
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): MARCH 13, 2009



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-23486

(Commission File Number)

62-1096725

(IRS Employer Identification No.)

2000 Waters Edge Drive

Johnson City, Tennessee

(Address of principal executive offices)

37604

(Zip Code)

Registrant's telephone number, including area code: (423)743-9151

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFT 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFT 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFT 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17CFT 240.13c-4(c))
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ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

NN, Inc. has amended and restated its two current credit facilities.

On March 13, 2009, the Company amended and restated its current revolving credit facility with Key Bank as the administrative agent. At that time, it also amended and restated the terms of the agreement for its senior notes. These facilities were revised to change certain financial covenants to reflect current economic and business conditions and to assure the availability of credit for NN.

The \$90 million revised syndicated credit agreement which expires in September 2011 provides for the borrowing of available funds by the Company's domestic and European subsidiaries and is collateralized by assets of the Company in addition to pledges of stock and guarantees of its domestic and foreign subsidiaries. The loan agreements contain customary covenants including restrictions on payments for dividends, capital expenditures and stock repurchases. The revolving loan agreement carries a revised interest rate of LIBOR plus 4% and the senior notes which are due in April 2014, carry a revised interest rate of 8.5%. At current interest rates, this yields a blended interest rate of approximately 6%.

Exhibit:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
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99.1	Press Release of NN, Inc. dated March 16, 2009.
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99.2	NN, Inc. \$90,000,000 8.50% Senior Notes, Series A, due April 26, 2014 and Uncommitted Shelf Facility Second Amended and Restated Note Purchase and Shelf Agreement dated March 13, 2009
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99.3	NN, Inc. Amended and Restated Credit agreement among NN, Inc. as US Borrower and The Foreign Borrowers named herein as Lenders, Keybank National Association as Lead Arranger, Book Runner and Administrative Agent and Regions Bank as Swing Line Lender dated as of September 21, 2006, as amended and restated as of March 13, 2009.
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SIGNATURES

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

NN, INC.

Date: March 16, 2009

By: /s/ William C. Kelly, Jr.

Name : William C. Kelly, Jr.

Title : Vice President and Chief Administrative
Officer



**FINANCIAL
RELATIONS BOARD**

RE: NN, Inc.
2000 Waters Edge Drive
Johnson City, TN 37604

FOR FURTHER INFORMATION:

AT THE COMPANY

Will Kelly
Vice President and Chief Administrative Officer
(423) 743-9151

AT FINANCIAL RELATIONS BOARD

Marilynn Meek (General info) 212-827-3773	Susan Garland (Analyst info) 212-827-3775
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□ 60;

FOR IMMEDIATE RELEASE

March 16, 2009

NN, INC. ANNOUNCES AMENDED AND RESTATED CREDIT FACILITIES

Johnson City, Tenn., March 16, 2009 – NN, Inc. (Nasdaq: NNBR) today announced that it had amended and restated its two current credit facilities.

Mr. James H. Dorton, Vice President and Chief Financial Officer commented, “On March 13, 2009, we amended and restated our current revolving credit facility with Key Bank as the administrative agent. At that time, we also amended and restated the terms of the agreement for our senior notes. These facilities were revised to change certain financial covenants to reflect current economic and business conditions and to assure the availability of credit for NN.”

The \$90 million revised syndicated credit agreement which expires in September 2011 provides for the borrowing of available funds by the Company’s domestic and European subsidiaries and is collateralized by assets of the Company in addition to pledges of stock and guarantees of our domestic and foreign subsidiaries. The loan agreements contain customary covenants including restrictions on payments for dividends, capital expenditures and stock repurchases. The revolving loan agreement carries a revised interest rate of LIBOR plus 4% and the senior notes which are due in April 2014, carry a revised interest rate of 8.5%. At current interest rates, this yields a blended interest rate of approximately 6%.”

NN, Inc. manufactures and supplies high precision metal bearing components, industrial plastic and rubber products and precision metal components to a variety of markets on a global basis. Headquartered in Johnson City, Tennessee, NN has 12 manufacturing plants in the United States, Western Europe, Eastern Europe and China. NN, Inc. had sales of US \$421 million in 2007.

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “assumptions”, “target”, “guidance”, “outlook”, “plans”, “projection”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “potential” or “continue” (or the negative or other derivatives of each of these terms) or similar terminology. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, inventory levels, regulatory compliance costs and the Company’s ability to manage these costs, start-up costs for new operations, debt reduction, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company’s dependence on certain major customers, the successful implementation of the global growth plan including development of new products and consummation of potential acquisitions and other risk factors and cautionary statements listed from time to time in the Company’s periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company’s Annual Report on 10-K for the fiscal year ended December 31, 2007.

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NN, INC.

\$90,000,000

8.50% Senior Notes, Series A, due April 26, 2014

and

Uncommitted Shelf Facility

Second Amended and Restated Note Purchase

and

Shelf Agreement

Dated March 13, 2009

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NN, INC.
2000 WATERS EDGE DRIVE
JOHNSON CITY, TENNESSEE 57604

8.50% Senior Notes, Series A, due April 26, 2014 and Uncommitted Shelf Facility

Dated as of
March 13, 2009

TO EACH OF THE PURCHASERS LISTED IN
THE ATTACHED SCHEDULE A
AND EACH PRUDENTIAL AFFILIATE (AS HEREINAFTER DEFINED)
WHICH BECOMES BOUND BY CERTAIN PROVISIONS
OF THIS AGREEMENT AS HEREINAFTER PROVIDED:

Ladies and Gentlemen:

Preamble. NN, Inc., a Delaware corporation (the “*Company*”) and the Guarantors named in the definition of such term are parties with each of the Purchasers listed in the attached Schedule A (collectively, the “*Series A Note Purchasers*”) to a certain Amended and Restated Note Purchase Agreement and Shelf Agreement, dated as of December 21, 2007 (as amended, modified or supplemented to date, the “*Original Note Agreement*”), pursuant to which the Company issued to the Series A Note Purchasers, and the Series A Note Purchasers purchased from the Company, the Series A Notes (as defined below). Capitalized terms used in this Preamble and not defined herein shall have the meanings assigned to them in Schedule B.

The Company has requested that the Series A Note Purchasers consent to certain amendments and modifications to the Original Note Agreement. For purposes of convenience, the parties have agreed to effect such modifications to the Original Note Agreement by amending and restating the Original Note Agreement in its entirety as hereinafter set forth upon and subject to the terms hereof; the amendments and restatements are not intended to be, and shall not be deemed or construed as, a repayment or novation of the indebtedness outstanding pursuant to the Original Note Agreement or the Series A Notes.

In consideration of the foregoing, the Company and the Guarantors named in the definition of such term hereby jointly and severally agree with the Purchasers as follows:

SECTION 1. AUTHORIZATION OF NOTES.

Section 1.1 Series A Notes. Pursuant to the Original Note Agreement, the Company has authorized the issue and sale of, and has sold to, the Series A Note Purchasers \$40,000,000 aggregate principal amount of its Senior Notes, Series A, due April 26, 2014, initially with an interest rate of 4.89% and increased to 8.50% as of the date hereof, which notes are outstanding on the date hereof in such aggregate principal amount (collectively, the “*Series A Notes*”). The Series A Notes are substantially in the form set out in Exhibit 1.1, with such changes therefrom, if any, as may have been or, in the case of the issuance of any notes in substitution therefore pursuant to Section 14 of this Agreement may hereafter be, approved by the Company and the Series A Note Purchasers. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a “*Schedule*” or an “*Exhibit*” are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Section 1.2 Authorization of Issue of Shelf Notes. The Company will authorize the issue of its additional senior promissory notes (the “Shelf Notes”) in the aggregate principal amount of \$50,000,000, to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than 10 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than 7 years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Shelf Note delivered pursuant to Section 2.2.6., but with interest at the Default Rate if an Event of Default has occurred and is continuing and at the Default Rate on any overdue Yield Maintenance Amount and interest, and to be substantially in the form of Exhibit 1.2 attached hereto. The terms “Shelf Note” and “Shelf Notes” as used herein shall include each Shelf Note delivered pursuant to any provision of this Agreement and each Shelf Note delivered in substitution or exchange for any such Shelf Note pursuant to any such provision. The terms “Note” and “Notes” as used herein shall include each Series A Note and each Shelf Note delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods and (vi) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note’s ultimate predecessor Note was issued), are herein called a “Series” of Notes.

SECTION 2. SALE AND PURCHASE OF NOTES.

Section 2.1 Sale and Purchase of Series A Notes. At the Series A Closing Day, the Company issued and sold to the Series A Note Purchasers and the Series A Note Purchasers purchased from the Company Series A Notes in the respective principal amounts specified opposite the name of each Series A Note Purchaser in Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of each Series A Note Purchaser were under the Original Note Agreement and shall continue to be hereunder, several and not joint obligations, and no Series A Note Purchaser shall have any obligation hereunder and no liability to any Person for the performance or nonperformance by any other Series A Note Purchaser hereunder.

The performance and payment of the Company hereunder and under the Notes and the other Financing Agreements are and shall continue to be guaranteed by the Guarantors pursuant to the Subsidiary Guarantees. The obligations of the Obligor under and pursuant to the Financing Agreements are and shall continue to be secured by the Collateral Agreements.

Section 2.2 Sale and Purchase of Shelf Notes.

2.2.1 Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the “Facility”. At any time, the aggregate principal amount of Shelf Notes stated in Section 1.2, minus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, is herein called the “Available Facility Amount” at such time. **NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.**

2.2.2 *Issuance Period.* Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the third anniversary of the date of this Agreement and (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the “*Issuance Period*”.

2.2.3 *Periodic Spread Information.* Not later than 9:30 A.M. (New York City local time) on a Business Day during the Issuance Period if there is an Available Facility Amount on such Business Day, the Company may request by telecopier, electronic mail transmission or telephone, and Prudential will, to the extent reasonably practicable, provide to the Company on such Business Day (or, if such request is received after 9:30 A.M. (New York City local time) on such Business Day, on the following Business Day), information (by telecopier, electronic mail transmission or telephone) with respect to various spreads at which Prudential or Prudential Affiliates might be interested in purchasing Shelf Notes of different average lives; provided, however, that the Company may not make such requests more frequently than once in every five Business Days or such other period as shall be mutually agreed to by the Company and Prudential. The amount and content of information so provided shall be in the sole discretion of Prudential but it is the intent of Prudential to provide information which will be of use to the Company in determining whether to initiate procedures for use of the Facility. Information so provided shall not constitute an offer to purchase Shelf Notes, and neither Prudential nor any Prudential Affiliate shall be obligated to purchase Shelf Notes at the spreads specified. Information so provided shall be representative of potential interest only for the period commencing on the day such information is provided and ending on the earlier of the fifth Business Day after such day and the first day after such day on which further spread information is provided. Prudential may suspend or terminate providing information pursuant to this Section 2.2.3. for any reason, including its determination that the credit quality of the Company has declined since the date of this Agreement.

2.2.4 *Request for Purchase.* The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a “*Request for Purchase*”). Each Request for Purchase shall be made to Prudential by telecopier or overnight delivery service, and shall (i) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than \$10,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities, principal prepayment dates and amounts and interest payment periods (quarterly or semi-annual in arrears) of the Shelf Notes covered thereby, (iii) specify the use of proceeds of such Shelf Notes (which shall not in any event be for the purpose of financing any hostile tender offer), (iv) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 25 days after the making of such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in Section 5 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (vii) be substantially in the form of Exhibit 2.2.4. attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2.2.5 *Rate Quotes.* Not later than five Business Days after the Company shall have given Prudential a Request for Purchase pursuant to Section 2.2.4., Prudential may, but shall be under no obligation to, provide to the Company by telephone, electronic mail transmission or telecopier, in each case between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as Prudential may elect) interest rate quotes for the several principal amounts, maturities, principal prepayment schedules, and interest payment periods of Shelf Notes specified in such Request for Purchase. Each quote shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which Prudential or a Prudential Affiliate would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

2.2.6 *Acceptance.* Within 30 minutes after Prudential shall have provided any interest rate quotes pursuant to Section 2.2.5. or such shorter period as Prudential may specify to the Company (such period herein called the “*Acceptance Window*”), the Company may, subject to Section 2.2.7, elect to accept such interest rate quotes as to not less than \$10,000,000 aggregate principal amount of the Shelf Notes specified in the related Request for Purchase. Such election shall be made by an Authorized Officer of the Company notifying Prudential by telephone, electronic mail transmission or telecopier within the Acceptance Window that the Company elects to accept such interest rate quotes, specifying the Shelf Notes (each such Shelf Note being herein called an “*Accepted Note*”) as to which such acceptance (herein called an “*Acceptance*”) relates. The day the Company notifies an Acceptance with respect to any Accepted Notes is herein called the “*Acceptance Day*” for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. Subject to Section 2.2.7 and the other terms and conditions hereof, the Company agrees to sell to Prudential or a Prudential Affiliate, and Prudential agrees to purchase, or to cause the purchase by a Prudential Affiliate of, the Accepted Notes at 100% of the principal amount of such Notes. As soon as practicable following the Acceptance Day, the Company, Guarantors, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit 2.2.6 attached hereto (herein called a “*Confirmation of Acceptance*”). If the Company and Guarantors should fail to execute and return to Prudential within three Business Days following receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential may at its election at any time prior to its receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

2.2.7 *Market Disruption.* Notwithstanding the provisions of Section 2.2.6., if Prudential shall have provided interest rate quotes pursuant to Section 2.2.5. and thereafter prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with Section 2.2.6. the domestic market for U.S. Treasury securities or derivatives shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or derivatives, then such interest rate quotes shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this Section 2.2.7. are applicable with respect to such Acceptance.

2.2.8 *Facility Closings.* Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of the King & Spalding LLP, 1185 Avenue of the Americas, New York, New York 10036, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Notes. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in this Section 2.2.8., or any of the conditions specified in Section 4 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the "*Rescheduled Closing Day*")) and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in Section 4 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with Section 2.2.9(iii) or (ii) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may elect to reschedule a closing with respect to any given Accepted Notes on not more than one occasion, unless Prudential shall have otherwise consented in writing.

2.29 Fees.

2.29(i). *Structuring Fee.* In consideration for the time, effort and expense involved in the preparation, negotiation and execution of this Agreement, the Company will pay to Prudential in immediately available funds a fee (herein called the “*Structuring Fee*”) in the amount of \$35,000. Such fee shall be fully-earned on the date hereof, but shall be payable on that date which is sixty (60) days after the date hereof; provided, however, that such fee shall be waived and shall not be payable if on or prior to such date, the Company has issued, and Prudential and/or the Prudential Affiliates have purchased, in accordance with the terms hereof, Shelf Notes in the aggregate principal amount of at least \$15,000,000.

2.29(ii). *Issuance Fee.* The Company will pay to Prudential in immediately available funds a fee (herein called the “*Issuance Fee*”) on each Closing Day (other than the Series A Closing Day) in an amount equal to 0.125% of the aggregate principal amount of Notes sold on such Closing Day.

2.29(iii). *Delayed Delivery Fee.* If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Company will pay to Prudential (a) on the Cancellation Date or actual closing date of such purchase and sale and (b) if earlier, the next Business Day following 90 days after the Acceptance Day for such Accepted Note and on each Business Day following 90 days after the prior payment hereunder, a fee (herein called the “*Delayed Delivery Fee*”) calculated as follows:

$$(BEY - MMY) \times DTS/360 \times PA$$

where “**BEY**” means Bond Equivalent Yield, *i.e.*, the bond equivalent yield per annum of such Accepted Note; “**MMY**” means Money Market Yield, *i.e.*, the yield per annum on a commercial paper investment of the highest quality selected by Prudential on the date Prudential receives notice of the delay in the closing for such Accepted Note having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days (a new alternative investment being selected by Prudential each time such closing is delayed); “**DTS**” means Days to Settlement, *i.e.*, the number of actual days elapsed from and including the original Closing Day with respect to such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent delayed delivery fee payment with respect to such Accepted Note) to but excluding the date of such payment; and “**PA**” means Principal Amount, *i.e.*, the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with Section 2.2.8.

2.2.9(iv). *Cancellation Fee.* If the Company at any time notifies Prudential in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of Section 2.2.6. or the penultimate sentence of Section 2.2.8 that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the “*Cancellation Date*”), the Company will pay the Purchasers in immediately available funds an amount (the “*Cancellation Fee*”) calculated as follows:

$$PI \times PA$$

where “**PI**” means Price Increase, *i.e.*, the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Notes(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and “**PA**” has the meaning ascribed to it in Section 2.2.9(iii). The foregoing bid and ask prices shall be as reported by Telerate Systems, Inc. (or, if such data for any reason ceases to be available through Telerate Systems, Inc., any publicly available source of similar market data). Each price shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

SECTION 3. RESERVED.

SECTION 4. CONDITIONS TO EFFECTIVENESS OF AGREEMENT.

This Agreement shall not become effective and the Original Note Agreement shall continue in full force and effect unless on or prior to the date hereof, each of the following conditions has been fulfilled, to the satisfaction of the Purchasers.

Section 4.1A. *Representations and Warranties.* The representations and warranties of the Obligor in the Financing Agreements shall be correct.

Section 4.2A. *Performance; No Default.* Each Obligor shall have performed and complied with all agreements and conditions contained in each Financing Agreement required to be performed or complied with by it prior to or at the date hereof, and no Default or Event of Default shall have occurred and be continuing under the Original Note Agreement or hereunder.

Section 4.3A. *Closing Documents.* This Agreement and each of the Financing Agreements described on [Exhibit 4.3](#) shall have been duly executed by all parties thereto and delivered to the holders of the Notes, all of which shall be satisfactory in form and substance to the Purchasers and shall provide that the Collateral and/or Subsidiary Guarantees which cause the Notes and the other Financing Agreements to be *pari passu* with the Obligor’s obligations under the Credit Documents after giving effect to (and except to the extent set forth in) the Intercreditor Agreement.

Section 4.4A. *Replacement Notes.* The Company shall have issued, executed and delivered replacement Series A Notes in the form of [Exhibit 1.1](#) hereto;

Section 4.5A. *Opinions of Counsel.* The Purchasers shall have received opinions in form and substance satisfactory to the Purchasers, dated the date of this Agreement (a) (i) from Husch Blackwell Sanders LLP, counsel for the U.S. Obligors, covering the matters set forth in Exhibit 4.4A(a) and (b) from King & Spalding LLP, special counsel to Prudential in connection with such transactions, covering such matters incident to such transactions as the Purchasers may reasonably request.

Section 4.6A. *Payment of Certain Fees and Expenses.* Without limiting the provisions of Section 16.1, the Company shall have paid on or before March 16, 2009 (i) all fees payable to the holders of the Series A Notes pursuant to the Fee Letter and (ii) the fees, charges and disbursements of (A) the Collateral Agent and (B) Purchasers' special counsel in connection herewith.

Section 4.7A. *Change in Parties.* No Obligor shall have changed its jurisdiction of incorporation or organization or been a party to any merger or consolidation and no Obligor shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.8A. *Proceedings and Documents.* All corporate and other proceedings in connection with the transactions contemplated by the Financing Agreements and all documents and instruments incident to such transactions shall be satisfactory to the Purchasers and the Purchasers' special counsel, and the Purchasers and the Purchasers' special counsel shall have received all such counterpart originals or certified or other copies of such documents as the Purchasers or such counsel may reasonably request.

Section 4.9A. *Credit Documents.* The Company, KeyBank, National Association, as Administrative Agent, and each of the lenders under the Credit Agreement shall have executed and delivered the Credit Agreement, which shall include an approval to the amendment and restatement of the Original Note Agreement in the form hereof, the replacement of the Notes and the other transactions contemplated hereby, and such related matters as Purchasers shall require. The Company shall have delivered to the holders of the Notes certified copies of the Credit Documents, as amended and restated on the date hereof, and any other long-term debt instrument to which the Company or any of its Subsidiaries is a party, together with evidence that all conditions precedent to the Credit Documents have been satisfied, such Credit Documents are effective.

Upon this Agreement becoming effective, all Series A Notes evidencing an interest rate of 4.89% shall be deemed amended and restated in their entirety in the form of the replacement Series A Notes delivered pursuant to Section 4.4A above, and shall not be deemed or construed as, a repayment or novation of the indebtedness evidenced thereby.

