

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 14D-9

Solicitation/Recommendation Statement  
Pursuant to Section 14(d)(4) of the  
Securities Exchange Act of 1934

(Amendment No. 9)

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BORDEN, INC.  
(Name of Subject Company)

BORDEN, INC.  
(Name of Person(s) Filing Statement)

Common Stock, Par Value \$.625 Per Share  
(Title of Class of Securities)

099599102  
(CUSIP Number of Class of Securities)

-----

Allan L. Miller, Esq.  
Senior Vice President, Chief Administrative Officer  
and General Counsel  
Borden, Inc.  
180 East Broad Street  
Columbus, Ohio 43215  
(614) 225-4000

(Name, address and telephone number of person  
authorized to receive notice and communications on  
behalf of the person(s) filing statement)

-----

With a copy to:  
Andrew R. Brownstein, Esq.  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
(212) 403-1000

This Amendment No. 9 amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 of Borden, Inc., a New Jersey corporation (the "Company"), filed with the Securities and Exchange Commission (the "Commission") on November 22, 1994, as amended by Amendment No. 1 filed with the Commission on December 1, 1994, Amendment No. 2 filed with the Commission on December 2, 1994, Amendment No. 3 filed with the Commission on December 5, 1994, Amendment No. 4 filed with the Commission on December 6, 1994, Amendment No. 5 filed with the Commission on December 8, 1994, Amendment No. 6 filed with the Commission on December 12, 1994, Amendment No. 7 filed with the Commission on December 14, 1994 and Amendment No. 8 filed with the Commission on December 20, 1994 (as so amended, the "Schedule 14D-9"), with respect to the exchange offer made by Borden Acquisition Corp., a New Jersey corporation (the "Purchaser"), Whitehall Associates, L.P., a Delaware limited partnership (the "Partnership"), and KKR Partners II, L.P., a Delaware limited partnership (together with the Partnership, the "Common Stock Partnerships"), to exchange shares, owned by the Purchaser or its affiliates, of common stock, par value \$.01 per share (the "Holdings Common Stock"), of RJR Nabisco Holdings Corp., a Delaware corporation ("Holdings"), for all outstanding shares of the Company's common stock, par value \$.625 per share (the "Shares"), and the associated preferred stock purchase rights (the "Rights"), not already owned by the Purchaser or its affiliates, upon the terms and subject to the conditions set forth in the Offering Circular/Prospectus, dated November 22, 1994, as amended and supplemented by the Supplement to the Offering Circular/Prospectus, dated December 7, 1994, and the related Letter of Transmittal. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Schedule 14D-9 as heretofore amended and supplemented.

Item 9. Material to be Filed as Exhibits.

The list of exhibits in the Schedule 14D-9 is hereby amended and supplemented by adding the following exhibits:

Exhibit 99.93 --	Credit Agreement dated as of December 15, 1994 among Borden, Inc., as Borrower, and the banks named therein, as Banks, Citibank, N.A., as Administrative Agent, Bankers Trust Company, Chemical Bank, Citibank, N.A. and Credit Suisse, as Lead Managing Agents, and BT Securities Corporation, Chemical Securities
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Inc., Citicorp Securities, Inc. and  
Credit Suisse, as Arrangers.

Exhibit 99.94 --

Second Amended and Restated Credit Agreement dated as of December 15, 1994 among T.M. Investors Limited Partnership, as Borrower, and the banks named therein, as Banks, Citibank, N.A., as Administrative Agent, Bankers Trust Company, Chemical Bank, Citibank, N.A. and Credit Suisse, as Lead Managing Agents, and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers (Borden does not control T.M. Investors Limited Partnership and this exhibit has been furnished to Borden voluntarily at Borden's request).

## SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

BORDEN, INC.

Dated: December 20, 1994

By: /s/ Allan L. Miller

-----  
Name: Allan L. Miller  
Title: Senior Vice President,  
Chief Administrative  
Officer and General  
Counsel

## EXHIBIT INDEX

Exhibit -----	Description -----
Exhibit 99.93 --	Credit Agreement dated as of December 15, 1994 among Borden, Inc., as Borrower, and the banks named therein, as Banks, Citibank, N.A., as Administrative Agent, Bankers Trust Company, Chemical Bank, Citibank, N.A. and Credit Suisse, as Lead Managing Agents, and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers.
Exhibit 99.94 --	Second Amended and Restated Credit Agreement dated as of December 15, 1994 among T.M. Investors Limited Partnership, as Borrower, and the banks named therein, as Banks, Citibank, N.A., as Administrative Agent, Bankers Trust Company, Chemical Bank, Citibank, N.A. and Credit Suisse, as Lead Managing Agents, and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers (Borden does not control T.M. Investors Limited Partnership and this exhibit has been furnished to Borden voluntarily at Borden's request).

[EXECUTION COPY]

CREDIT AGREEMENT

Dated as of December 15, 1994

Among

BORDEN, INC.

as Borrower,  
-- -----

and

THE BANKS NAMED HEREIN

as Banks,  
-- -----

CITIBANK, N.A.

as Administrative Agent,  
-- -----

BANKERS TRUST COMPANY  
CHEMICAL BANK  
CITIBANK, N.A.  
CREDIT SUISSE

as Lead Managing Agents  
-- -----

and

BT SECURITIES CORPORATION  
CHEMICAL SECURITIES INC.  
CITICORP SECURITIES, INC.  
CREDIT SUISSE

as Arrangers  
-- -----

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## EXHIBITS

Exhibit A-1	-	Form of Term Note
Exhibit A-2	-	Form of Working Capital Note
Exhibit A-3	-	Form of Competitive Bid Note
Exhibit B-1	-	Form of Notice of Borrowing
Exhibit B-2	-	Form of Notice of Competitive Bid Borrowing
Exhibit C	-	Form of Assignment and Acceptance
Exhibit D-1	-	Form of Opinion of New York Counsel for the Borrower
Exhibit D-2	-	Form of Opinion of General Counsel to the Borrower
Exhibit E	-	Form of Pledge Agreement
Exhibit F	-	Form of Confidentiality Agreement

## CREDIT AGREEMENT

CREDIT AGREEMENT dated as of December 15, 1994  
among Borden, Inc., a New Jersey corporation (the "Borrower"),  
-----  
the banks (the "Banks") listed on the signature pages hereof,  
-----  
Citibank, N.A. ("Citibank"), as administrative agent (together  
-----  
with any successor appointed pursuant to Article VII, the  
"Administrative Agent") for the Lenders (as hereinafter defined),  
-----  
BT Securities Corporation ("BT Securities"), Chemical Securities  
-----  
Inc. ("Chemical Securities"), Citicorp Securities, Inc. and  
-----  
Credit Suisse ("Credit Suisse"), as arrangers (the "Arrangers"),  
-----  
BT Securities and Chemical Securities as co-syndication agents  
and Credit Suisse, as Issuing Bank (as defined below) and  
documentation agent.

## ARTICLE I

## DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in  
-----  
this Agreement, the following terms shall have the following  
meanings (such meanings to be equally applicable to both the  
singular and plural forms of the terms defined):

"Advance" means a Working Capital Advance, a Term  
-----  
Advance, a Competitive Bid Advance or a Letter of Credit  
Advance.

"Administrative Agent" has the meaning specified in  
-----  
the recital of parties to this Agreement.

"Administrative Agent's Account" means the account  
-----  
of the Administrative Agent maintained by the Administrative  
Agent with Citibank at its office at 1 Court Square, 7th  
Floor, Long Island City, New York 11120, Account No. 3685  
2248, Attention: John Makrinos.

"Affiliate" means, as to any Person (other than a  
-----  
Subsidiary), any other Person that, directly or indirectly,  
controls, is controlled by or is under common control with  
such Person or is a director or officer of such Person. For  
purposes of this definition, the term "control" (including  
the terms "controlling," "controlled by" and "under common  
control with") of a Person means the possession, direct or  
indirect, of the power to vote 10% or more of the Voting  
Stock of such Person or to direct or cause the direction of  
the management and policies of such Person, whether through  
the ownership of Voting Stock, by contract or otherwise.

"Agents" means, collectively, the Administrative  
-----  
Agent, the Lead Managing Agents and the Arrangers.

"Applicable Lending Office" means, with respect to  
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each Lender, such Lender's Domestic Lending Office in the  
case of a Base Rate Advance and such

Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid Advance, the office of such Lender notified by such Lender to the Administrative Agent as its Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Base Rate Advances	Applicable Margin for Eurodollar Rate Advances
Level 1 ----- BBB- or Baa3 or above	0%	1%
Level 2 ----- below BBB- and Baa3 but at least BB or Ba2	.5%	1.75%
Level 3 ----- below BB and Ba2	1%	2.25%

provided, that for the period commencing on the date of the initial Borrowing and ending on the first anniversary thereof, the Applicable Margin shall be Level 2 (if it would otherwise be Level 2 or Level 1) or Level 3.

"Applicable Percentage" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1 ----- BBB- or Baa3 or above	.375%
Level 2 ----- below BBB- and Baa3 but at least BB or Ba2	.500%
Level 3 ----- below BB and Ba2	.500%

provided, that for the period commencing on the date of the initial Borrowing and ending on the first anniversary thereof, the Applicable Percentage shall be Level 2 (if it would otherwise be Level 2 or Level 1) or Level 3.

"Appropriate Lender" means, at any time, with  
 -----  
 respect to any of the Letter of Credit, Term or Working  
 Capital Facilities, a Lender that has a Commitment with  
 respect to such Facility at such time.

"Arrangers" has the meaning specified in the  
 -----  
 recital of parties to this Agreement.

"Asset Proceeds" means the aggregate value received  
 -----  
 in connection with the sale of assets of the Borrower and  
 its Subsidiaries (other than Excluded Asset Sales) after  
 deducting therefrom only (a) the costs of sale including  
 reasonable brokerage commissions, underwriting fees and  
 discounts, legal fees, finder's fees, severance, legacy and  
 similar costs and other similar fees and commissions, (b)  
 the amount of taxes paid or estimated to be payable during  
 the then current or next fiscal year in connection with or  
 as a result of such transaction and reasonable reserves  
 associated therewith, (c) the amount of any Indebtedness  
 related to such asset that, by the terms of such  
 transaction, is required to be repaid upon such disposition  
 and (d) any such other reasonable exit costs related to such  
 transaction, in each case to the extent, but only to the  
 extent, that the amounts so deducted are, at the time of  
 receipt of such cash, properly attributable to such  
 transaction or to the asset that is the subject thereof.

"Assignment and Acceptance" means an assignment and  
 -----  
 acceptance entered into by a Lender and an Eligible  
 Assignee, and accepted by the Administrative Agent, in  
 accordance with Section 8.07 and in substantially the form  
 of Exhibit C hereto.

"Available Amount" of any Letter of Credit means,  
 -----  
 at any time, the maximum amount available to be drawn under  
 such Letter of Credit at such time (assuming compliance at  
 such time with all conditions to drawing).

"Bank" has the meaning specified in the recital of  
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 parties to this Agreement.

"Base Rate" means a fluctuating interest rate per  
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 annum in effect from time to time, which rate per annum  
 shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by  
 Citibank in New York, New York, from time to time,  
 as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1%  
 or, if there is no nearest 1/4 of 1%, to the next  
 higher 1/4 of 1%) of (i) 1/2 of 1% per annum, plus  
 -----

(ii) the rate obtained by dividing (A) the latest  
 three-week moving average of secondary market  
 morning offering rates in the United States for  
 three-month certificates of deposit of major United  
 States money

market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average during such three-week

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 period of the annual assessment rates reasonably estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an Advance that bears  
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 interest as provided in Section 2.08(a)(i).

"Borrower" has the meaning specified in the recital  
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 of parties to this Agreement.

"Borrowing" means a Term Borrowing, a Competitive  
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 Bid Borrowing or a Working Capital Borrowing.

"BT" means Bankers Trust Company.  
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"BT Securities" has the meaning specified in the  
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 recital of parties to this Agreement.

"Business Day" means a day of the year on which  
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 banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank eurodollar market.

"Capital Expenditures" means for any period, the

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 aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capitalized Leases but excluding any amount representing capitalized interest) by the Borrower and its Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant or equipment reflected in the Consolidated balance sheet of the Borrower and its Subsidiaries, provided that Capital

-----  
 Expenditures shall in any event exclude (a) expenditures made in connection with the replacement, substitution or restoration of assets (i) to the extent financed from insurance proceeds paid on account of the loss of or damage to the assets being replaced or restored or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (b) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time and (c) the purchase of plant, property and equipment made within 270 days of the sale of a similar asset.

"Capitalized Leases" has the meaning specified in

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 clause (e) of the definition of Debt.

"Cash Asset Proceeds" means the amount of cash

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 proceeds received from time to time in connection with the sale of assets of the Borrower and its Subsidiaries, including deferred receipts as collections, sales or other monetizations of notes or otherwise, after deducting therefrom the amounts specified in clauses (a) - (d) of the definition of Asset Proceeds.

"Cash Equivalents" shall mean (i) securities issued

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 or unconditionally guaranteed by the United States Government or any agency or instrumentality thereof, in each case having maturities of not more than twelve months from the date of acquisition thereof; (ii) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than twelve months from the date of acquisition thereof and, at the time of acquisition, having the highest rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service); (iii) commercial paper issued by any Lender or any bank holding company owning any Lender; (iv) commercial paper maturing no more than twelve months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then an equivalent rating from another nationally recognized rating service); (v) domestic and eurodollar certificates of deposit or bankers' acceptances maturing no more than one year after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus

of not less than \$250,000,000 in the case of domestic banks and \$100,000,000 (or the dollar equivalent thereof) in the foreign banks; (vi) repurchase agreements with a term of not more than seven days for underlying securities of the type described in clauses (i), (ii) and (v) above entered into with any bank meeting the qualifications specified in clause (v) above or securities dealers of recognized national standing; and (vii) other customarily utilized high quality instruments in countries where the Borrower's foreign Subsidiaries are located.

"Chemical" means Chemical Bank.

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"Chemical Securities" has the meaning specified in  
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the recital of parties to this Agreement.

"Citibank" has the meaning specified in the recital  
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of parties to this Agreement.

"Collateral" means all "Collateral" referred to in  
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the Pledge Agreement and all other property that is subject to any Lien in favor of the Administrative Agent, the Lenders or any Issuing Bank.

"Commitment" means a Term Commitment, a Working  
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Capital Commitment or a Letter of Credit Commitment.

"Competitive Bid Advance" means an advance by a  
-----  
Lender to the Borrower as part of a Competitive Bid Borrowing resulting from the auction bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing  
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consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the auction bidding procedure described in Section 2.03.

"Competitive Bid Note" means the promissory note of  
-----  
the Borrower payable to the order of the Administrative Agent for the benefit of each Lender making a Competitive Bid Advance, in substantially the Form of Exhibit A-3 hereto, evidencing the indebtedness of the Borrower to the Lenders resulting from Competitive Bid Advances made by the Lenders.

"Competitive Bid Register" has the meaning  
-----  
specified in Section 2.03(a)(vi).

"Confidential Information" means information that  
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the Borrower furnishes to any Agent or any Lender in a writing designated as confidential, but does not



include any such information that is or becomes generally available to the public or that is or becomes available to such Agent or such Lender from a source other than the Borrower.

"Consolidated" refers to the consolidation of  
 -----  
 accounts in accordance with GAAP.

"Conversion", "Convert" and "Converted" each refer  
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 to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.10 or 2.11.

"Credit Parties" means the Borrower, BDS One, Inc.,  
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 BDS Two, Inc. and BDS Four, Inc.

"Credit Suisse" has the meaning specified in the  
 -----  
 recital of parties to this Agreement.

"Debt" of any Person means, without duplication,  
 ----  
 (a) all indebtedness of such Person for borrowed money,  
 (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables and accrued expenses arising in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases ("Capitalized Leases") and (f) all Debt referred to in  
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 clauses (a) through (e) above secured by any Lien on property owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt, but only to the extent that, in accordance with GAAP, such Debt would be reflected on the financial statements of such Person.

"Debt Proceeds" means gross proceeds received by  
 -----  
 the Borrower from the sale or issuance of any borrowed money Debt (other than hereunder, the TMI Credit Agreement or Excluded Debt) whether by means of any public offering, private placement or incurrence of additional bank Debt.

"Default" means any Event of Default or any event  
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 that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Defaulted Advance" means, with respect to any  
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 Lender at any time, the amount of any Advance required to be made by such Lender to the Borrower pursuant to

Section 2.01 at or prior to such time which has not been so made as of such time; provided, however, any Advance made by

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 the Administrative Agent for the account of such Lender pursuant to Section 2.02(d) shall not be considered a Defaulted Advance even if, at such time, such Lender shall not have reimbursed the Administrative Agent therefor as provided in Section 2.02(d). In the event that a portion of a Defaulted Advance shall be deemed made pursuant to Section 2.17(a), the remaining portion of such Defaulted Advance shall be considered a Defaulted Advance originally required to be made pursuant to Section 2.01 on the same date as the Defaulted Advance so deemed made in part.

"Defaulted Amount" means, with respect to any

-----  
 Lender at any time, any amount required to be paid by such Lender to the Administrative Agent or any other Lender hereunder or under any other Loan Document at or prior to such time which has not been so paid as of such time, including, without limitation, any amount required to be paid by such Lender to (a) any Issuing Bank pursuant to Section 2.15(b) to purchase a portion of a Letter of Credit Advance made by such Issuing Bank, (b) the Administrative Agent pursuant to Section 2.02(d) to reimburse the Administrative Agent for the amount of any Advance made by the Administrative Agent for the account of such Lender, (c) any other Lender pursuant to Section 2.14 to purchase any participation in Advances owing to such other Lender and (d) the Administrative Agent pursuant to Section 7.05 to reimburse the Administrative Agent for such Lender's ratable share of any amount required to be paid by the Lenders to the Administrative Agent as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.17(b), the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be made hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

"Defaulting Lender" means, at any time, any Lender

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 that, at such time, (a) owes a Defaulted Advance or a Defaulted Amount or (b) shall take or be the subject of any action or proceeding of a type described in Section 6.01(f).

"Designated Asset Sales" means asset sales, if any,

-----  
 identified to the Lenders prior to the date hereof in a writing specifically referring to Section 5.02(d) of this Agreement.

"Domestic Lending Office" means, with respect to

-----  
 any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"EBITDA" means, for any period, net income (or net

-----  
 loss) plus the sum, without duplication, of (a) Net  
 -----  
 Interest Expense, (b) income tax expense,

(c) depreciation expense, (d) amortization expense, (e) extraordinary or unusual losses included in net income (net of taxes to the extent not already deducted in determining such losses and net of extraordinary or unusual gains included in net income) including, without limitation, cumulative effects of accounting changes, discontinued operations, restructuring charges and non-cash charges, (f) amortization of deferred financing fees and debt discount, (g) other non-cash charges, (h) gains or losses on asset sales (including sales of accounts receivable), (i) severance and similar expenses and (j) dividends accrued on securities other than common stock, in each case determined in accordance with GAAP for such period.

"Effective Date" has the meaning specified in  
-----  
Section 3.01.

"Eligible Assignee" means any of (i) a commercial  
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bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$250,000,000; (ii) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$250,000,000; (iii) a commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having a combined capital and surplus of at least \$250,000,000, so long as such bank is acting through a branch or agency located in the United States or in the country in which it is organized or another country that is described in this clause (iii); (iv) the central bank of any country that is a member of the OECD; and (v) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having a combined capital and surplus of at least \$100,000,000, in each case as approved by the Arrangers and the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that an Affiliate or Subsidiary of the  
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Borrower shall not qualify as an Eligible Assignee under this definition.

"Environmental Claims" means any and all  
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administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law (hereafter "Claims") or any permit issued under any such law, including  
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without limitation (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat or injury to health, safety or the environment.

"Environmental Law" means any federal, state,  
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 provincial or local statute, law, rule, regulation,  
 ordinance, code, policy or rule of common law now or  
 hereafter in effect and in each case as amended, and any  
 judicial or administrative interpretation thereof, including  
 any judicial or administrative order, consent, decree or  
 judgment, relating to the environment, health, safety or  
 Hazardous Materials.

"Equity Proceeds" means gross proceeds received by  
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 the Borrower from (a) the sale or issuance of any equity  
 security of the Borrower whether by means of any public  
 offering or private placement, (b) the sale of some or all  
 of the RN Stock contributed to the Borrower or another  
 instrument which has the effect of monetizing the value of  
 such RN Stock or (c) capital contributions to the Borrower  
 from time to time.

"ERISA" means the Employee Retirement Income  
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 Security Act of 1974, as amended from time to time, and the  
 regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means each person (as defined in  
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 Section 3(9) of ERISA) which together with the Borrower or  
 any Subsidiary of the Borrower would be deemed to be a  
 "single employer" within the meaning of Section 414 (b),  
 (c), (m) or (o) of the Internal Revenue Code.

"Eurocurrency Liabilities" has the meaning  
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 specified in Regulation D of the Board of Governors of the  
 Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to  
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 any Lender, the office of such Lender specified as its  
 "Eurodollar Lending Office" opposite its name on Schedule I  
 hereto or in the Assignment and Acceptance pursuant to which  
 it became a Lender (or, if no such office is specified, its  
 Domestic Lending Office), or such other office of such  
 Lender as such Lender may from time to time specify to the  
 Borrower and the Administrative Agent.

"Eurodollar Rate" means, for any Interest Period  
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 for each Eurodollar Rate Advance comprising part of the same  
 Borrowing, an interest rate per annum equal to the rate per  
 annum obtained by dividing (a) the average (rounded upward  
 to the nearest whole multiple of 1/16 of 1% per annum, if  
 such average is not such a multiple) of the rate per annum  
 at which deposits in U.S. dollars are offered by the  
 principal office of each of the Reference Banks in London,  
 England to prime banks in the London interbank market at  
 11:00 A.M. (London Time) two Business Days before the first  
 day of such Interest Period in an amount substantially equal  
 to such Reference Bank's Eurodollar Rate Advance comprising  
 part of such Borrowing to be outstanding during such  
 Interest Period and for a period equal to such Interest  
 Period by (b) a percentage equal to 100% minus the  
 Eurodollar Rate Reserve Percentage for such Interest Period.  
 The Eurodollar Rate for any Interest Period for each  
 Eurodollar Rate

Advance comprising part of the same Borrowing shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period.

"Eurodollar Rate Advance" means an Advance that  
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bears interest as provided in Section 2.08(a)(ii).

"Eurodollar Rate Reserve Percentage" for any  
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Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage if and to the extent actually applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for each Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in  
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Section 6.01.

"Excluded Asset Sales" means (i) sales of inventory  
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in the ordinary course of business, (ii) sales of worn out or obsolete equipment and other property in the ordinary course of business, (iii) sales of accounts receivable and "Related Security" (as such term is defined in the Receivables Financing Documents) under the Receivables Financing Documents, (iv) sales of plant, property and equipment to the extent that the proceeds thereof are used to purchase a similar asset within 270 days of such sale in an aggregate amount not to exceed \$50,000,000 in any twelve-month period, (v) sales of assets located outside of the United States in an aggregate amount not to exceed \$25,000,000 in any twelve-month period, (vi) sales of assets by the Borrower to any of its Subsidiaries the capital stock of which is required to be pledged to the Lenders pursuant to the Pledge Agreement and (vii) other inter-company sales of assets permitted by Section 5.02(c).

"Excluded Debt" means (a) Indebtedness permitted by  
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Section 5.02(b)(iii), (b) Indebtedness incurred by Subsidiaries of the Borrower organized outside of the United States, (c) Indebtedness in respect of Capitalized Leases, (d) Indebtedness of the Borrower or any of its Subsidiaries owed to the Borrower or any of its Subsidiaries; (e) Indebtedness incurred solely as the deferred purchase price of property or services or under any conditional sale or other title retention agreement with respect to acquired property of the Borrower or any of its Subsidiaries and (f) Indebtedness, if any, arising under the Receivables Financing Documents.

"Excluded Equity Sales" means any issuance or other  
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 sale of equity to (i) any officers or employees of the Borrower or its Subsidiaries to the extent that the gross proceeds thereof do not exceed an aggregate amount of \$10,000,000 from the date hereof or (ii) the Borrower or any of its Subsidiaries by any of their Subsidiaries.

"Existing Credit Agreement" means the Amended and  
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 Restated Credit Agreement dated as of August 16, 1994 among the Borrower, the banks named therein, Citibank, as administrative agent and Citicorp Securities and Credit Suisse, as arrangers.

"Existing Credit Facilities" means the Existing  
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 Credit Agreement, the Existing TM Credit Agreement and the Existing Receivables Back-Stop Facility Agreement.

"Existing Indebtedness" means Indebtedness of the  
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 Borrower and its Subsidiaries outstanding on the date hereof.

"Existing Receivables Back-Stop Facility Agreement"  
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 means, collectively, the Parallel Purchase Commitment dated as of August 16, 1994 among Borden Receivables Corp., Citibank and the other banks party thereto and Citicorp North America, Inc., as agent, and the Asset Purchase Agreement dated as of August 16, 1994 among the purchasers party thereto and Citicorp North America, Inc., as agent.

"Existing TM Credit Agreement" means the Amended  
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 and Restated Credit Agreement dated as of August 16, 1994 among TM, the banks named therein, Citibank, as administrative agent and Citicorp Securities and Credit Suisse, as arrangers.

"Facility" means the Term Facility, the Working  
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 Capital Facility or the Letter of Credit Facility Sublimit.

"Federal Funds Rate" means, for any period, a  
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 fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Rate Advances" has the meaning specified in  
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 Section 2.03(a)(i).

"GAAP" has the meaning specified in Section 1.03.  
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"Hazardous Materials" means (a) petroleum or  
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petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contained electric fluid containing levels of polychlorinated biphenyls and radon gas, (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority.

"Hedge Agreements" means interest rate swap, cap or  
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collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Incremental RN Stock" means any contribution of RN  
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Stock to the Borrower (other than the investment by Whitehall Associates, L.P. contemplated by Sections 3.02(d) and 3.02(e) hereof), the value of which shall be calculated based on the determination of the average of the average of the high and low sales prices of RN Stock as reported on the New York Stock Exchange Composite Tape on each of the ten consecutive trading days immediately preceding the second trading day prior to the date of such contribution.

"Indebtedness" of any Person means, without  
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duplication, (a) all Debt of such Person, (b) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities, (c) all obligations of such Person in respect of Hedge Agreements and (d) all Indebtedness of others referred to in clauses (a) through (c) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (iii) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (iv) otherwise to assure a creditor against loss; provided, however, that amount so guaranteed shall not  
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include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any such guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Indemnified Party" has the meaning specified in Section 8.04(b).

"Information Memorandum" means the information memorandum dated November 16, 1994 used by the Arrangers in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three, six or, to the extent available in the reasonable judgment of the Administrative Agent, nine or twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(a) the Borrower may not select any Interest Period that ends after any principal repayment installment date unless, after giving effect to such selection, the aggregate principal amount of Base Rate Advances and of Eurodollar Rate Advances having Interest Periods that end on or prior to such principal repayment installation date shall be at least equal to the aggregate principal amount of Advances due and payable on or prior to such date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(d) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month; and

(e) from the date of the initial Borrowing hereunder through and including February 28, 1995, only one month Interest Periods may be selected unless the Lead Managing Agents shall otherwise agree.



"Internal Revenue Code" means the Internal Revenue  
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 Code of 1986, as amended from time to time, and the  
 regulations promulgated and rulings issued thereunder.

"Investment" in any Person means any loan or  
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 advance to such Person, any purchase or other acquisition of  
 any capital stock, warrants, rights, options, obligations or  
 other securities of such Person, any capital contribution to  
 such Person or any other similar investment in such Person.

"Investment Grade Rating" means the Borrower's long  
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 term senior unsecured public debt is rated at least BBB- by  
 S&P or Baa3 by Moody's.

"Issuing Bank" means Credit Suisse, and any other  
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 Lender that is a commercial bank, acting through a domestic  
 branch, as issuer of a Letter of Credit.

"KKR" has the meaning specified in Section 5.01(h).  
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"L/C Account" means an account to be established by  
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 the Borrower with the Administrative Agent pursuant to an  
 agreement in form and substance reasonably satisfactory to  
 the Administrative Agent.

"L/C Related Documents" has the meaning specified  
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 in Section 2.15(d).

"Lead Managing Agents" means BT, Chemical, Citibank  
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 and Credit Suisse.

"Letters of Credit" has the meaning specified in  
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 Section 2.15(a).

"Letter of Credit Advance" means an advance made by  
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 any Issuing Bank or any Working Capital Lender pursuant to  
 Section 2.15(c).

"Letter of Credit Agreement" has the meaning  
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 specified in Section 2.15(b).

"Letter of Credit Commitment" means, with respect  
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 to any Lender at any time, the amount set forth opposite  
 such Lender's name on Schedule I hereto under the caption  
 "Letter of Credit Commitment" or, if such Lender has entered  
 into one or more Assignments and Acceptances, set forth for  
 such Lender in the Register maintained by the Administrative  
 Agent pursuant to Section 8.07(c) as such Lender's "Letter  
 of Credit Commitment", as such amount may be reduced at or  
 prior to such time pursuant to Sections 2.05 and 2.06.

"Letter of Credit Facility Sublimit" means, until  
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 the date that is six months after the initial Borrowing,  
 \$550,000,000, and thereafter, \$300,000,000.

"Lenders" means the Banks listed on the signature  
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 pages hereof and each Eligible Assignee that shall become a  
 party hereto pursuant to Section 8.07.

"LIBO Rate Advances" has the meaning specified in  
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 Section 2.03(a)(i).

"Lien" means any lien, security interest or other  
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 charge or encumbrance of any kind, or any other type of  
 preferential arrangement, including, without limitation, the  
 lien or retained security title of a conditional vendor.

"Loan Documents" means this Agreement, the Notes,  
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 the Pledge Agreement each Letter of Credit Agreement and  
 each other agreement pursuant to which a pledge of, or grant  
 of a security interest in, Collateral is granted to the  
 Administrative Agent, the Lenders or any Issuing Bank.

"Loan Parties" means the Borrower, TM and Borden  
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 Receivables Corp.

"LYNX Payments" means all payments, and all  
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 obligations or elections to make any payments under or in  
 connection with (i) the LYNX Reset Agreement dated May 21,  
 1992, between the Borrower and Merrill Lynch & Co., (ii) the  
 Equity Unit Agreement dated May 21, 1992, between the  
 Borrower and Merrill Lynch & Co. and (iii) the Zero Coupon  
 Bonds due 2002, issued by the Borrower under the Indenture  
 dated as of May 21, 1992, including, without limitation, the  
 payment by the Borrower of amounts in connection with the  
 termination of certain rights of the holders of certain  
 securities related thereto and the payment of amounts to  
 such holders in connection with the redemption and  
 retirement of such securities.

"Margin Stock" has the meaning specified in  
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 Regulation U.

"Material Adverse Change" means any change in the  
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 business, condition (financial or otherwise), operations,  
 performance or properties of the Borrower and its  
 Subsidiaries taken as a whole that would materially  
 adversely affect the ability of the Borrower to perform its  
 obligations under this Agreement and the other Loan  
 Documents (taken as a whole).

"Material Adverse Effect" means a circumstance or  
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 condition affecting the business, condition (financial or  
 otherwise), operations, performance or properties of the  
 Borrower and its Subsidiaries taken as a whole which would  
 materially adversely affect (a) the ability of the Borrower  
 to perform its obligations under this Agreement, the Notes  
 and the other Loan Documents (taken as a whole) or (b) the  
 rights and remedies of the Administrative Agent or any  
 Lender under this Agreement and the other Loan Documents  
 (taken as a whole).

"Material Subsidiary" means each Subsidiary of the  
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 Borrower now existing or hereafter acquired or formed by the  
 Borrower (i) which (x) for the most recent

fiscal year of the Borrower, accounted for more than 3% of the consolidated revenues of the Borrower or (y) as at the end of such fiscal year, was the owner of more than 4% of the consolidated assets of the Borrower, in each case as shown on the consolidated financial statements of the Borrower for such fiscal year, or (ii) the capital stock of which is pledged or is required to be pledged to the Lenders pursuant to the Pledge Agreement.

"Merger Agreement" means the Agreement and Plan of  
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Merger among Whitehall Associates, L.P., Borden Acquisition Corp. and Borden, Inc. dated as of September 23, 1994.

"Moody's" means Moody's Investor Services, Inc. or  
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any successor by merger or consolidation to its business.

"Net Debt Proceeds" means Debt Proceeds of any  
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transaction after deducting therefrom only reasonable brokerage commissions, underwriting fees and discounts, legal fees and similar fees and commissions to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, properly attributable to such transaction.

"Net Equity Proceeds" means Equity Proceeds of any  
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transaction after deducting therefrom only reasonable brokerage commissions, underwriting fees and discounts, legal fees and similar fees and commissions to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, properly attributable to such transaction.

"Net Interest Expense" means, for any fiscal period  
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of the Borrower, the aggregate of (a) interest expense on all Debt of the Borrower and its Subsidiaries, net of interest income, in accordance with GAAP (excluding, in any event, interest expense, if any, on overdue tax assessments, LYNX Payments and amortization of financing fees and debt discount), (b) the portion of minority interest as set forth on the Borrower's Consolidated statement of income equal to the interest payable under the TM Credit Agreement and (c) dividends required to be paid on Preferred Stock permitted by Section 5.02(f)(ii) (but not including any Preferred Stock issued in respect of monetization of RN Stock contributed to the Borrower).

"Note" means a Term Note, the Competitive Bid Note  
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or a Working Capital Note.

"Notice of Borrowing" has the meaning specified in  
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Section 2.02(a).

"Notice of Competitive Bid Borrowing" has the  
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meaning specified in Section 2.03(a).

"Notice of Issuance" has the meaning specified in  
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 Section 2.15(b).

"OECD" means the Organization for Economic  
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 Cooperation and Development.

"Other Taxes" has the meaning specified in  
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 Section 2.13(b).

"PBG" means the Pension Benefit Guaranty  
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 Corporation or any successor thereof.

"Permitted Liens" means (a) Liens for taxes,  
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 assessments or governmental charges or claims not yet due or  
 which are being contested in good faith and by appropriate  
 proceedings for which appropriate reserves have been  
 established in accordance with GAAP; (b) Liens in respect of  
 property or assets of the Borrower or any of its  
 Subsidiaries imposed by law which are incurred in the  
 ordinary course of business, such as carriers',  
 warehousemen's and mechanics' Liens and other similar Liens  
 arising in the ordinary course of business, and which do not  
 individually or in the aggregate have a Material Adverse  
 Effect; (c) Liens on assets of the Borrower or any of its  
 Subsidiaries existing on the date hereof securing  
 Indebtedness in an aggregate principal amount not to exceed  
 \$5,000,000 or arising pursuant to any of the Loan Documents;  
 (d) Liens arising from judgments or decrees in circumstances  
 not constituting an Event of Default under Section 6.01(g);  
 (e) Liens incurred or deposits made in connection with  
 workers' compensation, unemployment insurance and other  
 types of social security, or to secure the performance of  
 tenders, statutory obligations, surety and appeal bonds,  
 bids, leases, government contracts, performance and return-  
 of-money bonds and other similar obligations incurred in the  
 ordinary course of business; (f) leases or subleases granted  
 to others not interfering in any material respect with the  
 business of the Borrower and its Subsidiaries taken as a  
 whole; (g) ground leases in respect of real property on  
 which facilities owned or leased by the Borrower or any of  
 its Subsidiaries are located; (h) easements, rights-of-way,  
 restrictions, minor defects or irregularities in title and  
 other similar charges or encumbrances not interfering in any  
 material respect with the business of the Borrower and its  
 Subsidiaries taken as a whole; (i) any interest or title of  
 a lessor or secured by a lessor's interest under any lease  
 permitted by this Agreement; (j) Liens in favor of customs  
 and revenue authorities arising as a matter of law to secure  
 payment of customs duties in connection with the importation  
 of goods; (k) Liens on goods the purchase price of which is  
 financed by a documentary letter of credit issued for the  
 account of the Borrower or any of its Subsidiaries where  
 such Lien secures the obligations of the Borrower or such  
 Subsidiaries in respect of such letter of credit to the  
 extent permitted under Section 5.02(b); (l) Liens arising  
 pursuant to purchase money mortgages securing Indebtedness  
 financing the purchase price of assets acquired after the  
 date hereof; provided that any such Liens attach only to the  
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 assets so purchased to the extent permitted under  
 Section 5.02(b); (m) Liens on assets permitted to be  
 acquired hereunder; provided that such Liens were existing  
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 at the time

of such acquisition and were not created in anticipation thereof; and (n) Liens granted in connection with any foreign contract option, futures contract or similar agreement designed to protect the Borrower or any of its Subsidiaries from fluctuations in the price of commodities, provided that such Liens attach solely to the commodities

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 which are the subject of such options, contracts or agreements.

"Person" means an individual, partnership,  
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 corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means any multiemployer or single-employer  
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 plan as defined in Section 4001 of ERISA and which is covered by Title IV of ERISA, which is maintained or contributed to (or to which there is an obligation to contribute), by the Borrower, any of its Subsidiaries or any ERISA Affiliate.

"Pledge Agreement" has the meaning specified in  
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 Section 3.01(d)(ix).

"Prepayment Target" means an amount equal to  
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 \$1,150,000,000 minus (a) the excess of (x) the sum of Debt Proceeds and Equity Proceeds over (y) the sum of Net Debt Proceeds and Net Equity Proceeds and (b) the aggregate amount of optional prepayments of term Debt paid out of sources other than (i) Asset Proceeds, (ii) Debt Proceeds to the extent required to be paid pursuant to Section 2.06(a) or Section 2.06(d) and (iii) Equity Proceeds to the extent required to be paid pursuant to Section 2.06(a).

"Preferred Stock" means, with respect to any  
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 corporation, capital stock issued by such corporation that is entitled to a preference or priority over any other capital stock issued by such corporation upon any distribution of such corporation's assets, whether by dividend or upon liquidation.

"Public Debt Rating" means, as of any date, the  
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 higher of the ratings that have been most recently announced by either S&P or Moody's, as the case may be, for any class of long-term senior unsecured debt issued by the Borrower. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin and the Applicable Percentage shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin and the Applicable Percentage will be set in accordance with Level 3 under the definition of "Applicable Margin" or "Applicable Percentage", as the  
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 case may be; (c) if any rating established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (d) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's,

as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Ratable Share" of any amount means, with respect

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to any Working Capital Lender at any time, the product of (a) a fraction the numerator of which is the amount of such Lender's Working Capital Commitment at such time and the denominator of which is the Working Capital Facility at such time and (b) such amount.

"Real Property" of any Person means all of the

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right, title and interest of such Person in and to land, improvements and fixtures, including leaseholds.

"Receivables Back-Stop Facility Agreement" means,

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collectively, the Parallel Purchase Commitment dated as of August 16, 1994 among Borden Receivables Corp., Citibank and the other banks party thereto and Citicorp North America, Inc., as agent, dated as of August 16, 1994 and the Amended and Restated Asset Purchase Agreement dated as of December 15, 1994 among the purchasers party thereto and Citicorp North America, Inc., as agent.

"Receivables Financing Agreements" means (a) the

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Receivables Purchase Agreement dated as of August 16, 1994 among Borden Receivables Corp., Corporate Asset Funding Company, Inc., Ciesco, L.P., CXC Incorporated, Citicorp North America, Inc., as agent, and Borden, Inc., as collection agent, and (b) the Receivables Back-Stop Facility Agreement, in each case as such documents are amended as of the date hereof and may be further amended, supplemented or otherwise modified from time to time.

"Receivables Financing Documents" means the

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Receivables Financing Agreements and the Receivables Purchase Agreement dated as of August 16, 1994 between the Borrower and Borden Receivables Corp., in each case as such documents are amended as of the date hereof and may be further amended, supplemented or otherwise modified from time to time.

"Reference Banks" means BT, Chemical, Citibank and

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Credit Suisse.

"Register" has the meaning specified in

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Section 8.07(c).

"Regulation U" means Regulation U of the Board of

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Governors of the Federal Reserve System, as in effect from time to time.

"Related Documents" means the TM Credit Agreement,

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the "Operative Documents" (as such term is defined in the TM Credit Agreement) and the Receivables Financing Documents.

"Replacement Lender" has the meaning specified in  
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 Section 2.18.

"Reportable Event" means an event described in  
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 Section 4043(b) of ERISA with respect to a Plan as to which  
 the 30-day notice requirement has not been waived by the  
 PBGC.

