subsidiary Guaranty Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

5. Miscellaneous Provisions. Each of the provisions set forth in Sections 4.6 through 4.16 (inclusive) of the Subsidiary Guaranty Agreement is hereby incorporated by reference mutatis mutandis with the same effect as if such provisions had been set forth herein with each reference therein to "this Guaranty" deemed to be a reference to "this Supplement" and each reference to a "Guarantor" deemed to be a reference to "New Guarantor".

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Guarantor has caused this Supplement No. 2 to the Subsidiary Guaranty Agreement to be duly executed and delivered by its properly and duly authorized officer as of the date first written above.

FLUID MANAGEMENT, INC.

By: /s/ WAYNE P. SAYATOVIC

Name: Wayne P. Sayatovic
Title: Vice President, Secretary and Chief Financial Officer

Address: 630 Dundee Road, Suite 400
Northbrook, Illinois 60065

Attention: Douglas C. Lennox
Facsimile No.: 312/498-3940

Accepted:

BANK OF AMERICA ILLINOIS,
as Agent

By:

Title:

EXHIBIT 4.8

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT, dated July 29, 1996, is between IDEX CORPORATION, a Delaware corporation with its principal place of business at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX") and MITCHELL H. SARANOW, an individual residing at 860 Auburn Road, Winnetka, Illinois 60093 (the "Holder").

RECITALS:

A. IDEX, FMI Management Company, an Illinois corporation and wholly-owned subsidiary of IDEX, the Holder and The Saranow Company entered into an Agreement and Plan of Merger dated July 26, 1996 (the "Merger Agreement"), pursuant to which FMI Management Company has merged with and into The Saranow Company and IDEX has delivered to the Holder 75,700 shares of Common Stock of IDEX (the "IDEX Shares").

B. It is a covenant of the Merger Agreement that the IDEX Shares delivered to the Holder be registered for sale by IDEX under the Securities Act of 1933 (the "Act").

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and in the Merger Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, IDEX and the Holder hereby agree as follows:

1. Transfer Restrictions. The Holder acknowledges that the IDEX Shares have not been registered under the Act or any applicable state securities laws and the Holder agrees not to sell, pledge, hypothecate, transfer or otherwise dispose of (collectively "Transfer") any of the IDEX Shares unless such shares are first registered under the Act or such Transfer is exempt from registration and IDEX is furnished evidence reasonably satisfactory to it of such exemption.

2. Mandatory Registration. Within ninety (90) days following the date of this Agreement, IDEX shall use its best efforts to file with the Securities and Exchange Commission (the "Commission") a registration statement (the "Registration Statement") under the Act on an appropriate form to register all of the IDEX Shares for sale under the Act. Except as otherwise provided in this Agreement, IDEX shall use its best efforts to have the Registration Statement declared effective by the SEC as soon as practicable after it is filed; provided, however, that the effective date may be delayed with the consent of the Holder, which consent may not be unreasonably withheld. IDEX shall maintain the effectiveness of the Registration Statement until first to occur of (a) the sale by the Holder of

all IDEX Shares, (b) the second anniversary of this Agreement or (c) the expiration of such lesser holding period provided in Rule 144, if such rule is amended, at which time IDEX shall have the right to de-register the IDEX Shares. Upon notification to the Holder that the Registration Statement is not effective or otherwise may not be used for resale by the Holder (a "Notice of Ineffectiveness"), the Holder shall be prohibited from selling the IDEX Shares pursuant to the Registration Statement until IDEX has provided notification to the Holder that the Registration Statement is again available for use by the Holder, which notification shall be provided as soon as the Registration Statement is again available for use. IDEX shall use all reasonable efforts to maintain the effectiveness of the Registration Statement and to minimize any period during which the Holder may not use the Registration Statement.

3. Cooperation with IDEX. The Holder shall cooperate with IDEX in all reasonable respects in connection with this Agreement, including timely supplying all information reasonably requested by IDEX and executing and returning all documents reasonably requested by IDEX in connection with the registration and sale of the IDEX Shares.

4. Registration Procedures. In connection with the registration of the IDEX Shares under the Act, IDEX shall (except as otherwise provided in this Agreement), as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement effective and to comply with the provisions of the Act with respect to the sale or other disposition of all securities covered by the Registration Statement;

(b) furnish to the Holder such copies of a prospectus, including a preliminary prospectus or any amendment or supplement to any prospectus, in conformity with the requirements of the Act, and such other documents, as the Holder may reasonably request in order to facilitate the public sale or other disposition of the IDEX Shares;

(c) use its best efforts to register and qualify the securities covered by the Registration Statement under such other securities or blue sky laws of such jurisdictions as the Holder shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable the Holder to consummate the public sale or other disposition of the IDEX Shares in such jurisdictions, except that IDEX shall not for any such purpose be required to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified or to file therein any general consent to service of process;

(d) use its best efforts to list such securities on any securities exchange on which any securities of IDEX are then listed; and

(e) notify the Holder at any time when a prospectus relating thereto covered by such Registration Statement is required to be delivered under the Act, of the happening of any event of which it has knowledge as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

5. Expenses. All expenses incurred in any registration of the IDEX Shares under this Agreement shall be paid by IDEX including, without limitation, printing expenses, fees and disbursements of counsel for IDEX, expenses of any audits to which IDEX shall agree or which shall be necessary to comply with governmental requirements in connection with any such registration, all registration and filing fees for the IDEX Shares under federal and state securities laws, and expenses of complying with the securities or blue sky laws of any jurisdictions; provided, however, that IDEX shall not be liable for (a) any discounts or commissions to any underwriter (unless such discounts and commissions are payable by reason of IDEX's desire to include the IDEX Shares in an underwritten public offering that includes shares being sold for the account of IDEX); (b) any stock transfer taxes incurred with respect to the IDEX Shares sold in the offering or (c) the fees and expenses of counsel for the Holder.