SECTION 4B. Conditions to Each Closing Day.

The obligation of any Purchaser to purchase and pay for any Accepted Notes is subject to the satisfaction, on or before the Closing Day for such Notes, of the following conditions:

Section 4.1B. Representations and Warranties. The representations and warranties of the Obligor in the Financing Agreements shall be correct when made and at the applicable Closing Day.

Section 4.2B. Performance; No Default. Each Obligor shall have performed and complied with all agreements and conditions contained in each Financing Agreement required to be performed or complied with by it prior to or at the applicable Closing Day, and after giving effect to the issue and sale of the Accepted Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing.

Section 4.3B. Compliance Certificates.

(a) *Officer's Certificate.* Each Obligor shall have delivered to the applicable Purchasers an Officer's Certificate, dated the applicable Closing Date, certifying that the conditions specified in Sections 4.1B, 4.2B and 4.9B have been fulfilled and that no Material Adverse Effect has occurred since December 31, 2007, prior to the date of delivery by the Company to the Purchasers of its audited financial statements for its fiscal year ending December 31, 2008 pursuant to Section 7.1(b), and, thereafter, the date of the most current audited financial statements delivered by the Company to the Purchasers pursuant to Section 7.1(b).

(b) *Secretary's Certificate.* Each Obligor shall have delivered to the applicable Purchasers a certificate, dated the applicable Closing Day, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Accepted Notes and any other Financing Agreements to be executed concurrently to which it is a party.

Section 4.4B. Opinions of Counsel. The applicable Purchasers shall have received opinions in form and substance satisfactory to the Purchasers, dated the applicable Closing Day, (a) (i) from Blackwell Sanders LLP, counsel for the U.S. Obligor, covering the matters set forth in Exhibit 4.4A(a) and (b) from King & Spalding LLP, special counsel to Prudential in connection with such transactions, covering such matters incident to such transactions as such Purchasers may reasonably request

Section 4.5B. Purchase Permitted by Applicable Law, etc. On the applicable Closing Day each applicable Purchaser's purchase of the Accepted Notes shall (i) be permitted by the laws and regulations of each jurisdiction to which any such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (ii) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject any such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by any such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6B. Payment of Certain Fees. Without limiting the provisions of Section 16.1, the Company shall have paid on or before such Closing Day, (i) the Issuance Fee due pursuant to Section 2.2.9(ii) and any Delayed Delivery Fee pursuant to Section 2.2.9(iii) and (ii) the fees, charges and disbursements of (A) the Collateral Agent and (B) the Purchasers' special counsel referred to in Section 4.4B(b)), in each case, to the extent reflected in a statement of such Person rendered to the Company at least one Business Day prior to the applicable Closing Day.

Section 4.7B. Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Accepted Notes.

Section 4.8B. Changes in Corporate Structure. No Obligor shall have changed its jurisdiction of incorporation or organization or been a party to any merger or consolidation and no Obligor shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.9B. Funding Instructions. At least three Business Days prior to the applicable Closing Day, the applicable Purchasers shall have received written instructions executed by a Responsible Officer directing the manner of the payment of funds and setting forth (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Accepted Notes is to be deposited.

Section 4.10B. Reaffirmation of Guaranty and Liens. Each Guarantor shall have delivered to the applicable Purchasers, a duly executed reaffirmation of the Subsidiary Guaranty in form and substance acceptable to such Purchasers; each Obligor shall have delivered to the applicable Purchasers a duly executed reaffirmation of all Collateral Agreements in form and substance acceptable to the Purchasers.

Section 4.11B. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by the Financing Agreements and all documents and instruments incident to such transactions shall be satisfactory to each such Purchaser and special counsel to each such Purchaser, and each such Purchaser and special counsel to the Purchasers shall have received all such counterpart originals or certified or other copies of such documents as each such Purchaser or such counsel may reasonably request.

Section 4.12B. Intercreditor Agreement. Any Purchaser which is not already a party to the Intercreditor Agreement shall have become a party by execution of a joinder agreement as contemplated by Section 14 of the Intercreditor Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE OBLIGORS.

Each of the Obligors, as to itself, represents and warrants to each Purchaser that:

Section 5.1 Organization; Power and Authority. Each Obligor is a corporation or other legal business entity duly incorporated or organized (as the case may be), validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Obligor has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Financing Agreements to which it is a party and to perform the provisions hereof and thereof.

Section 5.2 Authorization, etc. Each Obligor has the right and power to enter into, execute and deliver the Financing Agreements to which it is a party and the Financing Agreements have been duly authorized by all necessary corporate or other action on the part of each Obligor party thereto. Each Financing Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Obligor party thereto enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Financing Agreements have been prepared, executed and delivered outside Ireland and Italy.

Section 5.3 Disclosure. The Company, through its agent, SPP Capital Partners, LLC, has delivered to each Series A Note Purchaser a copy of a Private Placement Memorandum, dated February, 2004 (the "*Memorandum*"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries, subject to changes since the date of the Memorandum which were not prohibited pursuant to the terms of the Original Note Agreement. As of the Series A Closing Day, the Memorandum, the Original Note Agreement and the financial statements listed in Schedule 5.5 to the Original Note Agreement, taken as a whole, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. This Agreement and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Since December 31, 2006, there has been no change in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the other documents, certificates and other writings delivered to the Purchasers by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

Section 5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, or, in the case of each Subsidiary organized outside of the United States, such Subsidiary is in possession of all material governmental or public approvals necessary for the unrestricted conduct of its business, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact, except for the legal restriction provided by Art. 2433 of the Italian Civil Code applicable to Euroball S.p.A., an Italian company.

(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5 Financial Statements. The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

Section 5.6 Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by the Obligors of the Financing Agreements will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Obligor or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which any Obligor or any Subsidiary is bound or by which any Obligor or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Obligor or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Obligor or any Subsidiary.

Section 5.7 Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by any Obligor of any Financing Agreement to which it is a party, including without limitation any thereof required in connection with the obtaining of Dollars to make payments under the Financing Agreements and the payment of such Dollars to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in any jurisdiction in which any Obligor conducts its business or which asserts jurisdiction over any properties of such Obligor of the Financing Agreements that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

Section 5.8 Litigation; Observance of Agreements, Statutes and Orders. (a) There are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.9 Taxes. The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate. The Federal income tax liabilities of the Company and its Subsidiaries have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended December 31, 2006. No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority or any political subdivision thereof will be incurred by an Obligor or any holder of a Note as a result of the execution or delivery of the Financing Agreements and no deduction or withholding in respect of Taxes imposed by or for the account of any Taxing Jurisdiction, is required to be made from any payment by the Obligors under the Financing Agreements except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority arising out of circumstances described in clause (a), (b) or (c) of Section 13.

Section 5.10 Title to Property; Leases. The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. The Collateral Agent has a valid and enforceable first Lien on the Collateral. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11 Licenses, Permits, etc. (a) The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others;

(b) To the best knowledge of the Company, no product of the Company or any of its Subsidiaries infringes in any Material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

Section 5.12 Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) With respect to each Plan (if any) subject to Title IV of ERISA, the present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of each Obligor's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Foreign Plan allocable to such benefit liabilities. The term "*benefit liabilities*" has the meaning specified in section 4001 of ERISA and the terms "*current value*" and "*present value*" have the meanings specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred (i) withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any obligation in connection with the termination of or withdrawal from any Foreign Plan.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of each Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by it.

(f) All Foreign Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Foreign Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

Section 5.13 Private Offering by the Company. Neither the Company nor anyone acting on its behalf nor any other Obligor has offered the Notes, the Subsidiary Guarantees or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Series A Note Purchasers and not more than seventeen (17) other Institutional Investors, each of which was offered the Series A Notes and the Subsidiary Guarantees at a private sale for investment. Neither the Company nor anyone acting on its behalf nor any other Obligor has taken, or will take, any action that would subject the issuance or sale of the Notes or the Subsidiary Guarantees to the registration requirements of Section 5 of the Securities Act.

Section 5.14 Use of Proceeds; Margin Regulations. The Company has applied the proceeds of the Series A Notes in accordance with the requirements of Section 5.14 of the Original Note Agreement. The Company will apply the proceeds of the sale of any Shelf Notes to pay down bank revolving, term and bridge loans, for general corporate purposes and to finance the consummation of Acquisitions so long as such Acquisitions are not prohibited by the terms of this Agreement and are not hostile tender offers. No part of the proceeds from the sale of the Notes under the Original Note Agreement has been, and no part of the proceeds from the sale of the Notes hereunder will be, used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 1.00% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 1.00% of the value of such assets. As used in this Section, the terms "*margin stock*" and "*purpose of buying or carrying*" shall have the meanings assigned to them in said Regulation U.

Section 5.15 Existing Debt; Future Liens. (a) Schedule 10.9 attached hereto sets forth a complete and correct list of all outstanding Debt of the Company and its Subsidiaries as of the first day of the calendar month in which such Schedule is delivered, from and after which date there will be no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Subsidiaries except as not prohibited pursuant to Section 10.9 of this Agreement. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary and no event or condition exists with respect to any Debt of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 10.10, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.10.

Section 5.16 Foreign Assets Control Regulations, etc. Neither the sale of the Notes by the Company under the Original Note Agreement or hereunder nor its use of the proceeds thereof has violated, or will violate, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, neither the Company nor any of its Subsidiaries (a) is a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) engages in any Material dealings or transactions, or is otherwise associated, with any such person. The Company and its Subsidiaries are in compliance, in all material respects, with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds from the sale of the Notes under the Original Note Agreement or hereunder has been, or will be, used, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 5.17 Status under Certain Statutes. Neither the Company nor any Subsidiary is an “investment company” registered or required to be registered under the Investment Company Act of 1940, as amended, or is subject to regulation under the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18 Environmental Matters. Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to the Purchasers in writing:

(a) neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or has disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

Section 5.19 Solvency.

(a) *Assets Greater Than Liabilities.* The fair value of the business and assets of the Company and its Subsidiaries, taken as a whole on a consolidated basis, exceeds, as of, and immediately after giving effect to the transactions consummated on the date hereof and on each Closing Day, the liabilities of the Company and its Subsidiaries, taken as a whole on a consolidated basis, as of such time.

(b) *Meeting Liabilities.* Immediately after giving effect to any of the transactions contemplated by this Agreement, the Notes and the other Financing Agreements, no Obligor:

(i) will be engaged in any business or transaction, or about to engage in any business or transaction, for which its assets would constitute unreasonably small capital (within the meaning of the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and section 548 of the Bankruptcy Code, in each case, of the United States of America); or

(ii) will be unable to pay its debts as such debts mature.

(c) *Intent.* No Obligor is entering into the Agreement, the Notes and the other Financing Agreements with any intent to hinder, delay, or defraud either current creditors or future creditors of such Obligor.

Section 5.20 Collateral Agreements. The Collateral Agreements create a valid Lien in and to the Collateral in favor of the Collateral Agent, subject to no prior Liens except Liens permitted under Section 10.10.

Section 5.21 Ranking of Notes. The Company's obligations under the Financing Agreements rank, and upon the issuance of any additional Notes will continue to rank, in right of payment at least *pari passu*, without preference or priority, with all of its other outstanding unsubordinated Debt and all unsubordinated trade obligations, except (i) for Debt which is unsecured, (ii) for Debt which is preferred as a result of being priority secured (but then only to the extent of such security) or by operation of law and (iii) to the extent otherwise set forth in the Intercreditor Agreement. Each Guarantor's obligations under the Subsidiary Guarantees rank, and upon issuance of any additional Notes, will continue to rank, in right of payment *pari passu*, without preference or priority, with all of such Guarantor's other outstanding unsubordinated Debt and all unsubordinated trade obligations, except (i) for Debt which is unsecured, (ii) for Debt which is preferred as a result of being priority secured (but then only to the extent of such security) or by operation of law and (iii) to the extent otherwise set forth in the Intercreditor Agreement

Section 5.22 Locations. As of the Restatement Closing Date, the Company and its Subsidiaries have places of business or maintain their Accounts, Inventory and Equipment at the locations (including third party locations) set forth on Schedule 5.22 hereto, and each Company's chief executive office is set forth on Schedule 5.22 hereto. Schedule 5.22 hereto further specifies whether each location, as of the Restatement Closing Date, (a) is owned by the Company or its Subsidiaries, or (b) is leased by the Company or its Subsidiaries from a third party, and, if leased by the Company or a Subsidiary from a third party, if a Landlord's Waiver has been requested. As of the Restatement Closing Date, Schedule 5.22 hereto correctly identifies the name and address of each third party location where a material portion of the assets of the Company and its Subsidiaries are located.

Section 5.23 Intellectual Property. Each Obligor owns, or has the right to use, all of the material patents, patent applications, industrial designs, designs, trademarks, service marks, copyrights and licenses, and rights with respect to the foregoing, necessary for the conduct of its business without any known conflict with the rights of others. Schedule 5.23 hereto sets forth all patents, trademarks, copyrights, service marks and license agreements owned by each Company.

Section 5.24 Insurance. Each Obligor maintains with financially sound and reputable insurers (or is self-insured) insurance with coverage and limits as required by law and as is customary with Persons engaged in the same businesses as the Company and its Subsidiaries. Schedule 5.24 hereto sets forth all insurance carried by the Company and its Subsidiaries on the Restatement Closing Date, setting forth in detail the amount and type of such insurance.

Section 5.25 Deposit Accounts. Schedule 5.25 hereto lists all banks and other financial institutions at which the Company or any of its Domestic Subsidiaries maintains deposit or other accounts as of the Restatement Closing Date, and Schedule 5.25 hereto correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

Section 5.26 *Senior Credit Documents.* No “default” or “event of default” (as defined in the Credit Agreement), or event with which the passage of time or the giving of notice, or both, would cause a default or event of default exists, nor will exist immediately after the giving effect to the consummation of the transactions contemplated hereby and by the Credit Documents on the Restatement Closing Date. As of March 12, 2009, the aggregate outstanding “Revolving Credit Exposure” is \$65,335,000.

SECTION 6. REPRESENTATIONS OF THE PURCHASER.

Section 6.1 *Purchase for Investment.* Each Purchaser represents that it is purchasing the Notes acquired by it hereunder for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof, *provided* that the disposition of such Purchaser’s or its property shall at all times be within its control. Each Purchaser understands that the Notes and the Subsidiary Guarantees have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes or the Subsidiary Guarantees.

Section 6.2 *Source of Funds.* Each Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” within the meaning of Department of Labor Prohibited Transaction Exemption (“PTE”) 95-60 (issued July 12, 1995) and there is no employee benefit plan, treating as a single plan, all plans maintained by the same employer or employee organization, with respect to which the amount of the general account reserves and liabilities for all contracts held by or on behalf of such plan, exceed ten percent (10%) of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as such Purchaser has disclosed to the Company in writing pursuant to this paragraph (b), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an “investment fund” (within the meaning of Part V of the QPAM Exemption) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part V of the QPAM Exemption), no employee benefit plan’s assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of “control” in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (e); or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

If any Purchaser or any subsequent transferee of the Notes of any Purchaser indicates that such Purchaser or such transferee is relying on any representation contained in paragraph (b), (c) or (e) above, the Company shall deliver on the applicable Closing Day and on the date of any applicable transfer a certificate, which shall either state that (i) it is neither a party in interest nor a “disqualified person” (as defined in section 4975(e)(2) of the Internal Revenue Code of 1986, as amended), with respect to any plan identified pursuant to paragraphs (b) or (e) above, or (ii) with respect to any plan, identified pursuant to paragraph (c) above, neither it nor any “affiliate” (as defined in Section V(c) of the QPAM Exemption) has at such time, and during the immediately preceding one year, exercised the authority to appoint or terminate said QPAM as manager of any plan identified in writing pursuant to paragraph (c) above or to negotiate the terms of said QPAM’s management agreement on behalf of any such identified plan. As used in this Section 6.2, the terms “*employee benefit plan*”, “*governmental plan*”, “*party in interest*” and “*separate account*” shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO OBLIGORS.

Section 7.1 *Financial and Business Information.* The Obligors shall deliver to each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* — within the earlier of (x) 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year) or (y) the date, if any, when the quarterly statements set forth below are delivered to any other lender to the Company, duplicate copies of:

and (i) a consolidated balance sheet of the Company and its consolidated Subsidiaries as at the end of such quarter,

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its consolidated Subsidiaries for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, and (ii) so long as the requirements of the foregoing clause (i) are not applicable, delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) *Annual Statements* — within the earlier of (x) 105 days after the end of each fiscal year of the Company or (y) the date, if any, when the annual statements set forth below are delivered to any other lender to the Company, duplicate copies of:

and (i) a consolidated balance sheet of the Company and its consolidated Subsidiaries, as at the end of such year,

(ii) consolidated statements of income, changes in consolidated shareholders' equity and cash flows of the Company and its consolidated Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the consolidated financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, and (ii) so long as the requirements of the foregoing clause (i) are not applicable, the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission, shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) *Cash Flow Projections* — within three (3) Business Days after the end of each week, a cash-flow projection (including, but not limited to, expected weekly needs for Indebtedness under the Revolving Credit Facility) for the immediately following thirteen (13) weeks, all prepared on a Consolidated basis and in form and detail satisfactory to the Required Holders.

(d) *Management Report* -- concurrently with the delivery of the quarterly and annual financial statements set forth in subsections (a) and (b) above, a copy of any management report, letter or similar writing furnished to the Company and its Subsidiaries by the accountants in respect of the systems, operations, financial condition or properties of the Company and its Subsidiaries.

(e) *SEC and Other Reports* — promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission (excluding those pertaining solely to Plans) and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(f) *Notice of Default or Event of Default* — promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(g) *Notices related to Credit Documents* - -- contemporaneously with any notice provided to or received from the agent or lenders party to the Credit Documents, other than notices of borrowing and conversion of interest rate, copy of such notice;

(h) *ERISA Matters* — promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Foreign Plans;

(i) *Notices from Governmental Authority* — promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(j) *Supplements* — promptly and in any event within five (5) Business Days after the execution and delivery of any Supplement, a copy thereof;

(k) *Amendments to Credit Documents* — promptly and in any event within ten (10) Business Days following the effectiveness of any amendment to the Credit Documents, notice of such amendment and a copy of any such amendment within a reasonable time following receipt of written request by any such holder of the Notes; and

(l) *Requested Information* — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of an Obligor to perform its or their obligations hereunder and under the Notes or under any other Financing Agreement as from time to time may be reasonably requested by any such holder of Notes.

Section 7.2 Officer's Certificate. Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) *Covenant Compliance* — the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 10.3, 10.5, 10.6 and 10.7 hereof, inclusive, and if in effect, Sections 10.1, 10.2 and 10.4 hereof during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* — a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto;

Section 7.3 Inspection. The Obligors shall permit the representatives of each holder of Notes that is an Institutional

Investor:

(a) *No Default* — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* — if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries pursuant to this Section 7.3(b)), all at such times and as often as may be reasonably requested.

SECTION 8. PREPAYMENT OF THE SERIES A AND SHELF NOTES.

Section 8.1 Required Prepayments. On April 26, 2008 and on each April 26 thereafter to and including April 26, 2013 the Company will prepay \$5,714,285.71 principal amount (or such lesser principal amount as shall then be outstanding) of the Series A Notes at par and without payment of the Yield Maintenance Amount or any premium, *provided* that upon any partial prepayment of the Series A Notes pursuant to Section 8.2 or Section 8.3 the principal amount of each required prepayment of the Series A Notes becoming due under this Section 8.1 on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the Series A Notes is reduced as a result of such prepayment. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series.

Section 8.2 Optional Prepayments with Yield Maintenance Amount. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes of any Series, in an amount not less than \$5,000,000 or integrals of \$100,000 in excess of that amount, at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, plus the Yield Maintenance Amount determined for the prepayment date with respect to such principal amount of each Note to be prepaid. The Company will give each holder of each Note of a Series selected by the Company to be prepaid written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes of such Series to be prepaid on such date, the principal amount of each Note of such Series held by such holder to be prepaid (determined in accordance with Section 8.4), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Yield Maintenance Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of the Notes of such Series a certificate of a Senior Financial Officer specifying the calculation of such Yield Maintenance Amount as of the specified prepayment date.

Section 8.3 Change in Control.