"Required Lenders" means at any time Lenders owed  
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 or holding at least 51% of the sum of (a) the aggregate  
 principal amount of Advances outstanding at such time and  
 (b) the aggregate Available Amount of all Letters of Credit  
 outstanding at such time and (c) the aggregate Unused  
 Working Capital Commitments and unused Commitments under the  
 Term Facility at such time; provided, however, if any Lender  
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 shall be a Defaulting Lender at such time, there shall be  
 excluded from the determination of Required Lenders at such  
 time (i) the aggregate principal amount of Advances made by  
 such Lender and outstanding at such time, (ii) if such  
 Lender shall be an Issuing Bank, the aggregate Available  
 Amount of all Letters of Credit issued by such Lender and  
 outstanding at such time and (iii) the Commitment of such  
 Lender under all Facilities at such time. For purposes of  
 this definition, the Available Amount of each Letter of  
 Credit shall be considered to be owed to the Lenders ratably  
 in accordance with their respective Working Capital  
 Commitments.

"RN Stock" means shares of common stock par value  
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 \$.01 per share of RJR Nabisco Holdings Corp., a Delaware  
 corporation.

"S&P" means Standard & Poor's Ratings Group or any  
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 successor by merger or consolidation to its business.

"Scheduled Debt" means Debt of the Borrower listed  
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 on Schedule 1.01 hereto including all of the LYNX Payments.

"Senior Bank Facilities" means this Agreement, the  
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 Receivables Financing Agreements and the TM Credit  
 Agreement.

"Subsidiary" of any Person shall mean and include  
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 (i) any corporation more than 50% of whose stock of any  
 class or classes having by the terms thereof ordinary voting  
 power to elect a majority of the directors of such  
 corporation (irrespective of whether or not at the time  
 stock of any class or classes of such corporation shall have  
 or might have voting power by reason of the happening of any  
 contingency) is at the time owned by such Person directly or  
 indirectly through Subsidiaries and (ii) any partnership,  
 association, joint venture or other entity in which such  
 Person directly or indirectly through Subsidiaries has more  
 than a 50% equity interest at the time.

"Taxes" has the meaning specified in Section 2.13(a).  
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"Term Advance" has the meaning specified in  
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 Section 2.01(b).

"Term Borrowing" means a borrowing consisting of  
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 simultaneous Term Advances of the same Type made by the Term Lenders.

"Term Commitment" means, with respect to any Term  
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 Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term Commitment" or, if such Lender has entered into one or more Assignments and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c) as such Lender's "Term Commitment", as such amount may be reduced at or prior to such time pursuant to Sections 2.05 and 2.06.

"Term Facility" means, at any time, the aggregate  
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 amount of the Term Lenders' Term Commitments at such time.

"Term Lender" means any Lender that has a Term  
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 Commitment.

"Term Note" means a promissory note of the Borrower  
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 payable to the order of any Term Lender, in substantially the form of Exhibit A-1 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from the Term Advance made by such Lender.

"Termination Date" means the earlier of December  
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 31, 1999 and the date of termination in whole of the Term Commitments and Working Capital Commitments pursuant to Section 2.04 or 6.01.

"TM" means T.M. Investors Limited Partnership, a  
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 Delaware limited partnership.

"TM Credit Agreement" means the Second Amended and  
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 Restated Credit Agreement dated as of December 15, 1994 among TM, the banks named therein, Citibank, as administrative agent and BT Securities, Chemical Securities, Citicorp Securities and Credit Suisse, as arrangers, as such agreement may be amended, supplemented or otherwise modified from time to time.

"TMI Associates Limited Partnership Agreement"  
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 means the Amended and Restated Agreement of Limited Partnership of T.M.I. Associates, L.P. dated as of December 23, 1991 among BDS One, Inc., BDS Two, Inc., and BDS Four, Inc., as general partners, and TM, as limited partner, as such agreement is amended by Amendment No. 1 dated as of August 16, 1994 and as further amended by the amendment dated the date hereof, and as it may be further amended, supplemented or otherwise modified from time to time.



"Total Debt" means, without duplication, the  
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 aggregate of (a) Debt described in clauses (a) through (e)  
 of the definition of "Debt" herein, (b) outstanding

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 "Capital" of all "Receivable Interests" (as such terms are  
 defined in the Receivables Financing Agreements) and (c) the  
 portion of minority interest as set forth on the Borrower's  
 Consolidated balance sheet equal to the principal amount  
 outstanding under the TM Credit Agreement.

"Type" refers to the distinction between Advances  
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 bearing interest by reference to the Base Rate and Advances  
 bearing interest by reference to the Eurodollar Rate.

"Unfunded Current Liability" of any Plan means the  
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 amount, if any, by which the present value of the accrued  
 benefits under the Plan as of the close of its most recent  
 plan year, based upon the actuarial assumptions which would  
 be required to be used by the Plan's actuary in connection  
 with the determination of the Plan's accrued benefits  
 pursuant to its termination, exceeds the fair market value  
 of the assets allocable thereto, determined in accordance  
 with Section 412 of the Internal Revenue Code.

"Unused Working Capital Commitment" means, with  
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 respect to any Working Capital Lender at any time, (a) such  
 Lender's Working Capital Commitments at such time minus (b)  
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 the sum of (i) the aggregate principal amount of all Working  
 Capital Advances and Letter of Credit Advances made by such  
 Lender and outstanding at such time, plus, without  
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 duplication, (ii) such Lender's Ratable Share of (A) the  
 aggregate Available Amount of all Letters of Credit  
 outstanding at such time, (B) the aggregate principal amount  
 of all Letter of Credit Advances made by an Issuing Banks  
 pursuant to Section 2.15(c) and outstanding at such time  
 other than any such Letter of Credit Advance which, at or  
 prior to such time, has been assigned in part to such  
 Working Capital Lender pursuant to Section 2.15(c), (C) the  
 aggregate outstanding "Capital" of all "Receivable  
 Interests" (as such terms are defined in the Receivables  
 Financing Agreements) at such time, (D) from and after the  
 date that is six months after the date of the initial  
 Borrowing, the aggregate outstanding principal amount of  
 Debt of any Subsidiaries of the Borrower incorporated  
 outside of the United States and (E) the aggregate principal  
 outstanding amount of Competitive Bid Advances.

"Voting Stock" means capital stock issued by a  
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 corporation, or equivalent interests in any other Person,  
 the holders of which are ordinarily, in the absence of  
 contingencies, entitled to vote for the election of  
 directors (or persons performing similar functions) of such  
 Person, even though the right so to vote has been suspended  
 by the happening of such a contingency (but excluding in any  
 event convertible or exchangeable Preferred Stock prior to  
 conversion or exchange, as the case may be).

"Working Capital Advance" has the meaning specified  
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 in Section 2.01.

"Working Capital Borrowing" means a borrowing  
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 consisting of simultaneous Working Capital Advances of the  
 same Type made by the Working Capital Lenders.

"Working Capital Commitment" means, with respect to  
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 any Working Capital Lender at any time, the amount set forth  
 opposite such Lender's name on Schedule I hereto under the  
 caption "Working Capital Commitment" or, if such Lender has  
 entered into one or more Assignment and Acceptances, set  
 forth for such Lender in the Register maintained by the  
 Administrative Agent pursuant to Section 8.07(c) as such  
 Lender's "Working Capital Commitment", as such amount may be  
 reduced pursuant to Sections 2.05 and 2.06.

"Working Capital Facility" means, at any time, the  
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 aggregate amount of the Working Capital Lenders' Working  
 Capital Commitments at such time.

"Working Capital Lender" means any Lender that has  
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 a Working Capital Commitment.

"Working Capital Note" means a promissory note of  
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 the Borrower payable to the order of any Working Capital  
 Lender, in substantially the form of Exhibit A-2 hereto,  
 evidencing the indebtedness of the Borrower to such Lender  
 resulting from the Working Capital Advances made by such  
 Lender.

SECTION 1.02. Computation of Time Periods. In  
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 this Agreement in the computation of periods of time from a  
 specified date to a later specified date, the word "from" means  
 "from and including" and the words "to" and "until" each mean "to  
 but excluding".

SECTION 1.03. Accounting Terms. All accounting  
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 terms not specifically defined herein shall be construed in  
 accordance with generally accepted accounting principles  
 ("GAAP").  
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## ARTICLE II

### AMOUNTS AND TERMS OF THE ADVANCES AND THE LETTERS OF CREDIT

SECTION 2.01. The Advances. (a) Working Capital  
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 Advances. Each Working Capital Lender severally agrees, on the  
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 terms and conditions hereinafter set forth, to make advances  
 ("Working Capital Advances") to the Borrower from time to time on  
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 any Business Day during the period from the date hereof until the  
 Termination Date in an amount for each such Advance not to exceed  
 such Lender's Unused Working Capital Commitment on such Business  
 Day, provided that, from and after the date that is six months  
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 after the initial

Borrowing, an aggregate amount of the Lenders' Unused Working Capital Commitment equal to the aggregate outstanding principal amount of Debt of any Subsidiaries of the Borrower organized outside of the United States may be borrowed for the purpose of retiring such Debt. Each Working Capital Borrowing shall be in an aggregate amount not less than \$15,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Working Capital Advances of the same Type made on the same day by the Working Capital Lenders ratably according to their respective Working Capital Commitments. Within the limits of each Working Capital Lender's Unused Working Capital Commitment in effect from time to time, the Borrower may borrow under this Section 2.01(a), prepay pursuant to Section 2.07 and reborrow under this Section 2.01(a).

(b) The Term Advances. Each Term Lender

severally agrees, on the terms and conditions hereinafter set forth, to make a single advance (a "Term Advance") to the

Borrower on any Business Day during the period from the date hereof until February 15, 1995 in an amount not to exceed such Lender's Term Commitment on such Business Day. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed.

SECTION 2.02. Making the Advances. (a) Except as

otherwise provided in Section 2.02(b), each Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) (i) on the third Business Day prior to the date of the proposed Borrowing in the case of Eurodollar Rate Borrowings and (ii) on the same Business Day in the case of Base Rate Borrowings, by the Borrower to the Administrative Agent, which shall give to each Appropriate Lender prompt notice thereof by telex, telecopier or cable. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telephone, telex, telecopier

or cable, confirmed immediately in writing, in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Facility under which such Borrowing is to be made, (iii) Type of Advances comprising such Borrowing, (iv) aggregate amount of such Borrowing and (v) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. In the case of a proposed Borrowing comprised of Eurodollar Rate Advances, the Administrative Agent shall promptly notify each Appropriate Lender of the applicable interest rate under Section 2.08(a)(ii). Each Appropriate Lender shall, before 12:00 noon (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing in accordance with the respective Commitments of such Lender and the other Appropriate Lenders. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower; provided, however, that, in the

case of any Working Capital Borrowing, the Administrative Agent shall first make a portion of such funds equal to the aggregate principal amount of any Letter of Credit Advances made by any Issuing Bank and by any other Working Capital Lender and outstanding on the date of such Borrowing, plus interest accrued and unpaid thereon to and as of such date, available to such Issuing Bank and such other Working Capital Lenders for repayment of such Letter of Credit Advances.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for the initial Borrowing hereunder or for any Borrowing if the aggregate amount of such Borrowing is less than \$15,000,000 or if the obligation of the Appropriate Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.11, (ii) the Working Capital Advances made on any date as Eurodollar Rate Advances may not be outstanding as part of more than ten separate Working Capital Borrowings and (iii) the Term Advance may not be outstanding as part of more than ten separate Term Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Appropriate Lender, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for such amount) against any loss, cost or expense actually incurred by such Lender (excluding loss of anticipated profits) as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense reasonably incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice from an Appropriate Lender prior to the time of any Borrowing under a Facility under which such Lender has a Commitment that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay or pay to the Administrative Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid or paid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at such time under Section 2.08 to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

## SECTION 2.03. The Competitive Bid Advances. (a)

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 Each Working Capital Lender severally agrees that the Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring seven days prior to the Termination Date in the manner set forth below; provided that,

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 following the making of each Competitive Bid Borrowing, no prepayment shall be required pursuant to Section 2.07(b)(i).

(i) The Borrower may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Administrative Agent, by telecopier or telex, confirmed immediately in writing, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in

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 substantially the form of Exhibit B-2 hereto, together with a processing fee of \$4,000 for each Notice of Competitive Bid Borrowing, specifying therein (v) date of such proposed Competitive Bid Borrowing, (w) aggregate amount of such proposed Competitive Bid Borrowing, (x) the maturity date for repayment of each Competitive Bid Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring seven days after the date of such Competitive Bid Borrowing or later than the Termination Date), (y) the interest payment date or dates relating thereto, and (z) any other terms to be applicable to such Competitive Bid Borrowing, not later than 10:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at least four

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 Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall instead specify in the Notice of Competitive Bid Borrowing the basis to be used by the Lenders in determining the rates of interest to be offered by them (the Advances comprising such Competitive Bid Borrowing being referred to herein as "LIBO Rate

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 Advances"). The Administrative Agent shall in turn promptly

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 notify each Working Capital Lender of each request for a Competitive Bid Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Working Capital Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 10:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid

Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Working Capital Commitment), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if

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 the Administrative Agent in its capacity as a Working Capital Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer before 9:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Working Capital Lenders. If any Working Capital Lender shall elect not to make such an offer, such Lender shall so notify the Administrative Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Working Capital Lenders, and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided

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 that the failure by any Working Capital Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(iii) The Borrower shall, in turn, before 11:00 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and before 1:00 P.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Administrative Agent notice to that effect, or

(y) accept one or more of the offers made by any Working Capital Lender or Lenders pursuant to paragraph (ii) above, by giving notice to the Administrative Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (ii) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Administrative Agent notice to that effect.

(iv) If the Borrower notifies the Administrative Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (iii)(x) above, the Administrative Agent shall give prompt notice thereof to the Working Capital Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Working Capital Lender or Lenders pursuant to paragraph (iii)(y) above, the Administrative Agent shall in turn promptly notify (A) each Working Capital Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Working Capital Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Working Capital Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Administrative Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Working Capital Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 12:00 noon (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Administrative Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Administrative Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's address referred to in Section 8.02. Promptly after each Competitive Bid Borrowing the Administrative Agent will notify each Working Capital Lender of the amount of the Competitive Bid Borrowing.

(vi) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and a register for the recordation of the date, amount, maturity, interest rate, interest payment dates, other terms and Working Capital Lender of each Competitive Bid Advance accepted by the Borrower from time to time pursuant to this subsection (a) (the "Competitive Bid Register"). The entries in the Competitive

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 Bid Register shall be conclusive and binding for all purposes, absent demonstrable error, and the Borrower, the Administrative Agent and the Working Capital Lenders may treat the entries recorded in the Competitive Bid Register as evidence of Competitive Bid Advances made pursuant to this Section 2.03. The Competitive Bid Register shall be available for inspection by the Borrower, or by any Working Capital Lender as to its Competitive Bid Advances, at any reasonable time and from time to time upon reasonable prior notice.

(b) Each Competitive Bid Borrowing shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following

the making of each Competitive Bid Borrowing, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made

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within three Business Days of the date of any other Competitive Bid Borrowing.

(d) The Borrower shall repay to the Administrative Agent for the account of each Working Capital Lender that has made a Competitive Bid Advance, on the maturity date of each Competitive Bid Advance (such maturity date being that specified by the Borrower for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and recorded in the Competitive Bid Register with respect to such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance.

(e) The Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Working Capital Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above, as recorded in the Competitive Bid Register with respect to such Competitive Bid Advance.

(f) The indebtedness of the Borrower resulting from each Competitive Bid Advance made to the Borrower as part of a Competitive Bid Borrowing shall be evidenced by a master Competitive Bid Note of the Borrower payable to the order of the Administrative Agent for the benefit of the Working Capital Lender making such Competitive Bid Advance.

SECTION 2.04. Repayment. (a) Working Capital

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Advances. The Borrower shall repay to the Administrative Agent

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for the ratable account of the Working Capital Lenders the aggregate outstanding principal amount of the Working Capital Advances on the Termination Date.



(b) Term Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Term Lenders the aggregate outstanding principal amount of the Term Advances on the following dates in the amounts indicated:

Date ----	Amount -----
December 31, 1995	\$213,414,635
June 30, 1996	\$121,951,220
December 31, 1997	\$ 60,975,610
December 31, 1998	\$ 3,658,538

(c) Letter of Credit Advances. The Borrower shall repay to the Administrative Agent for the account of each Issuing Bank and each other Working Capital Lender which has made a Letter of Credit Advance the outstanding principal amount of each Letter of Credit Advance made by each of them on demand.

#### SECTION 2.05. Reduction of the Commitments.

(a) Optional. The Borrower may, upon at least one Business Days' notice to the Administrative Agent, terminate in whole or reduce in part the Unused Working Capital Commitments and the unused portion of the Term Commitments and the Letter of Credit Commitments; provided, however, that each partial reduction of a Facility (i) shall be in an aggregate amount of \$15,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) shall be made ratably among the Appropriate Lenders in accordance with their Commitments with respect to such Facility.

(b) Mandatory. The Working Capital Commitments shall be permanently reduced ratably in an aggregate amount of \$350,000,000 on the following dates in the amounts indicated:

Date ----	Amount -----
December 31, 1998	\$118,292,684
December 31, 1999	\$231,707,316

provided, that there shall be deducted from such amounts any Working Capital Commitment reductions made pursuant to Section 2.05(a) or Sections 2.06(c) or (d).

#### SECTION 2.06. Application of Certain Proceeds.

(a) The Borrower shall prepay and reduce commitments under the Borrower's Scheduled Debt and Senior Bank Facilities in an aggregate amount equal to the Prepayment Target from any combination of the following sources:

- (i) Cash Asset Proceeds aggregating up to \$550,000,000;
- (ii) Debt Proceeds aggregating up to \$800,000,000;
- and
- (iii) Equity Proceeds aggregating up to \$400,000,000.

(b) The payments and commitment reductions required by Section 2.06(a) shall be made in forward order of maturity; provided, however, that proceeds required to be applied to Scheduled Debt not then due shall be used to prepay the Working Capital Advances (without reduction of Commitments) or Debt of the Borrower's Subsidiaries organized outside the United States.

(c) After the earlier of receipt of (i) \$450,000,000 of Asset Proceeds and (ii) the Prepayment Target, all Cash Asset Proceeds shall be applied by the Borrower to prepay the Senior Bank Facilities in forward order of maturity and to permanently reduce

Commitments in forward order of scheduled Commitment reductions to the extent applicable to Working Capital Commitments; provided that the \$450,000,000 limit described above in this subsection (c) shall be increased to an amount not in excess of \$550,000,000 to the extent (on a dollar-for-dollar basis) that the Borrower hereafter receives Equity Proceeds or Incremental RN Stock in excess of the aggregate amount of capital contributions contemplated by Sections 3.02(d) and 3.02(e).

(d) After the earlier of receipt of (i) \$800,000,000 of Debt Proceeds and (ii) the Prepayment Target, 50% of Net Debt Proceeds shall be applied by the Borrower to prepay the Senior Bank Facilities in forward order of maturity and to permanently reduce Commitments in forward order of scheduled Commitment reductions to the extent applicable to Working Capital Commitments.

(e) Equity Proceeds and Debt Proceeds not required to be used to pay or prepay Debt may be used by the Borrower for any purpose not prohibited hereunder. In addition, if after the date hereof the Borrower utilizes Equity Proceeds in excess of \$400,000,000 to prepay term Debt and thereafter achieves receipt of the Prepayment Target within the limits set forth in Section 2.06(a), the amount of such excess over \$400,000,000 will reduce in the aggregate the Borrower's prepayment obligations under Section 2.06(c), (d) and (f) on a dollar-for-dollar basis; provided that the \$400,000,000 amount described in this subsection (e) shall be increased (solely for purposes of this subsection (e)) on a dollar-for-dollar basis to an amount not in excess of \$450,000,000 to the extent that the Borrower applies Equity Proceeds or Incremental RN Stock to the extent of up to the first \$50,000,000 to increase the \$450,000,000 limit described in subsection (c) above.

(f) For purposes of this Section 2.06, the Borrower shall be deemed to have received Asset Proceeds and Cash Asset Proceeds on the last day of the fiscal year following the date of an asset sale transaction in an amount equal to the excess of the reserve for taxes payable or estimated to be payable in connection with or as a result of such transaction over taxes actually paid in connection with or as a result of such transaction on or before the last day of such fiscal year. The Borrower shall apply an amount equal to such deemed Asset Proceeds or deemed Cash Asset Proceeds in accordance with the terms of this Section 2.06.

(g) The Borrower may apply proceeds as required by this Section 2.06 on the last day of any Interest Period next ending after receipt or, in the case of Asset Proceeds, deemed receipt, of such proceeds; provided that the Borrower shall apply such proceeds on or before 30 days after such receipt or deemed receipt; provided, further that in the case of Asset Proceeds resulting from the sale of an asset located outside the United States, such 30 days after such receipt or deemed receipt shall be extended to 90 days after such receipt or deemed receipt.

(h) All prepayments of Senior Debt Facilities under this Section 2.06 shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

## SECTION 2.07. Prepayments. (a) Optional. The

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 Borrower may, upon (i) at least one Business Day's notice in the case of Base Rate Borrowings and (ii) at least three Business Days' notice in the case of Eurodollar Rate Borrowings, in each case to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding aggregate principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid; provided, however, that each partial

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 prepayment shall be in an aggregate principal amount of \$15,000,000 or an integral multiple of \$1,000,000 in excess thereof. Each such prepayment of any Term Advances shall be applied in such order as the Borrower shall direct.

## (b) Mandatory. (i) The Borrower shall, on each

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 Business Day, prepay an aggregate principal amount of the Working Capital Advances comprising part of the same Borrowings equal to the amount by which the (x) sum of (A) aggregate principal amount of the Working Capital Advances and Competitive Bid Advances then outstanding, (B) the Available Amount of all Letters of Credit then outstanding (C) the aggregate outstanding "Capital" of all "Receivable Interests" (as such terms are defined in the Receivables Financing Agreements) and (D) from and after the date that is six months after the date of the initial Borrowing, the aggregate outstanding principal amount of Debt of any Subsidiaries of the Borrower incorporated outside of the United States exceeds (y) the Working Capital Facility.

(ii) All prepayments under this subsection (b) shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

## SECTION 2.08. Interest. (a) Ordinary Interest.

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 The Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

## (i) Base Rate Advances. During such periods as

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 such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (A) the Base Rate in effect from time to time plus (B) the Applicable Margin in effect from time to time, payable in arrears quarterly on the first day of each January, April, July, and October, during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

## (ii) Eurodollar Rate Advances. During such

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 periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (A) the Eurodollar Rate for such Interest Period for such Advance plus (B) the Applicable Margin in effect on each day during such Interest Period, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that

occurs during such Interest Period every three months from the first day of such Interest Period.

(b) Default Interest. Overdue principal and

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interest in respect of each Advance shall bear interest at a rate per annum equal to the Base Rate in effect from time to time plus the sum of (i) 2% and (ii) the Applicable Margin; provided that

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each Eurodollar Rate Advance and Competitive Bid Advance shall bear interest after maturity (whether by acceleration or otherwise) until the end of the Interest Period then applicable thereto at a rate per annum equal to 2% in excess of the rate of interest applicable thereto at maturity.

SECTION 2.09. Fees. (a) Commitment Fee. The

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Borrower shall pay to the Administrative Agent for the account of the Lenders a commitment fee on each Working Capital Lender's average daily Unused Working Capital Commitment, computed without regard to clauses (D) and (E) of the definition of Unused Working Capital Commitment, minus the aggregate amount of Competitive Bid

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Advances made by such Lender and on the average daily unused portion of each Term Lender's Term Commitment from the date hereof until the Termination Date at the Applicable Percentage, payable in arrears quarterly on the first Business Day of each January, April, July and October, commencing January 3, 1995, and on the Termination Date; provided, however, that from the date

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hereof until the date of the initial Borrowing, the Borrower shall pay to the Administrative Agent for the account of the Lenders a commitment fee on the difference, if any, between (i) the average daily Unused Working Capital Commitment of such Lender plus the average daily portion of such Lender's Term Commitment and (ii) such Lender's aggregate commitment under the Existing Credit Agreement; provided, further, that any commitment

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fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and provided, further, that no commitment fee shall

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accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) Administrative Agent's and Arrangers' Fees.

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The Borrower shall pay to the Administrative Agent and the Arrangers for their own respective account such fees as may from time to time be agreed between the Borrower and the Administrative Agent and the Arrangers.

SECTION 2.10. Conversion of Advances. (a)

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Optional. The Borrower may on any Business Day, upon notice

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given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Section 2.11, Convert all or any portion of the Working Capital Advances or Term Advances of one Type comprising the same Borrowing into Advances of the other Type; provided, however,

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that any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum

amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for such Advances.

(b) Mandatory. (i) On the date on which the

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 aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$15,000,000, such Advances shall automatically Convert into Base Rate Advances.

(ii) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Appropriate Lenders, whereupon each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance.

SECTION 2.11. Increased Costs, Etc. (a) If, due

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 to either (i) the introduction of or any change in or in the interpretation of any law or regulation after the date hereof or (ii) the compliance with any guideline or request made after the date hereof from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or of making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances or of agreeing to issue or issuing or maintaining Letters of Credit or of agreeing to make or of making or maintaining Letter of Credit Advances, then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that each Lender agrees to use

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 reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office or take other steps if to do so would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost accompanied by a statement setting forth in reasonable detail the basis for, and amount of, such increased cost, submitted to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent demonstrable error.

(b) If, after the date hereof (i) the introduction of or any change in any applicable law or regulation regarding capital adequacy or any change after the date hereof in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or (ii) the compliance by a Lender or its parent with any directive or request made after the date hereof regarding capital adequacy from any central bank or other governmental authority (whether or not having the force of law), has the effect of reducing the rate of return on such

Lender's or its parent's capital or assets as a consequence of such Lender's commitment to lend hereunder or other obligations hereunder to a level below that which such Lender or its parent would have achieved but for such introduction, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender for such reduction, it being understood and agreed, however, that such Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any directive or request to comply with, any such law or regulation as in effect on the date hereof; provided,

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 however, that each Lender agrees to use reasonable efforts

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 (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office or take other steps if to do so would avoid the need for, or reduce the amount of, such compensation and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to such amounts accompanied by a statement setting forth in reasonable detail the basis for, and amount of, such increased cost submitted to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent demonstrable error.

(c) If, with respect to any Eurodollar Rate Advances, the Administrative Agent shall have determined that on any date for determining the Eurodollar Rate for any Interest Period for such Advances that, by reason of changes arising after the date hereof affecting the interbank Eurodollar market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate (i) each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) Notwithstanding any other provision of this Agreement, if after the date hereof the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful or impracticable, or any central bank or other governmental authority shall assert that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or LIBO Rate Advances or to continue to fund or maintain Eurodollar Rate Advances or LIBO Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) each Eurodollar Rate Advance under which such Lender has a Commitment or LIBO Rate Advance, as the case may be, will automatically, upon such demand, Convert into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.08(a)(i), as the case may be, and (ii) the obligation of the Appropriate Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the circumstances causing such suspension no longer exist; provided, however, that such Lender agrees to use reasonable

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 efforts (consistent with its internal policy and legal and

regulatory restrictions) to designate a different Eurodollar Lending Office or take other steps if to do so would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(e) If the Required Lenders shall so determine, upon the occurrence and during the continuance of any Default, the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

SECTION 2.12. Payments and Computations. (a) The

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 Borrower shall make each payment hereunder and under the Notes not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at the Administrative Agent's Account in same day funds. The Administrative Agent will promptly thereafter cause like funds to be distributed (i) if such payment by the Borrower is in respect of principal, interest, commitment fees or any other obligation then payable hereunder and under the Notes to more than one Lender, to such Lenders for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective obligations then payable to such Lenders and (ii) if such payment by the Borrower is in respect of any obligation then payable hereunder to one Lender, to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date of such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest, fees and Letter of Credit commissions shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Administrative Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent demonstrable error.

(c) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; provided, however, that, if such extension would

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 cause payment of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

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

(e) If the Administrative Agent receives funds for application to the obligations under the Loan Documents under circumstances for which the Loan Documents do not specify the Advances or the Facility to which, or the manner in which, such funds are to be applied, the Administrative Agent shall apply such funds to prepay Working Capital Advances (but not reduce the Working Capital Commitments).

SECTION 2.13. Taxes. (a) Any and all payments by

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 the Borrower hereunder or under the Notes shall be made, in accordance with Section 2.12, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and

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 the Administrative Agent, net income taxes and franchise taxes (imposed in lieu of net income taxes) that are imposed by the United States or any political subdivision or taxing authority thereof or therein or by a foreign jurisdiction as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, enforced, delivered or performed its obligations or received a payment under this Agreement) (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be

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 required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or



otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

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(c) The Borrower shall indemnify each Lender and the Administrative Agent for the full amount of Taxes and Other Taxes, and for the full amount of taxes imposed by any jurisdiction on amounts payable under this Section 2.13, paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. The Administrative Agent or such Lender shall provide the Borrower with appropriate receipts for any payments or reimbursements made to the Borrower pursuant to this Section 2.13. This indemnification shall be made within 45 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 45 days after the date of any payment of Taxes, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 8.02, the original receipt of payment thereof or a certified copy of such receipt. In the case of any payment hereunder or under the Notes by the Borrower through an account or branch outside the United States or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Administrative Agent, at such address, an opinion of counsel acceptable to the Administrative Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States"

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and "United States person" shall have the meanings specified in -----  
Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower or the Administrative Agent (but only so long thereafter as such Lender remains lawfully able to do so), provide the Administrative Agent and the Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of withholding tax on payments under this Agreement or the Notes or certifying that the income receivable pursuant to this Agreement or the Notes is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate form certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of

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the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments

under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in subsection (e) (other than if such failure is due to

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a change in law occurring after the date on which a form originally was required to be provided or if such form otherwise is not required under subsection (e)), such Lender shall not be entitled to indemnification under subsection (a) or (c) with respect to Taxes imposed by the United States; provided, however,

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that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.13 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office or to take other steps if to do so would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.14. Sharing of Payments, Etc. If any

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Lender shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) (a) on account of obligations due and payable to such Lender hereunder and under the Notes at such time under any Facility in excess of its ratable share (according to the proportion of (i) the amount of such obligations due and payable to such Lender at such time under such Facility to (ii) the aggregate amount of the obligations due and payable to all Appropriate Lenders hereunder and under the Notes at such time under such Facility) of payments on account of the obligations due and payable to all Appropriate Lenders hereunder and under the Notes at such time under such Facility obtained by all the Appropriate Lenders at such time or (b) on account of obligations owing (but not due and payable) to such Lender hereunder and under the Notes at such time under any Facility in excess of its ratable share (according to the proportion of (i) the amount of such obligations owing to such Lender at such time under such Facility to (ii) the aggregate amount of the obligations owing (but not due and payable) to all Appropriate Lenders hereunder and under the Notes at such time under such Facility) of payments on account of the obligations owing (but not due and payable) to all Appropriate Lenders hereunder and under the Notes at such time under such Facility obtained by all the Appropriate Lenders at such time, such Lender shall forthwith

purchase from the Appropriate Lenders such participations in the obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however,

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 that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price to the extent of such other Lender's ratable share (according to the proportion of (i) the purchase price paid to such Lender to (ii) the aggregate purchase price paid to all Appropriate Lenders) of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such other Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.14 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.15. Letters of Credit. (a) The Letter

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 of Credit Facility. The Borrower may request any Issuing Bank,

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 on the terms and conditions hereinafter set forth, to issue, and any such Issuing Bank shall, subject to the terms and conditions hereinafter set forth, issue letters of credit (the "Letters of Credit") for the account of the Borrower from time to time on any

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 Business Day during the period from the date of the initial Borrowing until 30 days before the Termination Date (i) in an aggregate Available Amount for all Letters of Credit issued by such Issuing Bank not to exceed at any time such Issuing Bank's Letter of Credit Commitment or Letter of Credit Facility Sublimit and (ii) in an Available Amount for each such Letter of Credit not to exceed the Unused Working Capital Commitments of the Working Capital Lenders on such Business Day; provided, however,

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 that no Issuing Bank shall be obligated to issue any trade letters of credit. No Letter of Credit shall have an expiration date (including all rights of the Borrower or the beneficiary to require renewal) later than the earlier of 30 days before the Termination Date and one year after the date of issuance thereof, but may by its terms be renewable annually with the consent of the Issuing Bank. Within the limits of the Letter of Credit Facility Sublimit, and subject to the limits referred to above, the Borrower may request the issuance of Letters of Credit under this Section 2.15(a), repay any Letter of Credit Advances resulting from drawings thereunder pursuant to Section 2.15(c) and request the issuance of additional Letters of Credit under this Section 2.15(a).

(b) Request for Issuance. (i) Each Letter of

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 Credit shall be issued upon notice, given not later than 11:00 A.M. (New York City time) on the fifth Business Day prior to the date of the proposed issuance of such Letter of Credit, by the Borrower to any Issuing Bank, which shall give to the Administrative Agent and each Working Capital Lender prompt notice thereof by telex, telecopier or cable. Each such notice of issuance of a Letter of Credit (a "Notice of Issuance") shall

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 be by telex, telecopier or cable, confirmed immediately in writing, specifying therein the requested (A) date of such issuance (which

shall be a Business Day), (B) Available Amount of such Letter of Credit, (C) expiration date of such Letter of Credit, (D) name and address of the beneficiary of such Letter of Credit and (E) form of such Letter of Credit, and shall be accompanied by such Issuing Bank's customary application and agreement for letter of credit (a "Letter of Credit Agreement"). If the

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 requested form of such Letter of Credit is acceptable to such Issuing Bank in its reasonable discretion, such Issuing Bank will, upon fulfillment of the applicable conditions set forth in Article III, make such Letter of Credit available to the Borrower at its office referred to in Section 8.02 or as otherwise agreed with the Borrower in connection with such issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with, or be duplicative of, provisions in this Agreement, the provisions of this Agreement shall govern.

(ii) Each Issuing Bank shall furnish (A) to the Administrative Agent on the first Business Day of each week a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the previous week and drawings during such week under all Letters of Credit issued by such Issuing Bank, (B) to each Working Capital Lender on the first Business Day of each month a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the preceding month and drawings during such month under all Letters of Credit issued by such Issuing Bank and (C) to the Administrative Agent and each Working Capital Lender on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit issued by such Issuing Bank.

(c) Drawing and Reimbursement. The payment by

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 any Issuing Bank of a draft drawn under any Letter of Credit shall constitute for all purposes of this Agreement the making by such Issuing Bank of a Letter of Credit Advance, which shall be a Base Rate Advance, in the amount of such draft. Upon written demand by any Issuing Bank with an outstanding Letter of Credit Advance, with a copy of such demand to the Administrative Agent, each other Working Capital Lender shall purchase from such Issuing Bank, and such Issuing Bank shall sell and assign to each such other Working Capital Lender, such other Lender's Ratable Share of such outstanding Letter of Credit Advance as of the date of such purchase, by making available for the account of its Applicable Lending Office to the Administrative Agent for the account of such Issuing Bank, by deposit to the Administrative Agent's Account, in same day funds, an amount equal to the portion of the outstanding principal amount of such Letter of Credit Advance to be purchased by such Lender. The Borrower hereby agrees to each such sale and assignment. Each Working Capital Lender agrees to purchase its Ratable Share of an outstanding Letter of Credit Advance on (i) the Business Day on which demand therefor is made by the Issuing Bank which made such Advance, provided notice of such demand is given not later than 11:00 A.M. (New York City time) on such Business Day or (ii) the first Business Day next succeeding such demand if notice of such demand is given after such time. Upon any such assignment by an Issuing Bank to any other Working Capital Lender of a portion of a Letter of Credit Advance, such Issuing Bank represents and warrants to such other Lender that such

Issuing Bank is the legal and beneficial owner of such interest being assigned by it, but makes no other representation or warranty and assumes no responsibility with respect to such Letter of Credit Advance, the Loan Documents or any Loan Party. If and to the extent that any Working Capital Lender shall not have so made the amount of such Working Capital Advance available to the Administrative Agent, such Working Capital Lender agrees to pay to the Administrative Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by such Issuing Bank until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such amount for the account of such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Letter of Credit Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Letter of Credit Advance made by such Issuing Bank shall be reduced by such amount on such Business Day. No Lender shall be obligated to purchase its Ratable Share of Letter of Credit Advances under this Section 2.15(c) to the extent that such Advances result from any Issuing Bank's willful misconduct or gross negligence.

(d) Obligations Absolute. The obligations of the

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 Borrower under this Agreement, any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of this Agreement, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (this Agreement and all of the other foregoing being, collectively, the "L/C Related Documents");  
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(ii) 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 Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Bank or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(iv) any statement or any other document presented under a 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;

(v) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(vi) any exchange, release or non-perfection of any Collateral or other collateral, or any release or amendment or waiver of or consent to departure from any guarantee, for all or any of the obligations of the Borrower in respect of the L/C Related Documents; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or a guarantor.

provided that notwithstanding the foregoing, the Borrower shall

not be obligated to reimburse any Issuing Bank for any payment made by such Issuing Bank under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence.

(e) Compensation. (i) The Borrower shall pay to

the Administrative Agent for the account of each Working Capital Lender a commission on such Lender's Ratable Share of the average daily aggregate Available Amount of all Letters of Credit outstanding from time to time at the Applicable Margin applicable to Eurodollar Rate Advances payable in arrears quarterly on the first Business Day of each January, April, July and October, commencing January 3, 1995, and on the Termination Date.

(ii) The Borrower shall pay to each Issuing Bank, for its own account, such commissions, issuance fees, transfer fees and other fees and charges in connection with the issuance or administration of each Letter of Credit as the Borrower and such Issuing Bank shall agree.

SECTION 2.16. Use of Proceeds. The proceeds of

the Advances shall be available to pay transaction fees and expenses, refinance certain Existing Indebtedness and for general corporate purposes of the Borrower and its Subsidiaries.

SECTION 2.17. Defaulting Lenders. (a) In the

event that, at any one time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Advance to the Borrower and (iii) the Borrower shall be required to make any payment hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower may, so long as no Default shall occur or be continuing at such time and to the fullest extent permitted by applicable law, set off and otherwise apply the obligation of the Borrower to make such payment to or for the account of such Defaulting Lender against the obligation of such Defaulting Lender to make such Defaulted Advance. In the event that the Borrower shall so set off and otherwise apply the obligation of the Borrower to make any such payment against the obligation of such Defaulting Lender to

make any such Defaulted Advance on any date, the amount so set off and otherwise applied by the Borrower shall constitute for all purposes of this Agreement and the other Loan Documents an Advance by such Defaulting Lender made on such date. Such Advance shall bear interest at a rate equal to the Base Rate (without giving effect to the Applicable Margin) and shall be considered, for all purposes of this Agreement, to comprise part of the Borrowing in connection with which such Defaulted Advance was originally required to have been made pursuant to Section 2.01, even if the other Advances comprising such Borrowing shall be Eurodollar Rate Advances on the date such Advance is deemed to be made pursuant to this subsection (a). The Borrower shall notify the Administrative Agent at any time the Borrower reduces the amount of the obligation of the Borrower to make any payment otherwise required to be made by it hereunder or under any other Loan Document as a result of the exercise by the Borrower of its right set forth in this subsection (a) and shall set forth in such notice (A) the name of the Defaulting Lender and the Defaulted Advance required to be made by such Defaulting Lender and (B) the amount set off and otherwise applied in respect of such Defaulted Advance pursuant to this subsection (a). Any portion of such payment otherwise required to be made by the Borrower to or for the account of such Defaulting Lender which is paid by the Borrower, after giving effect to the amount set off and otherwise applied by the Borrower pursuant to this subsection (a), shall be applied by the Administrative Agent as specified in subsection (b) or (c) of this Section 2.17.

(b) In the event that, at any one time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Amount to the Administrative Agent or any of the other Lenders and (iii) the Borrower shall make any payment hereunder or under any other Loan Document to the Administrative Agent for the account of such Defaulting Lender, then the Administrative Agent may, on its behalf or on behalf of such other Lenders and to the fullest extent permitted by applicable law, apply at such time the amount so paid by the Borrower to or for the account of such Defaulting Lender to the payment of each such Defaulted Amount to the extent required to pay such Defaulted Amount. In the event that the Administrative Agent shall so apply any such amount to the payment of any such Defaulted Amount on any date, the amount so applied by the Administrative Agent shall constitute for all purposes of this Agreement and the other Loan Documents payment, to such extent, of such Defaulted Amount on such date. Any such amount so applied by the Administrative Agent shall be retained by the Administrative Agent or distributed by the Administrative Agent to such other Lenders, ratably in accordance with the respective portions of such Defaulted Amounts payable at such time to the Administrative Agent and such other Lenders and, if the amount of such payment made by the Borrower shall at such time be insufficient to pay all Defaulted Amounts owing at such time to the Administrative Agent and the other Lenders, in the following order of priority:

- (i) first, to the Administrative Agent for any  
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Defaulted Amount then owing to the Administrative Agent; and

- (ii) second, to any other Lenders for any  
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Defaulted Amounts then owing to such other Lenders, ratably in accordance with such respective Defaulted Amounts then owing to such other Lenders.

Any portion of such amount paid by the Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Administrative Agent pursuant to this subsection (b), shall be applied by the Administrative Agent as specified in subsection (c) of this Section 2.17.