6. Indemnification.

(a) Company Indemnity. Without limitation of any other indemnity provided to the Holder, to the fullest extent permitted by law, IDEX shall indemnify and hold harmless the Holder, its affiliates, its counsel, officers, directors, shareholders and representatives, any underwriter (as defined in the Act) for the Holder, and each person, if any, who controls the Holder or any such underwriter (within the meaning of the Act or the Securities Exchange Act of 1934 (the "Exchange Act")), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the Exchange Act or any other federal or state law, and IDEX shall reimburse the Holder, its affiliates, counsel, officers, directors, shareholders and underwriters, and controlling persons thereof, for any legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following (each a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that IDEX shall

not be liable to the Holder in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by the Holder, its affiliates, counsel, officers, directors, shareholders or representatives, or any controlling person thereof.

(b) Holder Indemnity. Without limitation of any other indemnity provided to IDEX, to the fullest extent permitted by law, the Holder shall indemnify and hold harmless IDEX, its affiliates, its counsel, officers, directors, shareholders and representatives, any underwriter (as defined in the Act) for IDEX, and each person, if any, who controls IDEX or any such underwriter (within the meaning of the Act or the Exchange Act), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the Exchange Act or any other federal or state law, and the Holder shall reimburse IDEX, its affiliates, counsel, officers, directors, shareholders and underwriters, and controlling persons thereof, for any legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following: (i) any untrue statement or alleged untrue statement of a material fact in the Registration Statement, including any preliminary prospectus or final prospectus contained therein or in any amendments or supplements thereto, to the extent provided by the Holder to IDEX in writing expressly for use in connection with the registration of the IDEX Shares or (ii) the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements so provided therein not misleading.

(c) Notice; Right to Defend. Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action (including any governmental action) such indemnified party shall, if a claim in respect thereof is to be made against any indemnifying party under this Section deliver to the indemnifying party a written notice of commencement thereof and the indemnifying party shall have the right to participate in and if the indemnifying party agrees in writing that it will be responsible for any costs, expenses, judgments, damages and losses incurred by the indemnified party with respect to such claim, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to such indemnified party to have charge of the defense of such action within a reasonable time after notice of the commencement of the action, or (iii) such indemnified party shall have been advised by counsel that there may be defenses available to it which are different from or additional to those available to the indemnifying party, in any of which events such fees and

expenses of additional counsel shall be borne by the indemnifying party. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Agreement only if and to the extent that such failure is prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Agreement.

(d) Contribution. If the indemnification provided for in this Agreement is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relevant fault of the indemnifying party on the one hand and indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relevant fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount the Holder shall be obligated to contribute pursuant to the Agreement shall be limited to an amount equal to the proceeds to the Holder of the IDEX Shares sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Holder has otherwise been required to pay in respect of such loss, claim, damage, liability or action or any substantially similar loss, claim, damage, liability or action arising from the sale of the IDEX Shares).

7. Survival of Indemnity. The indemnification provided by this Agreement shall be a continuing right to indemnification and shall survive the registration and sale of the IDEX Shares by any person entitled to indemnification hereunder and the expiration or termination of this Agreement.

8. Notices. Unless otherwise provided in this Agreement, any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and (a) delivered personally, (b) mailed by certified mail, postage prepaid (such mailed notice to be effective four days after the date it is mailed) or (c) sent by facsimile transmission, with a confirmation sent by way of one of the above methods, as follows:

If to the Holder addressed to:

Mitchell H. Saranow
860 Auburn Road
Winnetka, Illinois 60093
Telephone: (847) 501-3045
Telecopier: (847) 501-3049

With a copy to:

Sidley & Austin
One First National Plaza
Suite 4000
Chicago, Illinois 60603
Attn: John J. Sabl, Esq.
Steven Sutherland, Esq.
Telephone:(312) 853-7567
Telecopier:(312) 853-7036

If to IDEX, addressed to:

IDEX Corporation
630 Dundee Road, Suite 400
Northbrook, Illinois 60062
Attn: Donald N. Boyce
Wayne P. Sayatovic
Telephone: (847) 498-7070
Telecopier: (847) 498-9123

With a copy to:

Hodgson, Russ, Andrews, Woods & Goodyear
Attn: Richard E. Heath, Esq.
David V.L. Bradley, Esq.
Frank J. Notaro, Esq.

1800 One M & T Plaza
Buffalo, New York 14203
Telephone: (716) 856-4000
Telecopier: (716) 849-0349

and:

Latham & Watkins
Attn: Mark Stegemoeller
Sears Tower, Suite 5800
Chicago, Illinois 60606
Telephone: (312) 876-7700
Telecopier: (312) 993-9767

Any party may designate in a writing to any other party any other address or telecopier number to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

9. Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of IDEX and the Holder. The Holder shall have the right to assign to any permitted transferee of the IDEX Shares his rights under this Agreement.

10. Amendment and Waiver. This Agreement may be amended, and the observance of any term of this Agreement may be waived, but only with the written consent of IDEX and the Holder. No delay on the part of any party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other rights, power or remedy.

11. Counterparts. One or more counterparts of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and same instrument.

12. Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Illinois, without giving effect to conflicts of law principles.

13. Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

14. Headings. The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

IDEX CORPORATION

By /S/ Wayne P. Sayatovic

Wayne P. Sayatovic
Vice President

/S/ Mitchell H. Saranow

Mitchell H. Saranow

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