(a) *Notice of Change in Control or Control Event.* The Company will, within five (5) Business Days after any Responsible Officer has knowledge of the occurrence of any Change in Control or Control Event, give written notice (the “*Change of Control Notice*”) of such Change in Control or Control Event to each holder of Notes unless notice in respect of such Change in Control (or the Change of Control contemplated by such Control Event) shall have been given pursuant to subparagraph (c) of this Section 8.3. Such Change of Control Notice shall contain and constitute an offer to prepay the outstanding Notes as described in Section 8.3(c) hereof and shall be accompanied by the certificate described in Section 8.3(g).

(b) *Condition to Company Action.* The Company will not take any action that consummates or finalizes a Change in Control unless (i) at least 30 days prior to such action it shall have given to each holder of the Notes written notice containing and constituting an offer to prepay all outstanding Notes as described in subparagraph (c) of this Section 8.3, accompanied by the certificate described in subparagraph (g) of this Section 8.3, and (ii) contemporaneously with such action, it prepays all outstanding Notes required to be prepaid in accordance with this Section 8.3.

(c) *Offer to Prepay Notes.* The offer to prepay all outstanding Notes contemplated by paragraph (a) and (b) of this Section 8.3 shall be an offer to prepay, in accordance with and subject to this Section 8.3, all, but not less than all, the Notes held by each holder (in this case only, “holder” in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such Change of Control Notice (the “*Proposed Prepayment Date*”). If such Proposed Prepayment Date is in connection with an offer contemplated by subparagraph (a) of this Section 8.3, such date shall be not less than 30 days and not more than 120 days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the first Business Day after the 45th day after the date of such offer).

(d) *Acceptance.* A holder of Notes may accept the offer to prepay made pursuant to this Section 8.3 by causing a notice of such acceptance to be delivered to the Company not later than 15 days after receipt by such holder of the most recent offer of prepayment. A failure by a holder of any Notes to respond to an offer to prepay made pursuant to this Section 8.3 shall be deemed to constitute a rejection of such offer by such holder.

(e) *Prepayment.* Prepayment of the Notes to be prepaid pursuant to this Section 8.3 shall be at 100% of the principal amount of the Notes together with accrued and unpaid interest thereon. The prepayment shall be made on the Proposed Prepayment Date except as provided in subparagraph (f) of this Section 8.3.

(f) *Deferral Pending Change in Control.* The obligation of the Company to prepay the Notes pursuant to the offers required by subparagraph (c) and accepted in accordance with subparagraph (d) of this Section 8.3 is subject to the occurrence of the Change in Control in respect of which such offers and acceptances shall have been made. In the event that such Change in Control has not occurred on the Proposed Prepayment Date in respect thereof, the prepayment shall be deferred until, and shall be made on, the date on which such Change in Control occurs. The Company shall keep each holder of the Notes reasonably and timely informed of (i) any such deferral of the date of prepayment, (ii) the date on which such Change in Control and the prepayment are expected to occur, and (iii) any determination by the Company that efforts to effect such Change in Control have ceased or been abandoned (in which case the offers and acceptances made pursuant to this Section 8.3 in respect of such Change in Control shall be deemed rescinded).

(g) *Officer's Certificate.* Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by a certificate, executed by the Senior Financial Officer of the Company and dated the date of such offer, specifying: (i) the Proposed Prepayment Date; (ii) that such offer is made pursuant to this Section 8.3; (iii) the principal amount of each Note offered to be prepaid (which shall be 100% of each such Note); (iv) the interest that would be due on each Series A Note offered to be prepaid, accrued to the Proposed Prepayment Date; (v) that the conditions of this Section 8.3 have been fulfilled; and (vi) in reasonable detail, the nature and date or proposed date of the Change in Control.

(h) *Certain Definitions.* "Change in Control" shall mean an event or series of events which results in (a) the acquisition of, or, if earlier, the shareholder or director approval of the acquisition of, ownership or voting control, directly or indirectly, beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act) or of record, on or after the date of this Agreement, by any Person or group (within the meaning of Sections 13d and 14d of the Exchange Act) of shares representing more than thirty-five percent (35%) of the aggregate voting power represented by the issued and outstanding capital stock of the Company; (b) the occupation of the majority of seats (other than vacant seats) on the board of directors or other governing body of the Company by Persons who were neither (i) nominated by the board of directors or other governing body of the Company nor (ii) appointed by directors so nominated; (c) if the Company shall cease to own, directly or indirectly, one hundred percent (100%) of the record and beneficial ownership of each other "Borrower" under the Credit Agreement; or (d) the occurrence of a change in control, or other similar provision, as defined in any Material Debt Agreement.

“Control Event” means:

(i) the execution by the Company or an Affiliate of any agreement or letter of intent with respect to any proposed transaction or event or series of transactions or events which, individually or in the aggregate, may reasonably be expected to result in a Change in Control,

(ii) the execution of any written agreement which, when fully performed by the parties thereto, would result in a Change in Control, or

(iii) the making of any written offer by any person (as such term is used in Section 13(d) and Section 14(d)(2) of the Exchange Act as in effect on the date of the Closing) or related persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date of the Closing) to the holders of the outstanding equity of the Company, which offer, if accepted by the requisite number of holders, would result in a Change in Control.

(i) All calculations contemplated in this Section 8.3 involving the capital stock or other equity interest of any Person shall be made with the assumption that all convertible securities of such Person then outstanding and all convertible securities issuable upon the exercise of any warrants, options and other rights outstanding at such time were converted at such time and that all options, warrants and similar rights to acquire shares of capital stock or other equity interest of such Person were exercised at such time.

Section 8.4 Allocation of Partial Prepayments. In the case of each partial prepayment of Notes of any Series pursuant to Sections 8.1 and 8.2, the principal amount of the Notes of such Series to be prepaid shall be allocated among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof.

Section 8.5 Maturity; Surrender, etc. In the case of each prepayment of any Notes of any Series pursuant to Section 8.1 and 8.2, the principal amount of each Note of such Series to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and, in the case of prepayment pursuant to Section 8.2, the applicable Yield Maintenance Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Yield Maintenance Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.6

Purchase of Notes. Each Obligor will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of such Notes in accordance with the terms of this Agreement and such Notes. Such Obligor will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of such Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.7

Yield Maintenance Amount. The term “*Yield Maintenance Amount*” means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that the Yield Maintenance Amount may in no event be less than zero. For the purposes of determining the Yield Maintenance Amount, the following terms have the following meanings:

“*Called Principal*” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“*Discounted Value*” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Series A Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“*Reinvestment Yield*” means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “PX1” on the Bloomberg Financial Markets Services Screen (or such other display as may replace page “PX1” on the Bloomberg Financial Markets Services Screen) for on-the-run actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such series of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded (and on-the-run, in the case of page “PX1” on the Bloomberg Financial Markets Services Screen) U.S. Treasury security with a maturity closest to and greater than the Remaining Average Life and (2) the actively traded (and on-the-run, in the case of page PX1 on the Bloomberg Financial Markets Services Screen) U.S. Treasury security with a maturity closest to and less than the Remaining Average Life.

“*Remaining Average Life*” means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“*Remaining Scheduled Payments*” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date; *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

“*Settlement Date*” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 8.8 Offer to Prepay Notes in the Event of an Asset Disposition or Material Recovery Event.

(a) *Notice of Asset Disposition/Material Recovery Event.* The Company will, upon the occurrence of any Asset Disposition, give written notice of such Asset Disposition to each holder of Notes. Within ten days after the occurrence of a Material Recovery Event, the Company will give written notice of such Material Recovery Event to each holder of the Notes. Within sixty (60) days after such Material Recovery Event, the Company shall notify each holder of the Notes of its determination as to whether or not to replace, rebuild or restore the affected property. If the Company decides to replace, rebuild or restore such property, then any such replacement, rebuilding or restoration must be (A) commenced within six months of the date of the Material Recovery Event, and (B) substantially completed within twelve (12) months of such commencement date, with such casualty insurance proceeds and other net proceeds and other funds available to the Company or the appropriate Domestic Subsidiaries for replacement, rebuilding or restoration of such property. If Company decides to replace, rebuild or restore such property, and the net proceeds of such Material Recovery Event shall equal or exceed Two Million Dollars (\$2,000,000), (1) Company shall open a commercial Deposit Account at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) (the “Material Recovery Account”), and (2) the net proceeds received by the Company or any of its Subsidiaries in respect of such Material Recovery Event shall be immediately deposited in the Material Recovery Account by the Company or such Subsidiary and shall be held by Collateral Agent as security for the Senior Indebtedness (as defined in the Intercreditor Agreement). Collateral Agent shall have exclusive control of the Material Recovery Account. So long as no Default or Event of Default shall exist, Collateral Agent shall permit the Company to withdraw funds from the Material Recovery Account to be applied to the costs and expenses of replacing, rebuilding or restoring such property. The Company will give written notice to each holder of Notes on the anniversary of the date of commencement to replace, rebuild or restore such property as to the amount of insurance proceeds not applied to the cost of replacement or restoration.

(b) *Notice of Reduction of Revolving Credit Facility.* The Company will, promptly upon receipt of notice from the Bank Agent that the Revolving Credit Facility is being reduced in connection with any Asset Disposition or Mandatory Recovery Event, give written notice to each holder of Notes, which notice shall contain and constitute an offer to prepay the outstanding Notes as described in Section 8.3(c) hereof and shall be accompanied by the certificate described in Section 8.3(e).

(c) *Offer to Prepay Notes.* The offer to prepay the Notes contemplated by the foregoing clause (b) shall be an offer to prepay, in accordance with and subject to this Section 8.8, a portion of the Notes equal to the Noteholder Share of the Net Cash Proceeds from such Asset Disposition or Material Recovery Event, as the case may be, to be allocated ratably to the Notes held by each holder (in this case only, "holder" in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner), on a date specified in such offer (the "Proposed 8.8 Prepayment Date"). Such Proposed 8.8 Prepayment Date shall be not less than 10 days and not more than 30 days after the date of such offer (if the Proposed 8.8 Prepayment Date shall not be specified in such offer, the Proposed 8.8 Prepayment Date shall be the 20th day after the date of such offer), but in no event later than the date of any permanent reduction in the Revolving Credit Facility made in connection with such Asset Disposition or Material Recovery Event.

(c) *Acceptance; Rejection.* A holder of Notes may reject the offer to prepay made pursuant to this Section 8.8 by causing a notice of such rejection to be delivered to the Company on or before the fifth day prior to the Proposed 8.8 Prepayment Date. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.8 on or before such date shall be deemed to constitute an acceptance of such offer by such holder.

(d) *Prepayment.* Prepayment of the Notes to be prepaid pursuant to this Section 8.8 shall be at 100% of the principal amount of such Notes, together with interest accrued to the date of prepayment and the Yield Maintenance Amount, if any, with respect to each such Note. The prepayment shall be made on the Proposed 8.8 Prepayment Date.

(e) *Officer's Certificate.* Each offer to prepay the Notes pursuant to this Section 8.8 shall be accompanied by a certificate, executed by a Senior Financial Officer of the Company and dated the date of such offer, specifying: (i) the Proposed 8.8 Prepayment Date; (ii) that such offer is made pursuant to this Section 8.8; (iii) the principal amount of each Note offered to be prepaid; (iv) the interest that would be due on each Note offered to be prepaid, accrued to the Proposed 8.8 Prepayment Date; (v) that the conditions of this Section 8.8 have been fulfilled; and (vi) in reasonable detail, the nature and date of the Asset Disposition or Material Recovery Event that has occurred.

The Obligors, jointly and severally, covenant that during the Issuance Period and thereafter so long as any of the Notes are outstanding:

Section 9.1 Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2 Insurance. The Company will, and will cause each of its Subsidiaries to, at all times maintain insurance upon its Inventory, Equipment and other personal and real property in such form, written by such companies, in such amounts, for such periods, and against such risks as may be acceptable to the Required Holders, with provisions satisfactory to the Required Holders for, with respect to Obligors, payment of all losses thereunder to the Collateral Agent and such Obligor as their interests may appear (with lender's loss payable endorsement in favor of Collateral Agent) and, if required by Required Holders, the Company shall deposit the policies with the Collateral Agent. Any such policies of insurance shall provide for no fewer than thirty (30) days prior written notice of cancellation to the Collateral Agent. Any sums received by Collateral Agent in payment of insurance losses, returns, or unearned premiums under the policies shall be applied as set forth in Section 8.8. In the event of failure to provide such insurance as herein provided, the holders of the Notes may, at their option, provide such insurance and the Company shall pay to the holders of the Notes, upon demand, the cost thereof. Should the Company fail to pay such sum to the holders of the Notes upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the Default Rate. Within ten days of the holders of the Notes' written request, the Obligors shall furnish to the holders of the Notes such information about the insurance of the Obligors as the holders of the Notes may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to the holders of the Notes and certified by a Senior Financial Officer.

Section 9.3 Maintenance of Properties. The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4 Payment of Taxes and Claims. The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, *provided* that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary.

Section 9.5 Corporate Existence, etc. The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Section 10.12, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6 Notes to Rank Pari Passu. The Notes and all other obligations under the Financing Agreements of the Obligors are and at all times shall remain direct and unsubordinated obligations of the Obligors party thereto ranking *pari passu* as against the assets of the related Obligor with all other Notes from time to time issued and outstanding hereunder without any preference among themselves and *pari passu* with all other present and future unsubordinated Debt of the related Obligor (including Debt incurred under the Credit Documents) which is not expressed to be subordinate or junior in rank to any other unsubordinated Debt of the Company, except to the extent otherwise set forth in the Intercreditor Agreement.

Section 9.7 Reserved.

Section 9.8 Subsidiary Guaranties; Collateral Agreements; Pledge of Stock or Other Ownership Interest..

(a) *Guaranties and Security Documents.* Each Domestic Subsidiary (that is not a Dormant Subsidiary) created, acquired or held subsequent to the Restatement Closing Date, shall immediately execute and deliver a Subsidiary Guaranty to the holders of the Notes and the appropriate Collateral Agreements to the Collateral Agent, such agreements to be in form and substance acceptable to Required Holders, along with any such other supporting documentation, corporate governance and authorization documents, and an opinion of counsel as may be deemed necessary or advisable by Required Holders.

(b) *Pledges of Stock.* With respect to the creation or acquisition of a Subsidiary, the appropriate Obligor shall execute a Pledge Agreement and, in connection therewith, pledge all of its ownership interests in such Subsidiary to Collateral Agent as security for the Obligations; provided that (i) the Company or any Domestic Subsidiary shall not be required to pledge more than sixty-five percent (65%) of the voting outstanding shares or other voting ownership interest of any first-tier Foreign Subsidiary, and (ii) such pledge shall be legally available and shall not result in materially adverse tax consequences on such Obligor. The Company shall deliver to Collateral Agent the share certificates (or other evidence of equity) evidencing any of the Pledged Securities if such Pledged Securities are certificated or so evidenced. Notwithstanding anything in this subsection (b) to the contrary, the Company and its Subsidiaries shall pledge, for the benefit of the holders of the Notes, any shares or other ownership interests that collateralize the Debt of the Obligors under the Credit Documents on the Restatement Closing Date and thereafter.

(c) *Pledged Intercompany Notes.* With respect to the creation or acquisition by an Obligor of a Pledged Intercompany Note, the appropriate Obligor shall pledge to Collateral Agent, as security for the Obligations, such Pledged Intercompany Note. Such Obligor shall deliver to Collateral Agent such Pledged Intercompany Note and an accompanying allonge.

Section 9.9 Collateral. Each Obligor shall:

(a) at all reasonable times allow the holders of the Notes by or through any of such holders' officers, agents, employees, attorneys or accountants to (i) examine, inspect and make extracts from such Obligor's books and other records, including, without limitation, the tax returns of such Obligor, (ii) arrange for verification of such Obligor's Accounts, under reasonable procedures, directly with Account Debtors or by other methods, and (iii) examine and inspect such Obligor's Inventory and Equipment, wherever located;

(b) promptly furnish to any holder of a Note upon request (i) additional statements and information with respect to the Collateral, and all writings and information relating to or evidencing any of such Obligor's Accounts (including, without limitation, computer printouts or typewritten reports listing the mailing addresses of all present Account Debtors), and (ii) any other writings and information as any holder of a Note may request;

(c) promptly notify the holders of the Notes in writing upon the creation of any Accounts with respect to which the Account Debtor is the United States of America or any other Governmental Authority, or any business that is located in a foreign country;

- (d) promptly notify the holders of the Notes in writing upon the creation by any Obligor of a Deposit Account not listed on Schedule 5.25 hereto and provide for the execution of a Control Agreement with respect thereto, if required by Required Holders;
- (e) promptly notify the holders of the Notes in writing whenever a material amount of the Equipment or Inventory of an Obligor is located at a location of a third party that is not listed on Schedule 5.22 hereto and cause to be executed any bailee's waiver, processor's waiver, consignee's waiver or similar document or notice that may be required by the Required Holders;
- (f) promptly notify the holders of the Notes in writing of any information that Obligors have or may receive with respect to the Collateral that might reasonably be determined to materially and adversely affect the value thereof or the rights of the holders of the Notes with respect thereto;
- (g) maintain such Obligor's Equipment in good operating condition and repair, ordinary wear and tear excepted, making all necessary replacements thereof so that the value and operating efficiency thereof shall at all times be maintained and preserved;
- (h) deliver to Collateral Agent, to hold as security for the Obligations, within ten Business Days after the written request of the Required Holders, all certificated Investment Property owned by an Obligor, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Required Holders and the Collateral Agent, or in the event such Investment Property is in the possession of a securities intermediary or credited to a securities account, execute with the related securities intermediary an investment property control agreement over such securities account in favor of Collateral Agent in form and substance satisfactory to the Required Holders and the Collateral Agent;
- (i) no later than the first day of each calendar quarter, provide to the Collateral Agent and, upon their request, the holders of the Notes a list of any patents, trademarks or copyrights that have been federally registered by the Company or a Domestic Subsidiary since the last list so delivered, and provide for the execution of an appropriate Intellectual Property Security Agreement;
- (j) promptly notify the holders of the Notes and the Collateral Agent of any commercial tort claim acquired by any Obligor and deliver a description of the nature of such claim; and
- (k) upon request of the Required Holders, promptly take such action and promptly make, execute, and deliver all such additional and further items, deeds, assurances, instruments and any other writings as the Required Holders may from time to time deem necessary or appropriate, including, without limitation, chattel paper, to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to the holders of the Notes their respective rights hereunder and in or to the Collateral.

If certificates of title or applications for title are issued or outstanding with respect to any of the Inventory or Equipment of any Obligor, such Obligor shall, upon request of the Required Holders, (i) execute and deliver to the holders of the Notes a short form security agreement, in form and substance satisfactory to the Required Holders, and (ii) deliver such certificate or application to Collateral Agent and cause the interest of Collateral Agent, for the benefit of the Bank Lenders and the holders of the Notes, to be properly noted thereon. Each Obligor hereby authorizes the holders of the Notes or their respective designated agent (but without obligation by the holders of the Notes to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Default or Event of Default), and Obligors shall promptly repay, reimburse, and indemnify the holders of the Notes for any and all Related Expenses. If any Obligor fails to keep and maintain its Equipment in good operating condition, ordinary wear and tear excepted, the holders of the Notes may (but shall not be required to) so maintain or repair all or any part of such Obligor's Equipment and the cost thereof shall be a Related Expense. All Related Expenses incurred by the holders of the Notes are payable to the holders of the Notes upon demand therefore.

Section 9.10 Property Acquired Subsequent to the Restatement Closing Date and Right to Take Additional Collateral. Obligors shall provide the holders of the Notes with prompt written notice with respect to any real or personal property (other than Accounts, Inventory, Equipment and general intangibles and other property acquired in the ordinary course of business) acquired by any Obligor subsequent to the Restatement Closing Date. In addition to any other right that the holders of the Notes may have pursuant to this Agreement or otherwise, upon written request of the Required Holders, whenever made, the Company shall, and shall cause each Obligor to, grant to the Collateral Agent, for the benefit of the holders of the Notes, as additional security for the Obligations, a first Lien on any real or personal property of each Obligor (other than for leased equipment or equipment subject to a purchase money security interest in which the lessor or purchase money lender of such equipment holds a first priority security interest, in which case, the Collateral Agent shall have the right to obtain a security interest junior only to such lessor or purchase money lender), including, without limitation, such property acquired subsequent to the Restatement Closing Date, in which the Collateral Agent does not have a first priority Lien. The Obligors agree, within ten days after the date of such written request, to secure all of the Obligations by delivering to the Collateral Agent, with copies to the holders of the Notes, such security agreements, intellectual property security agreements, pledge agreements, mortgages (or deeds of trust, if applicable) or other documents, instruments or agreements or such thereof as the Required Holders may require. The Obligors shall pay all recordation, legal and other expenses in connection therewith.