(c) In the event that, at any one time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall not owe a Defaulted Advance or a Defaulted Amount and (iii) the Borrower, the Administrative Agent or any other Lender shall be required to pay or distribute any amount hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower or such other Lender shall pay such amount to the Administrative Agent to be held by the Administrative Agent, to the fullest extent permitted by applicable law, in escrow or the Administrative Agent shall, to the fullest extent permitted by applicable law, hold in escrow such amount otherwise held by it. Any funds held by the Administrative Agent in escrow under this subsection (c) shall be deposited by the Administrative Agent in an interest-bearing account with Citibank, in the name and under the control of the Administrative Agent, but subject to the provisions of this subsection (c). The terms applicable to such account, including the rate of interest payable with respect to the credit balance of such account from time to time, shall be Citibank's standard terms applicable to escrow accounts maintained with it. Any interest credited to such account from time to time shall be held by the Administrative Agent in escrow under, and applied by the Administrative Agent from time to time in accordance with the provisions of, this subsection (c). The Administrative Agent shall, to the fullest extent permitted by applicable law, apply all funds so held in escrow from time to time to the extent necessary to make any Advances required to be made by such Defaulting Lender and to pay any amount payable by such Defaulting Lender hereunder and under the other Loan Documents to the Administrative Agent or any other Lender, as and when such Advances or amounts are required to be made or paid and, if the amount so held in escrow shall at any time be insufficient to make and pay all such Advances and amounts required to be made or paid at such time, in the following order of priority:

- (i) first, to the Administrative Agent for any  
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amount then due and payable by such Defaulting Lender to the Administrative Agent hereunder;

- (ii) second, to any other Lenders for any amount  
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then due and payable by such Defaulting Lender to such other Lenders hereunder, ratably in accordance with such respective amounts then due and payable to such other Lenders; and

- (iii) third, to the Borrower for any Advance then  
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required to be made by such Defaulting Lender pursuant to the Commitment of such Defaulting Lender.



In the event that such Defaulting Lender shall, at any time, cease to be a Defaulting Lender, any funds held by the Administrative Agent in escrow at such time with respect to such Defaulting Lender shall be distributed by the Administrative Agent to such Defaulting Lender and applied by such Defaulting Lender to the obligations owing to such Lender at such time under this Agreement and the other Loan Documents ratably in accordance with the respective amounts of such obligations outstanding at such time.

(d) The rights and remedies against a Defaulting Lender under this Section 2.17 are in addition to other rights and remedies which the Borrower may have against such Defaulting Lender with respect to any Defaulted Advance and which the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Defaulted Amount.

SECTION 2.18. Option to Replace Lenders. If any

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Lender shall request the Borrower to pay any amounts, or shall assert any other special rights, under Section 2.11 or 2.13 or if a Lender is a Defaulting Lender, the Borrower may request one or more other Lenders or other financial institutions, each of which is an Eligible Assignee (each a "Replacement Lender") to take

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over all or the affected portion of such Lender's then outstanding Advances and to assume all or the affected portion of such Lender's Commitments and obligations hereunder. If one or more Replacement Lenders shall so agree, the Advances and Commitments of the Lender to be replaced shall, at the direction of the Borrower, be assigned to such Replacement Lenders in accordance with Section 8.07, in such amounts as the Borrower may designate.

ARTICLE III

CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to

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Effectiveness. This Agreement shall become effective on the date -----  
(the "Effective Date") that the Administrative Agent shall have -----  
received counterparts of this Agreement executed by each party hereto which effectiveness shall occur after the following conditions precedent have been satisfied or waived:

(a) There shall have occurred no change to the terms of the Merger Agreement, except as disclosed by the Borrower to the Lenders in writing prior to the date hereof, which the Lead Managing Agents determine to be materially adverse to the interests of the Lenders.

(b) There shall have occurred no Material Adverse Change since September 30, 1994, except as disclosed by the Borrower to the Lenders in writing prior to the date hereof.

(c) Except as disclosed in the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, there shall exist no action, suit, investigation, litigation or proceeding pending or threatened before any court, governmental instrumentality or arbitrator that would be likely to have a Material Adverse Effect.

(d) The Administrative Agent shall have received on or before the Effective Date, the following, each dated such day (unless otherwise specified), in form and substance satisfactory to the Administrative Agent (unless otherwise specified) and in sufficient copies for each Lender:

(i) The Working Capital Notes and Term Notes to the order of the Lenders.

(ii) The Competitive Bid Note to the order of the Administrative Agent.

(iii) Certified copies of the resolutions of the Board of Directors of each Credit Party approving each Loan Document to which it is or is to be a party, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to each Loan Document to which it is a party.

(iv) A copy of each amendment to the charter of the Borrower dated on or after August 16, 1994, certified (as of a date reasonably near the Effective Date) by the Secretary of State of the State of New Jersey as being a true and correct copy thereof and a copy of each amendment to the charter of each Credit Party (other than the Borrower) certified (as of a date reasonably near the date of the initial Borrowing) by the Secretary of State of the State of Delaware as being a true and correct copy thereof.

(v) A copy of a certificate of the Secretary of State of the State of New Jersey or Delaware, as the case may be, dated reasonably near the Effective Date, listing the charter of each Credit Party and each amendment thereto on file in his office and certifying that (A) such amendments are the only amendments to such Credit Party's charter on file in his office and (B) such Credit Party is duly incorporated and in good standing under the laws of the State of New Jersey or Delaware, as the case may be.

(vi) A certificate of each Credit Party, signed on behalf of such Credit Party by its President or a Vice President and its Secretary or any Assistant Secretary, dated the Effective Date (the statements made in which certificate shall be true on and as of the Effective Date), certifying

as to (A) the absence of any amendments to the charter of such Credit Party since the date of the Secretary of State's certificate referred to in Section 3.01(d)(v), (B) a true and correct copy of the bylaws of such Credit Party, as in effect on the Effective Date and (C) the due incorporation and good standing of such Credit Party as a corporation organized under the laws of the State of New Jersey or Delaware, as the case may be, and the absence of any proceeding for the dissolution or liquidation of such Credit Party.

(vii) A certificate of each Credit Party, signed on behalf of such Credit Party by its President or a Vice President, dated the Effective Date (the statements made in which certificate shall be true on and as of the Effective Date), certifying as to (A) the accuracy in all material respects of the representations and warranties contained in this Agreement and each Loan Document to which it is a party as though made on and as of the Effective Date, (B) the absence of any event occurring and continuing, that constitutes a Default and (C) the payment of all franchise taxes owed by such Credit Party to the State of New Jersey or Delaware, as the case may be, as of the date of such certificate.

(viii) A certificate of the Secretary or an Assistant Secretary of each Credit Party certifying the names and true signatures of the officers of such Credit Party authorized to sign each Loan Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder.

(ix) A pledge and security agreement in substantially the form of Exhibit E hereto (as amended from time to time, the "Pledge Agreement"),  
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duly executed by the Pledgor and Subsidiary Pledgors (as defined therein) together with certificates representing the Pledged Shares (as defined in the Pledge Agreement) referred to therein accompanied by undated stock powers executed in blank.

(x) Certified copies of each of the Related Documents, duly executed by the parties thereto and in form and substance satisfactory to the Lenders, together with a certificate by an officer of the Borrower certifying that all such agreements are fully executed, are in full force and effect and have not been terminated.

(xi) A favorable opinion of Simpson Thacher & Bartlett, special New York counsel to the Credit Parties, and a favorable opinion of Allan L. Miller, Senior Vice President, Chief Administrative Officer and General Counsel of the Credit Parties, in substantially the forms of Exhibits D-1 and D-2 hereto, respectively.

(xii) A favorable opinion of Shearman & Sterling, counsel for the Lead Managing Agents and the Administrative Agent, in form and substance satisfactory to the Lead Managing Agents and the Administrative Agent.

SECTION 3.02. Conditions Precedent to Initial

Borrowing. The obligation of each Lender to make an Advance on

the occasion of the initial Borrowing is subject to the following conditions precedent:

(a) The initial Borrowing shall occur on or before February 15, 1995.

(b) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent, the Lead Managing Agents and the Arrangers unless otherwise agreed to by the Administrative Agent.

(c) (i) All outstanding amounts under the Existing Credit Agreement shall have been repaid in full or will be repaid in full concurrently with the initial Borrowing, the commitments under such Existing Credit Agreement shall be terminated, (ii) the conditions precedent to the "Assignment Date" (as defined in the TM Credit Agreement) under the TM Credit Agreement shall have been satisfied or waived and (iii) the conditions precedent to the "Effective Date" (as defined in each of the applicable amendments dated as of the date hereof to the Receivables Financing Agreements) under the applicable amendments dated as of the date hereof to the Receivables Financing Agreements shall have been satisfied or waived.

(d) Whitehall Associates, L.P. shall have made its investment in the Borrower in an amount of no less than \$300,000,000 in RN Stock; such amount of RN Stock shall be calculated based on the determination of the average of the average of the high and low sales prices of RN Stock as reported on the New York Stock Exchange Composite Tape on each of the ten consecutive trading days immediately preceding the second trading day prior to a date specified in a notice from the Borrower to the Administrative Agent which date shall be during the period commencing on the date hereof and ending ten days thereafter.

(e) Whitehall Associates, L.P. shall have delivered an unconditional commitment to contribute additional RN Stock which, together with the RN Stock referred to in clause (d) above, will aggregate at least \$400,000,000 by the earlier of (i) one business day following the consummation of the merger contemplated by the Merger Agreement or (ii) one hundred twenty (120) days after the date of the initial Borrowing; such amount of additional RN Stock shall be calculated based on the determination of the average of the average of the high and low sales prices of RN Stock as reported on the New York Stock Exchange Composite Tape on each of the

ten consecutive trading days immediately preceding the second trading day prior to the date of such contribution.

(f) A letter dated the date of the initial Borrowing from each of Simpson Thacher & Bartlett and Allan L. Miller confirming the opinion of such counsel delivered pursuant to Section 3.01(d)(xi) hereof.

(g) A letter dated the date of the initial Borrowing from Shearman & Sterling confirming its opinion delivered pursuant to Section 3.01(d)(xii) hereof.

#### SECTION 3.03. Conditions Precedent to Certain

Borrowings and Issuances. The obligation of each Appropriate

Lender to make an Advance (other than a Letter of Credit Advance) on the occasion of each Borrowing, and the obligation of the Issuing Banks to issue Letters of Credit, that would in either case cause the aggregate amount of Advances outstanding and the Available Amount of Letters of Credit outstanding or to be outstanding at the close of business on such date to exceed the aggregate amount of all Advances outstanding (including any Advances to be paid on the date of such Borrowing) and the Available Amount of Letters of Credit outstanding immediately prior to the making of such Advance or such issuance shall be subject to the further conditions precedent that on the date of such Borrowing or issuance the following statements shall be true (and each of the giving of the Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing or such Letter of Credit shall constitute a representation and warranty by the Borrower that on the date of such Borrowing or issuance such statements are true):

(a) the representations and warranties contained in each Loan Document (other than representations and warranties in respect of the pledge of the stock of the Borrower's Subsidiaries organized outside the United States) are correct in all material respects on and as of the date of such Borrowing or issuance, before and after giving effect to such Borrowing or issuance and to the application of the proceeds therefrom, as though made on and as of such date (other than any such representations or warranties that, by their terms, are made as of a date other than the date of such Borrowing or issuance); and

(b) no event has occurred and is continuing, or would result from such Borrowing or issuance or from the application of the proceeds therefrom, that constitutes a Default.

#### SECTION 3.04. Conditions Precedent to Each

Competitive Bid Borrowing. The obligation of each Working

Capital Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (a) the Administrative Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto and (b) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Administrative

Agent shall have received for recordation in the Competitive Bid Register information as to each of the one or more Competitive Bid Advances to be made by the Working Capital Lenders as part of such Competitive Bid Borrowing, the principal amount of each such Competitive Bid Advance and such other terms as were agreed to for each such Competitive Bid Advance in accordance with Section 2.03.

SECTION 3.05. Determinations Under Sections 3.01

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and 3.02. For purposes of determining compliance with the

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conditions specified in Sections 3.01 and 3.02, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated hereby shall have received notice from such Lender prior to the initial Borrowing specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of such Borrowing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of

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the Borrower. The Borrower represents and warrants as follows:  
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(a) The Borrower (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not be likely to have a Material Adverse Effect and (iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

(b) Set forth on Schedule 4.01(b) hereto is a complete and accurate list of all Material Subsidiaries of the Borrower as of the date of this Agreement, showing as of the date of this Agreement (as to each such Subsidiary) the jurisdiction of its incorporation and percentage of the outstanding shares of each such class owned (directly or indirectly) by the Borrower. Each such Material Subsidiary (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except where the failure thereof would not be likely to have a Material Adverse Effect, (ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not be likely to have a Material Adverse

Effect and (iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted except where the failure to have such power would not be likely to have a Material Adverse Effect.

(c) The execution, delivery and performance by each Credit Party of this Agreement, the Notes, each other Loan Document and each Related Document to which it is or is to be a party, and the consummation of the transactions contemplated hereby or thereby are within such Credit Party's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Credit Party's charter or by-laws, (ii) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award, the consequences of which would be likely to have a Material Adverse Effect, (iii) conflict with or result in the breach of, or constitute a default under, any loan agreement, indenture, mortgage, deed of trust, lease or other instrument in each case involving Debt obligations of the Borrower of \$1,000,000 or more or (iv) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of the Borrower and its Subsidiaries, other than Liens permitted by Section 5.02 or Liens arising under the Loan Documents. None of the Borrower or its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which would be likely to have a Material Adverse Effect.

(d) All necessary material governmental and third party approvals required for (i) the due execution, delivery, recordation, filing or performance by each Credit Party of this Agreement, the Notes, any other Loan Document or any Related Document to which it is a party, (ii) the grant by any Credit Party of the Liens granted by it pursuant to the Pledge Agreement, (iii) the perfection or maintenance of the Liens created by the Pledge Agreement (including the first priority nature thereof) or (iv) to the extent obtainable on or prior to the date hereof, the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Pledge Agreement, have been duly obtained, taken, given or made and are in full force and effect, except for parties to the Related Documents.

(e) This Agreement has been, and each of the Notes, each other Loan Document and each Related Document to which each Credit Party is a party when delivered hereunder will have been, duly executed and delivered by such Credit Party. This Agreement is, and each of the Notes, each other Loan Document and each Related Document to which the Borrower is a party when delivered hereunder will be, the legal, valid and binding obligation of the Credit Parties party thereto, enforceable against each such Credit Party in accordance with its terms except as enforceability

may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights or by equitable principles generally.

(f) The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1993, and the related Consolidated statement of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of Price Waterhouse, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at September 30, 1994, and the related Consolidated statement of income and cash flows of the Borrower and its Subsidiaries for the nine months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at September 30, 1994, and said statements of income and cash flows for the nine months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such date and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles applied on a consistent basis. Since September 30, 1994, there has been no Material Adverse Change other than as disclosed to the Lenders in writing prior to December 6, 1994.

(g) Neither the Information Memorandum nor any assertion of fact of any Credit Party contained in any other written information, exhibit or report furnished by such Credit Party to the Administrative Agent or any Lender in connection with the negotiation of the Loan Documents or pursuant to the terms of the Loan Documents contained, as of its date, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made in the Information Memorandum and such other information, exhibits and reports (taken as a whole) not misleading.

(h) There is no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or, to the best of its knowledge, threatened before any court, governmental agency or arbitrator that (i) except as disclosed in the Borrower's Annual Report on Form 10-Q for the fiscal year ended December 31, 1993, would be likely to have a Material Adverse Effect or (ii) would be likely to materially adversely affect the legality, validity or enforceability of this Agreement and the other Loan Documents (taken as a whole) or the consummation of the transactions contemplated hereby.

(i) No proceeds of any Advance will be used to acquire any equity security of a class that is registered pursuant to Section 12 of the Securities Exchange Act of 1934.



(j) Neither the making of any Advance hereunder, nor the use of the proceeds thereof, will violate the provisions of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

(k) Each Plan is in substantial compliance with ERISA and the Internal Revenue Code; no Reportable Event has occurred with respect to a Plan; no Plan is insolvent or in reorganization; no Plan has an accumulated or waived funding deficiency, has permitted decreases in its funding standard account or has applied for an extension of any amortization period within the meaning of Section 412 of the Internal Revenue Code; neither the Borrower nor any or its Subsidiaries nor any ERISA Affiliate has incurred or reasonably expects to incur any liability to or on account of a Plan pursuant to ERISA or the Internal Revenue Code; no proceedings have been instituted by the PBGC to terminate any Plan; no condition exists which presents a material risk to the Borrower, any of its Subsidiaries or any ERISA Affiliate of incurring a liability to or on account of a Plan pursuant to ERISA or the Internal Revenue Code; no lien imposed under the Internal Revenue Code or ERISA on the assets of the Borrower, any of its Subsidiaries or any ERISA Affiliate exists or is likely to arise on account of any Plan; where, with respect to any of the foregoing representations in this Section 4.01(k), the liability for or the lien which would arise as a result of, the particular circumstance or event which is the subject of the representation, would be likely to result in a Material Adverse Effect. All representations and warranties made with respect to any Plan which is a Multiemployer Plan shall be made to the best knowledge of the Borrower.

(l) The Borrower and each of its Subsidiaries are in material compliance with all material laws and regulations relating to pollution and environmental control or employee safety in all domestic jurisdictions in which the Borrower and its Subsidiaries is presently doing business, other than those the non-compliance with which would not be likely to have a Material Adverse Effect.

(m) The Borrower and each of its Subsidiaries has filed, has caused to be filed or has been included in all tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties, except where the failure to so file or pay would not be likely to have a Material Adverse Effect or as disclosed on the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 1993..

(n) Neither the Borrower nor any of its Subsidiaries is an "investment company," or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

(o) The Receivables Financing Agreements are in full force and effect and Borden Receivables Corp. has maintained the availability of the "Purchase Limit" and the "Total Commitments" to the fullest extent reasonably expected to be

accessible by Borden Receivables Corp. based upon the "Outstanding Balance" of "Eligible Receivables" in the "Receivables Pool" (as such terms are defined in the Receivables Financing Agreements).

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as

any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, the Borrower will, unless the Required Lenders shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply, and cause

each of its Subsidiaries to comply with all applicable laws, rules, regulations and orders, except to the extent the failure to do so would be likely to have a Material Adverse Effect.

(b) Payment of Taxes, Etc. Pay and discharge,

and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims in excess of \$15,000,000 individually or \$30,000,000 in the aggregate that, if unpaid, would by law become a Lien (other than a Permitted Lien) upon its property; provided, however, that

neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP.

(c) Compliance with Environmental Laws. Comply,

and cause each of its Subsidiaries to comply, with all material laws and regulations relating to pollution and environmental control or employee safety which may be imposed in the future in jurisdictions in which the Borrower or any of its Subsidiaries may then be doing business, other than those the non-compliance with which would not be likely to have a Material Adverse Effect; and if required to do so under any applicable Environmental Law, undertake, and cause each of its Subsidiaries to undertake, any cleanup, removal, remedial or other action necessary to remove and clean up any Hazardous Materials from any Real Property in accordance with the requirements of all such applicable Environmental Laws and in accordance with orders and directives of all governmental authorities; provided that neither the Borrower

nor any of its Subsidiaries shall be required to take any such action where the failure to do so would not have a Material Adverse Effect.

(d) Maintenance of Insurance. Maintain, and

cause each of its Material Subsidiaries to maintain, insurance with reputable insurance companies or

associations in such amounts, with such retention and deductibles, and covering such risks as are in accordance with normal industry practice.

(e) Preservation of Corporate Existence, Etc.  
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Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises except to the extent that the failure to do so would be likely to have a Material Adverse Effect; provided, however,

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that the Borrower and its Subsidiaries may consummate any transaction permitted under Section 5.02(c); and provided

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further that neither the Borrower nor any of its

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Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lenders.

(f) Visitation Rights. At any reasonable time  
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and upon prior notice, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or, if reasonably requested by the Administrative Agent or any Lender through the officers of the Borrower or such Subsidiary and with their independent certified public accountants.

(g) Maintenance of Properties, Etc. Maintain and  
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preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and do, or cause to be done, all things necessary to preserve and keep in full force and effect its material licenses, permits, copyrights, patents, trademarks, service marks, tradenames and rights with respect thereto, except in each case to the extent that the failure to do so would be likely to have a Material Adverse Effect.

(h) Transactions with Affiliates. Conduct, and  
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cause each of its Subsidiaries to conduct, all transactions with any of their Affiliates on terms that are substantially as favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate; provided that the foregoing

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restrictions shall not apply to (i) customary annual fees paid to Kohlberg Kravis Roberts & Co. ("KKR") and its

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Affiliates for management, consulting and financial services rendered to the Borrower and its Subsidiaries, and customary investment banking fees paid to KKR and its Affiliates for services rendered to the Borrower and its Subsidiaries in connection with divestitures, acquisitions, financings and certain other transactions; and (ii) customary fees paid to members of the Board of Directors of the Borrower and its Subsidiaries.

(i) Maximize Receivables Financings. Sell "Receivables" (as such term is defined in the Receivables Financing Agreements) (other than any such "Receivables" to be sold to a Person that is not an Affiliate under a transaction permitted by Section 5.02(d)) to enable Borden Receivables Corp. to sell and cause Borden Receivables Corp. to sell, "Receivable Interests" (as such term is defined in the Receivables Financing Agreements) under the Receivables Financing Agreements to the maximum extent permitted thereunder prior to requesting any Advances pursuant to Article II hereof, provided that the Borrower need not comply with this Section 5.01(i): (i) to the extent that the sale of "Receivable Interests" required hereby would result in an increase of the aggregate outstanding "Capital" (as such term is defined in the Receivables Financing Agreements) of less than \$10,000,000 or (ii) if the Borrower has an Investment Grade Rating.

(j) Deliver Additional Collateral. (i) Within 60 days of the initial Borrowing, pledge approximately 65% of the capital stock of each of the Borrower's Subsidiaries marked with an asterisk on Schedule 4.01(b) to the Lenders on terms reasonably satisfactory to the Administrative Agent, (ii) within six months of the initial Borrowing, pledge approximately 65% of the capital stock of each of the Borrower's Subsidiaries marked with a double asterisk on Schedule 4.01(b) to the Lenders on terms reasonably satisfactory to the Administrative Agent, (iii) as soon as practical, but in any event within 30 days after receipt of any Asset Proceeds other than cash, deliver to the Administrative Agent instruments endorsed in blank, securities together with blank stock powers and duly executed mortgages, pledges, assignments and other security agreements, as requested by and in form and substance reasonably satisfactory to the Administrative Agent, securing payment of the obligations of the Credit Parties under the Loan Documents and constituting Liens on all such non-cash proceeds, (iv) as soon as practicable, but in any event within 10 days after the receipt thereof, pledge pursuant to the Pledge Agreement the first \$100,000,000 in value of Incremental RN Stock, if any, contributed to the Borrower and (v) within 30 days of such request, deliver to the Administrative Agent a signed copy of a favorable opinion, addressed to the Administrative Agent, of counsel to the Borrower reasonably acceptable to the Administrative Agent as to the matters contained in clauses (i), (ii) or (iii) above, as to such security agreements being legal, valid and binding obligations of the Borrower enforceable in accordance with their terms, subject, however to customary qualifications and limitations, and as to such other matters as the Administrative Agent may reasonably request.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, the Borrower will not, at any time, without the written consent of the Required Lenders:

(a) Liens, Etc. Create, incur, assume or suffer  
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to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its properties of any character whether now owned or hereafter acquired other than:

(i) Permitted Liens;

(ii) Liens securing Indebtedness permitted by Sections 5.02(viii), (ix) and (xi);

(iii) Liens, if any, arising under, financing statements filed in connection with, and assignments of accounts pursuant to the Receivables Financing Documents;

(iv) other Liens securing Indebtedness outstanding in an aggregate principal amount not to exceed \$50,000,000 at any time; and

(v) the replacement, extension or renewal of any Lien permitted by clauses (i) through (iv) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Indebtedness secured thereby.

(b) Indebtedness. Create, incur, assume or  
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suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Indebtedness other than:

(i) Indebtedness arising under the Loan Documents;

(ii) Indebtedness with no principal or sinking fund payment due prior to June 30, 2000, the Debt Proceeds of which are applied as provided in Section 2.06(b), with covenants (taken as a whole) customary in United States unsecured public debt financings or private placements (other than bank financings) for comparably rated issuers and in any event no more onerous than those contained in this Agreement (taken as a whole);

(iii) unsecured Indebtedness incurred in the ordinary course of business for borrowed money, maturing within one year from the date incurred, evidenced by commercial paper or comparable instruments customary for evidencing similar obligations in jurisdictions other than the United States in an aggregate principal amount not exceeding the Unused Working Capital Commitments of the Working Capital Lenders;

(iv) Indebtedness in respect of acceptance, trade letter of credit, warehouse receipt or similar facilities and non-trade letters of credit issued outside the United States not supporting Debt entered into in the ordinary course of business;

(v) Indebtedness, if any, arising under the Receivables Financing Documents;

(vi) Guaranties in respect of Indebtedness otherwise permitted hereunder;

(vii) Guaranties in the ordinary course of business in respect of obligations of suppliers, customers, franchisees and licensees of the Borrower and its Subsidiaries;

(viii) Indebtedness of the Borrower's Subsidiaries organized outside the United States in an aggregate principal amount not exceeding at any time the excess of \$250,000,000 over the proceeds of sales of accounts receivable by such Subsidiaries;

(ix) Indebtedness arising under Capitalized Leases (a) incurred in respect of capital expenditures permitted by Section 5.04(c) and (b) in an aggregate principal amount not exceeding \$50,000,000 at any time;

(x) Indebtedness in respect of Hedge Agreements in an aggregate notional amount not to exceed \$2,500,000,000 at any time outstanding;

(xi) Indebtedness of the Borrower or any of its Subsidiaries owed to the Borrower or any of its Subsidiaries;

(xii) additional Indebtedness not contemplated by clauses (i)-(xi) above in an aggregate principal amount not exceeding \$50,000,000 at any time;

(xiii) any renewal, extension or refinancing of the foregoing Indebtedness in an amount not exceeding the amount outstanding at the time of such renewal, extension or refinancing and, in the case of any renewal, extension or refinancing of the Indebtedness specified in clauses (ii) and (iii) above, otherwise in compliance with the limitations set forth in clauses (ii) and (iii), respectively; and

(xiv) the Existing Indebtedness, and any Indebtedness extending the maturity of, or refunding or refinancing, in whole or in part, any Existing Indebtedness, provided that the terms of

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any such extending, refunding or

refinancing Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents and certain covenants that are no more onerous than the stricter of those covenants of this Agreement (taken as a whole) or those covenants applicable to such Existing Indebtedness on the date hereof and further provided that the principal amount of such Existing Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing (including additional Indebtedness to the extent necessary to finance the payment of premiums, make-wholes or similar payments incurred in connection with such extension, refunding or refinancing), and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing.

(c) Mergers, Etc. Merge into or consolidate with  
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any Person or permit any Person to merge into it, or permit any of its Subsidiaries to do so, except that (i) any Subsidiary (other than Subsidiaries the capital stock of which is pledged to the Lenders pursuant to the Pledge Agreement) of the Borrower may merge into or consolidate with, or transfer all or a portion of its assets to, any other Subsidiary of the Borrower, provided that, in the case  
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of any such consolidation, the Person formed by such consolidation shall be a Subsidiary of the Borrower, (ii) any Subsidiary the capital stock of which is pledged to the Lenders pursuant to the Pledge Agreement may merge into or consolidate with, or transfer all or a portion of its assets to, (A) any other Subsidiary of the Borrower, provided that the stock of the surviving corporation shall  
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be pledged to the Lenders pursuant to the Pledge Agreement, or (B) the Borrower, provided that such assets are made  
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subject to a first priority Lien in favor of the Lenders pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, provided, further,  
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that any such Lien shall be released upon the transfer of such assets to a Subsidiary the stock of which is pledged to the Lenders pursuant to the Pledge Agreement, (iii) any of the Borrower's Subsidiaries (other than Subsidiaries the capital stock of which is pledged to the Lenders pursuant to the Pledge Agreement) may merge into the Borrower if the Borrower is the surviving corporation, (iv) the Borrower may merge into a wholly-owned Subsidiary of the Borrower that (A) is incorporated under the laws of any of the States of Delaware, New York or Ohio and (B) has no material assets or liabilities, for the sole purpose of changing the state of incorporation of the Borrower if the surviving corporation shall expressly assume the liabilities of the Borrower under the Loan Documents and (v) Borden Acquisition Corp. may merge into the Borrower pursuant to the Merger Agreement; provided, however, that in each case, immediately after  
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giving effect thereto, no event shall occur and be continuing that constitutes a Default.

(d) Sales, Etc. of Assets. Sell, lease, transfer  
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or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets (other than Excluded Asset Sales) except (i) in a transaction authorized by

subsection (c) or (e)(i) of this Section, (ii) sales of accounts receivable by its Subsidiaries organized outside the United States, (iii) Designated Asset Sales, so long as such dispositions are for fair value, (iv) sales of other assets for fair value in an aggregate amount not to exceed (x) \$550,000,000 during the term of this Agreement and (y) an additional amount not to exceed \$100,000,000 in any calendar year; provided, that consideration for asset sales

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 permitted by this subsection (d) (other than the disposition of the dairy business) other than cash shall not exceed \$200,000,000 at any time; provided, further that any sale of

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 assets permitted pursuant to clause (iii)(y) above but not made in a prior year (commencing with the year 1995) may be carried forward and added to the amount permitted by clause (y) above in subsequent years.

(e) Investments in Other Persons. Make or hold,  
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 or permit any of its Subsidiaries to make or hold, any Investment in any Person other than:

(i) Investments by the Borrower and its Subsidiaries in Subsidiaries of the Borrower;

(ii) Investments by the Borrower and its Subsidiaries in Affiliates of the Borrower in an aggregate principal amount not to exceed at any time outstanding the sum of (A) \$90,000,000 and (B) retained earnings of such Affiliates that are allocable to the Borrower or such Subsidiary;

(iii) loans and advances to customers and suppliers in the ordinary course of the business of the Borrower and its Subsidiaries in an aggregate principal amount not to exceed \$50,000,000 at any time outstanding;

(iv) Investments by the Borrower and its Subsidiaries in Cash Equivalents;

(v) Investments received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business;

(vi) Investments consisting of long-term receivables arising in the ordinary course of business;

(vii) loans and advances to officers, directors and employees (A) to finance the purchase of capital stock of the Borrower or any of its Subsidiaries, (B) for travel, entertainment, moving and other relocation expenses and (C) for additional purposes not contemplated by clauses (A) and (B) above in an aggregate amount not exceeding \$5,000,000 at any time.



(viii) other Investments in an aggregate amount invested not to exceed \$200,000,000 at any time plus Equity Proceeds to the extent not required to reduce Debt in accordance with Section 2.06 and not used for Capital Expenditures;

(ix) other Investments payment for which is made with capital stock of the Borrower;

(x) Investments constituting non-cash proceeds of sales of assets to the extent permitted by Section 5.02(d); and

(xi) Investments other than those described above existing on the date hereof in an aggregate amount not to exceed \$5,000,000.

(f) Dividends, Etc. Declare or pay any dividends (other than dividends payable only in common stock or Preferred Stock permitted by clause (ii) below of the Borrower), purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock or any warrants, rights or options to acquire such capital stock, now or hereafter outstanding, return any capital to its stockholders as such, make any distribution of assets, capital stock, warrants, rights, options, obligations or securities to its stockholders as such or issue or sell any capital stock (other than common stock) or any warrants, rights or options to acquire such capital stock (other than common stock), or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of the Borrower or any warrants, rights or options to acquire such capital stock or to issue or sell any capital stock (other than common stock) or any warrants, rights or options to acquire such capital stock (other than common stock), except that the foregoing shall not prohibit the exchange or conversion of any capital stock in accordance with its terms or the redemptions contemplated by Sections 5.12 and 5.14 of the Merger Agreement, and so long as no Default described in Sections 6.01(a) or (f) and no Event of Default shall have occurred and be continuing, the Borrower may (i) repurchase capital stock, or any warrants, rights or options to acquire such capital stock held by its officers, directors and employees, (ii) except as permitted by clause (iii) below, issue Preferred Stock and pay dividends thereon, provided that such Preferred Stock (A) shall not obligate the Borrower to redeem at a fixed or determinable date prior to January 1, 2000, whether by operation of a sinking fund or otherwise, or upon the occurrence of a condition not solely within the control of this issuer and (B) shall not be redeemable at the option of the holder prior to January 1, 2000 and (iii) issue and declare and deliver distributions in respect of securities issued in connection with the monetization of the RN Stock contributed to the Borrower.

(g) Change in Nature of Business. Make any material change in the nature of its business taken as a whole as carried on at the date hereof, other than as a result of (i) dispositions of assets approved by the Board of Directors of the Borrower

or (ii) business activities engaged in by the Borrower or its Subsidiaries on or prior to the date hereof and other similar or related activities.

(h) Accounting Changes. Make or permit, or

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 permit any of its Material Subsidiaries to make or permit, any significant change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(i) Prepayments, Etc. of Scheduled Indebtedness.

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 (a) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Scheduled Debt or Debt incurred after the date hereof, other than (i) Debt for which the Borrower has established at the date hereof an irrevocable in-substance defeasance trust in an amount not to exceed \$5,000,000 in the aggregate (ii) LYNX Payments and (iii) in an aggregate amount not to exceed \$50,000,000 from the date hereof, or (b) amend, modify or change in any manner any term or condition of any Scheduled Debt, Debt incurred after the date hereof or subordinated Indebtedness in any manner other than that permitted by refinancings thereof in accordance with Section 5.02(b)(xiv), or permit any of its Subsidiaries to do any of the foregoing.

SECTION 5.03. Reporting Requirements. So long as

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 any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, the Borrower will, unless the Required Lenders shall otherwise consent in writing, furnish to the Lenders:

(a) Default Notice. As soon as possible and in

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 any event within three Business Days after any officer of the Borrower obtains knowledge of each Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details thereof and the action that the Borrower has taken and proposes to take with respect thereto.

(b) Quarterly Financials. As soon as available

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 and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, a Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, certified (subject to year-end audit adjustments) by the chief financial officer of the Borrower as having been prepared in accordance with GAAP, together with (i) a certificate of said officer stating that, to the knowledge of such officer, no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto and (ii) a schedule setting forth in

reasonable detail the computations used by the Borrower in determining compliance with the covenants contained in Section 5.04.

(c) Annual Financials. As soon as available and

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 in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, including therein a Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by either an unqualified opinion, or an opinion acceptable to the Required Lenders, of Price Waterhouse or Deloitte & Touche or other independent public accountants of recognized standing acceptable to the Required Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge that a Default has occurred and is continuing, or if, in the opinion of such accounting firm, a Default has occurred and is continuing, a statement as to the nature thereof (provided that in no event shall such accountants be liable as a result of this Agreement by reason of any failure to obtain knowledge of any Default that would not be disclosed in the course of their audit examination), (ii) a schedule setting forth in reasonable detail the computations used by such accountants in determining, as of the end of such fiscal year, compliance with the covenants contained in Section 5.04 and (iii) a certificate of the chief financial officer of the Borrower stating that, to the knowledge of such officer, no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto.

(d) Budgets; etc. Not more than 60 days after

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 the commencement of each fiscal year of the Borrower, budgets of the Borrower and its Material Subsidiaries in reasonable detail for each of the four fiscal quarters of such fiscal year as customarily prepared by management for its internal use setting forth, with appropriate discussion, the principal assumptions upon which such budgets are based.

(e) ERISA. As soon as possible and, in any

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 event, within 10 days after the Borrower, any of its Subsidiaries or any ERISA Affiliate knows of the occurrence of any of the following events which, in the aggregate would be likely to have a Material Adverse Effect, the Borrower will deliver to each of the Lenders a certificate of the chief financial officer or other authorized officer of the Borrower setting forth details as to such occurrence and such action, if any, which the Borrower, such Subsidiary, such ERISA Affiliate, the PBGC, a Plan participant or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an accumulated funding deficiency has been incurred or an application is reasonably likely to be or has been made to the Secretary of the Treasury for a waiver or

modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Internal Revenue Code with respect to a Plan; that a Plan has been or is reasonably likely to be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA; that a Plan has an Unfunded Current Liability giving rise to a lien under ERISA or the Internal Revenue Code; that proceedings are reasonably likely to be or have been instituted to terminate a Plan; that a proceeding has been instituted pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan; or that the Borrower, any of its Subsidiaries or any ERISA Affiliate will or is reasonably likely to incur any liability (including any contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or with respect to a Plan under Section 4971 or 2975 of the Internal Revenue Code or Section 409 or 502(i) or 502(l) of ERISA.

(f) Litigation. Promptly after the commencement

thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Subsidiaries which the Borrower reasonably believes would be likely to have a Material Adverse Effect.

(g) Securities Reports. Promptly after the

sending or filing thereof, copies of all proxy statements, financial statements and reports that the Borrower or any of its Subsidiaries sends to the Borrower's public stockholders, and copies of all reports on Forms 10-Q, 10-K and 8-K, that the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any governmental authority that may be substituted therefor.

(h) Agreement Notices. Promptly upon receipt

thereof, copies of all notices, requests and other documents received by the Borrower or any of its Subsidiaries under or pursuant to any Related Document and, from time to time upon request by the Administrative Agent, such information and reports regarding the Related Documents as the Administrative Agent may reasonably request.

(i) Environmental Matters. Promptly after

obtaining knowledge of any of the following environmental matters, unless such environmental matters would not, individually or when aggregated with all other such matters, be likely to have a Material Adverse Effect, written notice of (i) any pending or threatened material Environmental Claim against the Borrower or any of its Subsidiaries or any Real Property; (ii) any condition or occurrence on any Real Property that (x) results in material noncompliance by the Borrower or any of its Subsidiaries with any applicable Environmental Law or (y) would be likely to be to form the basis of a material Environmental Claim against the Borrower or any of its Subsidiaries or any Real Property; (iii) any condition or occurrence on any material Real Property that could reasonably be anticipated to cause such Real Property to be subject to any restrictions

on the ownership, occupancy, use or transferability of such Real Property under any Environmental Law; and (iv) the taking of any material removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Borrower's response thereto.

(j) Other Information. Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 5.04. Financial Covenants. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, the Borrower will, unless the Required Lenders otherwise consent in writing:

(a) EBITDA/Net Interest Expense. Maintain a ratio of Consolidated EBITDA to Consolidated Net Interest Expense of not less than the amount set forth below for each period of four consecutive fiscal quarters ended at the dates set forth below:

Quarter Ending -----	Ratio -----
March 31, 1995	1.25:1.00
June 30, 1995	1.50:1.00
September 30, 1995	1.75:1.00
December 31, 1995	2.00:1.00
March 31, 1996	2.00:1.00
June 30, 1996	2.00:1.00
September 30, 1996	2.15:1.00
December 31, 1996	2.25:1.00
March 31, 1997	2.25:1.00
June 30, 1997	2.25:1.00
September 30, 1997	2.35:1.00
December 31, 1997	2.50:1.00
March 31, 1998	2.50:1.00
June 30, 1998	2.50:1.00
September 30, 1998	2.60:1.00
December 31, 1998	2.75:1.00
March 31, 1999	2.75:1.00
June 30, 1999	2.75:1.00
September 30, 1999	2.85:1.00
December 31, 1999	3.00:1.00

(b) Total Debt/EBITDA Ratio. Maintain a ratio of Consolidated Total Debt to Consolidated EBITDA of not more than the amount set forth below for each period of four consecutive fiscal quarters ended at the dates set forth below:

Quarter Ending -----	Ratio -----
September 30, 1995	6.85:1.00
December 31, 1995	5.25:1.00
March 31, 1996	5.25:1.00
June 30, 1996	5.25:1.00
September 30, 1996	5.00:1.00
December 31, 1996	4.75:1.00
March 31, 1997	4.75:1.00
June 30, 1997	4.75:1.00
September 30, 1997	4.55:1.00
December 31, 1997	4.35:1.00
March 31, 1998	4.35:1.00
June 30, 1998	4.35:1.00
September 30, 1998	4.15:1.00
December 31, 1998	4.00:1.00
March 31, 1999	4.00:1.00
June 30, 1999	4.00:1.00
September 30, 1999	3.85:1.00
December 31, 1999	3.75:1.00

(c) Capital Expenditures. Not make, or permit any of its Subsidiaries to make, any Capital Expenditures that would cause the aggregate of all such Capital Expenditures made by the Borrower and its Subsidiaries in any fiscal year ended on the dates set forth below to exceed the amount set forth below for such fiscal year:

Year Ended -----	Amount -----
December 31, 1995	\$275,000,000
December 31, 1996	250,000,000
December 31, 1997	225,000,000
December 31, 1998	225,000,000
December 31, 1999	225,000,000

plus for any fiscal year Debt Proceeds and Equity Proceeds to the extent not required to reduce Debt in accordance with Section 2.06 and not used to make Investments; provided that any Capital Expenditure permitted but not made in a prior year (commencing with the year 1995) may be carried forward and added to the amounts set forth above.