Section 9.11 Other Covenants and Provisions. In the event that any Obligor shall enter into, or shall have entered into, any Material Debt Agreement, wherein the covenants and agreements contained therein shall be more restrictive than the covenants and agreements set forth herein, then such Obligor shall immediately be bound hereunder (without further action) by such more restrictive covenants and agreements with the same force and effect as if such covenants and agreements were written herein. In addition to the foregoing, Obligors shall provide prompt written notice to the holders of the Notes of the creation or existence of any Material Debt Agreement that has such more restrictive provisions, and shall, within fifteen (15) days thereafter (if requested by Required Holders), execute and deliver to the holders of the Notes an amendment to this Agreement that incorporates such more restrictive provisions, with such amendment to be in form and substance satisfactory to the Required Holders.

(a) *Landlords' Waivers*. Not later than thirty (30) days (unless a longer period is agreed to by the Collateral Agent) after the Restatement Closing Date, the Company shall have delivered to the Collateral Agent, for the benefit of the Bank Lenders and the holders of the Notes, with a copy to the holders of the Notes, a Landlord's Waiver and a mortgagee's waiver, if applicable, each in form and substance satisfactory to the Collateral Agent and the Required Holders for each location of any Obligor where any material amount of Collateral securing any part of the Obligations is located, unless such location is owned by the Obligor that owns the collateral located there.

(b) *Consignee's Waivers*. Not later than thirty (30) days (unless a longer period is agreed to by the Collateral Agent) after the Restatement Closing Date, the Company shall have delivered to the Collateral Agent, for the benefit of the Bank Lenders and the holders of the Notes, with a copy to the holders of the Notes, a Consignee's Waiver for each location where any Obligor maintains any material amount of inventory with a consignee, together with filed U.C.C. Financing Statements, in form and substance satisfactory to the Required Holders.

(c) *Domestic Control Agreements*. No later than thirty (30) days (unless a longer period is agreed to by the Collateral Agent) after the Restatement Closing Date, the Company shall have delivered to Collateral Agent, for the benefit of the Bank Lenders and the holders of the Notes, with a copy to the holders of the Notes, an executed Control Agreement, in form and substance satisfactory to the Required Holders, for each Deposit Account maintained by an Obligor in the United States (other than for those Deposit Accounts held at Plains Capital Bank, Fifth Third Bank, Bank of America, N.A. and M&I Bank which have a balance that does not exceed Ten Thousand Dollars (\$10,000)).

SECTION 10. NEGATIVE COVENANTS.

The Obligors, jointly and severally, covenant that during the Issuance Period and thereafter so long as any of the Notes are outstanding:

Section 10.1 Consolidated Adjusted Net Worth. For all periods ending on or prior to December 31, 2008, the Company will not, at any time, permit Consolidated Adjusted Net Worth to be less than the sum of (a) \$70,000,000, plus (b) 25% of its aggregate Consolidated Net Income (but only if a positive number) for the period beginning on January 1, 2004 ending at the end of the then most recently completed fiscal quarter. For all periods ending after December 31, 2010, the Company will not, at any time, permit Consolidated Adjusted Net Worth to be less than the sum of (a) 80% of the Consolidated Adjusted Net Worth as of December 31, 2008, plus (b) 25% of its aggregate Consolidated Net Income (but only if a positive number) for the period beginning on January 1, 2009 ending at the end of the then most recently completed fiscal quarter. The foregoing covenant shall be suspended and shall not apply for the quarterly fiscal periods of the Company ending during the 2009 and 2010 fiscal years.

Section 10.2 *Leverage Ratio.* The Obligors shall not permit the Leverage Ratio to be greater than 2.75 to 1.00, determined at the end of each quarterly fiscal period of the Company for the four fiscal quarter period ending on such date of determination, taken as a single accounting period; provided, however, that the foregoing covenant shall be suspended and shall not apply for the quarterly fiscal periods of the Company ending during the 2009 and 2010 fiscal years, but shall apply for all quarterly fiscal periods ending on and after March 31, 2011.

Section 10.3 *Capitalization Ratio.* The Obligors will not permit Consolidated Funded Debt at any time to exceed (a) 60% of Consolidated Total Capitalization on the Restatement Closing Date through March 30, 2010, (b) 62% of Consolidated Total Capitalization on March 31, 2010 through June 29, 2010 and (c) on June 30, 2010 through December 31, 2010, a ratio to be determined in the sole discretion of the Required Holders, after consultation with the Company.

Section 10.4 *Fixed Charges Coverage Ratio.* The Company will not permit the Fixed Charges Coverage Ratio to be less than 2.25 to 1.00, determined at the end of each quarterly fiscal period of the Company for the four fiscal quarter period ending on such date of determination, taken as a single accounting period; provided, however, that the foregoing covenant shall be suspended and shall not apply for the quarterly fiscal periods of the Company ending during the 2009 and 2010 fiscal years, but shall apply for all quarterly fiscal periods ending on and after March 31, 2011.

Section 10.5 *Interest Coverage Ratio.* The Obligors will not suffer or permit at any time the ratio of (a) EBITDAR to (b) Consolidated Interest Expense to be less than:

Applicable Range	Minimum Interest Coverage
For the period ending March 31, 2009	3.09:1.00
For the period ending June 30, 2009	1.14:1.00
For the period ending March 31, 2010	0.39:1.00
For the periods ending June 30, 2010, September 30, 2010 and December 31, 2010	A ratio to be determined in the sole discretion of the Required Holders, after consultation with the Company

Section 10.6 *Minimum EBITDA.* For each period of four fiscal quarters ending on the last day of each quarterly fiscal period of the Company, commencing on March 31, 2009, the Obligor will not permit EBITDA to be less than:

Quarterly fiscal period ending date	Minimum EBITDA
March 31, 2009	\$25,132,000
June 30, 2009	\$6,783,000
September 30, 2009	-\$5,614,000
December 31, 2009	-\$7,842,000
March 31, 2010	-\$72,000
June 30, 2010, September 30, 2010 and December 31, 2010	An amount to be determined in the sole discretion of the Required after consultation with the Company

Section 10.7 *Capital Expenditures.* The Company will not, and will not permit any Subsidiary to, make Capital Expenditures in the aggregate for the Company and Subsidiaries (i) in excess of \$3,500,000 during the fiscal year ending December 31, 2009, and (ii) in excess of \$1,000,000 during any quarterly fiscal period beginning after December 31, 2009, and ending on or before March 31, 2011; provided that if at the end of a fiscal quarter of the Company the Leverage Ratio would be less than 4.00:1.00, then the amount in subpart (ii) above shall be increased to \$2,000,000 for the immediately following fiscal quarter of the Company; provided further that any Capital Expenditures made with (A) net proceeds from a Material Recovery Event used to replace, rebuild or restore fixed assets in accordance with Section 8.8(a) hereof, and (B) net proceeds from Asset Dispositions used to replace such assets in accordance with Section 10.12(i) hereof, shall not be included in calculating Capital Expenditures for purposes of this Section 10.7.

Section 10.8 *Nature of Business.* The Company will not and will not permit any of its Subsidiaries to, engage in any business if, as a result, when taken as a whole, the general nature of the businesses in which the Company and the Subsidiaries are engaged would be substantially changed from a general nature of the business in which the Company and the Subsidiaries are engaged in on the date of this Agreement.

Section 10.9 *Incurrence of Debt.* The Company will not, and will not permit any of its Subsidiaries to, create, incur, assume, guarantee, or otherwise become directly or indirectly liable with respect to, any Debt, other than:

- (a) the Notes and any other Debt under this Agreement;
- (b) any loans granted to or Capital Lease Obligations entered into by the Company or any Subsidiary for the purchase or lease of fixed assets (and refinancings of such loans or Capital Lease Obligations), which loans and Capital Lease Obligations shall only be secured by the fixed assets being purchased or leased, so long as the aggregate principal amount of all such loans and Capital Lease Obligations for the Company and its Subsidiaries shall not exceed Four Million Dollars (\$4,000,000) in the aggregate at any time outstanding;

- (c) the Debt existing on the Restatement Closing Date, in addition to the other Debt permitted to be incurred pursuant to this Section 10.9, as set forth in Schedule 10.9 hereto (and any extension, renewal or refinancing thereof but only to the extent that the principal amount thereof does not increase after the Restatement Closing Date);
- (d) loans to any Obligor from the Company or any of its Subsidiaries, and loans to Foreign Subsidiaries that are Bank Credit Parties from a Foreign Subsidiary that is also a Bank Credit Party;
- (e) Debt under any Hedge Agreement, so long as such Hedge Agreement shall have been entered into in the ordinary course of business and not for speculative purposes;
- (f) Permitted Foreign Subsidiary Loans and Investments;
- (g) other unsecured Debt, in addition to the Debt listed above, in an aggregate principal amount for the Company and its Subsidiaries not to exceed Five Million Dollars (\$5,000,000) at any time outstanding;
- (h) unsecured Subordinated Debt that is subordinated to the Obligations, subject to a Subordination Agreement that includes terms no less favorable to the holders of the Notes than those set forth on Exhibit 10.9(h) hereto, provided that the documentation of such provisions are in form satisfactory to the Required Holders;
- (i) Debt incurred in connection with the financing of insurance premiums, in an aggregate amount not to exceed One Million Dollars (\$1,000,000) at any time outstanding;
- (j) contingent obligations consisting of guarantees executed by the Company or any Subsidiary with respect to Debt of a Guarantor otherwise permitted by this Agreement;
- (k) Debt of the Company or any Subsidiary in the form of additional Notes, in an aggregate amount not to exceed Fifty Million Dollars (\$50,000,000), *provided* that the holders of such Notes shall join the Intercreditor Agreement or enter into another “intercreditor agreement”, in the form and substance of the Intercreditor Agreement, with the parties to the Intercreditor Agreement;
- (l) Debt of the Company or any Subsidiary under the Credit Documents, and, subject to restrictions set forth in Section 10.19, any extension, renewal or refinancing thereof; *provided however* that the principal amount of the commitments thereunder does not increase after the Restatement Closing Date; *provided, further, however*, that to the extent that the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereto, the aggregate principal amount of the commitments thereunder may be increased in an aggregate amount not to exceed Fifty Million Dollars (\$50,000,000); and

(m) the following that do not constitute Debt, but that are listed for purposes of clarification, contingent obligations consisting of the indemnification by the Company or any Subsidiary of (i) the officers, directors, employees and agents of the Company or such Subsidiary, to the extent permissible under the corporation law of the jurisdiction in which the Company or such Subsidiary is organized, (ii) commercial banks, investment bankers and other independent consultants or professional advisors pursuant to agreements relating to the underwriting of the Company's or such Subsidiary's securities or the rendering of banking or professional services to the Company or such Subsidiary, (iii) landlords, licensors, licensees and other parties pursuant to agreements entered into in the ordinary course of business by the Company or such Subsidiary, and (iv) other Persons under agreements relating to Acquisitions permitted under Section 10.13 hereof; provided that each of the foregoing is only permitted to the extent that such indemnity obligation is not incurred in connection with the borrowing of money or the extension of credit.

Section 10.10 Liens Neither the Company nor any of its Subsidiaries shall create, assume or suffer to exist (upon the happening of a contingency or otherwise) any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this Section 10.10 shall not apply to the following:

- (a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been established in accordance with GAAP;
- (b) other statutory Liens incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;
- (c) Liens on property or assets of a Domestic Subsidiary to secure obligations of such Subsidiary to any Obligor, and Liens on property or assets of a Foreign Subsidiary to secure obligations of such Subsidiary to any Bank Credit Party;
- (d) purchase money Liens on fixed assets securing the loans and Capital Lease Obligations pursuant to Section 10.9(b) hereof, provided that such Lien is limited to the purchase price and only attaches to the property being acquired;
- (e) any Lien of (i) the Bank Agent, for the benefit of the Bank Lenders, so long as such Lien applies only to Collateral owned by a Foreign Subsidiary or to the shares of capital stock of a Foreign Subsidiary not required hereunder to be pledged to the Collateral Agent and to the extent the Intercreditor Agreement is applicable thereto, or (ii) Collateral Agent, for the benefit of the Bank Lenders and the holders of the Notes;

- (f) the Liens existing on the Restatement Closing Date as set forth in Schedule 10.10 hereto and replacements, extensions, renewals, refundings or refinancings thereof, but only to the extent that the amount of debt secured thereby shall not be increased;
- (g) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of the Company or any Subsidiary;
- (h) pledges or deposits in connection with workers' compensation insurance, unemployment insurance and like matters;
- (i) Liens in respect of any writ of execution, attachment, garnishment, judgment or judicial award, if (i) the time for appeal or petition for rehearing has not expired, an appeal or appropriate proceeding for review is being prosecuted in good faith and a stay of execution pending such appeal or proceeding for review has been secured, or (ii) the underlying claim is fully covered by insurance issued by an insurer satisfactory to the Required Holders, the insurer has acknowledged in writing its responsibility to pay such claim and no action has been taken to enforce such execution, attachment, garnishment, judgment or award; or
- (j) any statutory or civil law Lien arising in the Netherlands under Netherland's General Banking Conditions (other than arising under article 20 thereof);
- (k) any Lien arising in Germany by operation of law and in the ordinary course of trading or arising under customary extended retention of title arrangements (*verlängerter Eigentumsvorbehalt*) in the ordinary course of business;
- (l) with respect to any Subsidiary of the Company organized in Germany, any netting or set-off arrangement entered into by such Subsidiary in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances and any Lien arising in the ordinary course of business under the general terms and conditions of banks or *Sparkassen (Allgemeine Geschäftsbedingungen der Banken oder Sparkassen)* with whom such Subsidiary maintains a banking relationship; or
- (m) other non-consensual Liens not securing Debt, (i) the amount of which does not exceed One Million Dollars (\$1,000,000) in the aggregate, and (ii) the existence of which will not have a Material Adverse Effect; provided that any Lien permitted by this subpart (j) is permitted only for so long as is reasonably necessary for the Company or the affected Subsidiary, using its best efforts, to remove or eliminate such Lien and, provided further that, any Lien not otherwise permitted by this subpart shall be permitted so long as the Company or the affected Subsidiary shall within thirty (30) days after the filing thereof either (A) cause such Lien to be discharged, or (B) post with the Collateral Agent a bond or other security in form and amount satisfactory to the Required Holders in all respects and shall thereafter diligently pursue its discharge.

Neither the Company nor any of its Subsidiaries shall enter into any contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets) that would prohibit the holders of the Notes or the Collateral Agent on behalf of the holders of the Notes from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of the Company or such Subsidiary.

Section 10.11 Investments, Loans and Guaranties. Neither Company nor any of its Subsidiaries shall (a) create, acquire or hold any Subsidiary, (b) make or hold any investment in any stocks, bonds or securities of any kind, (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan to any Person, or (e) be or become a Guarantor of any kind (other than a Guarantor under the Financing Agreements); provided that this Section 10.11 shall not apply to the following:

- (a) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or similar transaction in the normal course of business;
- (b) any investment in direct obligations of the United States of America or in certificates of deposit issued by a member bank (having capital resources in excess of One Hundred Million Dollars (\$100,000,000)) of the Federal Reserve System;
- (c) any investment in commercial paper or securities that at the time of such investment is assigned the highest quality rating in accordance with the rating systems employed by either Moody's or Standard & Poor's;
- (d) the holding of each of the Subsidiaries listed on Schedule 5.4 hereto, and the creation, acquisition and holding of, and any investment in, any new Subsidiary after the Restatement Closing Date so long as such new Subsidiary shall have been created, acquired or held, and investments made, in accordance with the terms and conditions of this Agreement;
- (e) any Permitted Foreign Subsidiary Loans and Investments, so long as no Default or Event of Default shall exist prior to or after giving effect to such loan or investments;
- (f) loans to, investments in and guaranties of the Debt of the Company or any Guarantor from or by the Company or any Subsidiary; guaranties by the Company or any Guarantor of Indebtedness arising under the Credit Agreement; and loans to, investments in and guaranties of the Debt of Foreign Subsidiaries that are Bank Credit Parties by other Foreign Subsidiaries that are Bank Credit Parties;

(g) any advance or loan to an officer or employee of the Company or any Subsidiary as an advance on commissions, travel, relocation and other similar items in the ordinary course of business, so long as all such advances and loans from the Company and all Subsidiaries in the aggregate are not more than the maximum principal sum of One Million Dollars (\$1,000,000) at any time outstanding;

(h) the holding of any stock that has been acquired pursuant to an Acquisition permitted by Section 10.13 hereof;

(i) the creation of a Subsidiary for the purpose of making an Acquisition permitted by Section 10.13 hereof or the holding of any Subsidiary as a result of an Acquisition made pursuant to Section 10.13 hereof, so long as, in each case, if required pursuant to Section 9.8 hereof, such Subsidiary becomes a Guarantor promptly following such Acquisition; or

(j) Permitted Investments, so long as the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereto.

For purposes of this Section 10.11, the amount of any investment in equity interests shall be based upon the initial amount invested and shall not include any appreciation in value or return on such investment.

Section 10.12 Merger, Consolidation, etc. Neither the Company nor any of its Subsidiaries shall merge, amalgamate or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist:

(a) a Domestic Subsidiary may merge with the Company or any Guarantor provided that the Company or such Guarantor shall be the continuing or surviving Person;

(b) a Domestic Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to (i) the Company or (ii) any Guarantor;

(c) the Company or any of its Subsidiaries may sell, lease, transfer or otherwise dispose of any assets, so long as (i) the aggregate amount of all such dispositions, for the Company and all of its Subsidiaries, shall not exceed Five Million Dollars (\$5,000,000) per fiscal year of the Company, and (ii) if such sale, lease, transfer or disposal of assets is greater than One Million Dollars (\$1,000,000), then the Company shall have provided to holders of the Notes, at least ten (10) days prior to such sale, lease, transfer or disposal of assets, a certificate of a Senior Financial Officer of the Company showing pro forma compliance with Sections 10.3, 10.5, 10.6 and 10.7, and if in effect at the time, Sections 10.1, 10.2 and 10.4, both before and after giving effect to the proposed sale, lease, transfer or disposal of assets;

- (d) a Domestic Subsidiary (other than a Guarantor) may merge with or sell, lease, transfer or otherwise dispose of any of its assets to any other Domestic Subsidiary;
- (e) a Foreign Subsidiary (that is a Bank Credit Party) may merge or amalgamate with another Foreign Subsidiary (that is a Bank Credit Party), the Company or any Guarantor, provided that the Company or any such Guarantor shall be the continuing or surviving Person;
- (f) a Foreign Subsidiary (other than a Bank Credit Party) may merge or amalgamate with (i) the Company, any Guarantor or any other Bank Credit Party provided that the Company, such Guarantor or such other Bank Credit Party shall be the continuing or surviving Person, or (ii) another Foreign Subsidiary;
- (g) a Foreign Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to the Company, any Guarantor or any other Bank Credit Party;
- (h) a Foreign Subsidiary (other than a Bank Credit Party) may sell, lease, transfer or otherwise dispose of any of its assets to any other Foreign Subsidiary;
- (i) the Company and its Subsidiaries may sell, transfer or otherwise dispose of fixed assets in the ordinary course of business for the purpose of replacing such fixed assets, provided that any such fixed assets are replaced within one hundred eighty (180) days of such sale or other disposition with other fixed assets which have a fair market value not materially less than the fair market value of the fixed assets sold or otherwise disposed; provided, however, that if the Company or such Subsidiary decides to reinvest in fixed assets or other similar assets, and the net proceeds of such disposition of assets shall equal or exceed Two Million Dollars (\$2,000,000), (A) the Company shall open a commercial Deposit Account at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) (the "Asset Disposition Account"), and (B) the net proceeds received from the Company or such Subsidiary in respect of such disposition of assets shall be immediately deposited in the Asset Disposition Account by the Company or such Subsidiary, and shall be held by Collateral Agent as security for the Senior Indebtedness (as defined in the Intercreditor Agreement); so long as no Default or Event of Default shall exist, Collateral Agent shall permit the Company to withdraw funds from the Asset Disposition Account to be applied to the costs and expenses of purchasing replacement fixed assets or similar assets; and
- (j) Acquisitions may be effected in accordance with the provisions of Section 10.13 hereof.