## ARTICLE VI

## EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the  
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following events ("Events of Default") shall occur and be  
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continuing:

(a) the Borrower shall fail to pay when due any principal of any Advance, or the Borrower shall fail to pay any interest or other amount due under any Loan Document and such failure shall continue for five or more days; or

(b) any representation or warranty made by the Borrower under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) the Borrower shall fail to perform or observe any term, covenant or agreement contained in Sections 5.01(e), Section 5.02 or 5.04; or

(d) the Borrower shall fail to perform any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been received by the Borrower from the Administrative Agent or the Required Lenders; or

(e) any Loan Party or any of its Subsidiaries shall default in any payment with respect to any Indebtedness in excess of \$15,000,000 individually or \$30,000,000 in the aggregate (but excluding Indebtedness outstanding hereunder) of such Loan Party and its Subsidiaries, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness or otherwise to cause, or to permit the holder thereof to cause, such Indebtedness to mature; or any such Indebtedness shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; or

(f) any Loan Party or any of its Material Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Loan Party or any of its Material Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or any Loan Party or any of its Material Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (f); or

(g) any judgment or order for the payment of money in excess of \$15,000,000 individually or \$30,000,000 in the aggregate (to the extent not paid or fully covered by insurance, provided by a carrier that has acknowledged coverage) shall be rendered against any Loan Party or any of its Subsidiaries and any such judgment, or order shall not have been vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

(h) any material provision of the Pledge Agreement shall for any reason cease to be valid and binding on or enforceable against the Borrower or any Credit Party, or the Borrower or any Credit Party shall so state in writing or the Pledge Agreement shall for any reason (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of any of the Agents or the Lenders) cease to create a valid and perfected first priority Lien on the Collateral purported to be covered thereby; or

(i) on or after the consummation of the transactions contemplated by the Merger Agreement (i) KKR and its Affiliates or Subsidiaries shall cease to have beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Borrower (or other Securities convertible into such Voting Stock) representing 50.1% or more of the combined voting power of all Voting Stock of the Borrower, provided that the percentage required by this subsection (i)

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shall be reduced to 35% or more upon the latest of (A) eighteen months from the date of the initial Borrowing, (B) the date that the Borrower's Public Debt Rating is an Investment Grade Rating and (C) the date that the Borrower shall have received the Prepayment Target including the issuance of at least \$300,000,000 of additional equity



or monetization of RN Stock contributed to the Borrower; or  
(ii) individuals selected by KKR and its Affiliates or Subsidiaries (other than the Borrower) shall fail to constitute a majority of the Board of Directors of the Borrower; or

(j) (i) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Internal Revenue Code; any Plan is, shall have been or is likely to be terminated or the subject of termination proceedings under ERISA; any Plan shall have an Unfunded Current Liability; or the Borrower, any Subsidiary or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(1), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Internal Revenue Code; and (ii) there shall result from any such event or events referred to in clause (i) above the imposition of a lien, the granting of a security interest, or a liability or a material risk of incurring a liability, on the part of the Borrower, any of its Subsidiaries or any ERISA Affiliate, which in each case would be likely to have a Material Adverse Effect;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Appropriate Lender to make Advances and of any Issuing Bank to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Notes, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual

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or deemed entry of an order for relief with respect to any Loan Party under the Federal Bankruptcy Code, (x) the obligation of each Lender to make Advances and of each Issuing Bank to issue Letters of Credit shall automatically be terminated and (y) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

#### SECTION 6.02. Actions in Respect of the Letters of

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Credit Upon Default. If any Event of Default shall have occurred

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and be continuing, the Administrative Agent shall at the request, or may with the consent, of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, pay to the Administrative Agent on behalf of the Lenders in same day funds at the Administrative Agent's office designated in such demand, for deposit in the L/C Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding. If at any time the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as

additional funds to be deposited and held in the L/C Account, an amount equal to the excess of (a) such aggregate Available Amount over (b) the total amount of funds, if any, then held in the L/C Account.

## ARTICLE VII

### THE AGENTS

#### SECTION 7.01. Authorization and Action. Each Lender

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 hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the

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 Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

#### SECTION 7.02. Reliance, Etc. (a) None of the

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 Administrative Agent, any Lead Managing Agent or any Arranger or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for any Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with the Loan Documents; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of any Loan Party or to inspect the property (including the books and records) of any Loan Party; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant hereto; and

(vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

(b) The Lead Managing Agents and the Arrangers, as such, shall have no duties or obligations whatsoever with respect to this Agreement, the Notes or any other document or any matter related thereto.

SECTION 7.03. Lead Managing Agents and Affiliates.  
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With respect to their respective Commitments, the Advances made by them and the Notes issued to them, each of the Lead Managing Agents shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it or its Affiliate were not the Administrative Agent, a Lead Managing Agent or an Arranger, as the case may be; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include each of the Lead Managing Agents in its individual capacity. Each of the Lead Managing Agents and its respective affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, any Loan Party, any of its Subsidiaries and any Person who may do business with or own securities of any Loan Party or any such Subsidiary, all as if such Lead Managing Agent or any of its respective Affiliates were not the Administrative Agent, a Lead Managing Agent or an Arranger, as the case may be, and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender  
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acknowledges that it has, independently and without reliance upon the Administrative Agent, the Lead Managing Agents, any Arranger or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Lead Managing Agents, any Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. Each Lender severally  
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agrees to indemnify each Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents; provided, however, that no Lender shall be liable for any portion  
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of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each Agent promptly upon

demand for its ratable share of any costs and expenses payable by the Borrower under Section 8.04, to the extent that such Agent is not promptly reimbursed for such costs and expenses by the Borrower. For purposes of this Section 7.05, the Lenders' respective Ratable Shares of any amount shall be determined, at any time, according to the sum of (a) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders, (b) their respective Ratable Shares of the aggregate Available Amount of all Letters of Credit outstanding at such time and (c) the aggregate unused portions of their Term Commitments and their respective Unused Working Capital Commitments at such time. In the event that any Defaulted Advance shall be owing by any Defaulting Lender at any time, such Lender's Commitment with respect to the Advance under which such Defaulted Advance was required to have been made shall be considered to be unused for purposes of this Section 7.05 to the extent of the amount of such Defaulted Advance. The failure of any Lender to reimburse any Agent promptly upon demand for its ratable share of any amount required to be paid by the Lenders to such Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse such Agent for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse such Agent for such other Lender's ratable share of such amount.

SECTION 7.06. Successor Administrative Agent. The

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 Administrative Agent may resign as to all of the Facilities at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States or of any State thereof and having a combined capital and surplus of at least \$250,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent as to all of the Facilities and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or that the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Pledge Agreement, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

## ARTICLE VIII

## MISCELLANEOUS

## SECTION 8.01. Amendments, Etc. No amendment or waiver

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of any provision of this Agreement or the Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment,

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waiver or consent shall, unless in writing and signed by each Lender affected thereby (other than any Lender which is, at such time, a Defaulting Lender) directly: (i) reduce the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (ii) amend this Section 8.01, (iii) extend the scheduled time of payment of any interest or commitment fee owing to such Lender, (iv) increase the aggregate amount of the Commitments of such Lender, (v) reduce the stated rate of interest borne by the Advances owing to such Lender (other than as a result of waiving the applicability of any post-default increase in interest rates), forgive all or any part of the principal amount thereof or reduce the stated rate for calculating any commitment fee or Letter of Credit fee owing to such Lender, (vi) extend the final scheduled maturity of any Advance owing to such Lender; provided

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further that no amendment, waiver or consent shall, unless in

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writing and signed by each Issuing Bank, in addition to the Lenders required above to take such action, affect the rights or obligations of the Issuing Banks under this Agreement; and provided further that no amendment, waiver or consent shall,

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unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note; and provided, further, however, that

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the Administrative Agent is hereby authorized to amend this Agreement solely to effect the transfer, pursuant to that certain Note Exchange Agreement dated as of the date hereof among the Borrower, the Administrative Agent, TM, the lenders under the TM Credit Agreement and Citibank, as administrative agent under the TM Credit Agreement, of certain Debt of TM to the Borrower and to add the lenders under the TM Credit Agreement as Term Lenders under this Agreement.

## SECTION 8.02. Notices, Etc. All notices and other

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communications provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered, if to the Borrower, at its address at 180 East Broad Street, Columbus, Ohio 43215-3799, Attention: Vice President and Treasurer; if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; if to Credit Suisse, in its capacity as an Issuing Bank, at its address at One Liberty Plaza, 165 Broadway, New York, New York 10006, Attention: Trade Services Department, with a copy to 12 East 49th Street, New York, New York 10017, Attention: Chris Horgan; and if to the Administrative Agent, at its address at 1 Court Square, 7th Floor, Long Island City, New

York 11120, Attention: John Makrinos, with a copy to 399 Park Avenue, New York, New York 10043, Attention: Michel Pendill; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, when mailed, telegraphed, telecopied, telexed or cabled, be effective when deposited in the mails, delivered to the telegraph company, transmitted by telecopier, confirmed by telex answerback or delivered to the cable company, respectively, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the

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part of any Lender, any Arranger or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. (a) The Borrower

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agrees to pay on demand (i) all reasonable and documented costs and out-of-pocket expenses of each Agent in connection with the preparation, execution, delivery and amendment of the Loan Documents (including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, telecommunications, duplication, audit, insurance, consultant, search, filing and recording fees and all other out-of-pocket expenses in an aggregate amount agreed to by the Arrangers and the Borrower and (B) the reasonable and documented fees and out-of-pocket expenses of counsel for the Lead Managing Agents and the Arrangers) with respect thereto, with respect to advising the Administrative Agent as to its rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto), (ii) all reasonable and documented costs and out-of-pocket expenses of the Administrative Agent in connection with the administration of the Loan Documents and (iii) all reasonable and documented costs and out-of-pocket expenses of the Administrative Agent and the Lenders in connection with the enforcement of the Loan Documents, whether in any action, suit or litigation, any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally or otherwise (including, without limitation, the reasonable and documented fees and out-of-pocket expenses of counsel for the Administrative Agent and each Lender with respect thereto).

(b) The Borrower agrees to indemnify and hold harmless each Agent and each Lender and each of their respective Affiliates and their respective officers, directors,

employees, agents and advisors (each, an "Indemnified Party")

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 from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable and documented fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement (including, without limitation, the Notes and any of the transactions contemplated herein or in any other Loan Document or any Related Document or the actual or proposed use of the proceeds of the Advances) whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or an Indemnified Party or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claim, damage, loss, liability or expense results from such Indemnified Party's gross negligence or willful misconduct. The Borrower also agrees not to assert any claim against any Agent or any Lender or any of their respective Affiliates or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or in any other Loan Document or any Related Document or the actual or proposed use of the proceeds of the Advances.

Each Indemnified Party agrees to notify the Borrower, promptly after obtaining actual knowledge thereof, of the assertion against it or any other Person of any claim or the commencement of any action or proceeding relating to this Agreement (including, without limitation, the Notes and any of the transactions contemplated herein or in any other Loan Document or any Related Document or the actual or proposed use of the proceeds of the Advances) which such Indemnified Party considers to be a claim, action or proceeding with respect to which it is entitled to indemnification hereunder, but failure to so notify will not relieve the Borrower from any liability under this Section 8.04(b). Each Indemnified Party will be entitled to defend any such claim, action or proceeding, and may employ or retain counsel to represent it in, and to defend, such claim, action or proceeding and the Borrower will pay the reasonable and documented fees and out-of-pocket expenses of such counsel; provided, however, that the Indemnified Parties shall, to the

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 extent practicable, choose one counsel to act on their behalf at the Borrower's expense, which counsel, at the request of the Borrower, shall also represent and defend the Borrower in such claim, action or proceeding unless an Indemnified Party reasonably determines based on an opinion of outside counsel that having common counsel would present such counsel with a conflict of interest. In the event of such determination, such Indemnified Party or Parties shall not be required to share counsel and shall be entitled to full indemnification for such counsel's fees and expenses as otherwise provided herein.

(c) If any payment of principal of, or Conversion of, or failure to Convert as a result of a withdrawn notice of Conversion, any Eurodollar Rate Advance, LIBO Rate Advance or Fixed Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.07, 2.10(b)(i) or 2.11(d), acceleration of the maturity of the

Notes pursuant to Section 6.01 or for any other reason, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount and shall also be sent upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment, including, without limitation, any loss cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.13 and 8.04 shall survive the payment in full of the principal and interest hereunder and under the Notes.

SECTION 8.05. Right of Set-Off. Upon (a) the

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 occurrence and during the continuance of any Event of Default and (b) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its branches and agencies is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender, its branches or agencies to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, irrespective of whether such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application; provided, however, that

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 the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender, its branches or agencies under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender, its branches or agencies may have.

SECTION 8.06. Binding Effect. This amendment and

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 restatement of the Existing Credit Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations. (a)

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 Each Lender (x) may assign to one or more of its Affiliates or Subsidiaries and (y) may with the prior consent of the Administrative Agent and the Borrower (such consents not to be unreasonably withheld or delayed) assign to one or more banks or other entities, all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its



Commitment, the Advances owing to it and the Note held by it); provided, however, that such assignment or any activity intended

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 to give rise to an assignment shall not be initiated prior to the receipt by the Lenders of notice from the Arrangers that the syndication of this Agreement has been completed; provided

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 further, however, that (i) each such assignment shall be of a

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 uniform, and not a varying, percentage of all such Lender's rights and obligations under and in respect of one or more of (A) the Term Facility and (B) the Working Capital Facility and the Receivables Back-Stop Facility Agreement (other than any right to make Competitive Bid Advances or Competitive Bid Advances owing to it), (ii) except in the case of an assignment to a Person that immediately prior to such assignment was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000, (iii) each such assignment shall be to a Lender, an Eligible Assignee or to an Affiliate or Subsidiary of the assignor, and (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note subject to such assignment, and a processing and recordation fee of \$3,000 for each assignment completed after the notice referred to in the first proviso of this Section 8.07 has been received. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (x) 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, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any Lien created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such

documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is a Lender, an Eligible Assignee or an Affiliate of the assignor; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender and (viii) such assignee consents to be bound by the terms of that certain Note Exchange Agreement dated as of the date hereof among the Borrower, the Administrative Agent, TM, the lenders under the TM Credit Agreement and Citibank, as administrative agent under the TM Credit Agreement.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment under each Facility of, and principal amount of the Advances owing under each Facility to, each Lender from time to time (the "Register"). The entries in the Register shall be

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conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes a new Note or Notes to the order of such assignee in an amount equal to the Commitment assumed by it under a Facility pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder under such Facility, new Notes to the order of the assigning Lender in an aggregate amount equal to the aggregate Commitments retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 or A-2 hereto, as appropriate.

(e) Each Lender may sell participations in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) such Lender's obligations

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under this Agreement (including, without limitation, its

Commitment) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of such Note for all purposes of this Agreement, (iv) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation and no sub-participant of such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would directly: reduce the stated rate of interest borne by the Advances owing to such participant (other than as a result of waiving the applicability of any post-default increase in interest rates), forgive all or any part of the principal amount thereof, reduce the stated rate for calculating any commitment fee or Letter of Credit fee owing to the Lenders or extend the final scheduled maturity of any Advance owing to such participant, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided, however, that, prior to any such disclosure, -----  
the assignee or participant or proposed assignee or participant shall have executed a confidentiality agreement substantially in the form of Exhibit F hereto and returned to same to such Lender and the Borrower.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Governing Law. This Agreement and the -----  
Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.09. Execution in Counterparts. This -----  
Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.10. Confidentiality. Each Lender has -----  
heretofore executed a confidentiality agreement in the form of Exhibit F and returned a copy thereof to the Borrower. Each Lender shall hold all non-public information obtained pursuant to this Agreement in accordance with the terms of such confidentiality agreement and in accordance with safe and sound banking practices and, subject to Section 8.07, may make disclosure reasonably requested by any bona fide transferee in connection with the contemplated transfer

of any Advances or participation therein or as required or requested by any governmental authority or pursuant to legal process; provided that each such transferee shall have previously

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signed and returned to such Lender a confidentiality agreement in the form of Exhibit F, and such Lender agrees to send to the Borrower promptly a copy of each such confidentiality agreement executed by such transferee.

SECTION 8.11. Receivables Financings Documents. The

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Lenders hereto acknowledge that the transfers of receivables and "Related Security" (as defined in the Receivables Financing Documents) from the Borrower to Borden Receivables Corp. under the Receivables Purchase Agreement dated as of December 15, 1994 between the Borrower and Borden Receivables Corp. are intended to be the true sales for valid consideration, that none of such property conveyed shall remain property of the Borrower, and that Borden Receivables Corp. is a separate corporate entity with its own creditors who would, in any liquidation of Borden Receivables Corp. or of its assets, be entitled to be satisfied out of Borden Receivables Corp.'s assets prior to any value in Borden Receivables Corp. becoming available to the Borrower, as Borden Receivables Corp.'s equity holder, or creditors of the Borrower.

SECTION 8.12. No Liability of the Issuing Banks. The

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Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither any Issuing Bank nor any of its officers or directors shall be liable or responsible for: (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the Borrower

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shall have a claim against such Issuing Bank, and the Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower that the Borrower proves were caused by (i) such Issuing Bank's willful misconduct or gross negligence in determining whether documents presented under any Letter of Credit comply with the terms of the Letter of Credit or (ii) such Issuing Bank's willful failure to make lawful payment under a Letter of Credit after the presentation to it of a draft and certificates strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 8.13. Waiver of Existing Credit Agreement.

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Each Lender who is a "Lender" (as defined in the Existing Credit Agreement) agrees to waive the provisions of Sections 5.02(a), 5.02(b) and 6.01(j) of the Existing Credit Agreement to the extent and only to the extent such provisions apply to entering into the Merger Agreement and consummating the transactions contemplated thereby and entering into the Loan Documents from the

Effective Date until the repayment of all outstanding amounts under the Existing Credit Agreement and the termination of all commitments thereunder; provided that the provisions of this

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Section 8.13 shall terminate on the earlier of (i) the termination of this Agreement or (ii) February 15, 1995.

SECTION 8.14. Waiver of Jury Trial. Each of the

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Borrower, the Agents and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to any of the Loan Documents, the Advances or the actions of any Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

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

BORDEN, INC.

By /s/  
-----  
Name:  
Title:

CITIBANK, N.A., as  
Administrative  
Agent

By /s/  
-----  
Name:  
Title:

ARRANGERS

BT SECURITIES CORPORATION,  
as Arranger

By /s/  
-----  
Name:  
Title:

CHEMICAL SECURITIES INC.,  
as Arranger

By /s/  
-----  
Name:  
Title:

CITICORP SECURITIES, INC.,  
as Arranger

By /s/  
-----  
Name:  
Title:

CREDIT SUISSE, as Arranger

By /s/  
-----  
Name:  
Title:

By /s/  
-----  
Name:  
Title:

Banks  
=====

Lead Managing Agents

Total Commitment  
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\$171,030,120.4925

BANKERS TRUST COMPANY

By /s/

-----  
Name:  
Title:

\$171,030,120.4925

CHEMICAL BANK

By /s/

-----  
Name:  
Title:

\$171,030,120.4925

CITIBANK, N.A.

By /s/

-----  
Name:  
Title:

\$171,030,120.4925

CREDIT SUISSE

By /s/

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Name:  
Title:

By /s/

-----  
Name:  
Title:

Senior Managing Agents

\$ 96,084,337.3500

NATIONAL WESTMINSTER BANK PLC,  
NEW YORK BRANCH

By /s/

-----  
Name:  
Title:

NATIONAL WESTMINSTER BANK PLC,  
NASSAU BRANCH

By /s/

-----  
Name:  
Title:

\$ 96,084,337.3500

NATIONSBANK OF NORTH  
CAROLINA, N.A.

By /s/

-----  
Name:  
Title:

\$ 96,084,337.3500

THE BANK OF NOVA SCOTIA

By /s/

-----  
Name:  
Title:



\$ 96,084,337.3500

THE CHASE MANHATTAN BANK, N.A.

By /s/  
-----  
Name:  
Title:

\$ 96,084,337.3500

CREDIT LYONNAIS NEW YORK  
BRANCH

By /s/  
-----  
Name:  
Title:

CREDIT LYONNAIS CAYMAN  
ISLAND BRANCH

By /s/  
-----  
Name:  
Title:

Managing Agents

\$ 71,742,971.8800

ABN AMRO BANK N.V.,  
NEW YORK BRANCH

By /s/  
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Name:  
Title:

By /s/  
-----  
Name:  
Title:

\$ 71,742,971.8800

CIBC INC.

By /s/

-----  
Name:  
Title:

\$ 71,742,971.8800

THE BANK OF NEW YORK

By /s/

-----  
Name:  
Title:

\$ 71,742,971.8800

THE BANK OF TOKYO TRUST  
COMPANY

By /s/

-----  
Name:  
Title:

\$ 71,742,971.8800

THE FIRST NATIONAL BANK  
OF CHICAGO

By /s/

-----  
Name:  
Title:

\$ 71,742,971.8800

THE FUJI BANK, LIMITED

By /s/

-----  
Name:  
Title:

Total Commitments: \$1,595,000,000.0000

## SCHEDULE I

## COMMITMENTS AND APPLICABLE LENDING OFFICES

Name of Bank -----	Working Capital Commitment -----	Letter of Credit Commitment -----	Term Commitment -----	Domestic Lending Office -----	Eurodollar Lending Office -----
Bankers Trust Company	128,138,554.2225		42,891,566.2700	130 Liberty Street New York, New York 10006	130 Liberty Street New York, New York 10006
Chemical Bank	128,138,554.2225		42,891,566.2700	270 Park Avenue New York, New York 10017	270 Park Avenue New York, New York 10017
Citibank, N.A.	128,138,554.2225		42,891,566.2700	399 Park Avenue New York, New York 10043	399 Park Avenue New York, New York 10043
Credit Suisse	128,138,554.2225	300,000,000.0000 until Termination Date	42,891,566.2700	12 East 49th Street New York, New York 10017	12 East 49th Street New York, New York 10017
ABN Amro Bank N.V.	53,751,004.0100		17,991,967.8700	500 Park Avenue New York, New York 10022	500 Park Avenue New York, New York 10022
CIBC Inc.	53,751,004.0100		17,991,967.8700	425 Lexington Avenue New York, New York 10017	425 Lexington Avenue New York, New York 10017
National Westminster Bank PLC	71,987,951.8100		24,096,385.5400	175 Water Street New York, New York 10038	175 Water Street New York, New York 10038
New York Branch					
Nassau Branch					

Name of Bank -----	Working Capital Commitment -----	Letter of Credit Commitment -----	Term Commitment -----	Domestic Lending Office -----	Eurodollar Lending Office -----
NationsBank of North Carolina, N.A.	71,987,951.8100		24,096,385.5400	767 5th Avenue New York, New York 10153	767 5th Avenue New York, New York 10153
The Bank of New York	53,751,004.0100		17,991,967.8700	One Wall Street, 8th Floor New York, New York 10286	One Wall Street, 8th Floor New York, New York 10286
The Bank of Nova Scotia	71,987,951.8100		24,096,385.5400	One Liberty Plaza New York, New York 10006	One Liberty Plaza New York, New York 10006
The Bank of Tokyo Trust Company	53,751,004.0100		17,991,967.8700	1251 Avenue of the Americas New York, New York 10118	1251 Avenue of the Americas New York, New York 10118
The Chase Manhattan Bank, N.A.	71,987,951.8100		24,096,385.5400	1 Chase Plaza New York, New York 10081	1 Chase Plaza New York, New York 10081
The First National Bank of Chicago	53,751,004.0100		17,991,967.8700	One First National Plaza Chicago, Illinois 60670	One First National Plaza Chicago, Illinois 60670
The Fuji Bank Limited	53,751,004.0100		17,991,967.8700	Two World Trade Center New York, New York 10048	Two World Trade Center New York, New York 10048
Credit Lyonnais New York Branch  Cayman Island Branch	71,987,951.8100		24,096,385.5400	1301 Avenue of the Americas New York, New York 10019	1301 Avenue of the Americas New York, New York 10019

EXHIBIT A-1  
FORM OF TERM NOTE

\$ \_\_\_\_\_ Dated: \_\_\_\_\_, 1994

FOR VALUE RECEIVED, the undersigned, BORDEN, INC., a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY

to the order of \_\_\_\_\_ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Term Advance (as defined below) owing to the Lender by the Borrower pursuant to the Credit Agreement (as defined below) on December 31, 1999.

The Borrower promises to pay interest on the unpaid principal amount of each Term Advance from the date of such Term Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Administrative Agent, at 399 Park Avenue, New York, New York 10043, in same day funds. Each Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")

among the Borrower, the Lender and certain other lenders parties thereto, BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as Administrative Agent for the Lender and such other lenders. The Credit Agreement, among other things, (i) provides for the making of advances (the "Term Advances") by

the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from such Term Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

BORDEN, INC.

By \_\_\_\_\_

Title:

## TERM ADVANCE AND PAYMENTS OF PRINCIPAL

Date	Amount of Term Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
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EXHIBIT A-2  
FORM OF WORKING CAPITAL NOTE

\$ \_\_\_\_\_ Dated: \_\_\_\_\_, 1994

FOR VALUE RECEIVED, the undersigned, BORDEN, INC., a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY  
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to the order of \_\_\_\_\_ (the "Lender") for the  
-----  
account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Working Capital Advances (as defined below) owing to the Lender by the Borrower pursuant to the Credit Agreement (as defined below) on December 31, 1999.

The Borrower promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Administrative Agent, at 399 Park Avenue, New York, New York 10043, in same day funds. Each Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement")  
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among the Borrower, the Lender and certain other lenders parties thereto, BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as Administrative Agent for the Lender and such other lenders. The Credit Agreement, among other things, (i) provides for the making of advances (the "Working Capital  
-----  
Advances") by the Lender to the Borrower from time to time in an  
-----  
aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each Working Capital Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

BORDEN, INC.

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

## WORKING CAPITAL ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Working Capital Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
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EXHIBIT A-3  
FORM OF COMPETITIVE BID NOTE

U.S.\$ \_\_\_\_\_  
Dated: \_\_\_\_\_, 19  
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FOR VALUE RECEIVED, the undersigned, BORDEN, INC., a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY

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to the order of Citibank, N.A., as Administrative Agent (as defined in the Credit Agreement dated as of December 15, 1994 among the Borrower, certain Lenders parties thereto, BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as Administrative Agent for said Lenders (as amended or modified from time to time, the "Credit Agreement"; the terms

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defined therein being used herein as therein defined)) for the account of each Lender that now or hereafter makes a Competitive Bid Advance the principal amount set forth above or, if less, the aggregate principal amount of all Competitive Bid Advances made by the Lenders to the Borrower pursuant to the Credit Agreement, and such principal amount shall become due on the maturity date specified for such principal amount in the Competitive Bid Register and the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable at such times as are specified from time to time in the Competitive Bid Register and the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Administrative Agent, at 399 Park Avenue, New York, New York, New York 10043 in same day funds. Each Competitive Bid Advance owing to a Lender by the Borrower pursuant to the Credit Agreement and the applicable Notice of Competitive Bid Borrowing, and all payments made on account of principal thereof, shall be recorded by the Administrative Agent and, prior to any transfer hereof, endorsed on the grid attached hereto which is a part of this Promissory Note.

This Promissory Note is the Competitive Bid Note referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Competitive Bid Advances by the Lenders to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Competitive Bid Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

A-3-2

BORDEN, INC.

By

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Title:

## ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Lender	Amount of Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
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## EXHIBIT B-1

## FORM OF NOTICE OF BORROWING

Citibank, N.A., as Administrative Agent  
 for the Lenders parties  
 to the Credit Agreement  
 referred to below  
 399 Park Avenue  
 New York, New York 10043

[Date]

Attention: \_\_\_\_\_

Ladies and Gentlemen:

The undersigned, Borden, Inc., refers to the Credit Agreement, dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit

Agreement", the terms defined therein being used herein as

therein defined), among the undersigned, certain Lenders parties thereto, BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the

Credit Agreement:

(i) The Business Day of the Proposed Borrowing is \_\_\_\_\_, 199\_.

(ii) The Facility under which the Proposed Borrowing is requested is the \_\_\_\_\_ Facility.

(iii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iv) The aggregate amount of the Proposed Borrowing is \$\_\_\_\_\_.

[(v) The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Borrowing is \_\_\_\_\_ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

B-1-2

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct in all respects, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

BORDEN, INC.

By

-----  
Title:

EXHIBIT B-2  
FORM OF NOTICE OF COMPETITIVE BID BORROWING

Citibank, N.A., as Administrative Agent  
for the Lenders parties  
to the Credit Agreement  
referred to below  
399 Park Avenue  
New York, New York 10043  
[Date]

Attention: -----

Ladies and Gentlemen:

The undersigned, Borden, Inc., refers to the Credit Agreement, dated as of December 15, 1994 (as amended or modified from time to time, the "Credit Agreement", the terms defined

-----  
therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers and Citibank, N.A., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be made:  
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- (A) Date of Competitive Bid Borrowing \_\_\_\_\_
- (B) Amount of Competitive Bid Borrowing \_\_\_\_\_
- (C) Maturity Date \_\_\_\_\_
- (D) Interest Rate Basis \_\_\_\_\_
- (E) Interest Payment Date(s) \_\_\_\_\_
- (F) \_\_\_\_\_
- (G) \_\_\_\_\_
- (H) \_\_\_\_\_

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Competitive Bid Borrowing:

(a) the representations and warranties contained in Section 4.01 are correct in all material respects, before and after giving effect to the Proposed Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

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(b) no event has occurred and is continuing, or would result from the Proposed Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

Very truly yours,

BORDEN, INC.

By

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Title:

## EXHIBIT C

## FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Borden, Inc., a  
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 New Jersey corporation (the "Borrower"), the Lenders (as defined  
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 in the Credit Agreement), BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as administrative agent for the Lenders (the "Administrative Agent"). Terms defined in the  
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 Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule 1 agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, without recourse, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances) equal to the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement Facility or Facilities specified on Schedule 1 (other than in respect of Competitive Bid Advances). After giving effect to such sale and assignment, the Assignee's Commitments and the amount of the Advances owing to the Assignee will be as set forth on Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any Lien created or purported to be created under or in connection with, the Loan Documents or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Loan Documents or any other instrument or document furnished pursuant thereto; and (iv) attaches the Note held by the Assignor and requests that the Administrative Agent exchange such Note for a new Note payable to the order of the Assignee in an amount equal to the Commitment assumed by the Assignee pursuant hereto, or new Note payable to the order of the Assignee in an amount equal to the Commitment assumed by the Assignee pursuant hereto and the Assignor in an amount equal to the Commitment retained by the Assignor under the Credit Agreement, respectively, as specified on Schedule 1.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own



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credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Arrangers, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee, a Lender or an Affiliate of the Assignor; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; (vi) consents to be bound by the terms of that certain Note Exchange Agreement dated as of December 15, 1994 among the Borrower, the Administrative Agent, TM, the lenders under the TM Credit Agreement and Citibank, as administrative agent under the TM Credit Agreement; and (vii) attaches any U.S. Internal Revenue Service forms required under Section 2.13 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this

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Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

SCHEDULE 1  
to  
ASSIGNMENT AND ACCEPTANCE

As to each Facility in respect of which an interest is being assigned:

Assignee's Commitment:	\$ _____
Aggregate outstanding principal amount of Advances assigned:	\$ _____
Principal amount of Note payable to Assignee:	\$ _____
Principal amount of Note payable to Assignor:	\$ _____
Effective Date (if other than date of acceptance by Administrative Agent):	
* _____, 199_	

Assignor [NAME OF ASSIGNOR], as

By \_\_\_\_\_

Title:

Dated: \_\_\_\_\_, 199\_

Assignee [NAME OF ASSIGNEE], as

By \_\_\_\_\_

Title:

Domestic Lending Office:

Eurodollar Lending Office:

Accepted this \_\_\_\_\_ day  
of \_\_\_\_\_, 199\_

CITIBANK, N.A., as  
Administrative Agent

By \_\_\_\_\_

Title:

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\* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Administrative Agent.

EXHIBIT E

FORM OF PLEDGE AGREEMENT

Dated as of December 15, 1994

From

BORDEN, INC.,

as Pledgor, and

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BDS ONE, INC.

BDS TWO, INC.

BDS FOUR, INC.,

as Subsidiary Pledgors

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to

CITIBANK, N.A.,

as Administrative Agent

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T A B L E   O F   C O N T E N T S  
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This PLEDGE AGREEMENT (this "Agreement"), dated as  
of December 15, 1994, made by and among Borden, Inc., a New  
Jersey corporation (the "Pledgor") and the undersigned  
Subsidiaries of the Pledgor (each a "Subsidiary Pledgor" and  
collectively, the "Subsidiary Pledgors"), and Citibank, N.A., as  
collateral agent for and representative of (in such capacity  
herein called the "Administrative Agent") the financial  
institutions (the "Lenders") party to the Credit Agreement (as  
hereinafter defined).

#### PRELIMINARY STATEMENTS

(1) The Pledgor is the legal and beneficial owner  
of the shares of stock (the "Pledged Shares") described in  
Schedule I annexed hereto and issued by the corporations named  
therein, which Pledged Shares constitute the percentage of all of  
the issued and outstanding shares of capital stock of such  
companies identified on said Schedule I and of the indebtedness  
(the "Pledged Debt") described from time to time on a schedule  
hereafter delivered to the Administrative Agent in accordance  
with the terms of the Credit Agreement at the time of receipt by  
the Pledgor of non-cash proceeds from sales of assets permitted  
by the Credit Agreement.

(2) The Subsidiary Pledgors are the legal and  
beneficial owners of the Partnership Interests (the "Pledged  
Interests") described opposite the name of such Subsidiary  
Pledgor on Schedule II hereto and issued by the partnership named  
therein.

(3) The Pledgor and the Lenders have entered into  
a Credit Agreement dated as of even date herewith (said Credit  
Agreement, as it may hereafter be amended, supplemented or  
otherwise modified from time to time, being the "Credit  
Agreement", the terms defined therein and not otherwise defined  
herein being used herein as therein defined), among the Pledgor,  
Citibank, as Administrative Agent, BT Securities, Chemical  
Securities, Citicorp Securities, Inc. and Credit Suisse, as  
Arrangers and BT, Chemical, Citibank and Credit Suisse, as Lead  
Managing Agents and the Lenders, pursuant to which the Lenders  
have made certain commitments, subject to the terms and  
conditions set forth in the Credit Agreement, to extend certain  
credit facilities to the Pledgor.

(4) It is a condition precedent to the  
effectiveness of the Credit Agreement that the Pledgor and each  
Subsidiary Pledgor shall have granted the assignment and security  
interest and made the pledge contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and  
in order to induce the Lenders to make Advances under the Credit  
Agreement, the Pledgor and each Subsidiary Pledgor hereby agrees  
with the Administrative Agent for its benefit and the ratable  
benefit of the Lenders as follows:

#### SECTION 1. Grant of Security. The Pledgor and each

Subsidiary Pledgor hereby transfers, assigns and pledges to the  
Administrative Agent for its benefit and the ratable benefit of  
the Lenders, and hereby grants to the Administrative Agent for  
its benefit and the ratable benefit of the Lenders a security  
interest in, the following, whether now owned or existing or  
hereafter acquired or existing (collectively, the "Collateral"):

(a) the Pledged Shares and the certificates  
representing the Pledged Shares and any interest of the  
Pledgor in the entries on the books of any financial  
intermediary pertaining to the Pledged Shares, and all  
dividends, cash, warrants, rights, instruments and  
other property or proceeds from time to time received,  
receivable or otherwise distributed in respect of or in  
exchange for any or all of the Pledged Shares;

(b) the Pledged Interests and the certificates, if any, representing such Pledged Interests, and all distributions, cash, instruments and other property and assets from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests;

(c) the Pledged Debt and the instruments evidencing the Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Debt;

(d) all additional Partnership Interests (whether as a general partner, limited partner or otherwise) from time to time acquired by any Subsidiary Pledgor in any manner and the certificates, if any, representing such additional Partnership Interests, and all distributions, cash, instruments, and other property and assets from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Partnership Interests; and

(e) to the extent not covered by clauses (a) through (d) above, all proceeds of any or all of the foregoing Collateral. For purposes of this Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, proceeds of any indemnity or guaranty payable to the Pledgor or any Subsidiary Pledgor or the Administrative Agent from time to time with respect to any of the Collateral.

#### SECTION 2. Security for Obligations. This Agreement

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 secures the payment of all obligations of the Pledgor and each Subsidiary Pledgor now or hereafter existing under the Loan Documents, whether for principal, interest, fees, expenses, indemnities or otherwise (all such obligations being the "Secured Obligations"). Without limiting the generality of the foregoing,

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 this Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by the Pledgor and the Subsidiary Pledgors to the Administrative Agent or the Lenders under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Pledgor or any Subsidiary Pledgor.

#### SECTION 3. Pledgor and Subsidiary Pledgors Remain

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 Liable. Anything herein to the contrary notwithstanding, (a) the

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 Pledgor and each Subsidiary Pledgor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent of any of the rights hereunder shall not release the Pledgor or any Subsidiary Pledgor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) neither the Administrative Agent nor any Lender shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Administrative Agent or any Lender be obligated to perform any of the obligations or duties of the Pledgor or any Subsidiary Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

#### SECTION 4. Delivery of the Collateral. All

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 certificates or instruments, if any, representing or evidencing the Collateral shall be delivered to and held by or on behalf of the Administrative Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in

blank, all in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent shall have the right, at any time after the occurrence and during the continuance of an Event of Default and without notice to the Pledgor, to transfer to or to register in the name of the Administrative Agent or any of its nominees any or all of the Pledged Shares. In addition, the Administrative Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Shares for certificates or instruments of smaller or larger denominations.

SECTION 5. Representations and Warranties. The  
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Pledgor and each Subsidiary Pledgor represents and warrants as follows:

(a) The chief place of business and chief executive office of such Subsidiary Pledgor and the office where such Subsidiary Pledgor keeps its records concerning the Collateral will be located at all times at the address specified on the signature pages hereto with respect to such Subsidiary Pledgor or at another address specified in a notice delivered in accordance with Section 7.

(b) The Pledgor and such Subsidiary Pledgor is the legal and beneficial owner of the Collateral pledged or assigned by the Pledgor or such Subsidiary Pledgor hereunder free and clear of any Lien, except for the lien and security interest created by this Agreement or liens permitted under Section 9 hereof.

(c) As of the date of this Agreement, the Pledged Shares have been duly authorized and validly issued and are fully paid and non-assessable. The Pledged Interests are validly outstanding. As of the date of this Agreement, the Pledged Shares constitute the percentage of issued and outstanding shares of stock of each issuer thereof as identified in Schedule I hereto, and the Pledged Interests constitute the percentage of outstanding partnership interests in the issuer thereof as identified in Schedule II hereto.

(d) This Agreement and the pledge of the Collateral pursuant hereto create a valid and perfected first priority security interest in the Collateral, securing the payment of the Secured Obligations.

(e) The Pledgor or such Subsidiary Pledgor has full power, authority and legal right to pledge all the Collateral pledged by the Pledgor or such Subsidiary Pledgor pursuant to this Agreement.

(f) The pledge of such Pledged Shares pursuant to this Agreement does not violate Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

SECTION 6. Further Assurances. The Pledgor and each  
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Subsidiary Pledgor agrees that at any time and from time to time, at the expense of the Pledgor and such Subsidiary Pledgor, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Administrative Agent may reasonably request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.



## SECTION 7. Place of Perfection; Records. Each

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 Subsidiary Pledgor shall keep its respective chief place of business and chief executive office and the office where it keeps its records concerning the Collateral at the location therefor specified in Section 5(a) or, upon not less than 30 days' prior written notice to the Administrative Agent, at such other locations in a jurisdiction where all actions required by Section 6 shall have been taken with respect to the Collateral.

## SECTION 8. Voting Rights; Dividends and

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 Distributions; Etc. (a) So long as no Event of Default shall  
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 have occurred and be continuing:

(i) The Pledgor and each Subsidiary Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the other Loan Documents.

(ii) The Administrative Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor and each Subsidiary Pledgor all such proxies and other instruments as the Pledgor or such Subsidiary Pledgor may reasonably request for the purpose of enabling the Pledgor or such Subsidiary Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to paragraph (c) below, the Pledgor and each Subsidiary Pledgor shall be entitled to receive and retain and to utilize free and clear of the lien of this Agreement, any and all dividends, distributions and interest paid in respect of the Collateral, provided, however, that any and all

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 dividends and other distributions in equity securities shall be, and shall be forthwith delivered to the Administrative Agent to hold as, Collateral and shall, if received by the Pledgor or any Subsidiary Pledgor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of the Pledgor or such Subsidiary Pledgor and be forthwith delivered to the Administrative Agent as Collateral in the same form as so received (with any necessary indorsement).

(c) Upon written notice to the Pledgor and each Subsidiary Pledgor by the Administrative Agent following the occurrence and during the continuance of an Event of Default,

(i) all rights of the Pledgor or such Subsidiary Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 8(a)(i) shall cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default;

(ii) all rights of the Pledgor or such Subsidiary Pledgor to receive the dividends, distributions, principal and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 8(b) shall cease, and all such rights shall thereupon become vested in the Administrative Agent who shall thereupon have the sole right to receive and hold as Collateral such dividends and interest payments during the continuance of such Event of Default;

(iii) all dividends, principal and interest payments which are received by the Pledgor or Subsidiary Pledgor contrary to the provisions of Section 8(b) shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of the Pledgor or such Subsidiary Pledgor and shall forthwith be paid over to the Administrative Agent as Collateral in the same form as so received (with any necessary indorsements); and

(iv) in order to permit the Administrative Agent to receive all dividends and other distributions to which it may be entitled under Section 8(b) above, to exercise the voting and other consensual rights which it may be entitled to exercise pursuant to Section 8(c)(i) above, and to receive all dividends, distributions, principal and interest payments and other distributions which it may be entitled to receive under Section 8(c)(ii) above, the Pledgor or such Subsidiary Pledgor shall, if necessary, upon written notice from the Administrative Agent, from time to time execute and deliver to the Administrative Agent appropriate proxies, dividend payment orders and other instruments as the Administrative Agent may reasonably request.

#### SECTION 9. Transfers and Other Liens; Additional

Collateral; Etc. The Pledgor and each Subsidiary Pledgor shall:

(a) not, except as permitted by the Credit Agreement, (i) sell or otherwise dispose of, or grant any option or warrant with respect to, any of the Collateral or (ii) create or suffer to exist any consensual Lien upon or with respect to any of the Collateral, except for the lien and security interest under this Agreement; provided that in the event the

Pledgor sells assets or monetizes RN Stock or any other Collateral permitted by the Credit Agreement and such assets are or include Collateral, the Administrative Agent shall release such Collateral to the Pledgor or Subsidiary Pledgor, as appropriate, free and clear of the lien and security interest under this Agreement concurrently with (i) the consummation of such sale and (ii) so long as this Agreement is in effect, arrangements reasonably satisfactory to the Administrative Agent being made for delivery to the Administrative Agent of the proceeds of such sale or monetization to which the Lenders are entitled under the Credit Agreement; and

(b) (i) cause each issuer of Pledged Shares (other than RJR Nabisco Holdings Corp.) not to issue any stock or other securities in addition to or in substitution for the Pledged Shares issued by such issuer, except to the Pledgor (or to employees in connection with a compensation plan or as otherwise permitted by the Credit Agreement), and (ii) pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional shares of stock or other securities of each such issuer (other than those issuers organized outside of the United States (with respect to which the Pledgor shall pledge 65 percent of such shares, in the case of issuers organized under the laws of Colombia, Denmark, or Panama within 6 months of such acquisition, and, in the case of all other such issuers within 60 days of such acquisition) and RJR Nabisco Holdings Corp.) of Pledged Shares.

#### SECTION 10. Administrative Agent Appointed

Attorney-in-Fact. The Pledgor and each Subsidiary Pledgor hereby

irrevocably appoints the Administrative Agent as the Pledgor and such Subsidiary Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor or such Subsidiary Pledgor and in the name of the Pledgor or such Subsidiary Pledgor or otherwise to take any action and to execute any instrument, in each

case after the occurrence and during the continuance of an Event of Default, that the Administrative Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, (i) to receive, indorse and collect all instruments made payable to the Pledgor representing any dividend, interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same, (ii) to exercise all partnership rights, powers and privileges to the same extent as each Subsidiary Pledgor, as a partner of the issuer of the Pledged Interests, is entitled to exercise such rights, powers and privileges and (iii) to cause the Pledged Interests to be sold in accordance with Section 12, to cause each purchaser of all or part of any Pledged Interest to be admitted as a new partner of the issuer of such Pledged Interest, to cause such Subsidiary Pledgor to withdraw as a partner of the issuer of such Pledged Interest to the extent such Pledged Interest is sold and, if appropriate, to cause one or more restated certificates of limited partnership to be filed with respect to the issuer of such Pledged Interest.

SECTION 11. The Administrative Agent's Duties. The

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 powers conferred on the Administrative Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Shares, whether or not the Administrative Agent or any Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property.

SECTION 12. Remedies. If any Event of Default shall

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 have occurred and be continuing:

(a) The Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "N.Y.

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 Uniform Commercial Code") (whether or not the N.Y.

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 Uniform Commercial Code applies to the affected Collateral) and also may without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, at such price or prices and upon such other terms as are commercially reasonable irrespective of the impact of any such sales on the market price of the Collateral. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Pledgor or any Subsidiary Pledgor, and the Pledgor and each Subsidiary Pledgor hereby waive (to the extent permitted by law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Pledgor and each Subsidiary Pledgor agree that, to the extent notice of sale shall be required by law, at least ten days' notice to the Pledgor or such Subsidiary Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale

having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, the Pledgor and each Subsidiary Pledgor hereby waive any claim against the Administrative Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) All cash proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Administrative Agent, be held by the Administrative Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Administrative Agent pursuant to Section 8.04 of the Credit Agreement) in whole or in part by the Administrative Agent for the ratable benefit of the Lenders against, all or any part of the Secured Obligations in such order as the Administrative Agent shall elect. Any surplus of such cash or cash proceeds held by the Administrative Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the Pledgor or the Subsidiary Pledgors or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Administrative Agent may exercise any and all rights and remedies of the Pledgor or each Subsidiary Pledgor in respect of the Collateral.

(d) All payments received by the Pledgor or each Subsidiary Pledgor after the occurrence and during the continuance of an Event of Default in respect of the Collateral shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of the Pledgor or such Subsidiary Pledgor and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary indorsement).

(e) The Administrative Agent may not exercise any rights and remedies hereunder in respect of the Pledged Interests prior to the redemption of the LP Interest (as defined in the TMI Associates Limited Partnership Agreement). This Section 12(e) is intended to benefit TM as third party beneficiary and may not be modified or amended without the consent of TM.

(f) The Administrative Agent may not exercise any rights or remedies relating to the stock of BCP Management, Inc. without the prior written consent of the beneficiaries of any commitment by the Borrower or any of its Subsidiaries (however evidenced) in effect on the date hereof (or any extension entered into in connection with an extension or replacement of existing agreements) to retain a beneficial ownership interest in Borden Chemicals and Plastics Limited Partnership or Borden Chemicals and Plastics Operating Limited Partnership.

SECTION 13. Amendments; Waivers; Etc. No amendment

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or waiver of any provision of this Agreement, and no consent to any departure by the Pledgor or any Subsidiary Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No

failure on the part of the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 14. Addresses for Notices. All notices and

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 other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and, mailed, telegraphed, telecopied, telexed, cabled or delivered to the Pledgor, a Subsidiary Pledgor or to the Administrative Agent, as the case may be, in the case of the Pledgor and each Subsidiary Pledgor, addressed to it at its address specified on the signature pages hereto and, in the case of the Administrative Agent, 1 Court Square, 7th Floor, Long Island City, New York, New York 11120, Attention: John Makrinos, with a copy to 399 Park Avenue, New York, New York 10043, Attention: Michel Pendill, or, as to either party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, telecopied, telegraphed, telexed or cabled, respectively, be effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answerback or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 15. Continuing Security Interest;

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 Assignments Under the Credit Agreement. This Agreement shall

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 create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the earlier of the payment in full in cash of the Secured Obligations and the termination of the pledge, assignment and security interest granted hereby pursuant to Section 16, (b) be binding upon the Pledgor and each Subsidiary Pledgor, its successors and assigns and (c) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent, the Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c) and subject to the provisions of Section 8.07 of the Credit Agreement, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including, without limitation, all or any portion of its Commitment, the Advances owing to it and the Note or Notes held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, in each case as provided in Section 8.07 of the Credit Agreement.

SECTION 16. Termination. Upon the latest of (x) one

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 year from the date of the initial Borrowing, (y) the date that the Pledgor's Public Debt Rating is an Investment Grade Rating and (z) the date that the Pledgor shall have received the Prepayment Target including the issuance of at least \$300,000,000 of additional equity or monetization of RN Stock contributed to the Borrower, the pledge, assignment and security interest granted hereby shall automatically terminate and all rights to the Collateral shall revert to the Pledgor or the Subsidiary Pledgors. It is acknowledged and agreed that Collateral may be sold from time to time to the extent permitted by the Credit Agreement; provided that arrangements reasonably satisfactory to

-----  
 the Administrative Agent have been made for both (i) the making of any mandatory payments owing and (ii) the pledge of any additional collateral required pursuant to the Credit Agreement as a result thereof. Upon any such termination or sale referred to in this Section 16, the Administrative Agent will, at the Pledgor or such Subsidiary Pledgor's expense, execute and deliver to the Pledgor or such Subsidiary Pledgor such documents as the Pledgor or such Subsidiary Pledgor shall reasonably request to evidence such termination.

## SECTION 17. Security Interest Absolute. All rights

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of the Administrative Agent and the pledge, assignment and security interest hereunder, and all obligations of the Pledgor and the Subsidiary Pledgors hereunder, shall be absolute and unconditional, irrespective of:

- (a) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in other term of, all or any of the Secured Obligations or any other amendment or waiver of or any consent to any departure from any Loan Document;
- (c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations; or
- (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Pledgor or any Subsidiary Pledgor.

## SECTION 18. Amendments, Etc. of Certain Agreements.

-----  
None of the Pledgor or any Subsidiary Pledgor shall cancel or terminate any contract or agreement for the licensing of trademarks, service marks, tradenames and rights with respect thereto (each a "Material Contract"), or consent to any

-----  
cancellation or termination thereof, amend or otherwise modify any Material Contract or give any consent, waiver or approval thereunder, waive any default under or breach of any Material Contract, agree to any other amendment, modification or change of any term or condition of any Material Contract, or permit any of its Subsidiaries (the capital stock of which is pledged pursuant to this Agreement) to do any of the foregoing, except for any cancellation, termination, consent, acceptance, amendment, modification, waiver, approval, agreement or other action that would not be likely to have a Material Adverse Effect. Notwithstanding the foregoing, the Pledgor and its Subsidiaries may take any action referred to in the preceding sentence not otherwise prohibited by any of the terms of the Loan Documents if the management of the Pledgor determines in good faith that such action is in the best interest of the Pledgor and its Subsidiaries taken as a whole so long as such determination is not made for the purpose of denying or limiting any of the benefits intended to be conferred to or for the benefit of the Lenders under this Agreement. Furthermore, this Section shall not limit any rights to effect transfers permitted by Sections 5.02(c), (d) or (e)(i) of the Credit Agreement.

## SECTION 19. Governing Law; Terms; Joint and Several

-----  
Obligations. This Agreement shall be governed by and construed

-----  
in accordance with the laws of the State of New York. Unless otherwise defined herein or in the Credit Agreement, terms used in Article 9 of the N.Y. Uniform Commercial Code are used herein as therein defined. All obligations of the Pledgor and the Subsidiary Pledgors hereunder shall be joint and several.

## SECTION 20. Execution in Counterparts. This

-----  
Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Pledgor and each Subsidiary Pledgor have caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

BORDEN, INC., as Pledgor

By -----

Title:

180 East Broad Street  
Columbus, Ohio 43215  
Telecopy No.: (614) 225-4930

BDS ONE, INC., as a Subsidiary Pledgor

By -----

Title:

One Little Falls Centre  
Suite 202  
2711 Centerville Road  
Wilmington, Delaware 19808  
Telecopy No.: (302) 633-7808

BDS TWO, INC., as a Subsidiary Pledgor

By -----

Title:

One Little Falls Centre  
Suite 202  
2711 Centerville Road  
Wilmington, Delaware 19808  
Telecopy No.: (302) 633-7808

BDS FOUR, INC., as a Subsidiary Pledgor

By -----

Title:

One Little Falls Centre  
Suite 202  
2711 Centerville Road

E-11

Wilmington, Delaware 19808  
Telecopy No.: (302) 633-7808



SCHEDULE I  
PLEDGED SHARES

Issuer -----	Class of Stock/ Par Value -----	Stock Certificate No(s) -----	Number of Shares -----	Percentage of Outstanding Shares -----
BDS Two, Inc.	Common	1	100	100
BDH Two, Inc.	Common	1	100	100
BDS Four, Inc.	Common	1	100	100
BDS Five, Inc.	Common	1	100	100
Borden Receivables Corp.	Common	1	1,000	100
BCP Management, Inc.	Common	1	100	100
Wilhelm Weber, GmbH (Germany)				
Compania Colombiana de Alimentos Lacteos, S.A. (Colombia)				
The Borden Company, A/S (Denmark)				
Borden France, S.A. (France)				
Borden (Nederland) B.V. (Netherlands)				
The Borden Company Limited (Canada)				
Cia. Internacional De Ventas, S.A. (Panama)				
RJR Nabisco Holdings Corp.				

## SCHEDULE II

## PARTNERSHIP INTERESTS

Issuer of Partnership Interest -----	Owner of Partnership  Interest -----	Type of Partnership  Interest -----	Percentage of Outstanding Partnership  Interests -----
T.M.I. Associates, L.P.	BDS One, Inc.	general	32.54%
T.M.I. Associates, L.P.	BDS Two, Inc.	general	44.72%
T.M.I. Associates, L.P.	BDS Four, Inc.	general and managing general	.02%

Exhibit F  
CONFIDENTIALITY AGREEMENT

Memorandum To:           Prospective Lenders  
Date:                       July 1994  
Subject:                    Confidentiality Agreement for Borden, Inc.

In connection with your possible interest in becoming a Lender in the \$1,400,000,000 loan facilities (collectively, the "Credit Facility") for Borden, Inc. ("Borden") and its affiliates, you will be  
-----  
receiving certain information which is non-public, confidential or proprietary. Such information concerning Borden and the T.M. Investors Limited Partnership ("TM Investors") including the structure of  
-----  
the transaction in which TM Investors is involved or any of Borden's or TM Investors' respective affiliates (Borden, TM Investors, and such affiliates being collectively referred to as the "Companies")  
-----  
furnished to you by Citibank N.A., Citicorp Securities, Inc. or their affiliates ("Citicorp") or Credit Suisse or its affiliates ("Credit Suisse"), or otherwise by or on behalf of the Companies (at any time  
-----  
on, before or after the date of this Confidentiality Agreement), together with analyses, compilations, studies or other documents prepared by you or by your agents, representatives (including attorneys, accountants and financial advisors) or employees which contain or otherwise reflect such information or your review of, or interest in, the Companies, and including the structure of the TM Investors transaction and any information otherwise concerning the Credit Facility, is hereinafter referred to as the "Information." In consideration of your receipt of the Information, you agree that:

- i. The information shall be kept confidential and shall not, without the prior written consent of Citicorp, Credit Suisse and Borden, be reproduced or disclosed by you or by your affiliates, agents, representatives or employees in any manner whatsoever, in whole or in part, and shall not be used by you, your affiliates, agents, representatives or employees, other than in connection with evaluating whether you wish to become a Lender in the Credit Facility. Moreover, you agree to reveal Information only to your affiliates, agents, representatives and employees who need to know the Information for the purpose of evaluating whether you wish to become a Lender in the Credit Facility, who are informed by you of the confidential nature of the Information and who agree to be bound by the terms and conditions of this Confidentiality Agreement. You agree to take all reasonable measures to restrain your affiliates, agents, representatives and employees from unauthorized disclosure or use of the Information.
- ii. Without Citicorp's, Credit Suisse's and Borden's prior written consent, except as required by law, you and your affiliates, agents, representatives and employees shall not disclose to any person or entity (including, specifically, any representative of the press or media) the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible transaction involving the Credit Facility, any of the terms, conditions or other facts with respect to any such possible transaction (including the status thereof), or that the transaction has been, or is about to be, consummated.
- iii. This Confidentiality Agreement shall be inoperative as to such portions of the Information (or such of the facts referred to in the preceding paragraph) that (i) are or become generally available to the public on a non-confidential basis through no fault of or action by you or your affiliates, agents, representatives or employees so long as you have determined in good faith such portions became generally available from a source (an "Unrestricted Source") not prohibited  
-----  
from disclosing such portions by a contractual, legal or fiduciary obligation to Citicorp, Credit Suisse or any of the Companies, (ii) become available to you on a non-confidential basis from a source other than Citicorp, Credit Suisse, their respective affiliates or any of the Companies or their representatives or agents, which source is an Unrestricted Source or (iii) was heretofore independently developed or compiled by you, as evidenced by your records, without the use of the Information.
- iv. If and to the extent that you or anyone to whom you transmit the Information pursuant to this Confidentiality Agreement (i) become legally compelled to disclose any of the Information or the existence of the transaction pursuant to a subpoena or other court process or (ii) is requested or required to provide any of the Information or acknowledge the existence of the Information by an applicable regulatory agency in connection with an examination of your financial institution by examiners or by your independent auditors, you shall use your best efforts to provide Citicorp, Credit Suisse and Borden

with notice of such event promptly upon your obtaining knowledge thereof so that any one or more of Citicorp, Credit Suisse and Borden may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If and to the extent that such protective order or other remedy is not obtained, or that Citicorp, Credit Suisse and Borden waive compliance with the provisions of this Confidentiality Agreement with respect to all or any portion of the information so sought, you shall disclose such Information in a manner reasonably designed to preserve its confidential nature.

This Agreement shall be governed by and construed under the laws of the State of New York, without reference to conflicts of laws principles.

If you are prepared to accept the Information on this basis, please sign and return to Citicorp the enclosed copy of this Confidentiality Agreement. In the event that you decide not to provide financing for the Credit Facility, referenced above, you shall, within two business days of that decision, and no later than the date by which Lenders' commitments are due for the Credit Facility, redeliver to Citicorp the Information, including the material that was furnished to you by or on behalf of any of the Companies in connection with the Credit Facility, and represent to Citicorp, Credit Suisse and Borden that you have returned all copies of such material. All of your obligations hereunder and all of our rights and remedies hereunder shall survive any return or destruction of the Information.

Very truly yours,

CITICORP SECURITIES, INC.

CREDIT SUISSE

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

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

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

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

ACCEPTED:  
\_\_\_\_\_  
(Name of Lender)

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

\_\_\_\_\_, 1994

F-3

## EXHIBIT A

## FORM OF CONSENT AND AGREEMENT

The undersigned hereby acknowledges notice of, and consents to the terms and provisions of, the Pledge Agreement dated as of December 15, 1994 (the "Pledge Agreement", the terms

-----  
 defined therein being used herein as therein defined) from Borden, Inc., a New Jersey corporation and the undersigned Subsidiaries of the Pledgor (each a "Subsidiary Pledgor" and collectively, the "Subsidiary Pledgors") to Citibank, N.A., as collateral agent for and representative of (the "Administrative Agent") the Lenders referred to therein, and hereby agrees with

-----  
 the Administrative Agent that the Administrative Agent shall be entitled to exercise any and all rights and remedies of the Subsidiary Pledgors in accordance with the terms of the Pledge Agreement, and the undersigned shall comply in all respects with such exercise.

This Consent and Agreement shall be binding upon the undersigned and its successors and assigns, and shall inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent, the Lenders and their successors, transferees and assigns. This Consent and Agreement shall be governed by and construed in accordance with the laws of the State of New York

IN WITNESS WHEREOF, the undersigned has duly executed this Consent and Agreement as of the date set opposite its name below.

Dated: December 15, 1994

T.M. INVESTORS LIMITED  
 PARTNERSHIP

By: Pawling Partners, Inc., as  
 General Partner

By:

-----  
 Name:  
 Title:

[EXECUTION COPY]

SECOND AMENDED AND RESTATED  
CREDIT AGREEMENT

Dated as of December 15, 1994

Among

T.M. INVESTORS LIMITED PARTNERSHIP

as Borrower,  
-- -----

and

THE BANKS NAMED HEREIN

as Banks,  
-- -----

CITIBANK, N.A.

as Administrative Agent,  
-- -----

BANKERS TRUST COMPANY  
CHEMICAL BANK  
CITIBANK, N.A.  
CREDIT SUISSE

as Lead Managing Agents  
-- -----

and

BT SECURITIES CORPORATION  
CHEMICAL SECURITIES INC.  
CITICORP SECURITIES, INC.  
CREDIT SUISSE

as Arrangers  
-- -----

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SECOND AMENDED AND RESTATED  
CREDIT AGREEMENT

SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 15, 1994 among T.M. INVESTORS LIMITED PARTNERSHIP, a limited partnership organized under the laws of Delaware (the "Borrower"), the banks (the "Banks") listed on the signature ----- pages hereof, CITIBANK, N.A. ("Citibank"), as administrative ----- agent (together with any successor appointed pursuant to Article VII, the "Administrative Agent") for the Lenders (as hereinafter ----- defined), BT SECURITIES CORPORATION ("BT Securities"), CHEMICAL ----- SECURITIES INC. ("Chemical Securities"), CITICORP SECURITIES, ----- INC. ("CSI") and CREDIT SUISSE ("Credit Suisse"), as arrangers ----- (the "Arrangers"), and BT SECURITIES and CHEMICAL SECURITIES as ----- co-syndication agents.

PRELIMINARY STATEMENTS:  
-----

(1) The Borrower entered into the 1991 Credit Agreement (as defined hereinafter) with the lenders named therein and Citibank, N.A., as agent for such lenders, pursuant to which the lenders made loans to the Borrower aggregating \$480,000,000 to finance, in part, the Borrower's capital contribution to Associates LP (as defined hereinafter).

(2) The Borrower entered into the Amended and Restated Credit Agreement dated as of August 16, 1994 (the "Original Credit Agreement") with the lenders party thereto (the ----- "Original Lenders"), Citibank, as administrative agent, and CSI ----- and Credit Suisse as arrangers, pursuant to which the Original Lenders made loans to the Borrower aggregating \$480,000,000 in order to repay in full all of the Borrower's obligations under the 1991 Credit Agreement and terminate the 1991 Commitments (as hereinafter defined).

(3) The parties to the Original Credit Agreement desire to amend and restate the Original Credit Agreement, among other things, to extend the Termination Date, to provide for regularly scheduled repayment dates and to include additional financial institutions as parties thereto.

NOW THEREFORE, in consideration of the promises and of the mutual covenants and agreements contained herein, the parties agree that, subject to the conditions to effectiveness set forth in Section 3.03, the Original Credit Agreement shall be amended and restated in its entirety to read as follows:

## ARTICLE 1

## DEFINITIONS

## SECTION 1.01. Certain Defined Terms. As used in

-----  
 this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Administrative Agent" means Citibank, N.A. and

-----  
 each successor Administrative Agent appointed pursuant to Section 7.06. So long as the Administrative Agent, the Security Agent and the Escrow Agent are the same Person, references in Article 7 to the Administrative Agent shall, unless the context shall otherwise require, be deemed to refer to all of the Administrative Agent, the Security Agent and the Escrow Agent.

"Advance" means an advance made by a Lender to the

-----  
 Borrower or assigned by an Assigning Lender to a Purchasing Lender pursuant to Article 2.

"Affiliate" means, as to any Person, any other

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 Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 10% or more of the voting stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock, by contract or otherwise.

"Agents" means, collectively, the Administrative

-----  
 Agent, the Lead Managing Agents and the Arrangers.

"Applicable Margin" means, as of any date, a

-----  
 percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Base Rate	Applicable Margin for Eurodollar Rate Advances
Level 1 ----- BBB- or Baa3 or above	0%	1%
Level 2 ----- below BBB- and Baa3 but at least BB or Ba2	.5%	1.75%

Level 3 -----		
below BB and Ba2	1%	2.25%

provided, that for the period commencing on the Assignment

-----  
Date and ending on the first anniversary thereof, the Applicable Margin shall be Level 2 (if it would otherwise be Level 2 or Level 1) or Level 3.

"Arrangers" has the meaning specified in the  
-----  
recital of parties to this Agreement.

"Assigned Advances" has the meaning specified in  
-----  
Section 2.01(b).

"Assigning Lenders" has the meaning specified in  
-----  
Section 2.01(b).

"Assignment Date" means the date on which all of  
-----  
the conditions precedent specified in Section 3.03 and 3.04 are satisfied or waived and the Assigned Advances are assigned to and purchased by the Purchasing Lenders.

"Assignment and Acceptance" means an assignment  
-----  
and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in accordance with Section 8.06 and in substantially the form of Exhibit C hereto.

"Associates LP" means T.M.I. Associates, L.P., a  
-----  
limited partnership organized under the laws of Delaware, its successors and assigns.

"Associates LP Consent" means the letter of the  
-----  
Borrower to Associates LP, dated as of December 23, 1991, accepted and agreed by BDS One, BDS Two and BDS Four, and as amended by the 1994 Amendments, acknowledging their consent to the assignment by the Borrower of its rights and interests under the Associates LP Partnership Agreement and of the LP Interest to the Security Agent pursuant to the Security Agreement.

"Associates LP Partnership Agreement" means the  
-----  
Amended and Restated Agreement of Limited Partnership of Associates LP, dated as of December 23, 1991, among BDS One, BDS Two, and BDS Four, as general partners, and the Borrower, as limited partner, as amended by the 1994 Amendments, and as further amended by the December Amendments, and as it may be further amended, supplemented or otherwise modified from time to time.

"Base Rate" means a fluctuating interest rate per  
-----  
annum in effect from time to time, which rate per annum shall at all times be equal to the highest of the following plus the Applicable Margin in effect from time to time:  
-----

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%) of (i) 1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the

-----  
 latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average during such three-week

-----  
 period of the annual assessment rates reasonably estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"BDS One" means BDS One, Inc., a corporation

-----  
 organized under the laws of Delaware, its successors and assigns.

"BDS Two" means BDS Two, Inc., a corporation

-----  
 organized under the laws of Delaware, its successors and assigns.

"BDS Three" means BDS Three, Inc., a corporation

-----  
 organized under the laws of Delaware, its successors and assigns.

"BDS Four" means BDS Four, Inc., a corporation  
 -----  
 organized under the laws of Delaware, its successors and  
 assigns.

"BDS Five" means BDS Five, Inc., a corporation  
 -----  
 organized under the laws of Delaware, its successors and  
 assigns.

"Borden" means Borden, Inc., a corporation  
 -----  
 organized under the laws of New Jersey, its successors and  
 assigns.

"Borden Credit Agreement" means the Credit  
 -----  
 Agreement dated as of December 15, 1994 among Borden, the  
 banks named therein, Citibank, as administrative agent, BT,  
 Chemical, Citibank and Credit Suisse, as lead managing  
 agents, and BT Securities, Chemical Securities, Citicorp  
 Securities and Credit Suisse, as arrangers, as such  
 agreement may be amended, supplemented, refinanced or  
 otherwise modified from time to time.

"Borden Consent" means the letter of the Borrower  
 -----  
 to Borden, dated as of December 23, 1991, accepted and  
 agreed by Borden, and as amended by the 1994 Amendments,  
 acknowledging Borden's consent to the assignment by the  
 Borrower of its rights and interests under the Borden #2  
 Agreement and the Interest Rate Swap Agreement to the  
 Security Agent pursuant to the Security Agreement.

"Borden #1 Agreement" means the Agreement, dated  
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 as of December 23, 1991, given by Borden in favor of  
 Associates LP and the Liquidator (as defined in the  
 Associates LP Partnership Agreement) with respect to certain  
 obligations of BDS One, BDS Two, and BDS Four pursuant to  
 Section 12.9 of the Associates LP Partnership Agreement, as  
 the same may be amended, supplemented or otherwise modified  
 from time to time.

"Borden #2 Agreement" means the Agreement, dated  
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 as December 23, 1991, given by Borden in favor of the  
 Borrower with respect to certain obligations of BDS One,  
 BDS Two, and BDS Four under the terms of the Associates LP  
 Partnership Agreement, as amended by amendment dated  
 December 1, 1993 and the 1994 Amendments, and as further  
 amended by the December Amendments, and as the same may be  
 further amended, supplemented or otherwise modified from  
 time to time.

"Borden #3 Agreement" means the Agreement, dated  
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 as of December 23, 1991, given by Borden in favor of the  
 Borrower with respect to certain obligations of BDS Five  
 under the terms of the Borrower Partnership Agreement, as  
 the same may be amended, supplemented or otherwise modified  
 from time to time.

"Borden #4 Agreement" means the Agreement, dated  
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 as of August 16, 1994, given by Borden in favor of the  
 General Partner, the Class A Limited Partner and the Class B  
 Limited Partner and their successors and assigns with  
 respect to

certain obligations of the Borden partners under the terms of the Associates LP Partnership Agreement, as such agreement may be amended, supplemented or otherwise modified from time to time.

"Borrower" means T.M. Investors Limited

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Partnership, a limited partnership organized under the laws of Delaware, its successors and permitted assigns.

"Borrower Partnership Agreement" means the Amended

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and Restated Agreement of Limited Partnership of the Borrower, dated as of December 23, 1991, among Pawling Partners, Inc., as general partner, and Allstate Life Insurance Company, as the Class A Limited Partner, and BDS Five, as the Class B Limited Partner, as amended by the 1994 Amendments and as further amended by the December Amendments, and as the same may be further amended, supplemented or otherwise modified from time to time.

"Borrowing" means the borrowing under Section

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2.01(a) consisting of simultaneous Advances made on the Funding Date by the Lenders pursuant to Article 2.

"BT" means Bankers Trust Company.

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"BT Securities" has the meaning specified in the

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recital of parties to this Agreement.

"Business Day" means a day of the year on which

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banks are not required or authorized to close in New York City and dealings are carried on in the London eurodollar interbank market.

"Chemical" means Chemical Bank.

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"Chemical Securities" has the meaning specified in

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the recital of parties to this Agreement.

"Citibank" has the meaning specified in the

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recital of parties to this Agreement.

"Class A Limited Partner" means Allstate Life

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Insurance Company and its successors and assigns, each as a holder of the class A limited partnership interest of the Borrower.

"Class B Limited Partner" means BDS Five, and its

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successors and assigns, as holder of the class B limited partnership interests of the Borrower.

"Commitment" has the meaning specified in Section  
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 2.01, provided that the aggregate commitments of the Lenders  
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 to make Advances shall not, at any time, exceed  
 \$480,000,000.

"Contributed Assets" means the assets contributed  
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 to Associates LP pursuant to Section 2.4 of the Associates  
 LP Partnership Agreement.

"Counterparty" means Borden, as counterparty under  
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 the Interest Rate Swap Agreement.

"Credit Suisse" has the meaning specified in the  
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 recital of parties to this Agreement.

"CSI" has the meaning specified in the recital of  
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 parties to this Agreement.

"December Amendments" means the amendments dated  
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 the date hereof to each of the Security Agreement, the  
 Interest Rate Swap Agreement, the Interest Rate Swap Fee  
 Letter, the Reset Note, the note governing the "Borden  
 Loans" (as defined in the Associates LP Partnership  
 Agreement), the Borden #2 Agreement, the Associates LP  
 Partnership Agreement and the Borrower Partnership  
 Agreement.

"Default" means any Event of Default or event  
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 (other than an event that is a "Liquidating Event" (as  
 defined in the Associates LP Partnership Agreement)  
 described in Section 12.1(a) of the Associates LP  
 Partnership Agreement, or a "Default Event" (as defined in  
 the Associates LP Partnership Agreement) described in  
 Section 14.1(e) or 14.1(h) of the Associates LP Partnership  
 Agreement) that would constitute an Event of Default but for  
 the requirement that notice be given or time elapse or both.

"Effective Date" has the meaning specified in  
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 Section 3.03.

"Eligible Assignee" means any of (i) a commercial  
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 bank organized under the laws of the United States, or any  
 State thereof, and having a combined capital and surplus of  
 at least \$250,000,000; (ii) a savings and loan association  
 or savings bank organized under the laws of the United  
 States, or any State thereof, and having a combined capital  
 and surplus of at least \$250,000,000; (iii) a commercial  
 bank organized under the laws of any other country that is a  
 member of the OECD or has concluded special lending  
 arrangements with the International Monetary Fund associated  
 with its General Arrangements to Borrow, or a political  
 subdivision of any such country, and having a combined  
 capital and surplus of at least \$250,000,000, so long as  
 such bank is acting through a branch or agency located in  
 the United States or in the country in which it is organized  
 or another country that is described in this clause (iii);  
 (iv) the central bank of any country that is a member of the  
 OECD; and



(v) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having a combined capital and surplus of at least \$100,000,000, in each case as approved by the Arrangers and the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that an

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 Affiliate of the Borrower shall not qualify as an Eligible Assignee under this definition.

"Employee Services Agreement" means the Employee  
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 Services Agreement dated as of December 23, 1991 between BDS Four and Borden, as such agreement may be amended, supplemented or otherwise modified from time to time.

"Escrow Agreement" means the Escrow Agreement,  
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 dated as of August 16, 1994, among the general partners of Associates LP, the Borrower and the Security Agent, as such agreement may be amended, supplemented or otherwise modified from time to time.

"Eurocurrency Liabilities" has the meaning  
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 assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Rate" means, for any Interest Period  
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 for each Advance, an interest rate per annum equal to the rate per annum obtained by dividing (a) the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the Advance made by the respective Reference Bank and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. The Eurodollar Rate shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period.

"Eurodollar Rate Reserve Percentage" for any  
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 Interest Period for each Eurodollar Rate Advance means the reserve percentage if and to the extent actually applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for each Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by

reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in  
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Section 6.01.

"Federal Funds Rate" means, for any period, a  
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fluctuating interest rate per annum equal for each day during such period to the weighted average of the quotations for such day on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Funding Date" means the date on which all of the  
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conditions precedent specified in Sections 3.01 and 3.02 were satisfied or waived and the Advances were made.

"General Partner" means Pawling Partners, Inc. and  
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its successors and assigns, as holder of the general partner interest of the Borrower.

"Indebtedness" of the Borrower means (a) all  
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indebtedness of the Borrower for borrowed money, (b) all obligations of the Borrower for the deferred purchase price of property or services, (c) all obligations of the Borrower evidenced by bonds, notes, debentures or other similar instruments, (d) all indebtedness of the Borrower created or arising under any conditional sale or other title retention agreement (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of the Borrower as lessee under leases which shall have been recorded as capital leases, (f) all obligations, contingent or otherwise, of the Borrower under acceptance, letter of credit or similar facilities, (g) all obligations of the Borrower to purchase, redeem, retire, defease or otherwise acquire for value any partnership interests of the Borrower, (h) all obligations of the Borrower in respect of interest rate swap agreements and other similar agreements designed to hedge against fluctuations in interest rates, (i) all Indebtedness referred to in clauses (a) through (h) above guaranteed directly or indirectly by the Borrower, or in effect guaranteed directly or indirectly by the Borrower through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is

received or such services are rendered) or (D) otherwise to assure a creditor against loss, (j) all other financial obligations of the Borrower under any contract or other agreement to which the Borrower is a party and (k) all Indebtedness referred to in clauses (a) through (j) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by the Borrower, even though the Borrower has not assumed or become liable for payment of such Indebtedness.

"Indemnified Party" has the meaning specified in  
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Section 8.04(b).

"Interest Payment Date" has the meaning specified  
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in Section 2.04.

"Interest Period" means, for each Advance included  
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in the Borrowing, each consecutive period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three, six, or, to the extent available in the reasonable judgment of the Administrative Agent, nine or twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:  
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(a) no Interest Period shall extend after the Termination Date;

(b) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such  
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extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(c) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month; and

(d) from the Assignment Date through and including February 28, 1995, only one month Interest Periods may be selected unless the Lead Managing Agents shall otherwise agree; and

(e) if the Borrower fails to provide such notice, the duration of each next Interest Period shall be three months thereafter, until such time as such notice is provided in accordance with the second sentence of this definition.

"Interest Rate Swap Agreement" means the Interest  
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Rate and Currency Exchange Agreement, dated as of December 15, 1994, between the Borrower and the Counterparty, as such agreement may be amended, supplemented or otherwise modified from time to time, including, without limitation, as supplemented on such date by the Interest Rate Swap Fee Letter.

"Interest Rate Swap Fee Letter" means that certain  
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letter dated as of December 15, 1994 from the Borrower to Borden relating to certain fees payable by the Borrower to Borden in connection with the Interest Rate Swap Agreement.

"Lead Managing Agents" means BT, Chemical,  
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Citibank and Credit Suisse.

"Lenders" means the Lenders listed on the  
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signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.06, but shall not include a purchaser of a participation pursuant to Section 8.06 (except to the extent that such purchaser is also a Lender or an Eligible Assignee that has become a party hereto pursuant to Section 8.06).

"Lending Office" means, with respect to any  
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Lender, the office of such Lender specified as its Lending Office opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Lien" means any lien, security interest or other  
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similar charge or encumbrance, including, without limitation, the lien or retained security title of a conditional vendor.

"Loan Documents" means this Agreement, the Notes  
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and the Security Agreement, each as it may be amended, supplemented or otherwise modified from time to time.

"LP Interest" means the limited partner interest  
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in Associates LP acquired and held by the Borrower.

"Manager" means Wilmington Trust Company or any  
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other institution or independent certified public accountants of national reputation engaged by the

Borrower to manage the business and affairs of the Borrower consented to by the Administrative Agent (which consent shall not be unreasonably withheld).

"Material Adverse Effect" means a circumstance or -----  
condition affecting the business, condition (financial or otherwise), operations, performance or properties of the Borrower which would materially adversely affect (a) the ability of the Borrower to perform its obligations under this Agreement, the Notes, the other Loan Documents and the Operative Documents or (b) the rights and remedies of the Administrative Agent or any Lender under this Agreement and the other Loan Documents taken as a whole.

"Manager's Engagement Letter" means the Borrower's -----  
engagement letter with the Manager acknowledged by the Manager, pursuant to which the Borrower engages the Manager to manage the business and affairs of the Borrower.

"Moody's" means Moody's Investor Services, Inc. or -----  
any successor by merger or consolidation to its business.

"Note" means a promissory note of the Borrower, in -----  
substantially the form of Exhibit A, payable to the order of any Lender, evidencing the indebtedness of the Borrower in respect of the Advance by such Lender.

"Notice of Assignment" has the meaning specified -----  
in Section 2.01(b).

"Notice of Borrowing" has the meaning specified in -----  
Section 2.02(a).

"1991 Commitments" means the "Commitments", as -----  
such term is defined in the 1991 Credit Agreement.

"1991 Credit Agreement" means the Credit Agreement -----  
dated as of December 23, 1991 among the Borrower, the banks named therein and Citibank, as agent, as amended or otherwise modified to August 16, 1994.

"1994 Amendments" means the amendments dated as of -----  
August 16, 1994 to each of the "Interest Rate Swap Agreement" and the "Interest Rate Swap Fee Letter" (in each case as defined in 1991 Credit Agreement), the Reset Note, the Borden #2 Agreement, the Associates LP Partnership Agreement, the Borrower Partnership Agreement, the Associates LP Consent, the Borden Consent and the Trademark License Agreement with respect to the Eagle Brands trademark.

"Operating Account" has the meaning specified in -----  
paragraph 5 of the preliminary statements to the Security Agreement.

"Operative Documents" means the Associates LP

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 Partnership Agreement, the Reset Note, the Borrower Partnership Agreement, the Interest Rate Swap Agreement, the Interest Rate Swap Fee Letter, the Borden #1 Agreement, the Borden #2 Agreement, the Borden #3 Agreement, the Borden #4 Agreement, the Employee Services Agreement, the Trademark License Agreements, the Manager's Engagement Letter, the Escrow Agreement, the Transfer Agreement, the Borden Consent and the Associates LP Consent.

"Original Credit Agreement" has the meaning

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 specified in the Preliminary Statements to this Agreement.

"Original Lenders" has the meaning specified in

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 the Preliminary Statements to this Agreement.

"Other Taxes" has the meaning specified in Section

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 2.09(b).

"Person" means an individual, partnership,

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 corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Pledged Collateral" has the meaning specified in

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 Section 1 of the Security Agreement.

"Process Agent Acceptance" means the acceptance by

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 Prentice-Hall Corporation Systems, Inc. of its appointment as process agent pursuant to Section 8.11.

"Public Debt Rating" means, as of any date, the

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 higher of the ratings that have been most recently announced by either S&P or Moody's, as the case may be, for any class of long-term senior unsecured debt issued by Borden. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin will be set in accordance with Level 3 under the definition of "Applicable Margin"; (c) if any rating established by S&P or

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 Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (d) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Purchasing Lenders" has the meaning specified in

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 Section 2.01(b).

"Reference Banks" means BT, Chemical, Citibank and

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 Credit Suisse.

"Register" has the meaning specified in Section 8.06(c).

"Replacement Lender" has the meaning specified in Section 2.11.

"Required Lenders" means, at any time, Lenders holding at least 51% of the aggregate unpaid principal amount of the Advances owing to Lenders or, if no Advances have previously been made, Lenders holding at least 51% of the aggregate Commitments of all the Lenders.