Section 10.13 Acquisitions. Neither the Company nor any Subsidiary shall effect an Acquisition; provided that, at any time the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereof, the Company and its Subsidiaries may make an Acquisition so long as:

- (a) in the case of a merger, amalgamation or other combination including the Company, the Company shall be the surviving entity;

- (b) in the case of a merger, amalgamation or other combination including a Guarantor (other than the Company), the Guarantor shall be the surviving entity;
- (c) the business to be acquired shall be similar to the lines of business of the Company and its Subsidiaries;
- (d) the Company and its Subsidiaries shall be in full compliance with the Financing Agreements both prior to and subsequent to the transaction;
- (e) no Default or Event of Default shall exist prior to or after giving effect to such Acquisition;
- (f) such Acquisition shall not be actively opposed by the board of directors (or similar governing body) of the selling Persons or the Persons whose equity interests are to be acquired;
- (g) if the aggregate Consideration for such Acquisition is (i) equal to or greater than One Million Dollars (\$1,000,000), the Company shall have provided to the holders of the Notes, at least ten (10) days prior to such Acquisition, historical financial statements of the target entity and a pro forma financial statement of the Company and its Subsidiaries accompanied by a certificate of a Senior Financial Officer of the Company showing compliance with Sections 10.3, 10.5, 10.6 and 10.7, and if in effect at the time, Sections 10.1, 10.2 and 10.4, both before and after giving Acquisition Pro Forma Effect to the proposed Acquisition, and (ii) less than One Million Dollars (\$1,000,000), the Company shall have provided to the holders of the Notes, within five days after such Acquisition, a pro forma financial statement of the Company and its Subsidiaries accompanied by a certificate of a Senior Financial Officer of the Company showing pro forma compliance with Sections 10.3, 10.5, 10.6 and 10.7, and if in effect at the time, Sections 10.1, 10.2 and 10.4; and
- (h) the aggregate amount of Consideration for all Acquisitions (other than any Pre-Approved Acquisition) for the Company and its Subsidiaries, during any fiscal year of the Company, would not exceed Ten Million Dollars (\$10,000,000).

Section 10.14 Restricted Payments. Neither the Company nor any of its Subsidiaries shall make or commit itself to make any Restricted Payment at any time, except that, if no Default or Event of Default shall then exist or, after giving pro forma effect to such payment, thereafter shall begin to exist:

- (a) the Company may make regularly scheduled payments of interest, commitment fees and letter of credit fees, with respect to Debt incurred under the Credit Agreement, payments of principal at maturity, and, so long as all conditions to borrowing under the Revolving Credit Facility are satisfied at such time, payments of principal incurred under the Credit Agreement;

(b) other than during a Declared Sharing Period (as defined in the Intercreditor Agreement), the Company may make a payment or prepayment of Debt incurred under the Credit Agreement in connection with a reduction in the committed principal amount of the Revolving Credit Facility pursuant to Section 2.11(d)(iv) of the Credit Agreement as in effect on the Restatement Closing Date so long as the Company has complied with Section 8.8 hereof;

(c) the Company may make prepayments of Debt owing under the Credit Agreement to the extent required by the Intercreditor Agreement during a Declared Sharing Period (as defined in the Intercreditor Agreement); and

(d) if, prior to and after giving pro forma effect thereof, the Leverage Ratio shall be 2.50 to 1.00 or less, the Company may pay or commit itself to pay, in cash to shareholders of the Company, during any fiscal year of the Company, Capital Distributions in an aggregate amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000).

Section 10.15 Transactions with Affiliates. The Company will not and will not permit any Subsidiary to enter into directly or indirectly any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.; provided that the foregoing shall not prohibit the payment of customary and reasonable directors' fees to directors who are not employees of the Company or any of its Subsidiaries or an Affiliate.

Section 10.16 Corporate Names and Locations of Collateral. Neither the Company nor any Subsidiary shall change its corporate name or its state, province or other jurisdiction of organization, unless, in each case, the Company shall have provided the holders of the Notes with at least thirty (30) days prior written notice thereof. The Company shall promptly notify the holders of the Notes of (a) any change in any location where a material portion of any of the Company's or any Guarantor's Inventory or Equipment is maintained, and any new locations where any material portion of any of the Company's or any Guarantor's Inventory or Equipment is to be maintained; (b) any change in the location of the office where any of the Company's or any Guarantor's records pertaining to its Accounts are kept; (c) the location of any new places of business and the changing or closing of any of its existing places of business; and (d) any change in the location of any of the Company's or any Guarantor's chief executive office. In the event of any of the foregoing or if deemed appropriate by the holders of the Notes and the Collateral Agent, the Collateral Agent and the holder of the Notes are each hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary or appropriate, as determined in the Collateral Agent's or the holders' of the Notes sole discretion, to perfect or continue perfected the security interest of Collateral Agent in the Collateral. The Company shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and security interests and shall promptly reimburse the holders of the Notes therefor if the holders of the Notes pay the same. Such amounts shall be Related Expenses hereunder.

Section 10.17 Guaranty Under Material Debt Agreement. Neither the Company nor any Subsidiary shall be or become a primary obligor or Guarantor of the Debt incurred pursuant to any Material Debt Agreement unless the Company or such Subsidiary shall also be a Guarantor under this Agreement prior to or concurrently therewith, except to the extent any Foreign Subsidiary is a primary obligor or guarantor of Debt incurred under the Credit Agreement.

Section 10.18 Pari Passu Ranking. The Obligations shall, and the Obligors shall take all necessary action to ensure that the Obligations shall, at all times, rank at least pari passu in right of payment with the Notes and all other material senior Debt of each Obligor, except to the extent otherwise set forth in the Intercreditor Agreement.

Section 10.19 Credit Documents. The Company shall not, without the prior written consent of the Required Holders, amend, restate, supplement or otherwise modify the Credit Documents to (a) increase the committed principal amount of the Revolving Credit Facility unless such increase shall be permitted pursuant to Section 10.9(l), (b) change the date of any scheduled principal payment to a date prior to September 21, 2011 or (c) otherwise modify any provision such that a Default or Event of Default will exist. The Obligors shall not, without the prior written consent of the Required Holders, permit to exist, on the occurrence of the condition or otherwise, any Lien or other security in favor of the trustee for or the Bank Lenders or any agent therefor other than any Lien granted to Collateral Agent for the benefit of both the Bank Lenders and the holders of the Notes and Liens on assets of Foreign Subsidiaries to the extent subject to the Intercreditor Agreement. The Company will not reduce the commitments to its Revolving Credit Facility to less than \$90,000,000, except to the extent that the Company has offered to the holders of the Notes a proportionate prepayment of the Notes pursuant to Section 8.1(b) in connection with each such reduction of the Revolving Credit Facility below \$90,000,000, and to the extent such offer is accepted, has made such prepayment. The Company will not make any Restricted Payment under the Credit Agreement other than Restricted Payments under Section 10.14.

Section 10.20 Amendment of Organizational Documents. Neither the Company nor any of its Subsidiaries shall amend its Organizational Documents to change its name or state, province or other jurisdiction of organization, or otherwise amend its Organizational Documents in any material respect, without the prior written consent of the Required Holders which consent shall not be unreasonably withheld.

Section 10.21 Deposit Accounts. The Company shall not suffer or permit (a) any Deposit Account of the Company or any Guarantor not subject to a Control Agreement to have a balance, at any time after the date set forth in Section 9.13, in excess of Ten Thousand Dollars (\$10,000), and (b) all such Deposit Accounts not subject to a Control Agreement to have an aggregate balance, at any time after the date set forth in Section 9.13, in excess of Seventy-Five Thousand Dollars (\$75,000).

Section 10.22 Restrictive Agreements. Except as set forth in this Agreement and the Credit Agreement (so long as such provisions are consistent with this Agreement), the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) make, directly or indirectly, any Capital Distribution to the Company, (b) make, directly or indirectly, loans or advances or capital contributions to the Company or (c) transfer, directly or indirectly, any of the properties or assets of such Subsidiary to the Company; except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) customary non-assignment provisions in leases or other agreements entered in the ordinary course of business and consistent with past practices, or (iii) customary restrictions in security agreements or mortgages permitted hereunder securing Debt or Capital Lease Obligations permitted hereunder, of the Company or any of its Subsidiaries to the extent such restrictions shall only restrict the transfer of the property subject to such security agreement, mortgage or lease.

Section 10.23 *Consultant.* Promptly upon the request of the Required Holders after (a) the failure of the Company and its Subsidiaries at any time to achieve Minimum Consultant Consolidated EBITDA, or (b) the occurrence of a Default or an Event of Default, the Company shall engage and retain, at its expense, a business consultant, which consultant shall be reasonably satisfactory to the Required Holders.

Section 10.24 *Further Assurances.* The Company shall, promptly upon request by the Required Holders, (a) correct any material defect or error that may be discovered in any Financing Agreement or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Required Holders, may reasonably require from time to time in order to carry out more effectively the purposes of the Financing Agreements.

SECTION 11. EVENTS OF DEFAULT.

An “*Event of Default*” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of (i) any principal or Yield Maintenance Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise or (ii) any fee payable by the Company pursuant to the terms of this Agreement (including the Structuring Fee) when the same becomes due and payable; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) (i) the Company defaults in the performance of or compliance with any term contained in Sections 9.8, 9.10, 9.11, 10.1 through 10.15, inclusive, Sections 10.17 through 10.19, inclusive, or 10.22 or (ii) any Guarantor defaults in the performance of any term in any Subsidiary Guarantee; or

(d) any Obligor defaults in the performance of or compliance with any term contained herein or any other Financing Agreement (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 Business Days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of any Obligor or by any officer of an Obligor in any Financing Agreement or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary is in default in the payment of any amount due and owing under any Material Debt Agreement beyond any period of grace provided with respect thereto or in the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to allow the acceleration of the maturity of such Debt or to permit the holder thereof to cause such Debt to become due prior to its stated maturity; or (ii) if an “event of default”, a “default” or an event with which the passage of time or the giving of notice, or both, would cause a default or event of default (other than defaults that have been cured within applicable grace periods or have otherwise been waived) shall occur under the Credit Documents or any extension, renewal, replacement or refinancing thereof; or

(g) any Financing Agreement shall cease to be a legal, valid and binding agreement enforceable against the Obligor thereunder, in accordance with the respective terms thereof or shall in any way be terminated or become or be declared ineffective or inoperative or shall in any way whatsoever cease to give or provide the respective rights, titles, interest, remedies, powers or privileges intended to be created thereby including, without limitation, a determination by any Governmental Authority or court that such Financing Agreement is invalid, void or unenforceable in any material respect or any party thereto shall contest or deny the validity or enforceability of any of its obligations under such Financing Agreement; or

(h) the Company or any Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation, for the appointment of an interim examiner or examiner or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(i) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Subsidiaries, a custodian, receiver, trustee, an interim examiner, an examiner or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Subsidiaries, or any such petition shall be filed against the Company or any of its Subsidiaries and such petition shall not be dismissed within 60 days; or

(j) any event occurs with respect to the Company or any Subsidiary which under the laws of any jurisdiction is analogous to any of the events described in paragraph (h) or (i) above, provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in paragraph (g) or (h) above; or

(k) a final judgment or judgments for the payment of money in excess of \$1,000,000 are rendered against one or more of the Company and its Subsidiaries and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal; or

(l) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed \$5,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder, (vii) the Company or any Subsidiary fails to administer or maintain a Foreign Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Foreign Plan is involuntarily terminated or wound up or (viii) the Company or any ERISA Affiliate becomes subject to the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Foreign Plans; and any such event or events described in clauses (i) through (viii) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(m) there shall have occurred any condition or event that the Required Holders determine has or is reasonably likely to have a Material Adverse Effect; or

(n) if any Lien granted in this Agreement or any Financing Agreement in favor of the Collateral Agent shall be determined to be (a) void, voidable or invalid, or is subordinated or not otherwise given the priority contemplated by this Agreement and the Obligor failed to promptly execute appropriate documents to correct such matters, or (b) unperfected as to any material amount of Collateral (as determined by the Required Holders, in their reasonable discretion) and the Obligor has failed to promptly execute appropriate documents to correct such matters.

As used in Section 11(l), the terms “*employee benefit plan*” and “*employee welfare benefit plan*” shall have the respective meanings assigned to such terms in section 3 of ERISA. Any Event of Default that arises under Section 11(f)(ii) above shall be deemed to continue until waived in writing by the Required Holders.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1 Acceleration. (a) If an Event of Default with respect to the Company described in paragraph (h) or (i) of Section 11 (other than an Event of Default described in clause (i) of paragraph (h) or described in clause (vi) of paragraph (h) by virtue of the fact that such clause encompasses clause (i) of paragraph (h)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 51% in principal amount of any Series of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes of such Series then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder of Notes at the time outstanding affected by such Event of Default may at any time, at its option, by notice or notices to the Company, declare all the Notes held by it to be immediately due and payable.

Upon any Note's becoming due and payable under this Section 12.1, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, plus (i) all accrued and unpaid interest thereon and (ii) the Yield Maintenance Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for), and that the provision for payment of a Yield Maintenance Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2 Collections and Receipt of Proceeds by Obligors.

(a) Upon written notice to the Company from Required Holders after the occurrence of an Event of Default, a Cash Collateral Account shall be opened by the Company at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) and all such lawful collections of the Accounts of the Company and such Proceeds of the Accounts and Inventory of the Company shall be remitted daily by the Company to Collateral Agent in the form in which they are received by the Company, either by mailing or by delivering such collections and Proceeds to Collateral Agent, appropriately endorsed for deposit in the Cash Collateral Account. In the event that such notice is given to the Company from the Required Holders, the Company shall not commingle such collections or Proceeds with any of the Company's other funds or property or the funds or property of any other Obligor, but shall hold such collections and Proceeds separate and apart therefrom upon an express trust for Collateral Agent. In such case, the Required Holders may, at any time and from time to time, direct Collateral Agent to apply (subject to the terms of the Intercreditor Agreement) all or any portion of the account balance in the Cash Collateral Account as a credit against (i) the outstanding principal, interest and Yield Maintenance of the Notes, or (ii) any other Obligations in accordance with this Agreement. If any remittance shall be dishonored, or if, upon final payment, any claim with respect thereto shall be made against Collateral Agent on its warranties of collection, Collateral Agent may charge the amount of such item against the Cash Collateral Account or any other Deposit Account maintained by the Company with Collateral Agent or with any other Bank Lender, and, in any event, retain the same and the Company's interest therein as additional security for the Obligations. The Required Holders may, in their sole discretion, at any time and from time to time, direct Collateral Agent to release funds from the Cash Collateral Account to the Company for use in the business of the Company. The balance in the Cash Collateral Account may be withdrawn by the Company upon termination of this Agreement and payment in full of all of the Obligations.

(b) After the occurrence of an Event of Default, at the written request of the Required Holders, the Company shall cause all remittances representing collections and Proceeds of Collateral to be mailed to a lockbox at a location acceptable to the Required Holders to which Collateral Agent shall have access for the processing of such items in accordance with the provisions, terms and conditions of the customary lockbox agreement of Collateral Agent.

(c) The Collateral Agent, or Collateral Agent's designated agent, is hereby constituted and appointed attorney in fact for each Obligor with authority and power to endorse any and all instruments, documents, and chattel paper upon the failure of the Obligors to do so. Such authority and power, being coupled with an interest, shall be (i) irrevocable until all of the Obligations are paid, (ii) exercisable by Collateral Agent at any time and without any request upon such Obligor by Collateral Agent to so endorse, and (iii) exercisable in the name of Collateral Agent or such Obligor. Each Obligor hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. None of the holders of the Notes shall be bound or obligated to take any action to preserve any rights therein against prior parties thereto.

Section 12.3 Collections and Receipt of Proceeds by Collateral Agent. Each Obligor hereby constitutes and appoints Collateral Agent, or Collateral Agent's designated agent, as such Obligor's attorney-in-fact to exercise, at any time, after the occurrence of an Event of Default, all or any of the following powers which, being coupled with an interest, shall be irrevocable until the complete and full payment of all of the Obligations:

- (a) to receive, retain, acquire, take, endorse, assign, deliver, accept, and deposit, in the name of Collateral Agent or such Obligor, any and all of such Obligor's cash, instruments, chattel paper, documents, Proceeds of Accounts, Proceeds of Inventory, collection of Accounts, and any other writings relating to any of the Collateral. The Obligors hereby waive presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Collateral Agent shall not be bound or obligated to take any action to preserve any rights therein against prior parties thereto;
- (b) to transmit to Account Debtors, on any or all of such Obligor's Accounts, notice of assignment to Collateral Agent of security interest therein, and to request from such Account Debtors at any time, in the name of Collateral Agent or such Obligor, information concerning such Obligor's Accounts and the amounts owing thereon;
- (c) to transmit to purchasers of any or all of such Obligor's Inventory, notice of Collateral Agent's security interest therein, and to request from such purchasers at any time, in the name of Collateral Agent or such Obligor, information concerning such Obligor's Inventory and the amounts owing thereon by such purchasers;
- (d) to notify and require Account Debtors on such Obligor's Accounts and purchasers of such Obligor's Inventory to make payment of their indebtedness directly to Collateral Agent;
- (e) to take or bring, in the name of Collateral Agent or Obligor, all steps, actions, suits, or proceedings deemed by Collateral Agent necessary or desirable to effect the receipt, enforcement, and collection of the Collateral; and
- (f) to accept all collections in any form relating to the Collateral, including remittances that may reflect deductions, and to deposit the same, into such Obligor's Cash Collateral Account or, at the option of Collateral Agent, to apply them as a payment against the Notes or any other Obligations in accordance with this Agreement.

Section 12.4 Collateral. Upon the occurrence of an Event of Default and at all times thereafter, Collateral Agent may require Obligors to assemble the Collateral, each of the Obligors agrees to do, and make it available to Collateral Agent and the holders of the Notes at a reasonably convenient place to be designated by Collateral Agent. Collateral Agent may, with or without notice to or demand upon such Obligor and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where the Collateral, or any thereof, may be found and to take possession thereof (including anything found in or on the Collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of the Collateral) and for that purpose may pursue the Collateral wherever the same may be found, without liability for trespass or damage caused thereby to such Obligor. After any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to any Obligor personally or any other Person or property, all of which each Obligor hereby waives, and upon such terms and in such manner as Collateral Agent may deem advisable, Collateral Agent, in its discretion, may sell, assign, transfer and deliver any of the Collateral at any time, or from time to time. No prior notice need be given to any Obligor or to any other Person in the case of any sale of Collateral that Collateral Agent determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case Collateral Agent shall give the Obligors not fewer than ten days prior notice of either the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Each Obligor waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, Collateral Agent or the holders of the Notes may purchase the Collateral, or any part thereof, free from any right of redemption, all of which rights each Obligor hereby waives and releases. Subject to the terms of the Intercreditor Agreement, after deducting all Related Expenses and after paying all claims, if any, secured by Liens having precedence over this Agreement, Collateral Agent may apply the net proceeds of each such sale to or toward the payment of the Obligations, whether or not then due, in such order and by such division as Collateral Agent, in its sole discretion, may deem advisable. Any excess, to the extent permitted by law, shall be paid to Obligors, and each shall remain liable for any deficiency. In addition, Collateral Agent shall at all times have the right to obtain new appraisals of any Obligor or the Collateral, the cost of which shall be paid by Obligors.

Section 12.5 *Other Remedies.* If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or in any other Financing Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.6 *Rescission.* At any time after any Notes of any Series have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 51% in principal amount of the Notes of such Series then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes of such Series, all principal of and Yield Maintenance Amount, if any, on any such Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Yield Maintenance Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of such Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.7 *No Waivers or Election of Remedies, Expenses, etc.* No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

All payments whatsoever under the Financing Agreements will be made by the Obligors in lawful currency of the United States of America free and clear of, and without liability or withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "Taxing Jurisdiction"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by any Obligor under the Financing Agreements, the Obligors will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the Financing Agreements after such deduction, withholding or payment (including without limitation any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the Financing Agreements before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof, including without limitation such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for an Obligor, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of the Financing Agreements are made to, the Taxing Jurisdiction imposing the relevant Tax;

(b) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction or otherwise of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes and that in the case of any of the foregoing would not result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, provided that such holder shall be deemed to have satisfied the requirements of this clause (b) upon the good faith completion and submission of such Forms as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (and if such Forms are required pursuant to the laws of any jurisdiction other than the United States of America or any political subdivision thereof, such written request shall be accompanied by such Forms in the English language or with an English translation thereof); or

(c) any combination of clauses (a) and (b) above;

and *provided, further*, that in no event shall an Obligor be obligated to pay such additional amounts to any holder of a Note registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Company shall have used its commercially reasonable efforts to give timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, “Forms”) required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and such Taxing Jurisdiction and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

If any payment is made by an Obligor to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by such Obligor pursuant to this Section 13, then, if such holder at its reasonable discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to such Obligor such amount as such holder shall, in its reasonable discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Company will furnish the holders of Notes, promptly and in any event within 60 days after the date of receipt of the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid by the Company of any Tax in respect of any amounts paid under the Financing Agreements (or if such original tax receipt is not available or must legally be kept in the possession of such Obligor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If an Obligor makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the filing of one or more forms, then such holder shall, as soon as practicable after receiving written request from the Company (which shall specify in reasonable detail and supply the forms to be filed) use reasonable efforts to complete and deliver such forms to or as directed by the Company.

The obligations of the Obligors under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

SECTION 14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 14.1 Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 14.2 Transfer and Exchange of Notes. Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note of the same series. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1.1, in the case of any Series A Note, and 1.2, in the case of a Shelf Note. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$500,000, *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$500,000. Any transferee of a Note, or purchaser of a participation therein, shall, by its acceptance of such Note be deemed to make the same representations to the Company regarding the Note or participation as the Purchasers have made pursuant to Section 6.2, *provided* that such entity may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such entity of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA.

Section 14.3 Replacement of Notes. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Company (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$25,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 15. PAYMENTS ON NOTES.

Section 15.1 Place of Payment. Subject to Section 15.2, payments of principal, Yield Maintenance Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Citibank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 15.2 Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Yield Maintenance Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as a Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 15.1. The Company will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by any Purchaser under this Agreement and that has made the same agreement relating to such Note as such Purchaser has made in this Section 15.2.

SECTION 16. EXPENSES, ETC.

Section 16.1 Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Obligors will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by each Purchaser or holder of a Note or the Collateral Agent in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any Financing Agreement (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under any Financing Agreement or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes or any other Financing Agreement, or by reason of being a holder of any Note including, in each case described in this clause (a), the costs and expenses of the Collateral Agent, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by any Financing Agreement and (c) the cost and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information and all subsequent annual and interim filings of documents and financial information related to this Agreement, with the Securities Valuation Office of the National Association of Insurance Commissioners or any successor organization succeeding to the authority thereof. The Obligors will pay, and will save each Purchaser and each other holder of a Note and the Collateral Agent harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those retained by such Purchaser).

Section 16.2 Certain Taxes. The Obligors agree to pay all stamp, documentary or similar taxes which may be payable in respect of the execution and delivery or the enforcement of the Financing Agreements or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in any applicable jurisdiction or in respect of any amendment of, or waiver or consent under or with respect to, the Financing Agreements and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax required to be paid by the Obligor hereunder.

Section 16.3 Survival. The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of any Financing Agreement, and the termination of any Financing Agreement.

SECTION 17 SURVIVAL OF REPRESENTATIONS AND WARRANTIES; AMENDMENT AND RESTATEMENT; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of the Financing Agreements, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of any Obligor pursuant to any Financing Agreement shall be deemed representations and warranties of such Obligor under such Financing Agreement.

Upon this Agreement becoming effective pursuant to Section 4A,: (1) all terms and conditions of the Original Note Agreement and any other “Financing Agreement” as defined therein, as amended by this Agreement and the other Financing Agreements being executed and delivered in connection herewith, shall be and remain in full force and effect, as so amended, and shall constitute the legal, valid, binding and enforceable obligations of the Obligors party thereto to Purchasers; (b) the terms and conditions of the Original Note Agreement shall be amended as set forth herein and, as so amended, shall be restated in its entirety, but shall be amended only with respect to the rights, duties and obligations among Obligors and Purchasers accruing from and after the date hereof; (c) this Agreement shall not in any way release or impair the rights, duties, Obligations or Liens created pursuant to the Original Note Agreement or any other Financing Agreements or affect the relative priorities thereof, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties, Obligations and Liens are assumed, ratified and affirmed by the Obligors; (d) all indemnification obligations of the Obligors under the Original Note Agreement and any other Financing Agreements shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of Purchasers, and any other Person indemnified under the Original Note Agreement or any other Financing Agreement at any time prior to the date hereof; (e) the amendment and restatement contained herein shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the Obligations and other obligations and liabilities of each Obligor evidenced by or arising under the Original Note Agreement and the other Financing Agreements and the liens and security interests securing such Obligations and other obligations and liabilities granted by Obligors in the Original Note Agreement and the other Financing Agreements, which shall not in any manner be impaired, limited, terminated, waived or released.; (f) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of Purchasers under the Original Note Agreement, nor constitute a waiver of any covenant, agreement or obligation under the Original Note Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby; and (g) any and all references in the Financing Agreements to the Original Note Agreement shall, without further action of the parties, be deemed a reference to the Original Note Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended or amended and restated from time to time hereafter.

Subject to the preceding two paragraphs, the Financing Agreements embody the entire agreement and understanding between Purchaser and the Obligors and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 18. AMENDMENT AND WAIVER.

18.1.1 (a) *Requirements.* This Agreement, the Notes and the other Financing Agreements may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Sections 1, 2, 3, 4, 5, 6, 13, 22 or 24 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Yield Maintenance Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 13, 18, 21 or 24 hereof.

Section 18.2 Solicitation of Holders of Notes.

(a) *Solicitation.* The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of the Notes unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Notes then outstanding whether or not such holder consented to such waiver or amendment.

(c) *Consent in Contemplation of Transfer.* Any consent made pursuant to this Section 18 by a holder of Notes that has transferred or has agreed to transfer its Notes to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been so effected or granted but for such consent (and the consent of all other holders of Notes that were acquired under the same or similar conditions shall be void and of no force or effect except solely as to such holder.

Section 18.3

Binding Effect, etc. Any amendment or waiver consented to as provided in this Section 18 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 18.4

Notes Held by Company, etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 19. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

- (i) if to any Purchaser or its nominee, to such Purchaser or its nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or its nominee shall have specified to the Company in writing,
- (ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing,
- (iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing, or
- (iv) if to any of the Guarantors, “c/o NN, Inc.” at the Company’s address set forth in the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with the Financing Agreements shall be in English or accompanied by an English translation thereof.

The Financing Agreements have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in any jurisdiction.

SECTION 20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser pursuant to the Original Note Agreement or on the date hereof or on any Closing Day (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by a Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, “*Confidential Information*” means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on its behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to Purchasers under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by it in good faith to protect confidential information of third parties delivered to such Purchaser, *provided* that any Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser’s Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (v) any Person from which such Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, and (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee or any other holder that shall have previously delivered such a confirmation), such holder will confirm in writing that it is bound by the provisions of this Section 21 and providing the Company assurances that such holder will enter into further agreements with language no more burdensome on the holder than the language contained in this Section 21 as reasonably requested by the Company in order to comply with Regulation FD of the Securities and Exchange Commission.

Notwithstanding the foregoing, the Company agrees that Prudential Capital Group may, with the prior written consent of the Company (not to be unreasonably withheld or delayed), (a) refer to its role in originating the purchase of the Notes from the Company and establishing the Facility, as well as the identity of the Company and the aggregate principal amount and issue date of the Notes and the maximum aggregate principal amount of the Shelf Notes and the date on which the Facility was established, on its internet site or in marketing materials, press releases, published “tombstone” announcements or any other print or electronic medium and (b) display the Company’s corporate logo in conjunction with any such reference.

SECTION 22. SUBSTITUTION OF PURCHASER.

Prudential and each other Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that such Purchaser has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this Section 22), such word shall be deemed to refer to such Affiliate in lieu of such Purchaser. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to the transferor Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this Section 22), such word shall no longer be deemed to refer to such Affiliate, but shall refer to the transferor Purchaser, and such transferor Purchaser shall have all the rights of an original holder of the Notes under this Agreement.

Section 23.1 *Subsidiary Guarantee.* Each of the Guarantors hereby unconditionally and irrevocably, jointly and severally, guarantees to the Collateral Agent and the holders the due and punctual payment and performance of all of the Obligations, in each case as and when the same shall become due and payable, whether at maturity, by acceleration, mandatory prepayment or otherwise, according to their terms. In case of failure by a Principal Obligor of any Obligation punctually to pay or perform such Obligation, each of the Guarantors hereby unconditionally and irrevocably agrees to cause such payment to be made punctually as and when the same shall become due and payable, whether at maturity, by prepayment, declaration or otherwise, and to cause such performance to be rendered punctually as and when due, in the same manner as if such payment or performance were made by such Principal Obligor. This guarantee is and shall be a guarantee of payment and performance and not merely of collection.

Section 23.2 *Maximum Subsidiary Guarantee Liability.* (a) Each Guarantor's respective obligations hereunder and under the other Financing Agreements shall be in an amount equal to, but not in excess of, the maximum liability permitted under Applicable Bankruptcy Law (the "*Maximum Subsidiary Guarantee Liability*"). To that end, but only to the extent such obligations otherwise would be subject to avoidance under Applicable Bankruptcy Law if any Guarantor is deemed not to have received valuable consideration, fair value or reasonably equivalent value for its obligations hereunder or under the other Financing Agreements, each such Guarantor's respective obligations hereunder and under the other Financing Agreements shall be reduced to that amount which, after giving effect thereto, would not render such Guarantor insolvent, or leave such Guarantor with an unreasonably small capital to conduct its business, or cause such Guarantor to have incurred debts (or to be deemed to have intended to incur debts), beyond its ability to pay such debts as they mature, at the time such obligations are deemed to have been incurred under Applicable Bankruptcy Law. As used herein, the terms "insolvent" and "unreasonably small capital" likewise shall be determined in accordance with Applicable Bankruptcy Law. This Section 23.2 is intended solely to preserve the rights of the holders and the Collateral Agent hereunder and under the other Financing Agreements to the maximum extent permitted by Applicable Bankruptcy Law, and neither the Guarantors nor any other Person shall have any right or claim under this Section 23.2 that otherwise would not be available under Applicable Bankruptcy Law.

(b) Each Guarantor agrees that the Guaranteed Obligations at any time and from time to time may exceed the Maximum Subsidiary Guarantee Liability of such Guarantor, and may exceed the aggregate Maximum Subsidiary Guarantee Liability of all Guarantors hereunder, without impairing this Subsidiary Guarantee or affecting the rights and remedies of the holders and the Collateral Agent.

Section 23.3 *Contribution.* In the event any Guarantor party hereto (a "*Funding Guarantor*") shall make any payment or payments under this Subsidiary Guarantee with respect to the Guaranteed Obligations or shall suffer any loss as a result of any realization upon any of its property granted as Collateral under any Financing Agreement, each other Guarantor (each, a "*Contributing Guarantor*") shall contribute to such Funding Guarantor an amount equal to such Contributing Guarantor's "Pro Rata Share" of such payment or payments made, or losses suffered, by such Funding Guarantor. For the purposes hereof, each Contributing Guarantor's Pro Rata Share with respect to any such payment or loss by a Funding Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (a) such Contributing Guarantor's Maximum Subsidiary Guarantee Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) to (b) the aggregate Maximum Subsidiary Guarantee Liability of all Guarantors party hereto. Nothing in this Section 23.3 shall affect each Guarantor's several liability for the entire amount of the Guaranteed Obligations (up to such Guarantor's Maximum Subsidiary Guarantee Liability). Each Guarantor covenants and agrees that its right to receive any contribution hereunder from a Contributing Guarantor shall be subordinate and junior in right of payment to all the Guaranteed Obligations.

Section 23.4 *Subsidiary Guarantee Unconditional.* The obligations of each Guarantor under this Section 23 shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver or release in respect of any Obligation of the Company under this Agreement or any other Financing Agreement, by operation of law or otherwise;
- (b) any modification or amendment or supplement to this Agreement or any other Financing Agreement;
- (c) any modification, amendment, waiver, release, non-perfection or invalidity of any direct or indirect security, or of any guarantee or other liability of any third party, for any Obligation of the Company under this Agreement or any other Financing Agreement;
- (d) any change in the existence, structure or ownership of the Company, any Guarantor, or any insolvency, bankruptcy, reorganization or other similar case or proceeding affecting the Company, any Guarantor, or any of their respective assets, or any resulting release or discharge of any Obligation of the Company under this Agreement or any other Financing Agreement;
- (e) the existence of any claim, set-off or other right that any Guarantor at any time may have against the Company, the Collateral Agent, any holder or any other Person, regardless of whether arising in connection with this Agreement or any other Financing Agreement;
- (f) any invalidity or unenforceability relating to or against the Company for any reason of the whole or any provision of this Agreement or any other Financing Agreement or any provision of Applicable Bankruptcy Law purporting to prohibit the payment or performance by the Company of any Obligation, or the payment by the Company of any other amount payable by it under this Agreement or any other Financing Agreement; or

(g) any other act or omission to act or delay of any kind by the Company, the Collateral Agent, any holder or any other Person or any other circumstance whatsoever that might but for the provisions of this Section 23.4 constitute a legal or equitable discharge of the obligations of any Guarantor under this Section 23.

Section 23.5 Discharge Only Upon Payment in Full; Reinstatement in Certain Circumstances. Each Guarantor's obligations under this Section 23 shall remain in full force and effect so long as any Obligations are unpaid, outstanding or unperformed. If at any time any payment of the Obligations or any other amount payable by the Company under this Agreement or the other Financing Agreements is rescinded or otherwise must be restored or returned upon the insolvency, bankruptcy or reorganization of the Company or otherwise, each Guarantor's obligations under this Section 23 with respect to such payment shall be reinstated at such time as though such payment had become due but not been made at such time.

Section 23.6 Waiver. Each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest, notice of any breach or default by the Company and any other notice not specifically provided for herein, as well as any requirement that at any time any action be taken by any Person against the Company or any other Person or any Collateral granted as security for the Obligations or the Guaranteed Obligations. Each Guarantor hereby specifically waives any right to require that an action be brought against the Company or any other Principal Obligor with respect to the Obligations. Each Guarantor hereby specifically waives any other act or omission or thing or delay to do any other act or thing which might in any manner or to any extent vary the risk of the Guarantor or might otherwise operate as a discharge of such Guarantor

Section 23.7 Waiver of Reimbursement, Subrogation, Etc. Each Guarantor hereby waives to the fullest extent possible as against the Company and its assets any and all rights, whether at law, in equity, by agreement or otherwise, to subrogation, indemnity, reimbursement, contribution, exoneration or any other similar claim, right, cause of action or remedy that otherwise would arise out of such Guarantor's performance of its obligations to any Collateral Agent or any holder under this Section 23. The preceding waiver is intended by the Guarantors, the Collateral Agent or any holder to be for the benefit of the Company or any of its successors and permitted assigns as an absolute defense to any action by any Guarantor against the Company or its assets that arises out of such Guarantor's having made any payment to the any Collateral Agent or any holder with respect to any of the Guaranteed Obligations.

Section 23.8 Stay of Acceleration. If acceleration of the time for payment of any amount payable by the Company under this Agreement is stayed upon the insolvency, bankruptcy or reorganization of the Company, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Collateral Agent as directed by Required Holders.

Section 23.9 Subordination of Debt. Any indebtedness of the Company for borrowed money now or hereafter owed to any Guarantor is hereby subordinated in right of payment to the payment by the Company of the Obligations, and if a default in the payment of the Obligations shall have occurred and be continuing, any such indebtedness of the Company owed to any Guarantor, if collected or received by such Guarantor, shall be held in trust by such Guarantor for the holders of the Obligations and be paid over to the Collateral Agent for application in accordance with this Agreement and the other Financing Agreements.

Section 23.10
therefrom:

Certain Releases. Provided that no Default or Event of Default has occurred and is continuing or would result

(a) in the event that any asset sale permitted under Section 10.12 consists in whole or in part of the sale of all of the capital stock of (or other ownership interests in) a Subsidiary that is owned by the Company or any other Subsidiary of the Company, upon the request of the Company the Collateral Agent shall release the Subsidiary whose stock (or other ownership interests) has (have) been sold from any duties and obligations to the holder pursuant to this Agreement and the other Financing Agreements to which such Subsidiary may be a party; and

(b) in connection with any other asset sale permitted under Section 10.12, upon the request of the Company the Collateral Agent shall execute and deliver any instruments reasonably required to release the assets sold from the Liens, if any, of the Financing Agreements.

SECTION 24. MISCELLANEOUS.

Section 24.1 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 24.2 Jurisdiction and Process; Waiver of Jury Trial. (a) The Obligors irrevocably submit to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, City of New York, over any suit, action or proceeding arising out of or relating solely to the Financing Agreements. To the fullest extent permitted by applicable law, the Obligors irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Obligors agree, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 24.2(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Obligors consent to process being served in any suit, action or proceeding solely of the nature referred to in Section 24.2(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 19, to Corporation Service Company, as its agent for the purpose of accepting service of any process in the United States. The Obligors agree that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 24 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Obligors in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

Section 24.3 *Obligation to Make Payment in Dollars.* Any payment on account of an amount that is payable under the Financing Agreements in U.S. Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligors, shall constitute a discharge of the obligation of the Obligors under the Financing Agreements only to the extent of the amount of U.S. Dollars which such holder purchases in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars so purchased is less than the amount of U.S. Dollars originally due to such holder, the Obligors agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in the Financing Agreements, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Financing Agreements or under any judgment or order. As used herein the term “*London Banking Day*” shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

Section 24.4 *Payments Due on Non-Business Days.* Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Yield Maintenance Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

Section 24.5 *Severability.* Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 24.6 Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 24.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by fewer than all, but together signed by all, of the parties hereto.

Section 24.8 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

Section 24.9 Collateral Agent. Each holder of a Note acknowledges that that Collateral Agent has no duties or obligations to the holders of the Notes under this Agreement.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Company, whereupon the foregoing shall become a binding agreement between you and the Company.

Very truly yours,

NN, INC.

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and Chief Financial Officer

GUARANTORS:

INDUSTRIAL MOLDING CORPORATION, as successor by merger to Industrial Molding Group, L.P.

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and Chief Financial

Officer

THE DELTA RUBBER COMPANY, a Connecticut corporation

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and Chief Financial

Officer

WHIRLAWAY CORPORATION, an Ohio corporation

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and Chief Financial

Officer

TRIUMPH LLC, an Arizona limited liability
company

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and Chief Financial

Officer

The foregoing is hereby agreed to as of the date thereof.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By: /s/ Billy Greer
Name: Billy Greer
Title: Senior Vice President

The foregoing is hereby agreed to as of the date thereof.

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc, as investment manager

By:

Name:

Title: Vice President

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The foregoing is hereby agreed to as of the date thereof.

AMERICAN BANKERS LIFE ASSURANCE COMPANY OF FLORIDA, INC.

By: Prudential Private Placement Investors, L.P., as Investment Advisor
By: Prudential Private Placement Investors, Inc., as General Partner

By: Name: _____
Title: Senior Vice President

The foregoing is hereby agreed to as of the date thereof.

FARMERS NEW WORLD LIFE INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P., as Investment Advisor
By: Prudential Private Placement Investors, Inc., as General Partner

By: /s/ Billy Greer
Name: Billy Greer
Title: Senior Vice President

The foregoing is hereby agreed to as of the date thereof.