"Reset Note" means the Guaranteed Reset Note Due 2011 issued on December 11, 1991, by BDS Three in the original principal sum of \$850,000,000, as amended by amendment dated December 1, 1993 and the 1994 Amendments, and as further amended by the December Amendments, and as the same may be further amended, supplemented or otherwise modified from time to time.

"S&P" means Standard & Poor's Ratings Group or any successor by merger or consolidation to its business.

"Security Agent" means Citibank, N.A., or any successor security agent, appointed pursuant to the terms hereof and acting as such under the Security Agreement.

"Security Agreement" means that certain Amended and Restated Pledge, Assignment and Security Agreement, dated as of August 16, 1994, made by the Borrower to the Security Agent, pursuant to which the Borrower has pledged to the Security Agent, for its benefit and the benefit of the Agents and the Lenders, the Pledged Collateral, in substantially the form of Exhibit D, as such agreement is amended by the December Amendments and as it may be further amended, supplemented or otherwise modified from time to time.

"Subsidiary" means, with respect to any Person, (i) a corporation a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person or (ii) any other Person (other than a corporation) a majority interest in the capital or profits, in the case of a partnership or joint venture, or a beneficial interest, in the case of a trust or estate, which is at the time, directly or indirectly, owned by such Person, such Person and one or more Subsidiaries of such Person, or by one or more Subsidiaries of such Person.

"Taxes" has the meaning specified in Section

2.09(a).

"Termination Date" means the earlier of December 31, 1999 and the date of the prepayment in whole of the Advances, and all interest thereon and all other amounts payable under this Agreement, pursuant to Section 2.03.

"Trademark Assets" means the "Trademark Assets" (as defined in the Associates LP Partnership Agreement) contributed to Associates LP pursuant to the terms of the Associates LP Partnership Agreement.

"Trademark License Agreements" means, collectively, those six certain Primary Trademark License Agreements, dated as of December 23, 1991 pertaining to the Trademark Assets, between Associates LP and Borden, as such agreement pertaining to the Eagle Brands trademark is amended by the 1994 Amendments, and as such agreements may be amended, supplemented or otherwise modified from time to time.

"Transfer Agreement" means that certain Transfer Agreement, dated as of December 23, 1991, by Borden in favor of the Borrower, as such agreement may be amended, supplemented or otherwise modified from time to time.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles.

## ARTICLE 2

### AMOUNTS AND TERMS OF THE ADVANCES

#### SECTION 2.01. The Advances.

(a) Each Original Lender hereby severally agreed, on the terms and conditions hereinafter set forth, to make a single Advance to the Borrower on the Funding Date in an amount not to exceed the amount set forth opposite such Original Lender's name on Schedule I hereto under the caption "Allocated Commitment" (such amount being such Lender's "Commitment"). Amounts borrowed hereunder and repaid or prepaid may not be reborrowed.

(b) Each of the Original Lenders set forth on Schedule 2.01 hereto (collectively, the "Assigning Lenders") hereby agrees to sell and assign as of the Assignment Date, on the terms and conditions hereinafter set forth, all of its rights and interest in and to, and all of its obligations under, the portion of the "Advance" owing to it under the Original



Credit Agreement set forth opposite the name of such Assigning Lender on Schedule 2.01 hereto (collectively, the "Assigned

Advances") to the Lenders set forth on Schedule 2.01 hereto (collectively, the "Purchasing Lenders") and each of the

Purchasing Lenders hereby agrees to purchase and assign as of the Assignment Date, on the terms and conditions hereinafter set forth, an undivided interest in its ratable share of all such Assigning Lenders' rights and interest in and to, and obligations under, the Assigned Advances. Each Purchasing Lender, before 11:00 a.m. (New York City time) on the Effective Date, shall make available for the account of its Lending Office to the Administrative Agent at the Administrative Agent's Account for the account of the Assigning Lenders, an amount equal to such Purchasing Lender's ratable share of the Assigned Advances (it being understood that the Borrower shall make payment of all accrued interest and other amounts (including breakage) through the Assignment Date on such date directly to the Original Lenders in accordance with the terms of the Original Credit Agreement). The assignment of the Assigned Advances shall be made on notice (the "Notice of Assignment"), given not later than 11:00 A.M.

(New York City time) on the third Business Day prior to the Assignment Date by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier, telex or cable. The failure of any Purchasing Lender to fund its ratable share of the Assigned Advances shall not relieve any other Purchasing Lender of its obligation to fund its ratable share of the Assigned Advances.

#### SECTION 2.02. Making the Advances; Use of

Proceeds. (a) (i) The Borrowing shall be made on notice, given

not later than 11:00 A.M. (New York City time) on the third Business Day prior to the Funding Date, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier, telex or cable. Such notice of the Borrowing (the "Notice of Borrowing") shall be by telecopier,

telex or cable, confirmed immediately in writing, in substantially the form of Exhibit B hereto, specifying therein the requested aggregate amount of such Borrowing. Each Lender shall, before 12:00 noon (New York City time) on the Funding Date, make available for the account of its Lending Office to the Administrative Agent at its address referred to in Section 8.02, in immediately available funds, such Lender's ratable portion of the Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article 3, the Administrative Agent will promptly make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(ii) The Notice of Assignment shall be irrevocable and binding on the Borrower. The Borrower shall indemnify each Lender, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for such amount) against any loss, cost or expense actually incurred by such Lender (excluding loss of anticipated profits) as a result of any failure of the Borrower to borrow in accordance with the Notice of Borrowing or the failure of the Purchasing Lenders to purchase Assigned Advances in accordance with the Notice of Assignment including, but not limited to, the Borrower's failure to fulfill on or before the date specified in such Notice of Borrowing or the Notice of Assignment the applicable conditions set forth in Article 3, including, without limitation, any loss, cost or expense reasonably incurred by reason of the liquidation or reemployment of

deposits or other funds acquired by such Lender to fund the Advance or purchase the Assigned Advance to be made by such Lender as part of the Borrowing or the assignment when such Advance or Assigned Advance, as a result of such failure, is not made or purchased on such date; provided, however, that the

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 Borrower shall not be liable to indemnify a Lender against any such loss, cost or expense to the extent such failure is a direct consequence of such Lender's failure to fund its Advance or purchase the Assigned Advance; and provided further, however,

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 that the failure of any Lender to fund its Advance or purchase the Assigned Advance shall not relieve the Borrower of its obligations in respect of the Advances funded or to be funded by the other Lenders or purchased by the other Purchasing Lenders. Each Assigning Lender that assigns all of its Advances pursuant to Section 2.01(b) shall relinquish its rights (except to indemnities provided for herein) and be released from its obligations hereunder and cease to be a party hereto.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the Funding Date that such Lender will not make available to the Administrative Agent such Lender's ratable portion of the Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Agent on such date in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to the Advances comprising the Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of the Borrowing for purposes of this Agreement.

(c) The failure of any Lender to make the Advance to be made by it as part of the Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of such Borrowing.

(d) The Borrower used the proceeds of the Advances for the sole purpose of repaying all amounts outstanding under the 1991 Credit Agreement and terminating the 1991 Commitments.

SECTION 2.03. Repayments and Prepayments. (a)

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 Mandatory Repayments and Prepayments. (i) The Borrower shall  
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 repay to the Administrative Agent for the ratable account of the Lenders the aggregate outstanding principal amount of the Advances on the following dates in the amounts indicated:

Date -----	Amount -----
December 31, 1995	\$ 136,585,366
June 30, 1996	78,048,780
December 31, 1997	39,024,390
December 31, 1998	78,048,780
December 31, 1999	148,292,683

provided, that the unpaid principal amount of all then

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outstanding Advances shall be repaid in a single installment on the earlier of (A) the date on which the Notes, all interest thereon and all other amounts payable under this Agreement have become due and payable pursuant to Section 6.01 hereof, and (B) the Termination Date.

(ii) The Borrower shall prepay the unpaid principal amount of the Advances with the proceeds of, and in an amount equal to the following amount (but in no event greater than the unpaid principal amount of the Advances): (A) any distribution made to the Borrower pursuant to Section 10.8(b) of the Associates LP Partnership Agreement (but excluding the "Retirement Period Guaranteed Payment" (as defined in the Associates LP Partnership Agreement) paid to the Borrower pursuant to Section 10.8(b)(ii) of the Associates LP Partnership Agreement in connection with such distribution), (B) the amount of any distribution made in respect of the LP Interest in a liquidation under Section 12.2 of the Associates LP Partnership Agreement and (C) the amount of any installment of the purchase price of the LP Interest paid by one or more general partners of Associates LP pursuant to the exercise of the purchase option for such LP Interest as provided in Section 14.3 of the Associates LP Partnership Agreement, each such prepayment to be made within two Business Days after the date of such distribution to the Borrower.

(iii) If the Assignment Date hereunder does not occur on or prior to February 18, 1997, the Borrower shall prepay the unpaid principal amount of all then outstanding Advances, all interest thereon and all other amounts payable, on such date.

(b) Optional Prepayments. Subject to the provisions

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of paragraph (c) below, the Borrower may, at its option, and at any time and from time to time prepay the unpaid principal amount of all or any portion of the Advances.

(c) Prior Notice, Etc. Each prepayment or repayment

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of the Advances shall (other than a repayment on the Termination Date) be made on not less than three Business Days' prior written notice from the Borrower to the Administrative Agent and, at the time of such prepayment or repayment (including a repayment on the Termination Date), the Borrower shall pay all accrued and unpaid interest on the principal amount of the Advances being prepaid or repaid.

SECTION 2.04. Interest. (a) Ordinary Interest. The

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Borrower shall pay interest on the unpaid principal amount of the Advance made by each Lender from the date of

such Advance until such principal amount shall be paid in full, at a rate per annum equal at all times during each Interest Period for such Advance to the sum of (a) the Eurodollar Rate for such Interest Period for such Advance plus (b) the Applicable Margin in effect on each day during such Interest Period, payable in arrears on the last day of such Interest Period (an "Interest

Payment Date") and, if such Interest Period has a duration of

more than three months, then such Interest Payment Date shall be on each day that occurs during such Interest Period every three months from the first day of such Interest Period.

(b) Default Interest. Overdue principal and interest

in respect of each Advance shall bear interest at a rate per annum equal to the Base Rate in effect from time to time plus the sum of (i) 2% and (ii) the Applicable Margin; provided that each

Advance shall bear interest after maturity (whether by acceleration or otherwise) until the end of the Interest Period then applicable thereto at a rate per annum equal to 2% in excess of the rate of interest applicable thereto at maturity.

SECTION 2.05. Interest Rate Determination and

Protection. (a) The Administrative Agent shall give prompt

notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.04.

(b) If the Administrative Agent shall have determined that on any date for determining the Eurodollar Rate for any Interest Period for any Advance, that, by reason of changes arising after the date hereof affecting the interbank Eurodollar market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate (i) each such Advance will automatically, on the last day of the then existing Interest Period therefor, convert into an Advance bearing interest at the Base Rate and (ii) the obligation of the Lenders to make Advances at the Eurodollar Rate shall be suspended until the Administrative Agent shall notify the Borrower that the Lenders have determined that the circumstances causing such suspension no longer exist.

SECTION 2.06. Increased Costs, Etc. (a) If, due to

either (i) the introduction of or any change in or in the interpretation of any law or regulation after the date hereof or (ii) the compliance with any guideline or request made after the date hereof from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Advances bearing interest calculated by reference to the Eurodollar Rate, then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that each Lender agrees to use reasonable

efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Lending Office or take other steps if to do so would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost accompanied by a statement setting forth in reasonable detail the basis for, and amount of, such increased cost, submitted

to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent demonstrable error.

(b) If, after the date hereof (i) the introduction of or any change in any applicable law or regulation regarding capital adequacy or any change after the date hereof in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or (ii) the compliance by a Lender or its parent with any directive or request made after the date hereof regarding capital adequacy from any central bank or other governmental authority (whether or not having the force of law), has the effect of reducing the rate of return on such Lender's or its parent's capital or assets as a consequence of such Lender's commitment to lend hereunder or other obligations hereunder to a level below that which such Lender or its parent would have achieved but for such introduction, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender for such reduction, it being understood and agreed, however, that such Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any directive or request to comply with, any such law or regulation as in effect on the date hereof; provided,

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 however, that each Lender agrees to use reasonable efforts

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 (consistent with its internal policy and legal and regulatory restrictions) to designate a different Lending Office or take other steps if to do so would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to such amounts accompanied by a statement setting forth in reasonable detail the basis for, and the amount of, such increased cost submitted to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent demonstrable error.

SECTION 2.07. Illegality. Notwithstanding any other

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 provision of this Agreement, if after the date hereof the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful or impracticable, or any central bank or other governmental authority shall assert that it is unlawful, for any Lender or its Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) each Advance will automatically, upon such demand, convert into an Advance that bears interest calculated by reference to the Base Rate, and (ii) the obligation of the Lenders to fund and maintain Advances bearing interest calculated by reference to the Eurodollar Rate shall be suspended until the circumstances causing such suspension no longer exist; provided, however, that such Lender

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 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Lending Office or take other steps if to do so would allow such Lender or its Eurodollar Office to continue to perform its

obligations to make Advances or to continue to fund or maintain Advances and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.08. Payments and Computations. (a) Except

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 as otherwise provided in this Agreement, the Security Agreement, or the Notes, each payment hereunder and under the Notes shall be made not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds (i) if such payment by the Borrower is in respect of principal, interest, commitment fees or any other obligation then payable hereunder and under the Notes to more than one Lender, to such Lenders for the account of their respective Lending Offices ratably in accordance with the amounts of such respective obligations then payable to such Lenders and (ii) if such payment by the Borrower is in respect of any obligation then payable hereunder to one Lender, to such Lender for the account of its Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.06(d), from and after the effective date of such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest and fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent demonstrable error.

(c) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; provided, however, if such extension would cause payment

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 of interest on or principal of Advances bearing interest calculated by reference to the Eurodollar Rate to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent,

each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.09. Taxes. (a) Any and all payments by the

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Borrower hereunder or under the Notes shall be made, in accordance with Section 2.08, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and

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the Administrative Agent, net income taxes and franchise taxes (imposed in lieu of net income taxes) that are imposed by the United States or any political subdivision or taxing authority thereof or therein or by a foreign jurisdiction as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Bank having executed, enforced, delivered or performed its obligations or received payment under this Agreement) (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be

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required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.09) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

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(c) The Borrower shall indemnify each Lender and the Administrative Agent for the full amount of Taxes and Other Taxes, and for the full amount of taxes imposed by any jurisdiction on amounts payable under this Section 2.09, paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. The Administrative Agent or such Lender shall provide the Borrower with appropriate receipts for any payments or reimbursements made to the Borrower pursuant to this Section 2.09. This indemnification shall be made within 45 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 45 days after the date of any payment of Taxes, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 8.02, the original receipt of payment thereof or a certified copy of such receipt. In the case of any payment hereunder or under the Notes by the Borrower through an account or branch outside the United States or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Administrative Agent, at such address, an opinion of counsel acceptable to the Administrative Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States"

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and "United States person" shall have the meanings specified in

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Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower or the Administrative Agent (but only so long thereafter as such Lender remains lawfully able to do so), provide the Administrative Agent and the Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of withholding tax on payments under this Agreement or the Notes or certifying that the income receivable pursuant to this Agreement or the Notes is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate form certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of

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the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in subsection (e) (other than if such failure is due to

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a change in law occurring after the date on which a form originally was required to be



provided or if such form otherwise is not required under subsection (e)), such Lender shall not be entitled to indemnification under subsection (a) or (c) with respect to Taxes imposed by the United States; provided, however, that should a

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 Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.09 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Lending Office or take other steps if to do so would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.09 shall survive the payment in full of principal and interest hereunder and under the Notes.

SECTION 2.10. Sharing of Payments, Etc. If any Lender

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 shall obtain any payment (whether voluntary, involuntary or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.06, 2.07 or 2.09) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that

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 if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.10 may, to the fullest extent permitted by law, exercise all its rights of payment and set off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.11. Option to Replace Lenders. If any

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 Lender shall request the Borrower to pay any amount, or shall assert any other special rights, under Section 2.06, 2.07 or 2.09, the Borrower may request one or more other Lenders or other financial institutions, each of which is an Eligible Assignee (each a "Replacement Lender") to take over all or the affected

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 portion of such Lender's then outstanding Advances and to assume all or the affected portion of such Lender's Commitments and obligations hereunder. If one or more Replacement Lenders shall so agree, the Advances and Commitments of the Lender to be

replaced shall, at the direction of the Borrower, be assigned to such Replacement Lenders in accordance with Section 8.06, in such amounts as the Borrower may designate.

### ARTICLE 3

#### CONDITIONS OF LENDING

##### SECTION 3.01. Conditions Precedent to the Advances.

The obligation of each Original Lender to make its Advance on the Funding Date under the Original Credit Agreement was subject to satisfaction of the following conditions precedent:

(a) The Original Lenders shall be satisfied with the legal structure and capitalization of the Borrower and Associates LP, including the terms of the Borrower Partnership Agreement, the Associates LP Partnership Agreement, the Trademark License Agreements, the Reset Note, the 1994 Amendments and each other agreement or instrument relating to such structure or capitalization.

(b) There shall have been no material adverse change in the financial condition, operations or properties of Borden and its Subsidiaries, taken as a whole, since December 31, 1993, except as disclosed to the Arrangers prior to July 26, 1994, or of Associates LP or the Borrower since the respective dates of their formation that would materially adversely affect the ability of the Borrower to perform its obligations under this Agreement.

(c) All advances, interest and fees and all other amounts payable under the 1991 Credit Agreement shall have been paid in full in cash prior to or upon the application of the Advances, and the 1991 Commitments shall have been terminated.

(d) The 1994 Amendments shall have been fully executed and shall be in full force and effect.

(e) The Administrative Agent shall have received on or before the Funding Date the following, each duly executed by the respective party or parties thereto, and otherwise in form and substance satisfactory to the Administrative Agent, and (except for the Notes and the documents listed in subsections (e)(ii)(A), (B) and (C)) in sufficient copies for each Original Lender:

(i) A Note payable to the order of each Original Lender.

(ii) The Security Agreement, together with:

(A) acknowledgment copies, stamped receipt copies or other evidence of proper termination statements (Form UCC-3 or a

comparable form), duly filed on or before the date of the initial Borrowing under the Uniform Commercial Code of all jurisdictions that may be necessary or desirable in order to terminate existing liens on the Pledged Collateral described in the Security Agreement;

(B) acknowledgment copies or other evidence of the proper filing of Financing Statements (Form UCC-1) under the Uniform Commercial Code of all jurisdictions to the extent necessary or desirable or required, in the judgment of the Security Agent, to perfect the security interests created or purported to be created by the Security Agreement; and

(C) evidence that all other actions to the extent necessary or desirable, in the judgment of the Security Agent, to perfect and protect the security interests and liens created by the Security Agreement have been taken.

(iii) A certificate of the Borrower having attached thereto a true and correct copy of each of (A) the Operative Documents and all amendments thereto, (B) the 1994 Amendments, and (C) the contribution agreements, if any, executed by each of the partners of the Borrower pursuant to which they made contributions to the Borrower, certifying that all such attached agreements are in full force and effect and have not been terminated.

(iv) Certificates of the Secretary of State of the State of Delaware with respect to each of the General Partner, BDS One, BDS Two, BDS Three, BDS Four and BDS Five, and of the Secretary of State of the State of New Jersey with respect to Borden, dated within a date reasonably near to the Funding Date, in each case attaching the charter of such Person and each amendment thereto on file in his office and certifying that (A) such charter is a true and complete copy thereof, (B) such amendments are the only amendments to such charter on file in his office, (C) in case of each Delaware certificate, such Person has paid all franchise taxes to the date of such certificate and (D) such Person is duly incorporated and in good standing under the laws of, in the case of the General Partner, BDS One, BDS Two, BDS Three, BDS Four and BDS Five, Delaware and, in the case of Borden, New Jersey.

(v) A certificate of each of the General Partner, BDS One, BDS Two, BDS Three, BDS Four, BDS Five and Borden, signed on behalf of each such Person by its President or a Vice President and the Secretary or any Assistant Secretary of each such Person (the statements made in which certificate shall be true and correct on and as of the Funding Date), certifying as to:

(A) the absence of any amendments to the charter of such Person since the date of the certificate referred to in Section 3.01(e)(iv),

(B) a true and correct copy of the by-laws of such Person as in effect on the Funding Date,

(C) the due incorporation and good standing of such Person as a corporation under the laws of the jurisdiction of its incorporation, and the absence of any proceeding for the dissolution or liquidation of such Person,

(D) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Person authorizing the execution, delivery and performance of (1) in the case of the General Partner, the 1994 Amendments in which it is a party, the Escrow Agreement, and each Loan Document, (2) in the case of BDS One, the Escrow Agreement and the 1994 Amendments to which it is a party, (3) in the case of BDS Two, the Escrow Agreement and the 1994 Amendments to which it is a party, (4) in the case of BDS Three, the Escrow Agreement and the 1994 Amendments to which it is a party, (5) in the case of BDS Four, the Escrow Agreement and the 1994 Amendments to which it is a party, (6) in the case of BDS Five, the 1994 Amendments to which it is a party and (7) in the case of Borden, the 1994 Amendments to which it is a party,

(E) in the case of each such Person, that such resolutions have not been revoked, annulled or modified in any manner and are in full force and effect, and

(F) in the case of each such Person, the incumbency and specimen signature of each officer of such person executing the documents described in items (1)-(7) of clause (D) above, and a certification of another officer of each such Person as to the signature of the officers signing certificates referred to in this subclause (v).

(vi) A favorable opinion of Potter, Anderson and Corroon, special Delaware counsel to the Borrower, in substantially the form of Exhibit F attached hereto.

(vii) Favorable opinions of Allan L. Miller, Esq., Senior Vice President, Chief Administrative Officer and General Counsel of Borden, in substantially the form of Exhibits G, G-1 and G-2 attached hereto.

(viii) A favorable opinion of Dewey Ballantine, counsel to the General Partner, in substantially the form of Exhibit H attached hereto.

(ix) Favorable opinions of Shearman & Sterling, counsel to the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

(x) An instruction letter to the partners of the Borrower, directing that certain payments be made into the Operating Account or the Manager Account (as such terms are defined in the Security Agreement).

(xi) Such other certificates, documents and opinions as the Administrative Agent or any Lender may reasonably request.

SECTION 3.02. Additional Conditions Precedent to the

Advances. The obligation of each Original Lender to make its

Advance on the Funding Date was subject, in addition to the conditions specified therefor in Section 3.01, to the further conditions precedent that on the Funding Date the following statements shall be true (and each of (a) the giving of the Notice of Borrowing and (b) the acceptance by the Borrower of the proceeds of the Borrowing shall constitute a representation and warranty by the Borrower that on the Funding Date such statements are true):

(i) The representations and warranties contained in Section 4.01 hereof and in the other Loan Documents are correct on and as of the Funding Date, before and after giving effect to the Borrowing and to the application of the proceeds therefrom, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date)); and

(ii) No event has occurred and is continuing, or would result from the Borrowing or from the application of the proceeds therefrom, which constitutes a Default.

SECTION 3.03. Conditions Precedent to Effectiveness.

This Agreement shall become effective on the date (the "Effective Date") that the Administrative Agent shall have received

counterparts of this Agreement executed by each party hereto which shall occur after the following conditions precedent shall have been satisfied or waived:

(a) The conditions to effectiveness under the Borden Credit Agreement shall have been satisfied or waived;

(b) The Lenders shall be satisfied with the legal structure and capitalization of the Borrower and Associates LP, including the terms of the December Amendments and each other agreement or instrument relating to such structure or capitalization;

(c) The December Amendments and consents thereto shall have been fully executed and shall be or concurrently with the effectiveness hereof, shall become, in full force and effect;

(d) The Administrative Agent shall have received on or before the Effective Date the following, each dated the date of the Effective Date and duly executed by the respective party or parties thereto, and otherwise in form and substance satisfactory to the Administrative Agent and in sufficient copies for each Lender:

(i) A certificate of the Borrower having attached thereto a true and correct copy of each of (A) the Operative Documents and (B) the December Amendments, certifying that all Operative Documents, as amended, are in full force and effect and have not been terminated.

(ii) Certificates of the Secretary of State of the State of Delaware with respect to each of the General Partner, BDS One, BDS Two, BDS Three, BDS Four and BDS Five, and of the Secretary of State of the State of New Jersey with respect to Borden, dated within a date reasonably near to the Effective Date, in each case attaching the charter of such Person and each amendment thereto on file in his office and certifying that (A) such charter is a true and complete copy thereof, (B) such amendments are the only amendments to such charter on file in his office, (C) in case of each Delaware certificate, such Person has paid all franchise taxes to the date of such certificate and (D) such Person is duly incorporated and in good standing under the laws of, in the case of the General Partner, BDS One, BDS Two, BDS Three, BDS Four and BDS Five, Delaware and, in the case of Borden, New Jersey.

(iii) A certificate of each of the General Partner, BDS One, BDS Two, BDS Three, BDS Four, BDS Five and Borden, signed on behalf of each such Person by its President or a Vice President and the Secretary or any Assistant Secretary of each such Person (the statements made in which certificate shall be true and correct on and as of the Effective Date), certifying as to:

(A) the absence of any amendments to the charter of such Person since the date of the certificate referred to in Section 3.03(d)(ii),

(B) a true and correct copy of the by-laws of such Person as in effect on the Effective Date,

(C) the due incorporation and good standing of such Person as a corporation under the laws of the jurisdiction of its incorporation, and the absence of any proceeding for the dissolution or liquidation of such Person,

(D) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Person authorizing the execution, delivery and performance of (1) in the case of the General Partner, this Agreement, the Notes, the Interest Rate Swap Agreement, the Interest Rate Swap Fee Letter and the December Amendments to which it is a party, (2) in the case of BDS One, the December Amendments to which it is a party, (3) in the case of BDS Two, the December Amendments to which it is a party, (4) in the case of BDS Three, the December Amendments to which it is a party, (5) in the case of BDS Four, the December Amendments to which it is a party, (6) in the case of BDS Five, the December Amendments to which it is a party and (7) in the case of Borden, the Interest Rate Swap Agreement, the Interest Rate Swap Fee Letter and the December Amendments to which it is a party,

(E) in the case of each such Person, that such resolutions have not been revoked, annulled or modified in any manner and are in full force and effect, and

(F) in the case of each such Person, the incumbency and specimen signature of each officer of such person executing the documents described in items (1)-(7) of clause (D) above, and a certification of another officer of each such Person as to the signature of the officers signing certificates referred to in this subclause (iii).

(iv) A letter dated the date as of the Effective Date from Potter, Anderson and Corroon, special Delaware counsel to the Borrower, allowing each Purchasing Lender to rely on the opinion of such counsel delivered pursuant to Section 3.01(e)(vi) hereof, and a favorable opinion of such counsel in substantially the form of Exhibit I attached hereto.

(v) Favorable opinions of Allan L. Miller, Esq., Senior Vice President, Chief Administrative Officer and General Counsel of Borden, in substantially the form of Exhibits J-J2 attached hereto.

(vi) A letter dated the date as of the Effective Date from Dewey Ballantine, counsel to the General Partner, allowing each Purchasing Lender to rely on the opinion of such counsel delivered pursuant to Section 3.01(e)(viii)

hereof and a favorable opinion of such counsel in substantially the form of Exhibit K attached hereto.

(vii) A letter dated the date as of the Effective Date from Shearman & Sterling, counsel to the Lead Managing Agents and the Administrative Agent, allowing each Purchasing Lender to rely on the opinion of such counsel delivered pursuant to Section 3.01(e)(ix) hereof and a favorable opinion of such counsel, in form and substance satisfactory to the Lead Managing Agents and the Administrative Agent.

(viii) A certificate of the General Partner, signed on behalf of such Person by its President or Vice President certifying as to (A) the truthfulness and accuracy in all material respects of the representations and warranties contained in Section 4.01 and in the other Loan Documents on and as of the Effective Date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and accurate on such earlier date) and (B) no event has occurred and is continuing which constitutes a Default.

SECTION 3.04. Conditions Precedent to Assignment Date.  
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The obligation of each Assigning Lender to assign the Assigned Advances, and of each Purchasing Lender to purchase the Assigned Advances on the Assignment Date, is subject to the following conditions precedent:

(a) All interest and all other amounts payable under the Original Credit Agreement shall have been paid in full in cash.

(b) The conditions precedent to the initial borrowing under the Borden Credit Agreement shall have been satisfied or waived.

(c) The Administrative Agent shall have received on or before the Assignment Date, dated the date of the Assignment Date and duly executed by the Borrower, a Note payable to the order of each Lender.

SECTION 3.05. Determinations Under Sections 3.03 and  
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3.04. For purposes of determining compliance with the conditions  
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specified in Sections 3.03 and 3.04, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated hereby shall have received notice from such Lender prior to the Assignment Date specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of its Advance.



## ARTICLE 4

## REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the  
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 Borrower. The Borrower represents and warrants as follows:  
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(a) The Borrower has been duly formed and is validly existing in good standing as a limited partnership under the Delaware Revised Uniform Limited Partnership Act (the "Act")

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 with full partnership power and authority under the Act and the Borrower Partnership Agreement to execute, deliver and perform its obligations under this Agreement, each other Loan Document and the December Amendments to which it is a party, to acquire the LP Interest and to conduct its business as described in the Borrower Partnership Agreement.

(b) This Agreement, each other Loan Document and the December Amendments to which it is a party have been duly authorized, executed and delivered by the Borrower.

(c) This Agreement, each other Loan Document and the December Amendments to which it is a party are the legal, valid and binding obligations of the Borrower enforceable against it in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principals relating to enforceability.

(d) The execution, delivery and performance by the Borrower of this Agreement, each other Loan Document and the December Amendments to which it is a party (i) do not contravene any provision of the Borrower Partnership Agreement, and do not contravene any provision of, or constitute a default under, any contract or other instrument to which Borrower is a party or by which its property is bound, (ii) do not contravene any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award, the consequences of which would have a Material Adverse Effect or conflict with any material contractual restriction binding on or affecting the Borrower or any of its properties, and (iii) do not result in or require the creation of any Lien (other than pursuant hereto or pursuant to the Security Agreement) upon or with respect to any of its properties.

(e) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement, any other Loan Document or of the December Amendments to which it is a party.

(f) It is not necessary that any of the Loan Documents or the Interest Rate Swap Agreement be filed or recorded with any court, agency or other entity in any jurisdiction (except for filings on Form UCC-1 referenced in Section 3.01(e)(ii)(B) and any continuation statements with respect to such filings) or that any stamp, registration or similar tax be paid on or in relation to any of the Loan Documents or on or in relation to the December Amendments to which it is a party, except for any such filing, recordations or taxes made or paid prior to the date hereof.

(g) Since the date of its formation, there has been no material adverse change in the financial condition, operations or properties of the Borrower.

(h) All of the Pledged Collateral covered by the Security Agreement is owned legally by the Borrower free and clear of all Liens, except for those created or permitted by the Loan Documents. The Security Agreement together with the financing statements filed with respect thereto and the taking of possession of the Pledged Collateral, as appropriate, pursuant to the Security Agreement will create valid and first priority perfected security interests in and Liens on the Pledged Collateral covered thereby, securing the payment of all obligations purported to be secured thereby and subject to no other security interests or Liens.

(i) There are no actions, suits, litigation or proceedings pending or, to the best knowledge of the Borrower after due diligence, threatened against or affecting the Borrower or any of its properties, before any court, arbitrator or administrative or governmental body that would be reasonably likely to have a Material Adverse Effect.

(j) The Borrower has filed or caused to be filed on its behalf all tax returns (federal, state, local and foreign) required to be filed by it and has paid or caused to be paid all taxes due for the periods covered thereby, including interest and penalties.

(k) Since the date of its formation, the Borrower has not engaged in any activity other than that contemplated by the Loan Documents or the Borrower Partnership Agreement or entered into any commitment or incurred any Indebtedness other than pursuant to the Loan Documents, the Borrower Partnership Agreement or the Interest Rate Swap Agreement.

(l) The Borrower possesses all licenses, permits and certificates and all other approvals, orders, authorizations and consents and has made all filings and registrations which are necessary or appropriate for the ownership of its properties and for the conduct of its activities as conducted on the Effective Date, other than any such licenses, permits, certificates, approvals, orders, authorizations, consents, filings or registrations the absence of which would not, individually or in the aggregate, have a material adverse effect on the financial condition, operations or properties of the Borrower or impair its ability to perform under the Loan Documents.

(m) The Borrower is not in breach of, in default under, or in violation of, any material agreement, contractual restriction, or law, rule, regulation, order, writ, judgment, injunction, decree, determination or award binding on it or its properties.

(n) Assuming that a total of no more than 75 banks or other entities (in each case, which shall be treated as a single Person for purposes of the Investment Company Act of 1940, as amended) will be Lenders or participants or otherwise have an interest in Advances, the Borrower is not, and will not upon the Borrowing or upon conveyance of the capital contributions to Associates LP, be an "investment company," or be under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(o) The representations and warranties of the Borrower set forth in the other Loan Documents and in the Interest Rate Swap Agreement are true and correct in all material respects and such representations and warranties are hereby incorporated herein by this reference with the same effect as though set forth in their entirety herein.

(p) The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or any successor, as amended) and no part of the proceeds of any Advance hereunder will be used to buy or carry any margin stock.

## ARTICLE 5

### COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any  
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obligation hereunder shall remain unpaid, the Borrower will:

(a) Compliance with Laws. Except where failure to so  
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perform or comply would not have a material adverse effect on the financial condition, operations or properties of the Borrower, perform and promptly comply with, and cause its properties to be maintained and used in accordance with, applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith.

(b) Inspection Rights. Upon reasonable notice, at any  
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reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives of the Administrative Agent or such Lender, to examine and make

copies of and abstracts from the records and books of account of the Borrower, and to discuss the affairs, finances and accounts of the Borrower with an officer of the Borrower, discuss the affairs, finances and accounts of the Borrower with the Manager and permit the Manager to disclose to the Administrative Agent or such Lender any and all financial statements and other information of any kind that it may have with respect to the Borrower.

(c) Maintenance of Licenses and Permits. Maintain and  
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cause the Manager to maintain all licenses and permits necessary to own its properties and to conduct its activities in accordance with all applicable laws, rules, regulations and orders, except where any such failure so to do would not have a material adverse effect on the financial condition, operations or properties of the Borrower.

(d) Compliance with Documents. Maintain in full force  
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and effect, and perform its obligations (if any) under, and comply with the provisions of, the Security Agreement, the Interest Rate Swap Agreement and the Associates LP Partnership Agreement.

SECTION 5.02. Negative Covenants. So long as any  
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obligation hereunder shall remain unpaid, the Borrower will not:

(a) Limitation on Liens. Create, incur, assume or  
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suffer to exist any Lien upon or with respect to any of the Borrower's assets (including, without limitation, the Pledged Collateral) of any character (including, without limitation, accounts), whether now owned or hereafter acquired, or assign any right to receive income, or sign or file under the Uniform Commercial Code of any jurisdiction a financing statement which covers any of the Borrower's assets (including, without limitation, the Pledged Collateral) and which names the Borrower as debtor, other than (i) Liens created by or pursuant to the Loan Documents, and (ii) Liens for taxes and other governmental charges and assessments not yet delinquent or being actively contested in good faith by appropriate proceedings.

(b) Limitation on Indebtedness. Create or suffer to  
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exist any Indebtedness except pursuant to this Agreement, the other Loan Documents, the Interest Rate Swap Agreement, the Process Agent Acceptance, the Manager's Engagement Letter and in respect of accounts payable, on ordinary terms, incurred in the course of the activities permitted under this Agreement.

(c) Sales of Assets. Sell, lease, assign, transfer or  
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otherwise dispose of any of the Pledged Collateral, except as specified or permitted in the Security Agreement.

(d) Nature of Activities. Engage in any activity  
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other than the management and protection of its investment in Associates LP and such activities as are incidentally

related thereto or as otherwise required or expressly contemplated in the Loan Documents or in the Interest Rate Swap Agreement.

(e) Limitation on Amendments. Amend, supplement,  
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terminate, waive or otherwise modify any provision (or agree to or consent to any of the foregoing) of the Borrower Partnership Agreement, the Associates LP Partnership Agreement, the Interest Rate Swap Agreement, the Borden #2 Agreement or the Security Agreement, in each case other than as provided in the Security Agreement, and except for the December Amendments.

(f) Terminate Manager Engagement. Cancel or otherwise  
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suspend the arrangement by which the Manager was engaged to manage the business and affairs of the Borrower or enter into any new arrangement with respect to the foregoing, except that the Borrower may remove the Manager for any reason, provided that the replacement Manager is (i) reasonably acceptable to the Administrative Agent and (ii) engaged by the Borrower pursuant to the Manager's Engagement Letter, or any other such agreement containing substantially similar undertakings of the Manager, and compensation levels not materially greater than those set forth in the Manager's Engagement Letter.

SECTION 5.03. Reporting Requirements. So long as any  
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obligation hereunder shall remain unpaid, the Borrower will furnish to the Administrative Agent and, in the case of Subsection 5.03(iii), the Security Agent:

(i) promptly, and in any event within 90 days after the end of each fiscal year of the Borrower (or, if later, within 30 days after the Borrower's receipt of the information required to be provided to the Borrower under Section 8.2(b) of the Associates LP Partnership Agreement, copies of the unaudited balance sheet of the Borrower as at the end of such fiscal year and the related unaudited statements of income and cash flow of the Borrower for such fiscal year, prepared by the Manager together with a compilation report as defined in accordance with generally accepted auditing standards (such financial statements to be complete and correct in all material respects);

(ii) promptly, and in any event within 30 days after receipt by the Borrower of the information required to be provided to the Borrower under Section 8.2(b) of the Associates LP Partnership Agreement, copies of all reports and financial statements of Associates LP furnished to the Borrower pursuant to Section 8.2 of the Associates LP Partnership Agreement, copies of all statements, reports, and other information furnished to the Borrower pursuant to Section 8.5 of the Associates LP Partnership Agreement, and copies of all other statements, reports, and notices furnished to the Borrower pursuant to the terms of the Associates LP Partnership Agreement;

(iii) promptly, and in any event within 45 days after the end of each fiscal quarter of the Borrower, a summary of quarterly activity of the Borrower prepared by the Manager setting forth Additional Credit Amounts and Additional Equity Amounts incurred during such fiscal quarter, together with a statement that, to the knowledge of the Manager, no default has occurred or is continuing, or, if a default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take in respect thereof; and

(iv) such other information available to the Borrower respecting the condition, financial or otherwise, of the Borrower and its properties as any Lender through the Administrative Agent may from time to time reasonably request.

## ARTICLE 6

### EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the  
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 following events ("Events of Default") shall occur and be  
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 continuing:

(a) The Borrower shall fail to pay (i) any principal of any Note when the same becomes due and payable, (ii) any interest on any Note within two Business Days after the same becomes due and payable, or (iii) any other amount payable by it under this Agreement or under any other Loan Document within ten Business Days after the Borrower's receipt of written notice from any Lender, through the Administrative Agent, that such amount is due; or

(b) Any "Event of Default" or "Termination Event" under the Interest Rate Swap Agreement shall occur; or

(c) Any written representation or warranty made by the Borrower herein or in any other Loan Document, the Interest Rate Swap Agreement or the Borrower Partnership Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(d) The Borrower (i) shall fail to perform or observe any term, covenant or agreement contained in Section 5.02 if such failure shall remain unremedied for ten Business Days after written notice thereof shall have been received by the Borrower from the Administrative Agent or any Lender, or (ii) shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for thirty days after written notice thereof shall have been received by the Borrower from the Administrative Agent or the Required Lenders; or

(e) The Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or the Borrower shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) The Security Agreement, after delivery thereof, shall for any reason, except to the extent permitted by the terms thereof or solely as the result of the action or inaction of the Security Agent, cease to create a valid and perfected lien on, or security interest in, the Pledged Collateral purported to be covered thereby subject to no superior security interests or liens; or

(g) The Borrower shall for any reason dissolve; or

(h) A Liquidating Event (as defined in the Associates LP Partnership Agreement) shall have occurred other than a Liquidating Event arising from delivery of a Default Notice solely given as a result of the occurrence of an event described in Section 14.1(e) or 14.1(h) of the Associates LP Partnership Agreement;

then, and in any such event, the Administrative Agent shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, (x) declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (y) declare the Notes, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that, in the event of an actual or

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 deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of any Lender to make Advances shall automatically terminate and (B) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

## ARTICLE 7

## THE AGENTS

## SECTION 7.01. Authorization and Action. Each Lender

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 hereby appoints Citibank, N.A. as the Administrative Agent hereunder and as the Security Agent under the Security Agreement, and authorizes Citibank, N.A. to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement, the other Loan Documents and the Escrow Agreement as are delegated to the Administrative Agent and Security Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, the other Loan Documents and the Escrow Agreement on its part to be performed and no implied covenants or obligations shall be read in this Agreement or the other Loan Documents against the Administrative Agent. The Administrative Agent shall not be required to exercise any discretionary power granted to it under the Loan Documents, and as to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes and enforcement of the Security Agreement), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders or, in the case of the Security Agent, the Required Lenders or the Administrative Agent, and only if furnished with indemnity satisfactory to the Administrative Agent or Security Agent, as applicable, by the person making the request, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however,

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 that the Administrative Agent shall not be required to take any action that exposes it to personal liability or that is contrary to this Agreement or the Security Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice and copies of all other documents given to it by the Borrower and the Security Agent pursuant to the terms of this Agreement or the Security Agreement, and agrees to give the Security Agent prompt notice of each notice and copies of all other documents given to it by the Borrower and the Lenders pursuant to the terms of this Agreement. The Security Agent agrees to give to the Administrative Agent prompt notice of each notice and copies of all other documents given to it by the Borrower and the Lenders pursuant to the terms of the Security Agreement.