TIME INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P., as Investment Advisor
By: Prudential Private Placement Investors, Inc., as General Partner

By: /s/ Billy Greer
Name: Billy Greer
Title: Senior Vice President

INFORMATION RELATING TO PURCHASERS OF SERIES A NOTES

NAME AND ADDRESS OF PURCHASER
The Prudential Insurance Company
of America
c/o Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Facsimile: (404) 870-3741

PRINCIPAL AMOUNT OF
SERIES A NOTES PURCHASED
\$20,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as “NN, Inc., 8.50% Senior Notes, Series A, due April 26, 2014, PPN 629337 A@5, principal, premium or interest”) to:

JPMorgan Chase Bank
New York, New York
ABA #021-000-021
For credit to: Account Number P86188

Notices

All notices and communications (including copies of all notices relating to payments) to be addressed as first provided above to the attention of the Managing Director.

All notices with respect to payments, and written confirmation of each such payment, to be addressed to:

The Prudential Insurance Company of America
c/o Investment Operations Group
Gateway Center Two, 10th Floor
100 Mulberry Street
Newark, New Jersey 07102
Attention: Manager, Billings and Collections

Recipient of telephonic prepayment notices:

Manager, Trade Management Group
Phone Number: (973) 367-3141
Facsimile: (888) 889-3832
Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 22-1211670

NAME AND ADDRESS OF PURCHASER
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
c/o Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Facsimile: (404) 870-3741

PRINCIPAL AMOUNT OF
SERIES A NOTES PURCHASED
\$10,350,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "NN, Inc., 8.50% Senior Notes, Series A, due April 26, 2014, PPN 629337 A@5, principal, premium or interest") to:

JPMorgan Chase Bank
New York, New York
ABA #021-000-021
For credit to: Account Number P86329

Notices

All notices and communications (including copies of all notices relating to payments) to be addressed as first provided above to the attention of the Managing Director.

All notices with respect to payments, and written confirmation of each such payment, to be addressed to:

Prudential Retirement Insurance and Annuity Company
c/o Investment Operations Group
Gateway Center Two, 10th Floor
100 Mulberry Street
Newark, New Jersey 07102
Attention: Manager, Billings and Collections

Recipient of telephonic prepayment notices:

Manager, Trade Management Group
Phone Number: (973) 367-3141
Facsimile: (888) 889-3832
Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 06-1050034

PRINCIPAL AMOUNT OF
SERIES A NOTES PURCHASED
\$3,600,000

NAME AND ADDRESS OF PURCHASER
AMERICAN BANKERS LIFE ASSURANCE COMPANY
OF FLORIDA, INC.
c/o Prudential Private Placement Investors, L.P.
4 Gateway Center
100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "NN, Inc., 8.50% Senior Notes, Series A, due April 26, 2014, PPN 629337 A@5, principal, premium or interest") to:

JP Morgan Chase Bank
ABA #021000021
Account No.: 900-9000200
Account Name: Private Placement Income
For further credit to Account No.: G09888

Notices

All notices and communications (including copies of all notices relating to payments) to be addressed as first provided above.

All notices with respect to payments, and written confirmation of each such payment, to be addressed to:

JP Morgan Chase Bank
Investor Services
3 Chase Metrotech Center
North America Insurance, 5S5
Brooklyn, NY 11245
Attention: Anna Marie Mazza
Telephone: (718) 242-5399
Facsimile: (718) 242-8328

and

Fortis, Inc.
One Chase Manhattan Plaza
New York, NY 10005
Attention: Kevin P. Mahoney
AVP, Investment Accounting & Treasury Operations
Telephone: (212) 859-7184
Facsimile: (212) 859-7043

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 59-0676017

PRINCIPAL AMOUNT OF
NOTES TO BE PURCHASED
\$3,050,000

NAME AND ADDRESS OF PURCHASER
FARMERS NEW WORLD LIFE INSURANCE COMPANY
c/o Prudential Private Placement Investors, L.P.
4 Gateway Center
100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432
E-mail: albert.trank@prudential.com

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "NN, Inc., 8.50% Senior Notes, Series A, due April 26, 2014, PPN 629337 A@5, principal, premium or interest") to:

JPMorgan Chase Bank
New York, NY
ABA No.: 021000021
Account No.: 900-9000-200
Account Name: SSG Private Income Processing
For further credit to Account: P58834 Farmers NWL

Notices

All notices and communications (including copies of all notices relating to payments) to be addressed as first provided above.

All notices with respect to payments, and written confirmation of each such payment, to be addressed to:

Jim DeNicholas - Director, Investment Operations/Accounting
and
Laszlo Heredy - Vice President & Chief Investment Officer
Farmers Insurance Company
4680 Wilshire Blvd., 4th Floor
Los Angeles, CA 90010

and

Joann Bronson - Director, Investments & Separate Accounts
and
Oscar Tengtio - Vice President & Chief Financial Officer
Farmers New World Life Insurance Company
3003 77th Avenue Southeast, 5th Floor
Mercer Island, WA 98040-2837

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 91-0335750

PRINCIPAL AMOUNT OF
SERIES A NOTES PURCHASED
\$3,000,000

NAME AND ADDRESS OF PURCHASER
TIME INSURANCE COMPANY
c/o Prudential Private Placement Investors, L.P.
4 Gateway Center
100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "NN, Inc., 8.50% Senior Notes, Series A, due April 26, 2014, PPN 629337 A@5, principal, premium or interest") to:

M&I Marshall & Illsley Bank
Milwaukee, WI
ABA No.: 075000051
DDA Account No.: 27006
Account Name: General Trust Fund
For further credit to Account No.: 89-0035-78-5
Account Name: Time Insurance Prudential Private Placements

Notices

All notices and communications (including copies of all notices relating to payments) to be addressed as first provided above.

All notices with respect to payments, and written confirmation of each such payment, to be addressed to:

Marshall & Illsley Trust Company
Asset Booking Department
11270 West Park Place, Suite 400
Milwaukee, WI 53224
Attention: Linda Harris-Murphy
Telephone: (414) 815-3635
Facsimile: (414) 815-3589

and

Fortis, Inc.
One Chase Manhattan Plaza
New York, NY 10005
Attention: Kevin P. Mahoney
AVP, Investment Accounting & Treasury Operations
Telephone: (212) 859-7184
Facsimile: (212) 859-7043

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 39-0658730

DEFINED TERMS

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the express requirements of this Agreement.

Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“*Acceptance*” shall have the meaning specified in Section 2.2.6.

“*Accepted Note*” shall have the meaning specified in Section 2.2.6.

“*Acceptance Day*” shall have the meaning specified in Section 2.2.6.

“*Acceptance Window*” shall have the meaning specified in Section 2.2.6.

“*Account*” shall mean an account, as defined in the U.C.C.

“*Account Debtor*” shall mean any Person obligated to pay all or any part of any Account in any manner and includes (without limitation) any Guarantor thereof.

“*Acquisition*” shall mean any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person (other than the Company or any of its Subsidiaries), or any business or division of any Person (other than the Company or any of its Subsidiaries), (b) the acquisition of in excess of fifty percent (50%) of the outstanding capital stock (or other equity interest) of any Person (other than the Company or any of its Subsidiaries), or (c) the acquisition of another Person (other than the Company or any of its Subsidiaries) by a merger, amalgamation or consolidation or any other combination with such Person.

“*Acquisition Pro Forma Effect*” shall mean, in making any calculation hereunder to which such term is applicable, including any calculation necessary to determine whether the US Company is in compliance with Section 10.1 through 10.7, inclusive, or whether a Default would result from any Acquisition, (a) any Acquisition made during the most recent twelve (12) month period (the “Reference Period”) ending on and including the date of determination (the “Calculation Date”) shall be assumed to have occurred on the first day of the Reference Period, (b) Consolidated Funded Debt, and the application of proceeds therefrom, incurred or to be incurred in connection with any Acquisition made or to be made during the Reference Period shall be assumed to have arisen or occurred on the first day of the Reference Period, (c) there shall be excluded any interest expense in respect of Consolidated Funded Debt outstanding during the Reference Period that was or is to be refinanced with proceeds of Debt incurred or to be incurred in connection with any Acquisition made or to be made during the Reference Period, (d) interest expense in respect of Consolidated Funded Debt bearing a floating rate of interest and assumed to have been incurred on the first day of the Reference Period shall be calculated on the basis of the average rate in effect under the Credit Agreement for “Base Rate Loans” throughout the period such Consolidated Funded Debt is assumed to be outstanding, and (e) rent expense shall include actual rent expense incurred by any Person, operating unit or business acquired during the Reference Period, plus rent expense projected for the twelve (12) month period following the date of actual incurrence thereof in respect of any operating lease entered into or to be entered into in connection with any Acquisition made during the Reference Period, which projected rent expense shall be deemed to have been incurred on the first day of the Reference Period.

“*Affiliate*” shall mean, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, “*Control*” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “*Affiliate*” is a reference to an Affiliate of the Company.

“*Applicable Bankruptcy Law*” shall mean, with respect to any Guarantor, Title 11 of the United States Code, and any other laws governing bankruptcy, suspension of payments, reorganization, arrangement, adjustment of debts, relief of debtors, dissolution or insolvency and any other similar laws applicable to such Guarantor.

“*Asset Acquisition*” shall mean (a) any Investment by the Company or any of its Subsidiaries in any other Person pursuant to which such Person shall become a Subsidiary of the Company or any of its Subsidiaries or shall be merged with the Company or any of its Subsidiaries or (b) any acquisition by the Company or any of its Subsidiaries of the assets of any Person that constitute substantially all of an operating unit or business of such Person.

“*Asset Disposition*” shall mean the sale or other disposition of any assets by the Company or any of its Subsidiaries (permitted pursuant to Section 10.12) to any Person (other than an Obligor) other than in the ordinary course of business, and to the extent the proceeds of such sale or other disposition are in excess of Two Hundred Fifty Thousand Dollars (\$250,000) during any fiscal year of the Company and are not to be reinvested in fixed assets or other similar assets within one hundred eighty (180) days of such sale or other disposition.

“*Asset Disposition Account*” shall have the meaning specified in Section 10.12(i).

“*Available Facility Amount*” shall have the meaning specified in Section 2.2.1.

“*Bank Agent*” shall mean KeyBank National Association.

“*Bank Credit Party*” shall mean the Obligors and all other Subsidiaries or Affiliates of the Company that are borrowers or guarantors under the Credit Documents.

“*Bank Lender*” shall mean any lender under the Credit Agreement.

“*Business Day*” shall mean (a) for the purposes of Section 8.7 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York, or Johnson City, Tennessee are required or authorized to be closed.

“*Cancellation Date*” shall have the meaning specified in Section 2.2.9(iv).

“*Cancellation Fee*” shall have the meaning specified in Section 2.2.9(iv).

“*Capital Distribution*” shall mean a payment made, liability incurred or other consideration given by the Company or any Subsidiary to any Person that is not the Company or a Subsidiary, for the purchase, acquisition, redemption, repurchase, payment or retirement of any capital stock or other equity interest of the Company or such Subsidiary or as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of the Company or such Subsidiary) in respect of the Company’s or such Subsidiary’s capital stock or other equity interest.

“*Capital Expenditure*” shall mean, for any period, the amount of capital expenditures of the Company, as determined on a Consolidated basis and in accordance with GAAP; provided that any capital expenditures made for an Acquisition permitted pursuant to Section 10.13 hereof shall be excluded from the calculation of Capital Expenditures.

“*Capital Lease*” shall mean, at any time, a lease which in accordance with GAAP would be capitalized on the lessee’s balance sheet.

“*Capital Lease Obligations*” shall mean, with respect to any person and any Capital Lease, the amount of the obligation of such person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such person.

“*Cash Collateral Account*” means a commercial Deposit Account designated “cash collateral account” and maintained by the Company with the Collateral Agent, without liability by Collateral Agent or the holders of the Notes to pay interest thereon, from which account Collateral Agent, on behalf of both the Bank Lenders and the holders of the Notes, shall have the exclusive right to withdraw funds until all of the Senior Indebtedness (as defined in the Intercreditor Agreement) is paid in full.

“*Change of Control Notice*” shall have the meaning set forth in Section 8.3(a).

“*Closing Day*” shall mean, with respect to the Series A Notes, the Series A Closing Day and, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Request for Purchase of such Accepted Note and agreed to in the Confirmation of Acceptance for such Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the “*Closing Day*” for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to paragraph 2.2.7, the Closing Day for such Accepted Note, for all purposes of this Agreement except references to “original Closing Day” in paragraph 2.2.9(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Collateral” means the collateral granted from time to time by the Obligors to Collateral Agent pursuant to the Collateral Agreements.

“Collateral Agent” means KeyBank National Association acting as Collateral Agent for the Bank Lenders and the holders of the Notes pursuant to the Collateral Agreements and the Intercreditor Agreement, and any successor designated as Collateral Agent pursuant to the Intercreditor Agreement.

“Collateral Agreements” shall mean each Security Agreement, each Pledge Agreement, each Mortgage, each Consignee’s Waiver, each Intellectual Property Security Agreement, each Landlord’s Waiver, each Control Agreement, each U.C.C. Financing Statement or similar filing as to a jurisdiction located outside of the United States of America, filed in connection herewith or perfecting any interest created in any of the foregoing documents, and any other document pursuant to which any Lien is granted by an Obligor or any other Person to Collateral Agent, as security for the Obligations, or any part thereof, and each other agreement executed in connection with any of the foregoing, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

“Company” shall mean NN, Inc., a Delaware corporation, or any successor that becomes such in accordance with Section 10.12.

“Confidential Information” is defined in Section 21.

“Confirmation of Acceptance” shall have the meaning specified in Section 2.2.6.

“Consideration” shall mean, in connection with an Acquisition, the aggregate consideration paid or to be paid, including borrowed funds, cash, deferred payments, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment of consulting fees or fees for a covenant not to compete and any other consideration paid or to be paid for such Acquisition.

“Consignee’s Waiver” shall mean a consignee’s waiver (or similar agreement), in form and substance reasonably satisfactory to the Required Holders, delivered by a Company in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

“Consolidated” shall mean the resultant consolidation of the financial statements of the Company and its Subsidiaries in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in Section 5.5 hereof.

“*Consolidated Adjusted Net Worth*” shall mean, as of the date of any determination thereof, Consolidated Net Worth as of such date, plus (but without duplication and only to the extent excluded or deducted from stockholders’ equity) any goodwill on the Company’s balance sheet as of December 31, 2006 which is subsequently written off.

“*Consolidated Fixed Charges*” shall mean, with respect to any period, the sum of (a) Interest Charges for such period and (b) Consolidated Rental Expense of the Company and its Subsidiaries for such period. Consolidated Fixed Charges shall be adjusted retroactively to give effect to the leases of real and personal property and the Debt of any business entity (or all or substantially all of its assets) acquired during the period of determination by the Company or any Subsidiary and shall be computed as though (i) such leases of real and personal property of such business entity (or all or substantially all of its assets) so acquired had been in effect, (ii) such Debt of such business entity so acquired had been owed by the Company or (iii) such business entity had been a Subsidiary, as the case may be, throughout the applicable period. “Consolidated Fixed Charges” shall not be reduced by any savings proposed or projected as a result of any acquisition during the period of determination.

“*Consolidated Funded Debt*” shall mean, as of any date of determination, the total of all Funded Debt of the Company and its Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP.

“*Consolidated Net Income*” shall mean, with reference to any period, the consolidated net income of the Company and its Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP, *provided* that there shall be excluded:

- (a) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Company or a Subsidiary, and the income (or loss) of any Person, substantially all of the assets of which have been acquired in any manner, realized by such other Person prior to the date of acquisition,
- (b) the income (or loss) of any Person (other than a Subsidiary) in which the Company or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Company or such Subsidiary in the form of cash dividends or similar cash distributions, and
- (c) extraordinary gains or losses of the Company and its Subsidiaries as determined in accordance with GAAP.

“*Consolidated Net Worth*” shall mean, as of the date of any determination thereof, stockholders’ equity of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided that for purposes of Section 10.3, when determining Consolidated Net Worth as a component of Consolidated Total Capitalization, the amount used for “other comprehensive income” shall be Twenty Four Million Four Hundred Sixty-One Thousand Dollars (\$24,461,000), and to the extent that Consolidated Net Worth is calculated at any time other than at the end of a fiscal quarter of Company, Consolidated Net Worth shall be calculated as of the most recently completed calendar month.

“*Consolidated Rental Expense*” shall mean, for any period, the rental expense of the Company for such period as determined on a consolidated basis and in accordance with GAAP.

“*Consolidated Section 10.10 Debt*” shall mean, for the Company and its Subsidiaries on a consolidated basis, all Section 10.10 Debt that constitutes (a) indebtedness for borrowed money or for notes, debentures or other debt securities, (b) notes payable and drafts accepted representing extensions of credit regardless of whether the same represent obligations for borrowed money, (c) reimbursement obligations in respect of letters of credit issued for the account of the Company or a Subsidiary thereof (including any such obligations in respect of any drafts drawn thereunder), (d) liabilities for all or any part of the deferred purchase price of property or services, (e) liabilities secured by any Lien on any property or asset owned or held by the Company or any of its Subsidiaries regardless of whether the Section 10.10 Debt secured thereby shall have been assumed by or is a primary obligation of the Company or such Subsidiary, (f) Capital Lease Obligations, (g) Off-Balance Sheet Liabilities, and (h) without duplication, all Contingent Obligations the primary obligation of which is Debt of the type described in clauses (a) through (g) above; *provided, however*, that Consolidated Section 10.10 Debt shall not include any unsecured current liabilities incurred in the ordinary course of business and not represented by any note, bond, debenture or other instrument.

“*Consolidated Total Assets*” shall mean, at any time, the total assets of the Company and its Subsidiaries which would be shown on a consolidated balance sheet of the Company and its Subsidiaries as of such time prepared in accordance with GAAP.

“*Consolidated Total Capitalization*” shall mean, at any time, an amount equal to the sum of (i) Consolidated Net Worth plus (ii) Consolidated Funded Debt.

“*Contingent Obligations*” shall mean, as to any Person, any contingent obligation calculated in conformity with GAAP, and in any event shall include (without duplication) all indebtedness, obligations or other liabilities of such Person guaranteeing or in effect guaranteeing the payment or performance of any indebtedness, obligation or other liability, whether or not contingent (collectively, the “*primary obligations*”), of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including any indebtedness, obligation or other liability of such Person, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the owner of such primary obligation against loss with respect thereto.

“*Contributing Guarantor*” is defined in Section 23.3.

“*Control Agreement*” shall mean each Deposit Account Control Agreement among the Company or a Guarantor, Collateral Agent and a depository institution, dated on or after the Restatement Closing Date, to be in form and substance satisfactory to the Required Holders, as the same may from time to time be amended, restated or otherwise modified.

“*Credit Agreement*” shall mean that certain Amended and Restated Credit Agreement, dated as of March 13, 2009, by and among the Obligors, certain of their other subsidiaries, the lenders from time to time parties thereto and KeyBank National Association, as Administrative Agent, as amended, restated, supplemented or otherwise modified from time to time.

“*Credit Documents*” shall mean the Credit Agreement and each other document executed in connection therewith, as amended, restated, supplemented or otherwise modified from time to time.

“*Debt*” shall mean shall mean, for the Company or any Subsidiary, without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations in respect of the deferred purchase price of property or services (provided that the following shall not constitute Debt for purposes of this definition: trade accounts payable in the ordinary course of business and current liabilities in the form of expenses that are not the result of the borrowing of money or the extension of credit and that are listed on the financial statements of the Company or such Subsidiary as “other current liabilities”), (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit or banker’s acceptance, (e) all net obligations under any currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device or any Hedge Agreement, (f) all synthetic leases, (g) all lease obligations that have been or should be capitalized on the books of the Company or such Subsidiary in accordance with GAAP, (h) all obligations of the Company or such Subsidiary with respect to asset securitization financing programs to the extent that there is recourse against the Company or such Subsidiary or the Company or such Subsidiary is liable (contingent or otherwise) under any such program, (i) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, (j) all indebtedness of the types referred to in subparts (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Company or such Subsidiary is a general partner or joint venturer, unless such indebtedness is expressly made non-recourse to the Company or such Subsidiary, (k) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by the Company or such Subsidiary to finance its operations or capital requirements, and (l) any guaranty of any obligation described in subparts (a) through (k) hereof.

“*Default*” shall mean an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“*Default Rate*” shall mean with respect to any Series of Notes that rate of interest that is the greater of (i) 2% per annum above the rate of interest stated in such Series of Notes or (ii) 2% over the rate of interest publicly announced by Citibank, N.A. in New York, New York as its “base” or “prime” rate. “*Default Rate*” with respect to any other series of Notes shall have the meaning ascribed to such term in the related Supplement.