## SECTION 7.02. Reliance, Etc. (a) Reliance, Etc.

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 None of the Administrative Agent, any Lead Managing Agent or any Arranger or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.06;



(ii) may consult with legal counsel (including counsel for the Borrower or any partner of the Borrower), or independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it in good faith; (iv) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with the Loan Documents; (v) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document (except to verify deposits (but not the amounts thereof) into the Operating Account (as defined in the Security Agreement) in accordance with Section 6 of the Security Agreement) on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (vi) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant hereto or thereto; (vii) shall not be liable to any Lender or any holder of a Note for any losses incurred as the result of any sale or disposition of Permitted Investments (as defined in the Security Agreement) in accordance with the Security Agreement; (viii) makes no representation or warranty and shall have no responsibility concerning the value or validity of the Pledged Collateral (as defined in the Security Agreement) or the validity or the perfection of the pledge thereof; and (ix) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

(b) Notices to Security Agent. (i) At least one

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 Business Day prior to each Interest Payment Date, the Administrative Agent agrees to give the Security Agent notice of the amount of each payment to be made by the Security Agent on such Interest Payment Date in respect of (i) amounts then payable by the Borrower under Section 2 of the Interest Rate Swap Agreement and fees payable by the Borrower under the terms of the Interest Rate Swap Fee Letter and (ii) amounts then payable by the Borrower in respect of interest under the Credit Agreement, it being understood by the Administrative Agent, the Lenders and holders of the Notes that the Security Agent shall have no obligation to make any such payments unless and until it has received the respective notice from the Administrative Agent.

(ii) Upon (a) any voluntary redemption of the LP Interest by Associates LP pursuant to Section 10.8 of the Associates LP Partnership Agreement, (b) the purchase of the LP Interest by one or more of the general partners of Associates LP pursuant to Section 14.3 of the Associates LP Partnership Agreement and (c) the liquidation of the LP Interest pursuant to Section 12 of the Associates LP Partnership Agreement, and until all distributions to be made by the Security Agent under the Security Agreement upon the occurrence of any such event shall have been made, the Agent agrees to give the Security Agent prompt notice in writing of the date and amount of each payment to be made by the Security Agent in respect of (i) amounts payable by the Borrower under Section 2 of the Interest Rate Swap Agreement, (ii) fees payable by the Borrower under the terms of the Interest Rate Swap Fee Letter, (iii) amounts payable by the Borrower under the Loan Documents (other than principal) and (iv) amounts payable by the Borrower in respect of principal under this Agreement, it being understood by the Administrative Agent, the Lenders and holders of the

Notes that the Security Agent shall have no obligation to make any such payments unless and until it has received the respective notice from the Administrative Agent.

(iii) The Administrative Agent agrees to promptly notify the Security Agent of (A) the occurrence of a Default, (B) each Assignment and Acceptance delivered to and accepted by it and (C) the payment in full of the Obligations (as defined in the Security Agreement) after the termination of the Commitments under this Agreement. The Security Agent shall not be deemed to have knowledge of any Default unless informed in writing by the Administrative Agent, any Lender or the Borrower.

(iv) The Lenders hereby authorize and direct the Administrative Agent, upon its receipt of notice from the Security Agent that the proceeds of any voluntary redemption of the LP Interest by Associates LP pursuant to Section 10.8 of the Associates LP Partnership Agreement or of the liquidation of the LP Interest pursuant to Section 12 of the Associates LP Partnership Agreement have been deposited into the Operating Account, to notify the Counterparty, pursuant to the Interest Rate Swap Fee Letter, of the Borrower's election to reduce the notional principal amount outstanding under the Interest Rate Swap Agreement by an amount equal to the principal amount required to be prepaid pursuant to Section 2.03 hereof.

(v) The Lenders hereby authorize and direct the Security Agent to deliver to the managing general partner of Associates LP on any date on or prior to the 1999 Default Event, a "Default Notice" (as defined in the Associates LP Partnership Agreement), such "Default Notice" to be effective 100 days prior to December 31, 1999 with respect to the Default Event (as defined in the Associates LP Partnership Agreement) described in Section 14.1(e) of the Associates LP Partnership Agreement, provided that the Security Agent shall not rescind such Default

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 Notice without the consent of all of the Lenders. The Lenders hereby authorize and direct the Security Agent to rescind the Default Notice previously delivered by the Security Agent in accordance with Section 7.02(b)(v) of the Original Credit Agreement.

(c) Other Agents. The Lead Managing Agents and the  
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 Arrangers, as such, shall have no duties or obligations whatsoever with respect to this Agreement, the Notes, the Security Agreement or any other document or any matter related thereto.

#### SECTION 7.03. Lead Managing Agents and Affiliates.

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 With respect to their respective Commitments, the Advances made by them and the Notes issued to them, each of the Lead Managing Agents shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it or its Affiliate were not the Administrative Agent, a Lead Managing Agent or an Arranger, as the case may be; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include each of the Lead Managing Agents in its individual capacity. Each of the Lead Managing Agents, and its respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of

business with the Borrower, any of its affiliates and any Person who may do business with or own interests in any of them, all as if such Lead Managing Agent or any of its respective Affiliates were not the Administrative Agent, a Lead Managing Agent or an Arranger, as the case may be, and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender

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

SECTION 7.05. Indemnification. The Lenders agree to

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 indemnify each Agent (to the extent not promptly reimbursed by the Borrower), ratably according to the respective principal amounts of the Notes then held by each of them (or if no Notes are at the time outstanding or if any Notes are held by persons that are not Lenders, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents; provided, however, that no Lender shall be

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 liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by such 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 the Loan Documents, to the extent that such Agent is not promptly reimbursed for such costs and expenses by the Borrower.

SECTION 7.06. Successor Administrative Agent. The

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 Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Agent. Such resignation shall become effective upon the acceptance of the appointment by the successor Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted the appointment as Administrative Agent, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor as Administrative Agent. Any successor Administrative Agent hereunder shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and have a combined capital and surplus of at least \$250,000,000. Upon the

acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, notice of the appointment and acceptance of such successor Administrative Agent shall be given by the Required Lenders to the Borrower, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

## ARTICLE 8

### MISCELLANEOUS

#### SECTION 8.01. Amendments, Etc. No amendment,

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 supplement, modification or waiver of any provision of this Agreement or the Notes or consent to any departure by the Borrower therefrom shall be effective unless the same shall be in writing and signed by the Borrower and the Required Lenders, and then such amendment, supplement, modification or waiver shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment,

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 supplement, modification or waiver shall, unless in writing and signed by the Administrative Agent and each Lender affected thereby directly: (a) reduce the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Lenders, which shall be required for the Lenders or any of them to take any action under this Agreement; (b) amend this Section 8.01; (c) extend the scheduled time of payment of any interest owing to such Lenders; (d) increase the aggregate amount of the Commitments of such Lenders; (e) reduce the stated rate of interest borne by the Advances owing to such Lender (other than as a result of waiving the applicability of any post-default increase in interest rates) or forgive all or any part of the principal amount thereof owing to such Lender; (f) extend the final scheduled maturity of any Advance owing to such Lender; (g) amend, modify or waive any of the provisions of Section 5.02(e) or consent to any departure therefrom; or (h) amend Section 7.02(b)(v); provided further that no amendment,

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 waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note.

#### SECTION 8.02. Notices, Etc. All notices and other

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 communications provided for hereunder shall be in writing (including facsimile, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered as follows:

## If to the Borrower:

T.M. Investors Limited Partnership  
c/o Wilmington Trust Company  
Corporate Trust Administration  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890

Attention: Ann Roberts

with a copy to:

Allstate Life Insurance Company  
Allstate Plaza West  
Northbrook, Illinois 60062

Attention: Investment Department --  
Private Placement Division J2A

BDS Five, Inc.  
One Little Falls Center, Suite 202  
2711 Centerville Road  
Wilmington, Delaware 19808

Attention: Phyllis Yeatman

David Elliman  
18 East 74th Street  
New York, New York 10021

## If to the Administrative Agent:

Citibank, N.A.  
399 Park Avenue  
New York, New York 10043

Attention: Michel Pendill

If to any Lender:

At the address of its Lending Office specified  
opposite its name on Schedule I hereto  
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or, as to the Borrower, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent; provided, however, any party shown  
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above to receive copies of such notices and communications to the Borrower may, by written notice to the Administrative Agent, waive any right to receive such copies from the Administrative Agent or any Lender. Except as otherwise specified in this Agreement, all such notices and communications shall, when sent by registered or certified mail, telecopied, telegraphed, telexed, cabled or sent by overnight courier, be effective when received in the case of mail, or when transmitted by telecopier (followed by delivery of the original of such notice or communication), delivered to the telegraph company, confirmed by telex answerback, delivered to the cable company or delivered to the courier company, respectively, except that notices and communications to the Administrative Agent pursuant to Article 2 or 7 shall not be effective until received by the Administrative Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the  
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part of any Lender, any Arranger or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses; Indemnification.  
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(a) The Borrower agrees to pay on demand all reasonable and documented costs and out-of-pocket expenses of each Agent in connection with the administration (other than ordinary costs and expenses), amendment, supplement, modification or waiver of the Loan Documents and the other documents to be delivered under the Loan Documents, including, without limitation, the reasonable and documented fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities as Administrative Agent and as Security Agent under and in connection with the Loan Documents. The Borrower further agrees to pay on demand all reasonable and documented costs and out-of-pocket expenses, if any (including, without limitation, reasonable and documented counsel fees and out-of-pocket expenses), of the Administrative Agent and the Lenders in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of the Loan Documents and the other documents to be delivered under the Loan Documents including, without limitation, reasonable and documented counsel fees and out-of-pocket expenses in connection with the enforcement of rights under this Section 8.04.

(b) The Borrower covenants and agrees, unconditionally, absolutely and irrevocably, to indemnify and hold harmless each Agent and each Lender and each of their respective affiliates, directors, officers, employees, agents and advisors (each an "Indemnified Party"), upon demand by any such

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 Indemnified Party, from and against any and all claims, damages, losses, liabilities, penalties and reasonable and documented expenses (including, without limitation, reasonable and documented fees and disbursements of counsel) that may be incurred by or awarded against any such Indemnified Party, in each case arising out of or in connection with or by reason of (or in connection with the preparation for a defense of) any investigation, litigation or proceeding, whether or not such Indemnified Party is a party thereto, arising out of, related to, or in connection with such Person having been an Agent or a Lender or rendering or having rendered any services to or on behalf of the Borrower and the transactions contemplated hereby and under the other Loan Documents; provided, however, that no

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 such indemnification shall be required hereunder for any such claims, damages, losses, liabilities, penalties and expenses resulting from the gross negligence or willful misconduct of any such Indemnified Party.

(c) The indemnities set forth in this Section 8.04 shall be in addition to any other obligations or liabilities of the Borrower hereunder or at common law or otherwise. Without prejudice to the survival of any other obligation of the Borrower under this Agreement, the indemnities and obligations contained in this Section 8.04 shall survive the payment in full of the principal of and interest on the Notes or any other termination of this Agreement.

(d) If any payment of principal of any Advance bearing interest calculated by reference to the Eurodollar Rate is made other than on the last day of an Interest Period relating to such Advance, as a result of a prepayment or conversion pursuant to Section 2.03 or 2.07, respectively, or acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount and shall also be sent upon demand by any Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment, including, without limitation, any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Advance.

SECTION 8.05. Binding Effect. This Agreement shall  
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 become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Lender that such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

## SECTION 8.06. Assignments and Participations. (a)

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 Each Lender may with the prior consent of the Administrative Agent and the Borrower (such consents not be unreasonably withheld or delayed), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, the Advance owing to it and the Note held by it); provided, however, that such

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 assignment or any activity intended to give rise to an assignment shall not be initiated prior to the receipt by the Lenders of notice from the Arrangers that the syndication of this Agreement has been completed; provided, further, however, that (i) except

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 in the case of an assignment to a Person that immediately prior to such assignment was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Advance of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$5,000,000, (ii) each such assignment shall be to a Lender, an Eligible Assignee or to an Affiliate of the assignor and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note subject to such assignment, and a processing and recordation fee of \$3,000 for each assignment completed after the notice referred to in the first proviso of this Section 8.06 has been received. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) 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, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations hereunder (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own



credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is a Lender, an Eligible Assignee or an Affiliate of an assignor and that the conditions of this Section 8.06 have been satisfied; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; and (viii) such assignee consents to be bound by the terms of that certain Note Exchange Agreement dated as of the date hereof among the Borrower, Borden, the Lenders, the Administrative Agent and Citibank, as administrative agent under the Borden Credit Agreement.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the principal amount of the Advance owing to each Lender from time to time (the "Register"). The entries in the Register shall be

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conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee and that the conditions of this Section 8.06 have been satisfied, together with the Note subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note a new Note to the order of such assignee in a principal amount equal to the principal portion of the Advance assigned to it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a portion of its Advance hereunder, a new Note to the order of the assigning Lender in a principal amount equal to the principal portion of its Advance retained by it hereunder. Such new Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(e) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Advance owing to it and the Note held by it); provided, however, that (i) such Lender's

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obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the

performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes under this Agreement, (iv) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation and no sub-participant of such participant shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would directly: reduce the stated rate of interest borne by the Advances owing to such participant (other than as a result of waiving the applicability of any post-default increase in interest rates), forgiving all or any part of the principal amount thereof or reduce the stated rate for or extend the final maturity of any Advance owing to such participant, in each case to the extent subject to such participation.

(f) Any attempted assignment or grant of a participation or subparticipation prior to the time expressly permitted in paragraphs (a) and (e) of this Section 8.06, or otherwise in violation of this Section 8.06, shall be void. No participant shall be entitled to receive any greater benefit pursuant to Sections 2.06 and 2.09 than the Lender would have been entitled to receive with respect to the rights transferred.

(g) Notwithstanding anything to the contrary set forth in this Section 8.06, the Borrower shall in no event be required to provide its consent to any proposed assignment or grant of a participation interest in any Advance or portion thereof if, after giving effect to such assignment or participation, the total number of Lenders and participants holding interests in the Advances would be greater than 75 Persons.

(h) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.06, disclose to the assignee or participant or proposed assignee or participant approved by the Borrower, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided, however, that, prior to

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any such disclosure, the assignee or participant or proposed assignee or participant shall have executed a confidentiality agreement substantially in the form attached hereto as Exhibit E and returned the same to such Lender and the Borrower.

(i) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank.

SECTION 8.07. Manager. Pursuant to the Manager's

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Engagement Letter, the Borrower has delegated and assigned to Manager certain duties and responsibilities of the Borrower pursuant to this Agreement and the other Loan Documents. The Borrower acknowledges and agrees that the Lenders, the Administrative Agent and the Security Agent shall be entitled to rely on the written directions, instructions, consents, approvals, and other

actions taken by the Manager on behalf or for the account of the Borrower pursuant to the terms of this Agreement and the other Loan Documents.

SECTION 8.08. Non-Recourse Liability. (a) No  
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recourse under any obligation, covenant or agreement of the Borrower contained in this Agreement or the other Loan Documents shall be had against any partner of the Borrower or the Manager, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower or the Manager, or of any of their respective affiliates (except for the Borrower itself), by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that no personal liability whatever shall attach to or be incurred by any partner of the Borrower or by the Manager, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower or the Manager, or any of their respective affiliates (except for the Borrower itself), or any of them, under or by reason of any of the obligations, covenants or agreements of the Borrower contained in this Agreement or the other Loan Documents, or implied therefrom; and it being further expressly agreed and understood that any and all personal liability of any partner of the Borrower or the Manager, as such, and of every such beneficiary, stockholder, trustee, employee, officer, or director of any partner of the Borrower or the Manager, or any of their respective affiliates (except for the Borrower itself), for breaches by the Borrower of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, is hereby expressly waived by the Administrative Agent and each Lender as a condition of and consideration for the execution of this Agreement.

(b) Each Agent and each Lender hereby irrevocably agrees that, in furtherance of the provisions of the preceding paragraph (a) of this Section 8.08, (i) it shall not institute against, or join any other Person in instituting against, any partner of the Borrower, as such, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower, as such, or any of their respective affiliates (except for the Borrower itself), any bankruptcy, reorganization, insolvency or liquidation proceeding, or other proceeding under federal or state bankruptcy or similar law, in connection with any claim relating to the transactions contemplated hereby, (ii) in the event of any reorganization under the Bankruptcy Reform Act of 1978, as amended, of any partner of the Borrower, or the Borrower, it will make the election under Section 1111(b)(2) of such Act and (iii) if for any reason, whether or not related to the Bankruptcy Reform Act of 1978, as amended, it shall recover from the Borrower or any partner of the Borrower, any assets or amounts other than the assets constituting the Pledged Collateral, it promptly shall return such asset or amount recovered to such entity. Nothing contained in this subsection 8.08(b) shall prevent any Lender from enforcing as a full recourse obligation (and retaining the proceeds thereof) any obligation under this Agreement or any other Loan Document that is expressed as being an obligation of any entity other than the Borrower.

SECTION 8.09. Execution in Counterparts. This  
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Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together

shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.10. Confidentiality. Each Lender has

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 heretofore executed a confidentiality agreement in the form of Exhibit E and returned a copy thereof to the Borrower. Each Lender shall hold all non-public information obtained pursuant to this Agreement in accordance with the terms of such confidentiality agreement and in accordance with safe and sound banking practices and, subject to Section 8.06, may make disclosure reasonably requested by any bona fide transferee in connection with the contemplated transfer of any Advances or participation therein or as required or requested by any governmental authority or pursuant to legal process; provided

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 that each such transferee shall have previously signed and returned to such Lender a confidentiality agreement in the form of Exhibit E, and such Lender agrees to send to the Borrower promptly a copy of each such confidentiality agreement executed by such transferee.

SECTION 8.11. Submission to Jurisdiction; Venue. (a)

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 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 New York located in the county of New York or of the United States for the Southern District of New York, and, by execution and delivery of this Agreement, the Borrower hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Borrower hereby irrevocably appoints The Prentice-Hall Corporation System, Inc. with offices on the date hereof at One Gulf & Western Plaza, New York, New York 10023-7773 (or any successor appointed by the General Partner) as its designee, appointee and agent to receive, accept and acknowledge, for and on its behalf, and in respect of its property, service of process out of any of the aforementioned courts in any such action or proceeding. A copy of process so served shall be mailed to the Borrower by registered or certified mail, postage prepaid, to it at its address for notices pursuant to Section 8.02, except that unless otherwise provided by applicable law, any failure to mail such copy shall not affect the validity of service of process. In addition to the foregoing, the Borrower hereby consents to the service of process upon it by registered or certified mail, postage prepaid, to such address. Nothing herein shall affect the right of the Administrative Agent or any Lender to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Borrower in any other jurisdiction.

(b) The Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement or any other Loan Document brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 8.12. Lenders' Consent. Each Lender hereby

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consents and agrees to the execution and delivery of, and performance by, the Borrower of each December Amendment to which it is a party, that certain consent to the December Amendments dated as of the date hereof and that certain Consent and Agreement dated as of the date hereof in respect of the "Pledge Agreement" (as defined in the Borden Credit Agreement).

SECTION 8.13. Governing Law. This Agreement and the

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Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.14. Waiver of Jury Trial. Each of the

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Borrower, the Agents and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on a contract, tort or otherwise) arising out of or relating to any of the Loan Documents, the Advances or the action of any Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

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

T.M. INVESTORS LIMITED PARTNERSHIP

By:  
Pawling Partners, Inc., as General Partner

By: /s/  
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Name:  
Title:

CITIBANK, N.A., as Administrative Agent

By: /s/  
-----  
Name:  
Title:

ARRANGERS

BT SECURITIES CORPORATION, as Arranger

By: /s/  
-----  
Name:  
Title:

CHEMICAL SECURITIES INC., as Arranger

By: /s/  
-----  
Name:  
Title:

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CITICORP SECURITIES, INC., as  
Arranger

By: /s/  
-----  
Name:  
Title:

CREDIT SUISSE, as Arranger

By: /s/  
-----  
Name:  
Title:

By: /s/  
-----  
Name:  
Title:

LENDERS

BANKERS TRUST COMPANY

By: /s/  
-----  
Name:  
Title:

CHEMICAL BANK

By: /s/  
-----  
Name:  
Title:

55

CITIBANK, N.A.

By: /s/  
-----  
Name:  
Title:

CREDIT SUISSE

By: /s/  
-----  
Name:  
Title:

By: /s/  
-----  
Name:  
Title:

ABN AMRO BANK N.V.,  
NEW YORK BRANCH

By: /s/  
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Name:  
Title:

By: /s/  
-----  
Name:  
Title:

CIBC INC.

By: /s/  
-----  
Name:  
Title:



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CREDIT LYONNAIS NEW YORK BRANCH

By: /s/  
-----  
Name:  
Title:

CREDIT LYONNAIS  
CAYMAN ISLAND BRANCH

By: /s/  
-----  
Name:  
Title:

NATIONSBANK OF NORTH CAROLINA, N.A.

By: /s/  
-----  
Name:  
Title:

NATIONAL WESTMINSTER BANK PLC  
NEW YORK BRANCH

By: /s/  
-----  
Name:  
Title:

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NATIONAL WESTMINSTER BANK PLC  
NASSAU BRANCH

By: /s/  
-----  
Name:  
Title:

THE BANK OF NEW YORK

By: /s/  
-----  
Name:  
Title:

THE BANK OF NOVA SCOTIA

By: /s/  
-----  
Name:  
Title:

THE BANK OF TOKYO TRUST COMPANY

By: /s/  
-----  
Name:  
Title:

THE CHASE MANHATTAN BANK, N.A.

By: /s/  
-----  
Name:  
Title:

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THE FIRST NATIONAL BANK OF CHICAGO

By: /s/  
-----  
Name:  
Title:

THE FUJI BANK, LIMITED

By: /s/  
-----  
Name:  
Title:

UNION BANK OF SWITZERLAND,  
NEW YORK BRANCH

By: /s/  
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Name:  
Title:

By: /s/  
-----  
Name:  
Title:

WACHOVIA BANK OF GEORGIA, N.A.

By: /s/  
-----  
Name:  
Title:

## SCHEDULE I

## APPLICABLE LENDING OFFICES AND COMMITMENTS

Name of Lender -----	Lending Office -----	Original Credit Agreement Allocated Commitment -----
Bankers Trust Company	130 Liberty Street New York, New York 10006	\$0
Chemical Bank	270 Park Avenue New York, New York 10017	\$0
Citibank, N.A.	399 Park Avenue New York, New York 10043	\$48,000,000.00
Credit Suisse	12 East 49th Street New York, New York 10017	\$48,000,000.00
ABN AMRO Bank, N.V., New York Branch	500 Park Avenue New York, NY 10022	\$32,000,000.00
The Bank of New York	One Wall Street, 8th Floor New York, NY 10286 New York Corporate Division	\$32,000,000.00
The Bank of Nova Scotia	One Liberty Plaza New York, NY 10006	\$32,000,000.00

Name of Lender -----	Lending Office -----	Original Credit Agreement Allocated Commitment -----
The Bank of Tokyo Trust Company	100 Broadway New York, NY 10005	\$32,000,000.00
The Chase Manhattan Bank, N.A.	One Chase Manhattan Plaza New York, NY 10081	\$32,000,000.00
CIBC Inc.	Two Places West 2727 Paces Ferry Road, Suite 1200 Atlanta, GA 30339	\$32,000,000.00
Credit Lyonnais New York Branch	1301 Avenue of the Americas New York, New York 10019	\$0
Credit Lyonnais Cayman Island Branch	1301 Avenue of the Americas New York, New York 10019	\$0
The First National Bank of Chicago	One First National Plaza Chicago, IL 60670	\$32,000,000.00
The Fuji Bank, Limited	Two World Trade Center, 79th Floor New York, NY 10048	\$32,000,000.00
NationsBank of North Carolina, N.A.	1 NationsBank Plaza NC 1002-06-19 Charlotte, NC 28255	\$32,000,000.00

Name of Lender -----	Lending Office -----	Original Credit Agreement Allocated Commitment -----
National Westminster Bank PLC, New York Branch	175 Water Street, 21st Floor New York, NY 10038	\$32,000,000.00
National Westminster Bank PLC Nassau Branch	175 Water Street, 21st Floor New York, NY 10038	\$32,000,000.00
Union Bank of Switzerland	299 Park Avenue New York, NY 10171	\$32,000,000.00
Wachovia Bank of Georgia, N.A.	191 Peachtree Street Atlanta, GA 30303	\$32,000,000.00

Schedule 2.01  
Assigned Advances

A. Name of Assigning Lender	Advances under Original Credit Agreement	Amount of Assigned Advances	Advances after Assignment Date
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Citibank, N.A.	\$48,000,000.00	\$0	\$51,469,879.5125
Credit Suisse	\$48,000,000.00	\$0	\$51,469,879.5125
The Bank of Nova Scotia	\$32,000,000.00	\$3,084,317.35	\$28,915,682.65
The Chase Manhattan, N.A.	\$32,000,000.00	\$3,084,317.35	\$28,915,682.65
NationsBank of North Carolina, N.A.	\$32,000,000.00	\$3,084,317.35	\$28,915,682.65
National Westminster Bank, PLC New York Branch	\$32,000,000.00	\$3,084,317.35	\$28,915,682.65
Nassau Branch			
ABN AMRO Bank, N.V. New York Branch	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
The Bank of New York	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
The Bank of Tokyo Trust Company	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
CIBC Inc.	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
The First National Bank of Chicago	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
The Fuji Bank, Limited	\$32,000,000.00	\$10,409,638.55	\$21,590,361.45
Union Bank of Switzerland	\$32,000,000.00	\$32,000,000.00	\$0
Wachovia Bank of Georgia, N.A.	\$32,000,000.00	\$32,000,000.00	\$0
B. Name of Purchasing Lender	Assigned Advances Purchased	Advances after Assignment Date	
-----	-----	-----	
Bankers Trust Company	\$51,469,879.5125	\$51,469,879.5125	
Chemical Bank	\$51,469,879.5125	\$51,469,879.5125	
Citibank, N.A.	\$3,469,879.5125	\$51,469,879.5125	
Credit Lyonnais	\$28,915,662.6500	\$28,915,662.6500	

New York Branch  
Cayman Islands Branch  
Credit Suisse

\$3,469,879.5125

\$51,469,879.5125



## EXHIBIT A

## FORM OF PROMISSORY NOTE

\$ \_\_\_\_\_

Dated: \_\_\_\_\_, 199\_

FOR VALUE RECEIVED, the undersigned, T.M. INVESTORS LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of Delaware, (the "Borrower"), HEREBY PROMISES TO PAY to the order of

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\_\_\_\_\_  
 (the "Lender") for the account of its applicable Lending Office (as

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defined in the Credit Agreement referred to below) the principal amount of the Advance (as defined in the Credit Agreement) owing to the Lender by the Borrower pursuant to the Credit Agreement (as defined below), payable in accordance with the terms of the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of the Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America at the office of the Administrative Agent at 399 Park Avenue, New York, New York 10043, for the account of the Lender's Lending Office (as defined in the Credit Agreement) in same day funds. The Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note; provided that any

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such failure to endorse on the grid attached hereto shall not affect the obligations of the Borrower hereunder.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Second Amended and Restated Credit Agreement dated as of December 15, 1994 ( as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the

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Borrower, the Lender and certain other lenders parties thereto, and Citibank, N.A., as Administrative Agent (as defined in the Credit Agreement), for the Lender and such other lenders, and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers. The Credit Agreement, among other things, (i) provides for the making of a single Advance by the Lender to the Borrower in an amount not to exceed the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from such Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

This Promissory Note is secured by and entitled to the benefits of the Amended and Restated Pledge, Assignment and Security Agreement dated as of August 16, 1994, as amended, modified or otherwise supplemented from time to time.

No recourse under any obligation, covenant or agreement of the Borrower contained in this Promissory Note shall be had against any partner of the Borrower or the Manager (as defined in the Credit Agreement), or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower or the Manager, or of any of their respective affiliates (except for the Borrower itself), by the

enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that no personal liability whatever shall attach to or be incurred by any partner of the Borrower or by the Manager, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower or the Manager, or any of their respective affiliates (except for the Borrower itself), or any of them, under or by reason of any of the obligations, covenants or agreements of the Borrower contained in this Promissory Note, or implied therefrom; and it being further expressly agreed and understood that any and all personal liability of any partner of the Borrower or the Manager, as such, and of every such beneficiary, stockholder, trustee, employee, officer, or director of any partner of the Borrower or the Manager, or any of their respective affiliates (except for the Borrower itself), for breaches by the Borrower of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, is hereby expressly waived by the Administrative Agent and each Lender as a condition of and consideration for the execution of this Promissory Note.

The holder of this Promissory Note hereby irrevocably agrees that, in furtherance of the provisions of the preceding paragraph, (i) it shall not institute against, or join any other Person in instituting against, any partner of the Borrower, as such, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Borrower, as such, or any of their respective affiliates (except for the Borrower itself), any bankruptcy, reorganization, insolvency or liquidation proceeding, or other proceeding under federal or state bankruptcy or similar law, in connection with any claim relating to the transactions contemplated hereby, (ii) in the event of any reorganization under the Bankruptcy Reform Act of 1978, as amended, of any partner of the Borrower, or the Borrower, it will make the election under Section 1111(b)(2) of such Act, and (iii) if for any reason, whether or not related to the Bankruptcy Reform Act of 1978, as amended, it shall recover from the Borrower or any partner of the Borrower, any assets or amounts other than the assets constituting the Pledged Collateral (as defined in the Credit Agreement), it promptly shall return such asset or amount recovered to such entity.

T.M. INVESTORS LIMITED PARTNERSHIP

By:  
Pawling Partners, Inc., as General  
Partner

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

## PAYMENTS OF PRINCIPAL

Date	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
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## EXHIBIT B

## FORM OF NOTICE OF BORROWING

To the Lenders and Arrangers  
 party to the Credit Agreement referred to below  
 and Citibank, N.A., as Administrative  
 Agent for such Lenders  
 Citibank, N.A.  
 399 Park Avenue  
 New York, New York 10043  
 Attention: Michael Pendill

[Date]

Ladies and Gentlemen:

The undersigned, T.M. Investors Limited Partnership, refers to the Second Amended and Restated Credit Agreement, dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement", the terms

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 defined therein and not otherwise defined herein being used herein as therein defined), among the undersigned, the Lenders parties thereto, Citibank, N.A., as Administrative Agent for such Lenders and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and hereby gives you notice pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests the following Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the

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 Credit Agreement:

The Business Day of the Proposed Borrowing is  
 , 19 .  
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The aggregate amount of the Proposed Borrowing is  
 \$ .  
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The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in each Loan Document are correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

T.M. INVESTORS LIMITED PARTNERSHIP

By:  
Pawling Partners, Inc., as General  
Partner

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

## EXHIBIT C

## FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Second Amended and Restated Credit Agreement dated as of December 15, 1994 ( as amended, supplemented or otherwise modified from time to time, the "Credit

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 Agreement") among T.M. Investors Limited Partnership, a limited  
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 partnership organized under the laws of the State of Delaware  
 (the "Borrower"), the Lenders parties thereto, Citibank, N.A., as

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 Administrative Agent for such Lenders, and BT Securities  
 Corporation, Chemical Securities Inc., Citicorp Securities, Inc.  
 and Credit Suisse, as Arrangers. Terms defined in the Credit  
 Agreement and not otherwise defined herein are used herein as  
 therein defined.

The "Assignor" and the "Assignee" referred to on  
 Schedule 1 agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, without recourse, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement. After giving effect to such sale and assignment, the amount of the Advances owing to the Assignee will be as set forth on Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower 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; and (iv) attaches the Note held by the Assignor and requests that the Administrative Agent exchange such Note for a new Note payable to the order of the Assignee in an amount equal to the Advances assumed by the Assignee pursuant hereto or new Notes payable to the order of the Assignee in an amount equal to the Advances assumed by the Assignee pursuant hereto and the Assignor in an amount equal to the Advances retained by the Assignor under the Credit Agreement, respectively, as specified on Schedule 1.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee, a Lender or

an Affiliate of the Assignor and that the conditions set forth in Section 8.06 of the Credit Agreement have been satisfied; (iv) appoints and authorizes the Administrative Agent to take such action as Administrative Agent and Security Agent on its behalf and to exercise such powers and discretion under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; (vi) agrees to be bound by, and perform in accordance with, the terms of that certain Note Exchange Agreement among the Borrower, Borden, the Lenders, the Administrative Agent and Citibank, as administrative agent under the Borden Credit Agreement as if it were a party thereto, [and (vii) if the Assignee is organized under the laws of a jurisdiction outside the United States, such Assignee agrees that it will attach any United States Internal Revenue Service forms required under Section 2.09 of the Credit Agreement].

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of Acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights (other than its rights to indemnity under the Credit Agreement including, without limitation, as provided in Section 2.10 and Section 8.04) and be released from its obligations under the Credit Agreement [(and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under the Credit Agreement, such Lender shall cease to be a party to the Credit Agreement)].

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Note in respect of the interest assigned hereby (including, without limitation, all payments of principal and interest with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Note for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this

Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.



SCHEDULE 1  
to  
ASSIGNMENT AND ACCEPTANCE

Percentage interest assigned: \_\_\_\_\_ %

Assignee's Commitment: \$ \_\_\_\_\_

Aggregate outstanding principal amount  
of Advances assigned: \$ \_\_\_\_\_

Principal amount of Note payable  
to Assignee: \$ \_\_\_\_\_

Principal amount of Note payable  
to Assignor: \$ \_\_\_\_\_ ]

Effective Date (if other than date  
of acceptance by Administrative Agent): 1 \_\_\_\_\_, 19 \_\_\_\_

[NAME OF ASSIGNOR], as Assignor

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

Title:

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

\_\_\_\_\_, 19 \_\_\_\_

[NAME OF ASSIGNEE], as Assignee

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

Title:

Lending Office:

Accepted this \_\_\_\_\_ day  
of \_\_\_\_\_, 19 \_\_\_\_

CITIBANK, N.A., as Administrative Agent

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

Title:

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1 This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Administrative Agent.

EXHIBIT D

AMENDED AND RESTATED PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT

Dated as of August 16, 1994

Between

T.M. INVESTORS LIMITED PARTNERSHIP

as Pledgor  
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and

CITIBANK, N.A.  
as Security Agent  
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AMENDED AND RESTATED PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT

AMENDED AND RESTATED PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement"), dated as of August 16, 1994, made by

T.M. INVESTORS LIMITED PARTNERSHIP, a limited partnership organized under the laws of Delaware (the "Pledgor"), to CITIBANK, N.A., a

national banking association, as security agent (together with any successor appointed pursuant to the Credit Agreement (as hereinafter defined), the "Security Agent") for the lenders (the "Lenders") party

to the Credit Agreement and for Citibank, N.A. as Administrative Agent (as defined in the Credit Agreement) for the Lenders.

PRELIMINARY STATEMENTS

(1) The Pledgor is entering into an Amended and Restated Credit Agreement, dated as of even date herewith (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Credit Agreement"; terms defined therein and not otherwise

defined herein being used herein as therein defined) with the Lenders party thereto, Citicorp Securities, Inc. and Credit Suisse, as Arrangers, and Citibank, N.A., as Administrative Agent for the Lenders. It is a condition precedent to the extension of credit by the Lenders under the Credit Agreement that the Pledgor shall make the pledge contemplated by this Agreement.

(2) The Pledgor owns and holds a limited partnership interest (the "LP Interest") in T.M.I. Associates, L.P. ("Associates

LP").

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(3) The Pledgor has entered into an Interest Rate Swap Agreement, dated as of December 23, 1991, and amended as of even date herewith, with Borden, Inc. ("Borden"), as counterparty (the

"Counterparty") (said Agreement, as it may hereafter be further

amended or otherwise modified from time to time, being the "Interest Rate Swap Agreement").

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(4) The Pledgor is the beneficiary of the Borden #2 Agreement, dated as of December 23, 1991, and amended as of even date herewith, made by Borden (said Agreement, as it may hereinafter be further amended or otherwise modified from time to time, being the "Borden #2 Agreement").

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(5) The Pledgor has opened the following accounts (a) with Citibank, N.A., at its offices at 120 Wall Street, New York, New York 10043: Account No. 102020 (such account, and any subaccounts thereunder from time to time, being the "Operating Account"), such

Operating Account being in the name of the Pledgor but under the sole control and dominion of, and exclusive right of withdrawal by, the Security Agent and subject to the terms of this Agreement, and (b) with Wilmington Trust Company, Wilmington, Delaware: Account No. 2524-6506 (such account, and any subaccounts thereunder from time to time, being the "Manager Account"), such Manager Account being in the

name of the Pledgor with the Manager sharing control and dominion as attorney-in-fact of the Pledgor.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to extend credit under the Credit Agreement, the Pledgor hereby agrees with the Security Agent for its benefit and the benefit of the Administrative Agent and the Lenders as follows:

SECTION 1. Pledge and Assignment.  
-----

The Pledgor hereby pledges, transfers and assigns to the Security Agent for its benefit and the benefit of the Lenders and the Administrative Agent, and grants to the Security Agent for its benefit and the benefit of the Lenders and the Administrative Agent a security interest in, all right, title and interest of the Pledgor (whether now owned or hereafter acquired) in, to and under the following (the "Pledged Collateral"):  
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(a) the Associates LP Partnership Agreement, the Borden #2 Agreement, the Transfer Agreement and the Interest Rate Swap Agreement (collectively, the "Assigned Agreements") including,  
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without limitation, (i) all rights of the Pledgor to receive monies and other assets due and to become due to the Pledgor under or pursuant to each Assigned Agreement, (ii) all claims of the Pledgor for damages arising out of or for breach of or default under any Assigned Agreement, (iii) all rights of the Pledgor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to any Assigned Agreement and (iv) all rights of the Pledgor to perform thereunder and to compel performance and otherwise exercise all remedies thereunder;

(b) the LP Interest and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the LP Interest including, without limitation, the proceeds of the sale of the LP Interest to one or more of the general partners of Associates LP;

(c) the Operating Account and all funds held therein and all certificates and instruments, if any, from time to time representing or evidencing such Operating Account;

(d) all Permitted Investments (as such term is defined in Section 7) from time to time in the Operating Account and all certificates and instruments, if any, from time to time representing or evidencing the Permitted Investments, and all interest, earnings and proceeds in respect thereof;

(e) all notes, certificates of deposit, securities, and other instruments, if any, from time to time hereafter delivered to or otherwise possessed by the Security Agent for or on behalf of the Pledgor in substitution for or in addition to any or all of the then existing Pledged Collateral;

(f) all other personal property of the Pledgor (except the Manager Account), whether now owned or existing or hereafter acquired or arising, or in which the Pledgor may have an interest, and wheresoever located, whether or not of a type which may be subject to a security interest under the Uniform Commercial Code; and

(g) to the extent not covered by clauses (a) through (f) above, all proceeds of any or all of the foregoing.

Notwithstanding the foregoing, any and all (x) tax distributions under Section 4.1(b) of the Associates LP Partnership Agreement (the "Pledgor Tax Distributions") and (y) indemnification to the extent

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 attributable to any Person other than the Pledgor under Sections 5.5(a) or 5.5(b) of the Associates LP Partnership Agreement and under Section 1 of the Borden #2 Agreement in respect thereof (collectively, "the Pledgor Indemnification Payments") are hereby excluded from the

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 Pledged Collateral and the Pledgor retains the right to Pledgor Tax Distributions in respect of taxes paid or payable by the parties of the Pledgor and to Pledgor Indemnification Payments in respect of certain costs, expenses, losses or damages incurred by the parties of the Pledgor, and the Security Agent agrees to promptly transfer to the Manager Account an amount equal to any and all Pledgor Tax Distributions and Pledgor Indemnification Payments to the extent received by it and certified to it in writing as Pledgor Tax Distributions or Pledgor Indemnification Payments by the Manager.

#### SECTION 2. Security for Obligations.

-----  
 This Agreement secures the payment of all obligations of the Pledgor now or hereafter existing under the Credit Agreement, the Notes, this Agreement and the Escrow Agreement, whether for principal, interest, fees, expenses, indemnities or otherwise (all such obligations of the Pledgor being the "Obligations"). Without limiting

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 the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed by the Pledgor to the Administrative Agent and the Lenders under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar procedure involving the Pledgor.

#### SECTION 3. Delivery of Pledged Collateral.

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 All instruments and certificates representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of the Security Agent on behalf of itself, the Administrative Agent and the Lenders pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank and undated, all in form and substance satisfactory to the Security Agent. The Security Agent shall have the right, at any time in its discretion after the occurrence of an Event of Default, to transfer to or to register in the name of the Security Agent or any of its nominees any or all of such Pledged Collateral. Promptly after any such transfer or registration, the Security Agent shall give notice thereof to the Pledgor, but the failure to give such notice shall not affect any of the rights or remedies of the Security Agent hereunder. The Security Agent shall have the right at any time to exchange instruments or certificates representing or evidencing such Pledged Collateral for instruments or certificates of smaller or larger denominations, subject to the terms thereof.

#### SECTION 4. Pledgor Remains Liable.

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 Anything herein to the contrary notwithstanding, (i) the Pledgor shall remain liable under the contracts and agreements included in the Pledged Collateral to the extent set forth therein

to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Security Agent of any of the rights hereunder shall not release the Pledgor from any of its duties or obligations under the contracts and agreements included in the Pledged Collateral, and (iii) the Security Agent shall not have any obligation or liability under the contracts and agreements included in the Pledged Collateral by reason of this Agreement, nor shall the Security Agent be obligated to perform any of the obligations or duties of the Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 5. Maintaining the Operating Account.  
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Until the payment in full of the Obligations:

(a) The Pledgor will maintain the Operating Account only with the Security Agent.

(b) It shall be a term and condition of the Operating Account, notwithstanding any term or condition to the contrary in any other agreement relating to such Operating Account, and except as otherwise provided in Section 8 hereof concerning transfers and payments or in Section 17 hereof concerning default, that no amount (including interest on Investments held in such Operating Account) shall be paid or released from such Operating Account to or for the account of, or withdrawn by or for the account of, the Pledgor or any other person or entity.

The Operating Account shall be subject to such applicable laws, and such applicable regulations of the Board of Governors of the Federal Reserve System and of any other competent banking or governmental authority, as may now or hereafter be in effect.

SECTION 6. Deposit of Funds into the Operating Account.  
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(a) The Pledgor shall instruct Associates LP that all payments due under or in respect of the LP Interest, and all payments due to the Pledgor under or in respect of the Associates LP Partnership Agreement shall be deposited directly into the Operating Account, except for Pledgor Tax Distributions and Pledgor Indemnification Payments, which shall be deposited directly into the Manager Account or made to whomsoever the Manager determines shall be legally entitled thereto.

(b) The Pledgor shall instruct the partners of the Pledgor that all additional cash capital contributions made by any partner of the Pledgor, in respect of Additional Credit Amounts (as defined in the Borrower Partnership Agreement) shall be deposited directly into the Operating Account; provided, however, that

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additional cash contributions made by any partner of the Pledgor in respect of Additional Equity Amounts (as defined in the Borrower Partnership Agreement) or in respect of any fees payable under the Interest Rate Swap Fee Letter, shall be deposited directly into the Manager Account.

(c) The Pledgor shall instruct Borden that all amounts payable (i) by Borden under the Borden #2 Agreement and (ii) by Borden, as Counterparty, under the Interest Rate Swap Agreement, shall, in each case, be deposited directly into the Operating Account, except for Pledgor



Indemnification Payments, which shall be paid directly into the Manager Account or made to whomsoever the Manager determines shall be legally entitled thereto.

The Security Agent shall immediately notify the Pledgor and the Administrative Agent (if other than the Security Agent) of any such deposit and shall provide to the Pledgor and the Administrative Agent (if other than the Security Agent) monthly reports of holdings and transactions as to the Operating Account.

SECTION 7. Investing of Amounts in the Operating Account.  
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The Security Agent shall, subject to the provisions set forth in Section 8 hereof concerning transfers and payments and in Section 17 hereof concerning default, from time to time (a) invest, in accordance with its customary practice, amounts on deposit in the Operating Account in (i) to the extent practicable, United States Treasury Bills having a remaining term of approximately ninety days or (ii) a money market deposit account maintained by the Security Agent (collectively referred to as the "Permitted Investments"), and (b) to

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the extent practicable, invest interest and other earnings from the Permitted Investments referred to in clause (a) above, and reinvest the proceeds from any such maturing Permitted Investments, in each case in Permitted Investments, as the Security Agent may select; provided, however, that the Security Agent shall endeavor to invest

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such amounts in the Permitted Investment which at the time of such investment has the highest return on such investment for a term of approximately 90 days; and provided further the Security Agent may

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liquidate any Investment prior to its maturity if the proceeds of such liquidation are necessary for any payment required to be made by the Security Agent in accordance with the provisions of Section 8 hereof. Interest and proceeds that are not invested or reinvested as provided above shall be deposited and held in the Operating Account. The Security Agent shall not be liable for any losses incurred as the result of any sale or disposition of Permitted Investments, and the Pledgor hereby releases the Security Agent from any liability arising out of, or in connection with, any investment or liquidation made by it hereunder, except where such liability arises from the Security Agent's gross negligence or willful misconduct.

SECTION 8. Transfers from the Operating Account.  
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(a) Transfers in Respect of Non-Principal Payments Under  
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the Loan Documents. (i) On each Interest Payment Date, the Security

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Agent shall transfer and pay, promptly upon receipt thereof, to the parties specified below the amounts indicated for such parties, solely from, and to the extent of, funds then held in the Operating Account (such funds, less funds then held in respect of payments under Section 8(b) below, being "Applicable Funds"), such transfers and payments to

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be made free and clear of any pledge or security interest hereunder:

(1) First, to the Security Agent, an amount equal to the

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sum of the aggregate amount of fees then owing to the Security Agent and any Additional Credit Amounts then due and payable to the Security Agent;

(2) Second, to the Administrative Agent, individually and

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on behalf of the Lenders, an amount equal to the sum of the aggregate amount of fees then owing to the

Administrative Agent and any Additional Credit Amounts then due and payable to the Administrative Agent or to the Lenders;

(3) Third, to the Administrative Agent on behalf of the

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Lenders, an amount equal to the aggregate amount of interest payable on such date to the Lenders under the terms of Sections 2.04 and 2.05 of the Credit Agreement, as advised by the Administrative Agent;

(4) Fourth, to the Counterparty, an amount equal to the

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amount, if any, then payable by the Pledgor under Section 2 of the Interest Rate Swap Agreement, as advised by the Administrative Agent;

(5) Fifth, to the Counterparty, an amount equal to the

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fees, if any, then due and payable to the Counterparty by the Pledgor under the terms of the Interest Rate Swap Fee Letter, as advised by the Administrative Agent;

(6) Sixth, to the Manager, an amount equal to any

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Additional Equity Amounts then due and payable as requested by the Manager in writing; and

(7) Seventh, to the Manager, an amount equal to the First

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Preference Return (as defined in the Borrower Partnership Agreement) plus the amounts, if any, distributed pursuant to Section 4.1(b)(ii) of the Borrower Partnership Agreement, in each case as requested by the Manager in writing.

(ii) (A) From time to time, upon the Security Agent's receipt of a notice from the Administrative Agent in respect of Additional Credit Amounts (as defined in the Borrower Partnership Agreement) then due and payable, or a notice from the Manager in respect of Additional Equity Amounts (as defined in the Borrower Partnership Agreement) then due and payable), the Security Agent shall transfer and pay to the Administrative Agent or the Manager, as the case may be, from the Applicable Funds, an amount equal to such Additional Credit Amount or Additional Equity Amount, as the case may be, and, whether or not the Applicable Funds are sufficient to make such requested payment, if, at the time of such payment, there exists a "Deficiency" calculated in accordance with the following sentence, the Security Agent shall give a Deficiency Notice (as defined below) as provided under paragraph (B) below. A "Deficiency" means, at any time, (x) the amount then due and payable by the Pledgor in respect of Additional Interest and Tax Burden (as defined in the Borrower Partnership Agreement), and/or (y) the excess of the aggregate amount

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then due and payable by the Pledgor in respect of the Obligations, the Interest Rate Swap Agreement, the Interest Rate Swap Fee Letter, Additional Equity Amounts and Additional Credit Amounts (other than Additional Interest and Tax Burden), plus amounts then distributable in respect of the First Preference Return over the sum of Applicable

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Funds plus any amounts then due and payable by Borden as Counterparty under Section 2 of the Interest Rate Swap Agreement, as advised by the Administrative Agent.

(B) In the event of a Deficiency, the Security Agent shall, within one Business Day of its determination of such Deficiency, give notice (a "Deficiency Notice") to the Manager, the

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Pledgor, the partners of the Pledgor and the Administrative Agent stating that an Additional Credit

Amount or an Additional Equity Amount, as the case may be, has been requested, the amount or amounts requested in respect thereof and setting forth in reasonable detail the Deficiency.

(C) Upon the Security Agent's receipt of a notice from the Administrative Agent in respect of Additional Credit Amounts then due and payable, or a notice from the Manager in respect of Additional Equity Amounts then due and payable, or its own determination of an Additional Credit Amount then due and payable to it, the Security Agent shall, within one Business Day of receipt of such notice from the Administrative Agent, receipt of such notice from the Manager or such determination, as the case may be, provide copies of such notices or notice of such determination, as the case may be, to the Manager, the Pledgor, the partners of the Pledgor and the Administrative Agent. In the case of the Security Agent's determination of an Additional Credit Amount then due and payable to it, the notice of such determination shall set forth in reasonable detail the basis therefor.

(iii) Notwithstanding anything to the contrary set forth in paragraphs (i) and (ii) of this Section 8(a), (A) upon the Security Agent's receipt of notice from the Pledgor or the Administrative Agent of the occurrence and continuance of a Default (other than an Event of Default) under the Credit Agreement and until such time as the Security Agent shall have received notice from the Administrative Agent that such Default is no longer continuing, no transfers or payments of funds from the Operating Account pursuant to clause (5), (6) or (7) of paragraph (i) of this Section 8(a) shall be required to be made by the Security Agent and, at the option of the Security Agent, any funds that would otherwise be transferred to the Counterparty pursuant to clause (5) or to the Manager pursuant to clause (6) or (7) of paragraph (i) of Section 8(a) above shall continue to be held in the Operating Account; and (B) upon the Security Agent's receipt of notice from the Pledgor or the Administrative Agent of the occurrence and continuance of an Event of Default under the Credit Agreement and until such time as the Security Agent receives notice from the Administrative Agent that such Event of Default has been rescinded, the Security Agent shall be entitled to apply all or any portion of such funds deposited into the Operating Account pursuant to Section 8(a) to amounts then owing under the Credit Agreement or the other Loan Documents, as advised by the Administrative Agent.

(b) Transfers from the Operating Account in Respect of  
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Principal Payments Under the Credit Agreement. (i) Upon receipt by  
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the Security Agent of any proceeds identified to it as being in respect of any voluntary redemption of the LP Interest by Associates LP pursuant to Section 10.8 of the Associates LP Partnership Agreement and any associated Retirement Period Guaranteed Payment (as defined in the Associates LP Partnership Agreement), the Security Agent shall transfer and pay, promptly upon receipt thereof, to the parties specified below the amounts indicated for such parties, solely from, and to the extent of, such funds received:

(1) First, to the Administrative Agent on behalf of the  
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Lenders, the Administrative Agent and the Security Agent, an amount equal to the aggregate amount then due and payable by the Pledgor under the Loan Documents other than in respect of the unpaid principal amount of outstanding Advances, as advised by the Administrative Agent;

(2) Second, to the Administrative Agent on behalf of the  
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 Lenders, an amount equal to the aggregate unpaid principal  
 amount of all outstanding Advances then due and payable, as  
 advised by the Administrative Agent;

(3) Third, to the Counterparty, an amount equal to the  
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 amount, if any, then payable by the Pledgor under Section 2 of  
 the Interest Rate Swap Agreement, as advised by the  
 Administrative Agent;

(4) Fourth, to the Counterparty, an amount equal to the  
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 fees, if any, then due and payable by the Pledgor under the  
 terms of the Interest Rate Swap Fee Letter, as advised by the  
 Administrative Agent;

(5) Fifth, to the Manager, an amount equal to any  
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 Additional Equity Amounts then due and payable, as requested by  
 the Manager in writing; and

(6) Sixth, if such redemption is of all (but not less  
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 than all) of the LP Interest, to the Manager, all funds then  
 remaining in the Operating Account.

(ii) Upon receipt by the Security Agent of any proceeds  
 identified to it as being in respect of (A) the purchase of the LP  
 Interest by one or more of the general partners of Associates LP  
 pursuant to Section 14.3 of the Associates LP Partnership Agreement or  
 (B) the liquidation of the LP Interest pursuant to Section 12 of the  
 Associates LP Partnership Agreement and any associated Liquidation  
 Period Guaranteed Payment (as defined in the Associates LP Partnership  
 Agreement), the Security Agent shall transfer and pay, promptly upon  
 receipt thereof, to the parties specified below the amounts indicated  
 for such parties, solely from, and to the extent of, such funds  
 received:

(1) First, to the Administrative Agent on behalf of the  
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 Lenders, the Administrative Agent and the Security Agent, an  
 amount equal to the aggregate amount payable by the Pledgor  
 under the Loan Documents other than in respect of the unpaid  
 principal amount of outstanding Advances, as advised by the  
 Administrative Agent;

(2) Second, to the Administrative Agent on behalf of the  
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 Lenders, an amount equal to the aggregate unpaid principal  
 amount of all outstanding Advances then due and payable, as  
 advised by the Administrative Agent;

(3) Third, to the Counterparty, an amount equal to the  
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 amount, if any, then payable by the Pledgor under Section 2 of  
 the Interest Rate Swap Agreement, as advised by the  
 Administrative Agent;

(4) Fourth, to the Counterparty, an amount equal to the  
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 aggregate unpaid fees, if any, then due and payable by the  
 Pledgor under the terms of the Interest Rate Swap Fee Letter,  
 as advised by the Administrative Agent; and

(5) Fifth, to the Manager, all funds then remaining in  
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 the Operating Account.

(iii) Notwithstanding anything to the contrary set forth in paragraph (i) of this Section 8(b), (A) upon the Security Agent's receipt of notice from the Pledgor or the Administrative Agent of the occurrence and continuance of a Default (other than an Event of Default) under the Credit Agreement and until such time as the Security Agent shall have received notice from the Administrative Agent that such Default is no longer continuing, no transfers or payments of funds from the Operating Account other than pursuant to

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 clauses (1), (2) and (3) of paragraph (i) of this Section 8(b) shall be required to be made by the Security Agent and, at the option of the Security Agent, any funds that would otherwise be transferred to the Counterparty pursuant to clause (4) of paragraph (i) above, or to the Manager pursuant to clause (5) or (6) of paragraph (i) of this Section 8(b), shall continue to be held in the Operating Account; and (B) upon the Security Agent's receipt of notice from the Pledgor or the Administrative Agent of the occurrence and continuance of an Event of Default under the Credit Agreement and until such time as the Security Agent receives notice from the Administrative Agent that such Event of Default has been rescinded, the Security Agent shall be entitled to apply all or any portion of such funds deposited into the Operating Account pursuant to Section 8(b) to amounts then owing under the Credit Agreement or the other Loan Documents.

#### SECTION 9. Representations and Warranties.

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The Pledgor represents and warrants to the Security Agent as follows:

(a) None of the Assigned Agreements has been amended or otherwise modified, except as described in the Preliminary Statements to this Agreement, and each Assigned Agreement is in full force and effect. Neither the Pledgor, nor any other party thereto, is in default of its obligations under any Assigned Agreement.

(b) The Associates LP Partnership Agreement and the Interest Rate Swap Agreement have been duly authorized, executed and delivered by the Pledgor and are each a legal, valid and binding obligation of the Pledgor, enforceable in accordance with their respective terms.

(c) The Pledgor is the legal owner of the Pledged Collateral free and clear of any lien, security interest, option or other charge or encumbrance except for the pledge and security interest created by this Agreement.

(d) This Agreement creates a valid security interest in the Pledged Collateral, securing the payment of the Obligations and subject to no superior security interests or liens and all filings and other actions necessary to perfect such security interest have been duly taken.

(e) No consent of any other person or entity (other than Borden, BDS One, BDS Two, BDS Four, and the Counterparty, which consents have been duly and validly obtained and are, or upon release from escrow shall be, in full force and effect) and no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body (other than the filings referred to in Section 9(d) above) is required either

(i) for the pledge by the Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgor or (ii) for the exercise by the Security Agent of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

(f) The execution, delivery and performance by the Pledgor of this Agreement are within the Pledgor's partnership powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower Partnership Agreement or any Assigned Agreement or (ii) any law, regulation, order or contractual restriction binding on or affecting the Pledgor.

(g) The Pledgor has irrevocably instructed each other party to each of the Assigned Agreements that, except as otherwise provided in Section 16(a), all payments due or to become due under or in connection with such agreement shall be made directly to the Operating Account.

(h) The chief place of business and chief executive office of the Pledgor and the office where the Pledgor keeps the original copies of each Assigned Agreement are located at the address specified for the Borrower in Section 20 as the address for the General Partner.

SECTION 10. Further Assurances.  
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(a) The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action that the Security Agent may reasonably request, in order to perfect and protect any assignment and security interest granted or purported to be granted hereby or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, the Pledgor will, upon the reasonable request of the Security Agent, (i) execute and deliver to the Security Agent such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Security Agent may request, in order to perfect and preserve the security interests granted or purported to be granted hereby and (ii) deliver to the Security Agent promptly upon receipt thereof all instruments representing or evidencing any of the Pledged Collateral duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Security Agent.

(b) The Pledgor hereby authorizes the Security Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Pledged Collateral without the signature of the Pledgor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Pledged Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Pledgor will not, without the prior written consent of the Security Agent (after having given the Security Agent not less than 30 days' prior written notice thereof and after having executed and delivered to the Security Agent such further instruments and documents in connection therewith as may be requested by the Security Agent pursuant to this Section 10) move or transfer from the location specified in Section 20 hereof (or any subsequent location) its principal place of business or chief executive office, or the location of the Pledgor's books and records with respect to the Pledged Collateral.

(d) The Pledgor will, upon reasonable notice by the Security Agent to the Manager, the Pledgor and the partners of the Pledgor, at any reasonable time and from time to time, permit the Security Agent or any agents or representatives of the Security Agent, at the Pledgor's expense, to examine and make copies of and abstracts from the records and books of account of the Pledgor, to discuss the affairs, finances and accounts of the Pledgor with representatives of the Manager, and to discuss the affairs, finances and accounts of the Pledgor with its independent certified public accountants and permit such accountants to disclose to the Security Agent any and all financial statements and other information of any kind that they may have with respect to the Pledgor; provided, that

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the Security Agent shall permit the Pledgor or any partners of the Pledgor to be present at any such examination or discussion.

SECTION 11. Transfers and Other Liens.

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The Pledgor agrees that it will not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, except pursuant to the purchase options in favor of the general partners of Associates LP as provided in Section 14.3 of the Associates LP Partnership Agreement, or (ii) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except for the security interest under this Agreement and liens for taxes or other governmental charges and assessments not yet delinquent or being contested in good faith by appropriate proceedings.

SECTION 12. Concerning the Assigned Agreements.

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(a) The Pledgor agrees that it will observe and perform all the terms and provisions of each Assigned Agreement to be performed or observed by it, maintain the LP Interest (in accordance with paragraph (b) below) and each Assigned Agreement in full force and effect, enforce in all material respects each Assigned Agreement in accordance with its terms and take all such action to such end as may be reasonably requested from time to time by the Security Agent.

(b) Except as otherwise provided in Section 16(f) below and so long as no Event of Default has occurred and is continuing, the Pledgor shall be entitled to exercise all consensual and voting rights under the Associates LP Partnership Agreement; provided, however, that

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the Pledgor agrees that it will not furnish any consent under the Associates LP Partnership Agreement, agree to fix the rate of interest under the Reset Note, appoint a liquidator or appraiser under the Associates LP Partnership Agreement or consent to any amendment, supplement, modification or waiver of any provision of, any Assigned Agreement (other than (x) an immaterial consent, amendment, supplement

or modification in the case of the Master Lease, an Individual Leasing Record, any Affiliate Loan, any License Agreement and any Additional Capital Contribution Agreement (as each such term is defined in the Associates LP Partnership Agreement), (y) a consent under Section 5.1(j)(ii) of the Associates LP Partnership Agreement to extend the statute of limitations for certain assessments of tax deficiencies and (z) a consent to permit partial retirement in excess of 80% of the LP Interest under Section 10.8(a)(i)(A) of the Associates LP Partnership Agreement), without the prior written consent of the Security Agent and the Required Lenders; provided further, however, that no

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 amendment, supplement, modification or waiver shall, unless in writing and signed by the Security Agent and all Lenders, do any of the following: (i) terminate any Assigned Agreement or consent to or accept any cancellation or termination thereof, (ii) waive any default under or breach of any Assigned Agreement, (iii) amend the Associates LP Partnership Agreement or increase the Capital Contribution (as defined in the Associates LP Partnership Agreement) of the Pledgor or subject it to any additional obligations under the Associates LP Partnership Agreement, (iv) reduce the obligations of any general partner of Associates LP under the Associates LP Partnership Agreement, (v) amend the terms or timing of allocation or distribution under Sections 3 or 4, respectively, of the Associates LP Partnership Agreement, (vi) amend the definition of "Permitted Assets" (as defined in the Associates LP Partnership Agreement) or the Portfolio Requirements set forth in Section 5.7 of the Associates LP Partnership Agreement, (vii) release Borden from any of its obligations under the Borden #2 Agreement or the Transfer Agreement, or give the consent described in Section 2(b) of the Transfer Agreement (viii) reduce the notional principal amount subject to the Interest Rate Swap Agreement (other than by reason of (x) reductions in amounts equal to the principal prepayments made as a result of voluntary redemptions of the LP Interest by Associates LP pursuant to Section 10.8 of the Associates LP Partnership Agreement or (y) the liquidation of the LP Interest pursuant to Section 12 of the Associates LP Partnership Agreement), or (ix) otherwise impair in any material respect the value or interest or rights of the Pledgor in the Pledged Collateral.

SECTION 13. Security Agent Appointed Attorney-in-Fact.  
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The Pledgor hereby appoints the Security Agent the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Security Agent's discretion, to take any action and to execute any instrument that the Security Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to make demand on Associates LP and each general partner thereof or Borden for all amounts due under the Assigned Agreement to which it is a party, to receive, endorse and collect all instruments made payable to the Pledgor representing any payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same, and to file any claims or take any action or institute any proceedings that the Security Agent may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce compliance with the terms and conditions of each Assigned Agreement or the rights of the Security Agent with respect to any of the Pledged Collateral.

SECTION 14. Security Agent May Perform.  
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If the Pledgor fails to perform any agreement contained herein, the Security Agent may itself perform, or cause performance of, such agreement, and the expenses of the Security Agent incurred in connection therewith shall be payable by the Pledgor under Section 18 hereof.

SECTION 15. Reasonable Care.  
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The powers conferred on the Security Agent hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. The Security Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which an ordinary person accords its own property, it being understood that none of the Security Agent, the Administrative Agent or the Lenders shall have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral. Other than the safe custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Security Agent shall not have responsibility for taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral.

SECTION 16. Rights, Remedies and Obligations.  
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(a) The Pledgor agrees, and has effectively and irrevocably instructed each other party to each of the Assigned Agreements, that all payments due or to become due under or in connection with such agreement shall be made directly to the Operating Account, excluding, however, Pledgor Tax Distributions and Pledgor Indemnification Payments (as provided in Section 1 above).

(b) All payments received by the Pledgor under or in connection with any Assigned Agreement contrary to the provisions of this Agreement shall be received in trust for the benefit of the Security Agent, shall be segregated from other funds of the Pledgor, and shall forthwith be paid over to the Security Agent in the same form as so received (with any necessary endorsement).

(c) The Pledgor shall not be entitled to elect to receive any distribution made pursuant to Section 10.8(b) or Section 12.2 of the Associates LP Partnership Agreement in assets other than cash or to demand that in-kind distributions be made to the partners of Associates LP in liquidation of their respective interests in Associates LP, unless the Security Agent has given its prior written consent. Upon any such demand for in-kind distributions, the distribution to the Pledgor of any Permitted Assets other than Borden Loans, Borden Guaranteed Loans, Reset Notes, or Cash Equivalents (each as defined in the Associates LP Partnership Agreement) shall require the prior written consent of the Pledgor and the Security Agent. Unless otherwise agreed in writing by the Security Agent, if the Pledgor has not (i) deposited sufficient funds into the Operating Account to redeem any non-cash assets distributed or to be distributed pursuant to Section 10.8(b) or Section 12.2 of the Associates LP Partnership Agreement or (ii) delivered to the Security Agent written assurances satisfactory to the Security Agent and the Administrative Agent that sufficient funds will be deposited into the Operating Account upon receipt of such assets by the Security Agent, in either case by 9:00 A.M. (New York City time) on the applicable Retirement Date (as defined in the

Associates LP Partnership Agreement), the Security Agent shall liquidate such assets promptly upon the receipt thereof.

(d) The Security Agent shall instruct the Pledgor with respect to the election of a Liquidator (as defined in and pursuant to Section 12.9 of the Associates LP Partnership Agreement) upon the occurrence of a Liquidating Event (as defined in the Associates LP Partnership Agreement); provided, however, that the Security Agent

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shall not instruct the Pledgor to vote for a Liquidator who is (i) an Affiliate (as defined in the Associates LP Partnership Agreement) of Borden or (ii) a member of Borden's consolidated corporate group.

(e) The Pledgor agrees that it will not, without the prior written consent of the Security Agent, file or join in the filing of a petition for the commencement of proceedings under the federal bankruptcy laws with respect to Associates LP or the Pledgor.

(f) So long as this Agreement shall remain in effect, and regardless of whether any Event of Default under the Credit Agreement shall have occurred, each of the Pledgor and the Security Agent shall be entitled, in its own right and without consent from the other, to deliver a Default Notice (as defined in the Associates LP Partnership Agreement) pursuant to Section 14.2 of the Associates LP Partnership Agreement in the manner and with the effect provided therein; provided, however, that any Default Notice delivered by the Security

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Agent as a result of the occurrence of the Default Event described in Section 14.1(e) of the Associates LP Partnership Agreement shall not have an effective date prior to September 10, 1996; provided further,

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however, that the Security Agent shall deliver a Default Notice upon

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the written instructions of the Required Lenders in accordance with Section 7.01 of the Credit Agreement, or, upon the written instructions of any Lender in the event the Default Notice relates to the Default Event described in Section 14.1(e) of the Associates LP Partnership Agreement. In addition, if any such Default Notice shall have been delivered pursuant to the terms of the Associates LP Partnership Agreement by the Pledgor, any partner of the Pledgor or the Security Agent, any notice delivered to the managing general partner of Associates LP rescinding such Default Notice as provided in Section 14.2 of the Associates LP Partnership Agreement shall not be effective unless both the Pledgor and the Security Agent have given their prior written consent to such notice of rescission.

#### SECTION 17. Remedies upon Default.

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If any Event of Default shall have occurred and be continuing:

(a) The Security Agent may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party under the Uniform Commercial Code (the "Code") in effect in the State of New York

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at that time (whether or not the Code applies to the Pledged Collateral at issue), and the Security Agent may also, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, or at any of the Security Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Security Agent may deem commercially reasonable. The Pledgor agrees that, to the extent notice of sale shall be

required by law, at least ten days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Security Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Security Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by the Security Agent as Pledged Collateral and all cash proceeds received by the Security Agent in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral shall be paid promptly after receipt thereof (and after payment of any amounts payable to the Security Agent pursuant to Section 18 hereof) in whole or in part by the Security Agent:

(1) First, to the Administrative Agent on behalf of  
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itself and the Lenders, an amount equal to the Obligations then outstanding under the Loan Documents, as advised by the Administrative Agent;

(2) Second, to the Counterparty, an amount equal to  
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the amount, if any, then payable by the Pledgor under Section 2 of the Interest Rate Swap Agreement as advised by the Administrative Agent;

(3) Third, to the Counterparty, an amount equal to  
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the aggregate unpaid fees, if any, then due and payable by the Pledgor under the Interest Rate Swap Fee Letter, as advised by the Administrative Agent; and

(4) Fourth, to the Manager or whomever may be  
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lawfully entitled, an amount equal to that remaining after the foregoing payments.

(c) All rights of the Pledgor to exercise any voting rights or other discretionary or consensual rights under any Assigned Agreement that it would otherwise be entitled to exercise shall cease, and all such rights shall thereupon become vested in the Security Agent who shall thereupon have the sole right to exercise such voting and other consensual rights until such time as the Security Agent has sold or transferred the LP Interest pursuant to the terms hereof or the obligations have been paid in full; provided that (i) upon the  
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occurrence of a Default Event (as defined in the Associates LP Partnership Agreement) and prior to any exercise by the Security Agent of its right to foreclose on the Pledged Collateral pursuant to this Section 17, the Pledgor shall continue to be entitled to give the Default Notice as provided in Section 14.2 of the Associates LP Partnership Agreement in the manner and with the effect provided therein, provided,  
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however, that if any such Default Notice shall have been  
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delivered by the Pledgor, any partner of the Pledgor or the Security Agent (upon written instructions from the Required Lenders, except in the case of the Default Event described in Section 14.1(e) of the Associates LP Partnership Agreement, upon the written instructions of any Lender), any notice delivered to the managing general partner of Associates LP rescinding such Default Notice as provided in Section 14.2 of the

Associates LP Partnership Agreement shall not be effective unless both the Pledgor and the Security Agent have given their prior written consent to such notice of rescission; and (ii) if a Liquidating Event (as defined in the Associates LP Partnership Agreement) has occurred, the Security Agent shall not be entitled to amend or waive Sections 12 and 14 of the Associates LP Partnership Agreement unless the Pledgor consents to such amendment or waiver.

SECTION 18. Indemnity and Expenses.  
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(a) The Pledgor covenants and agrees, unconditionally, absolutely and irrevocably, at its sole cost and expense, to indemnify and hold harmless the Security Agent (in its capacity as Security Agent hereunder or as Escrow Agent under the Escrow Agreement), the Administrative Agent and the Lenders, their respective affiliates, directors, officers, employees, attorneys, agents, servants, trustees, beneficiaries and advisors, and their respective successors and assigns (each being an "Indemnified Party"), upon demand by any such

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Indemnified Party, from and against any and all claims, damages, losses, liabilities, penalties and expenses (including, without limitation, reasonable fees and disbursements of counsel) that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (or in connection with the preparation for a defense of) any investigation, litigation or proceeding, whether or not such Indemnified Party is a party thereto, arising out of, related to, or in connection with the execution, delivery and performance of this Agreement, the Escrow Agreement and each of the other Loan Documents and any and all transactions related to or consummated in connection herewith or therewith; provided, however, no such indemnification shall

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be required hereunder for any such claims, damages, losses, liabilities, penalties and expenses resulting from the gross negligence or willful misconduct of any such Indemnified Party.

(b) The Pledgor will pay to the Security Agent the amount of any and all reasonable out-of-pocket expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Security Agent may incur in connection with (i) the administration (other than ordinary costs and expenses) of this Agreement or the Escrow Agreement, (ii) the preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the enforcement of any of the rights of the Security Agent, the Administrative Agent or the Lenders hereunder, or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

(c) Pledgor agrees to pay any present or future stamp or documentary taxes or any other excise, property or transfer taxes, charges or similar levies that arise from any transfer made hereunder, from possession arising hereunder, from any action of the Security Agent contemplated herein, or from the execution, delivery, or registration of, or otherwise with respect to, this Agreement.

(d) The indemnities set forth in this Section 18 shall be in addition to any other obligations or liabilities of the Pledgor hereunder or at common law or otherwise. Without prejudice to the survival of any other obligation of the Pledgor under this Agreement, the indemnities and

obligations contained in this Section 18 shall survive the payment in full of the Obligations or any other termination of this Agreement.

SECTION 19. Amendments, Etc.  
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No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Pledgor, the Security Agent, the Administrative Agent and the Required Lenders except that the consent of all the Lenders shall be required for any amendment or waiver of Section 12, Section 18, this Section 19 or to release any Pledged Collateral, and in any case such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Security Agent to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 20. Addresses for Notices.  
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All notices and other communications provided for hereunder shall be in writing (including facsimile transmission) and mailed, delivered or telecopied (and confirmed by mail) as follows:

If to the Pledgor:

T.M. Investors Limited  
Partnership  
c/o Wilmington Trust Company  
Corporate Trust Administration  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890

Attention: Ann Roberts

Allstate Life Insurance Company  
Allstate Plaza West  
Northbrook, Illinois 60062

Attention: Investment Department--  
Private Placement Division J2A

BDS Five, Inc.  
One Little Falls Centre, Suite 202  
2711 Centerville Road  
Wilmington, Delaware 19808

Attention: Phyllis Yeatman

David Elliman  
18 East 74th Street  
New York, New York 10021

If to the Security Agent:

Citibank, N.A.  
120 Wall Street, 13th Floor  
New York, New York 10043

Attention: Corporate Trust Department

with a copy to the Administrative Agent:

Citibank, N.A.  
399 Park Avenue  
New York, New York 10043

Attention: Michael Pendill

or, as to each party, at such other address or telecopy number as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 20; provided, however, any party shown above to receive copies of such

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notices and communications to the Pledgor may, by written notice to the Security Agent, waive any right to receive such copies from the Security Agent. Unless otherwise stated herein, all such notices shall be effective when mailed, addressed or sent as aforesaid.

SECTION 21. Continuing Assignment and Security Interest;  
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Transfer of Advances.  
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This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon the Pledgor and its successors and assigns, and (iii) inure, together with the rights and remedies of the Security Agent hereunder, to the benefit of the Security Agent, the Administrative Agent and the Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), each Lender may assign any interest in the Advances made by it to any other person or entity to the extent permitted by Section 8.06(a) of the Credit Agreement, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise. Upon the payment in full of the Obligations, the Pledgor shall be entitled to the return, upon its request and at its expense, of such of the Pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

SECTION 22. Governing Law; Terms.  
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This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. Unless otherwise defined herein or in the Credit Agreement, terms defined in Article 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

SECTION 23. Non-Recourse Liability.  
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(a) No recourse under any obligation, covenant or agreement of the Pledgor contained in this Agreement or the other Loan Documents shall be had against any partner of the Pledgor or the Manager, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Pledgor or the Manager, or of any of their respective affiliates (except for the Pledgor itself), by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that no personal liability whatever shall attach to or be incurred by any partner of the Pledgor or the Manager, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Pledgor or the Manager, or any of their respective affiliates (except for the Pledgor itself), or any of them, under or by reason of any of the obligations, covenants or agreements of the Pledgor contained in this Agreement or the other Loan Documents, or implied therefrom; and it being further expressly agreed and understood that any and all personal liability of any partner of the Pledgor or the Manager, as such, and of every such beneficiary, stockholder, trustee, employee, officer, or director of any partner of the Pledgor or the Manager, or any of their respective affiliates (except for the Pledgor itself), for breaches by the Pledgor of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, is hereby expressly waived by the Security Agent as a condition of and consideration for the execution of this Agreement.

(b) The Security Agent hereby irrevocably agrees that, in furtherance of the provisions of the preceding paragraph (a) of this Section 23, (i) it shall not institute against, or join any other Person in instituting against, any partner of the Pledgor, as such, or any beneficiary, stockholder, trustee, employee, officer or director of any partner of the Pledgor, as such, or any of their respective affiliates (except for the Pledgor itself), any bankruptcy, reorganization, insolvency or liquidation proceeding, or other proceeding under federal or state bankruptcy or similar law, in connection with any claim relating to the transactions contemplated hereby, (ii) in the event of any reorganization under the Bankruptcy Reform Act of 1978, as amended, of any partner of the Pledgor, or the Pledgor, it will make the election under Section 1111(b)(2) of such Act and (iii) if for any reason, whether or not related to the Act, it shall recover from the Pledgor or any partner of the Pledgor, any assets or amounts other than the assets constituting the Pledged Collateral, it promptly shall return such asset or amount recovered to such entity. Nothing contained in this subsection 23(b) shall prevent any Lender from enforcing as a full recourse obligation (and retaining the proceeds thereof) any obligation under this Agreement or any other Loan Document that is expressed as being an obligation of any entity other than the Pledgor.

SECTION 24. Execution in Counterparts.  
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This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 25. Headings.  
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Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of the Agreement for any other purpose.

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IN WITNESS WHEREOF, the Pledgor and the Security Agent have caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

T.M. INVESTORS LIMITED PARTNERSHIP

By: Pawling Partners, Inc.,  
Its Sole General Partner

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

CITIBANK, N.A., as Security Agent

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

## EXHIBIT E

## FORM OF CONFIDENTIALITY AGREEMENT

Reference is made to the Second Amended and Restated Credit Agreement dated as of December 15, 1994 (as amended, supplemented or otherwise modified from time to time, the "Credit

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 Agreement") among T.M. Investors Limited Partnership (the  
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 "Borrower"), the Lenders parties thereto, Citibank, N.A., as

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 Administrative Agent for such Lenders, and BT Securities Corporation, Chemical Securities Inc., Citicorp Securities, Inc. and Credit Suisse, as Arrangers. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as therein defined.

In connection with your status as an assignee or participant or proposed assignee or participant under the Credit Agreement, you have received or shall be receiving certain information which is non-public, confidential or proprietary in nature. That information and any other information concerning the Borrower, Associates LP or Borden, Inc. ("Borden") furnished to you

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 by the Administrative Agent, any Lender or any of their respective subsidiaries or affiliates or otherwise by or on behalf of the Borrower, Associates LP or Borden (at any time on, before or after the date of this letter), together with analyses, compilations, studies or other documents prepared by you, or by your agents, representatives (including attorneys, accountants and financial advisors) or employees which contain or otherwise reflect such information or your review of, or interest in the Borrower, Associates LP and Borden, and including any information concerning the credit facility pursuant to the Credit Agreement (the "Credit  
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 Facility"), is hereinafter referred to as the "Information."

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 In consideration of your receipt of the Information, you agree that:

1. The Information shall be kept confidential and shall not, without the prior written consent of the Administrative Agent, Borden and the Borrower, be reproduced or disclosed by you, or by your agents, representatives or employees in any manner whatsoever, in whole or in part, and shall not be used by you, your agents, representatives or employees, other than in connection with evaluating your participation in the Credit Facility. Moreover, you agree to reveal the Information only to your agents, representatives and employees who need to know the Information for the purpose of evaluating your participation in the Credit Facility, who are informed by you of the confidential nature of the Information, and who agree to be bound by the terms and conditions of this Agreement. You agree to take all reasonable measures to restrain your agents, representatives and employees from unauthorized disclosure or use of the Information.

2. Without the Administrative Agent's, Arrangers', Borden's and the Borrower's prior written consent, you and your agents, representatives and employees shall not disclose to any Person the fact that Information has been made available and that discussions or negotiations are taking place concerning your possible participation in the Credit Facility.

3. This agreement shall be inoperative as to such portions of the Information (or such of the facts referred to in the preceding paragraph) that (i) are or become generally available to the public on a non-confidential basis through no fault or action by you or by your agents, representatives or employees, or (ii) become available to you on a non-confidential basis from a source other than the Administrative Agent, the Lead Managing Agents, the Arrangers,

Borden, the Borrower, Associates LP or their representatives or agents, which is not prohibited from disclosing such portions to you by a contractual, legal or fiduciary obligation to the Administrative Agent, Borden, the Arrangers, the Borrower or Associates LP.

4. In the event that you or anyone to whom you transmit the Information pursuant to this Agreement becomes legally compelled to disclose any of the Information or the existence of the transaction, you shall provide the Administrative Agent, the Arrangers, Borden and the Borrower with notice of such event promptly, upon your obtaining knowledge thereof so that the Administrative Agent, Borden, the Arrangers and the Borrower may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the Administrative Agent, the Arrangers, Borden and the Borrower waive compliance with the provisions of this Agreement, you shall furnish only that portion of the Information that you are advised by written opinion of counsel is legally required (a copy of such opinion to be furnished to the Administrative Agent, the Arrangers, Borden and the Borrower) and shall disclose the Information in a manner reasonably designed to preserve its confidential nature.

If you are prepared to accept the Information on this basis, please sign and return to us the enclosed copy of this Letter. In the event that you decide not to become an assignee under or participant in the Credit Facility, you shall redeliver to the Administrative Agent, within two business days after request by such Lender or the Administrative Agent, the material that was furnished to you by or on behalf of the Borrower, Associates LP or Borden in connection with the Credit Facility or represent to the undersigned that you have destroyed all copies of such material.

Very truly yours,

CITIBANK, N.A.,  
as Administrative Agent

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

Accepted:

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(Name of [Prospective]  
Lender or Participant)

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