“*Delayed Delivery Fee*” shall have the meaning specified in Section 2.2.9(iii).

“*Deposit Account*” shall mean (a) a deposit account, as defined in the U.C.C., (b) any other deposit account, and (c) any demand, time, savings, checking, passbook or similar account maintained with a bank, savings and loan association, credit union or similar organization.

“*Dollars*” or “*\$*” or “*U.S. Dollars*” shall mean lawful money of the United States of America.

“*Domestic Subsidiary*” shall mean a Subsidiary that is not a Foreign Subsidiary.

“*Dormant Subsidiary*” shall mean a Subsidiary that (a) is not an Obligor, (b) has aggregate assets of less than One Hundred Thousand Dollars (\$100,000), and (c) has no direct or indirect Subsidiaries with aggregate assets for all such direct or indirect Subsidiaries of more than One Hundred Thousand Dollars (\$100,000).

“*Dutch Holding*” is defined in the Preamble.

“*EBITDA*” shall mean, for the Company and its Subsidiaries on a consolidated basis for any period, after giving Acquisition Pro Forma Effect to any Acquisition made during such period, the sum of (a) Section 10.10 Consolidated Net Income, plus (b) Section 10.10 Interest Expense, plus (c) any provision for taxes based on income or profits that was deducted in computing Section 10.10 Consolidated Net Income, plus (d) depreciation, plus (e) amortization of intangible assets and other non-recurring non-cash charges plus (f) cash restructuring charges in an aggregate amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) incurred in accordance with GAAP; provided that for purposes of calculating the Leverage Ratio and the applicable financial covenants set forth in Section 10.2, Section 10.5 and Section 10.6 hereof, EBITDA shall be deemed to be (A) Fifteen Million One Hundred Sixteen Thousand Dollars (\$15,116,000) for the fiscal quarter ended March 31, 2008, (B) Nineteen Million Two Hundred Eighty-Three Thousand Dollars (\$19,283,000) for the fiscal quarter ended June 30, 2008, (C) Eleven Million Seven Hundred Thirty-Five Thousand Dollars (\$11,735,000) for the fiscal quarter ended September 30, 2008, and (D) Three Million Two Hundred Forty Thousand Dollars (\$3,240,000) for the fiscal quarter ended December 31, 2008.

“*EBITDAR*” shall mean, for any period, as determined on a consolidated basis and in accordance with GAAP, EBITDA plus Consolidated Rental Expense.

“*Environmental Laws*” shall mean any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“*Equipment*” shall mean all equipment, as defined in the U.C.C.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“Event of Default” is defined in Section 11.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Facility” shall have the meaning specified in Section 2.2.1.

“Federal Funds Rate” shall mean, for any period, a fluctuating interest rate per annum equal, for each day of 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 each day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York.

“Fee Letter” shall mean the letter agreement, dated as of the Restatement Closing Date, by and among the Company and the holders of the Series A Notes on such Restatement Closing Date.

“Financing Agreement” or “Financing Agreements” shall mean and include this Agreement, the Notes, the Subsidiary Guarantees, the Fee Letter and the Collateral Agreements, as amended, restated or modified from time to time.

“Fixed Charges Coverage Ratio” shall mean, at any time, the ratio of (a) EBITDA plus Consolidated Rental Expense for the four consecutive fiscal quarters ending on, or most recently ended prior to, such time to (b) Consolidated Fixed Charges for such period.

“Foreign Plan” shall mean any plan, fund or other similar program that (a) is established or maintained outside the United States of America by an Obligor or any Subsidiary primarily for the benefit of employees of such Obligor or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“Foreign Restructuring” is defined in the Preamble.

“Foreign Subsidiary” shall mean any Subsidiary of the Company that is organized in a jurisdiction other than the United States or any state or other subdivision thereof.

“Funded Debt” shall mean all Debt of the Company or any Subsidiary which would, in accordance with GAAP, constitute long term Debt including:

- (a) any Debt with a maturity of more than one year after the creation of such Debt,
- (b) any Debt outstanding under a revolving credit or similar agreement providing for borrowings (and renewals and extensions thereof) which pursuant to its terms would constitute long term Debt in accordance with GAAP,
- (c) any Capital Lease Obligations, and
- (d) any Guaranty with respect to Funded Debt of any other Person (but without duplication of any of the foregoing).

Notwithstanding anything to the contrary contained herein, any Debt outstanding under a revolving credit or similar facility providing for borrowings which are paid down for a period of at least 30 consecutive days during any 12 month period (and not merely refinanced with a short term credit facility) will not be deemed to constitute Funded Debt.

“*Funding Guarantor*” is defined in Section 23.3.

“*GAAP*” shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

“*Governmental Authority*” shall mean

- (a) the government of
 - (i) the United States of America or any State or other political subdivision thereof, or
 - (ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“*Guaranteed Obligations*” shall mean all the Obligations of the Company guaranteed by the Guarantors pursuant to the Subsidiary Guarantees.

“*Guarantors*” shall mean and include all existing and future Subsidiaries (other than Foreign Subsidiaries), including, but not limited to, Industrial Molding Corporation, Triumph LLC, Whirlaway Corporation and The Delta Rubber Company, but excluding any Subsidiary which is not required to deliver a Subsidiary Guarantee pursuant to Section 4.11 or Section 9.8.

“*Guaranty*” shall mean, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any Debt, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

- (a) to purchase such Debt or obligation or any property constituting security therefor;
- (b) to advance or supply funds (i) for the purchase or payment of such Debt or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such Debt or obligation;
- (c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation; or
- (d) otherwise to assure the owner of such Debt or obligation against loss in respect thereof.

In any computation of the Debt or other liabilities of the obligor under any Guaranty, the Debt or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Hazardous Material” shall mean any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

“Hedge Agreement” shall mean any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device entered into by the Company or any Subsidiary with any Person in connection with any Debt of the Company or such Subsidiary, or (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates entered into by the Company or any Subsidiary.

“Hedge Treasury Note(s)” shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

“holder” or *“Holder”* shall mean, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1.

“Institutional Investor” shall mean (a) any original purchaser of a Note, (b) any holder of a Note holding more than 10% of the aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

“*Intellectual Property Security Agreement*” means an Intellectual Property Security Agreement, executed and delivered by the Company in favor of Collateral Agent, dated as of the Restatement Closing Date, and any other Intellectual Property Security Agreement executed on or after the Restatement Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“*Intercreditor Agreement*” shall mean the Amended and Restated Intercreditor Agreement, dated as of the Restatement Closing Date, among KeyBank National Association, as Bank Agent (for the benefit of and on behalf of the Bank Lenders) and Collateral Agent (for the benefit of and on behalf of the Bank Lender and the holders of the Notes), the holders of the Notes and the “Obligors” as defined therein.

“*Interest Charges*” shall mean, with respect to any period, the sum (without duplication) of the following (in each case, eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP): (a) all interest in respect of Debt of the Company and its Subsidiaries (including imputed interest on Capital Leases) deducted in determining Consolidated Net Income for such period, together with all interest capitalized or deferred during such period and not deducted in determining Consolidated Net Income for such period, and (b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Income for such period.

“*Inventory*” shall mean all inventory, as defined in the U.C.C.

“*Investment*” shall mean the making of any loan, advance, extension of credit or capital contribution to, or the acquisition of any stock, bonds, notes, debentures or other obligations or securities of, or the acquisition of any other interest in or the making of any other investment in, any Person.

“*Investment Property*” - shall mean all investment property, as defined in the U.C.C.

“*Issuance Fee*” shall have the meaning specified in Section 2.2.9(ii).

“*Issuance Period*” shall have the meaning specified in Section 2.2.2.

“*Landlord’s Waiver*” shall mean a landlord’s waiver or mortgagee’s waiver, each in form and substance satisfactory to the Required Holders, delivered by an Obligor in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

“*Leverage Ratio*” shall mean, for the Company and its Subsidiaries on a consolidated basis, as of any date of determination, after giving Acquisition Pro Forma Effect made during such period, the ratio of Consolidated Section 10.10 Debt to EBITDA.

“*Lien*” shall mean, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“*Material*” shall mean material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

“*Material Adverse Effect*” shall mean a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of an Obligor to perform its obligations under the Notes or any other Financing Agreement, or (c) the validity or enforceability of a Financing Agreement.

“*Material Debt Agreement*” shall mean any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing or entered into in connection with any Debt of any Obligor in excess of the amount of Seven Million Dollars (\$7,000,000).

“*Material Recovery Account*” shall have the meaning ascribed in Section 8.8(a).

“*Material Recovery Event*” shall mean (a) any casualty loss in respect of assets of the Company or any of its Subsidiaries covered by casualty insurance, and (b) any compulsory transfer or taking under threat of compulsory transfer of any asset of the Company or any of its Subsidiaries by any Governmental Authority; provided that, in the case of either (a) or (b), the proceeds received by the Company and/or such Subsidiaries from such loss, transfer or taking exceeds Two Hundred Fifty Thousand Dollars (\$250,000).

“*Maximum Subsidiary Guarantee Liability*” shall mean the maximum liability hereunder and under the Italian Subsidiary Guarantee of the respective Guarantors permitted by Applicable Bankruptcy Law as provided in Section 23.2 hereto and in the Italian Subsidiary Guarantee.

“*Memorandum*” is defined in Section 5.3.

“*Minimum Consultant Consolidated EBITDA*” means, as determined for the most recently completed four fiscal quarters of the Company, EBITDA in an amount equal to (a) for the period ending March 31, 2009, Twenty Eight Million Eighty-Nine Thousand Dollars (\$28,089,000), (b) for the period ending June 30, 2009, Seven Million Five Hundred Eighty-One Thousand Dollars (\$7,581,000), (c) for the period ending September 30, 2009, negative Four Million Six Hundred Thirty-Eight Thousand Dollars (-\$4,638,000), (d) for the period ending December 31, 2009, negative Six Million Four Hundred Seventy-Eight Thousand Dollars (-\$6,478,000), (e) for the period ending March 31, 2010, negative Sixty Thousand Dollars (-\$60,000), and (f) for the period ending June 30, 2010 and thereafter, an amount to be determined in the sole discretion of the Required Holders, after consultation with the Company.

“*Moody’s*” means Moody’s Investors Service, Inc., and any successor to such company.

“*Mortgage*” shall mean each Open-End Mortgage, Assignment of Leases and Rents and Security Agreement (or deed of trust or comparable foreign document), dated on or after the Restatement Closing Date, relating to the Real Property, executed and delivered by an Obligor, to further secure the Obligations, as the same may from time to time be amended, restated or otherwise modified.

“*Multiemployer Plan*” shall mean any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“*Net Cash Proceeds*” shall mean (i) with respect to any Asset Disposition, an amount equal to one hundred percent (100%) of the proceeds of such Asset Disposition net of amounts reasonably determined by the Company to be required to pay taxes and costs applicable to the disposition, (ii) with respect to any Material Recovery Event for which the Company decides not to replace, rebuild or restore such property or if Company has not delivered the Material Recovery Determination Notice within sixty (60) days after such Material Recovery Event, the proceeds of insurance paid in connection with such Material Recovery Event, when received, and (iii) with respect to any Material Recovery Event for which the Company decides to replace, rebuild or restore such property, any amounts of insurance proceeds not applied to the costs of replacement or restoration.

“*NN Europe*” shall mean NN Europe ApS, a Danish limited liability company, and its successors.

“*Notes*” is defined in Section 1.

“*Noteholder Share*” shall mean, with respect to any offer to prepay pursuant to Section 8.8, as determined on the date of the Asset Disposition or the Material Recovery Event, as the case may be, an amount equal to (a) the aggregate outstanding principal amount of the Notes, divided by the sum of (i) the aggregate outstanding principal amount of the Notes, plus (ii) (A) the committed principal amount of the Revolving Credit Facility, until the earlier of September 20, 2011 and the termination of the Revolving Credit Facility and (B) the aggregate amount of Revolving Credit Exposure (as defined in the Credit Agreement as in effect on the Restatement Closing Date) thereafter.

“*Obligations*” shall mean, as to any Person, all Section 10.10 Debt, obligations and other liabilities of such Person of any kind and description owing to the Collateral Agent or the holders pursuant to the provisions of this Agreement, the Notes and the other Financing Agreements, howsoever evidenced or acquired, whether now existing or hereafter arising, due or not due, absolute or contingent, liquidated or unliquidated, direct or indirect, express or implied, whether owed individually or jointly with others (including, without limitation, all “Obligations”, as that term is defined in the Original Note Agreement.

“*Obligors*” shall mean and include the Company and each Guarantor.

“*Officer’s Certificate*” shall mean a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“*Off-Balance Sheet Liabilities*” of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any Synthetic Lease Obligation or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

“*Operating Lease*” shall mean, as to any Person, any lease of property (whether real, personal or mixed) by such Person as lessee that is not a Capital Lease.

“*Organizational Documents*” means, with respect to any Person (other than an individual), such Person’s articles (certificate) of incorporation, operating agreement or equivalent formation documents, and regulations (bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

“*Original Note Agreement*” shall have the meaning specified in the Preamble.

“*PBGC*” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“*Permitted Foreign Subsidiary Loans and Investments*” shall mean:

- (a) the investments by the Company or any of its Subsidiaries in a Foreign Subsidiary existing as of the Restatement Closing Date and set forth on Schedule 10.11 hereto;
- (b) the loans by the Company or any of its Subsidiaries to a Foreign Subsidiary in such amounts existing as of the Restatement Closing Date and set forth on Schedule 10.11 hereto;
- (c) any investment by a Foreign Subsidiary in, or loan from a Foreign Subsidiary to, or guaranty from a Foreign Subsidiary of Debt of, a Bank Credit Party;
- (d) (i) during the 2009 fiscal year of the Company, any investment by the Company or any of its Subsidiaries in, or loan by the Company or any of its Subsidiaries to, or guaranty from the Company or any of its Subsidiaries of Debt of, a Foreign Subsidiary organized in China, in an aggregate amount not to exceed One Million Dollars (\$1,000,000); and (ii) any investment by the Company or any of its Subsidiaries in, or loan by the Company or any of its Subsidiaries to, the Company or any other Subsidiary if the proceeds of such loan or investment are used by the Company or such Subsidiary to make a loan or investment permitted under subpart (i) hereof;
- (e) during the 2009 fiscal year of the Company, any investment by the Company or any of its Subsidiaries in, or loan by the Company or any of its Subsidiaries to, NN Netherlands BV, in an aggregate amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000);
- (f) in addition to subparts (d) and (e) above, during the 2009 fiscal year of the Company, any investment by the Company or any of its Subsidiaries in, or loan by the Company or any of its Subsidiaries to, one or more Foreign Subsidiaries, in an aggregate amount for all such Foreign Subsidiaries not to exceed Five Hundred Thousand Dollars (\$500,000);

(g) in addition to subparts (d), (e) and (f) above, on and after the completion of the requirements set forth in subparts (d) and (e) of Section 4.4 of the Credit Agreement (as in effect on the Restatement Closing Date), any investment by the Company or any of its Subsidiaries in, or loan by the Company or any of its Subsidiaries to, or guaranty of the Indebtedness of, one or more Foreign Subsidiaries that are Bank Credit Parties, in an aggregate amount for all such Foreign Subsidiaries not to exceed Ten Million Dollars (\$10,000,000) at any time outstanding; and

(h) any investment by a Foreign Subsidiary that is not a Bank Credit Party in, or loan by a Foreign Subsidiary that is not a Bank Credit Party to, the Company or any of its Subsidiaries.

“*Permitted Jurisdiction*” shall mean the United States of America or any member country of the European Union as of the date of Closing (excluding Greece or Spain).

“*Permitted Investment*” shall mean an investment of the Company or any of its Subsidiaries in the stock (or other debt or equity instruments) of a Person (other than the Company or any of its Subsidiaries), so long as (a) the Company or the Subsidiary making the investment is an Obligor; and (b) the aggregate amount of all such investments of the Company and any of its Subsidiaries does not exceed, at any time, an aggregate amount (as determined when each such investment is made) of Four Million Dollars (\$4,000,000).

“*Person*” shall mean an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“*Plan*” shall mean an “employee benefit plan” (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“*Pledge Agreement*” means each of the Pledge Agreements, relating to the Pledged Securities executed and delivered by an Obligor in favor of Collateral Agent and any other Pledge Agreement executed by any other Obligor after the Restatement Closing Date, as any of the foregoing may from time to time be amended, restated or otherwise modified.

“*Pledged Intercompany Note*” means any promissory note made by the Company or any of its Subsidiaries to an Obligor, whether now owned or hereafter acquired by such Obligor. (Schedule 10.8(b) hereto lists, as of the Restatement Closing Date, all of the Pledged Intercompany Notes.)

“*Pledged Securities*” means all of the shares of capital stock or other equity interest of the Company or any of its Subsidiaries, whether now owned or hereafter acquired or created, and all proceeds thereof; provided that Pledged Securities of Foreign Subsidiaries that secure Obligations of the Company shall only include up to sixty-five percent (65%) of the shares of voting capital stock or other voting equity interest of any first-tier Foreign Subsidiary and shall not include any Foreign Subsidiary other than a first-tier Foreign Subsidiary. (Schedule 10.8(a) hereto lists, as of the Restatement Closing Date, all of the Pledged Securities.)

“*Pre-Approved Acquisition*” means any Acquisition by the Company or any of its Subsidiaries approved in writing by the Required Holders.

“*Principal Obligor*” shall mean, with respect to a specific indebtedness or obligation, the Person creating, incurring, assuming or suffering to exist such indebtedness or obligation without becoming liable for same as a surety or guarantor.

“*Proceeds*” means (a) proceeds, as defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of the Collateral Agent and the holders of the Notes to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Collateral Agent or any holder of a Note to the sale, exchange, collection or other disposition of any or all of the Collateral by the Company or any of its Subsidiaries.

“*property*” or “*properties*” shall mean, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“*Proposed Prepayment Date*” shall have the meaning set forth in Section 8.3(c).

“*Proposed 8.8 Prepayment Date*” shall have the meaning set forth in Section 8.8(b).

“*Prudential*” shall mean The Prudential Insurance Company of America.

“*Prudential Affiliate*” shall mean (i) any corporation or other entity at least a majority of the Voting Stock (or equivalent voting securities or interests) of which is owned by Prudential either directly or through subsidiaries and (ii) any investment fund or investment advisory client which is managed by Prudential or a Prudential Affiliate described in clause (i) of this definition.

“*Purchasers*” shall mean Prudential and the other Series A Note Purchasers, with respect to the Series A Notes, and, with respect to any Accepted Notes, Prudential and/or the Prudential Affiliate(s) which are purchasing such Accepted Notes.

“*QPAM Exemption*” shall mean Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

“*Real Property*” shall mean each parcel of the real estate owned by any Obligor, as set forth on Schedule 5.10 hereto, together with all improvements and buildings thereon and all appurtenances, easements or other rights thereto belonging, and being defined collectively as the “Property” in each of the Mortgages.

“*Related Expenses*” shall mean any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, attorneys’ fees, legal expenses, judgments, suits and disbursements) (a) incurred by the holders of the Notes, or imposed upon or asserted against any holder of a Note, in any attempt by any holder of a Note to (i) obtain, preserve, perfect or enforce any Financing Agreement, Collateral Agreement or any security interest evidenced by any Financing Agreement or any Collateral Agreement; (ii) obtain payment, performance or observance of any and all of the Obligations; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the collateral securing the Obligations or any part thereof, including, without limitation, costs and expenses for appraisals, assessments and audits of any Obligor or any such collateral; or (b) incidental or related to (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate.

“*Request for Purchase*” is defined in Section 2.2.4.

“*Required Holders*” shall mean, at any time, the holders of at least 66-2/3% in principal amount of the Notes or Series of Notes, as the context may require, at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

“*Rescheduled Closing Day*” shall have the meaning specified in Section 2.2.8.

“*Responsible Officer*” shall mean any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“*Restatement Closing Date*” means March 13, 2009.

“*Restricted Payment*” shall mean, with respect to the Company or any Subsidiary, (a) any Capital Distribution, (b) any amount paid by the Company or such Subsidiary in repayment, redemption, retirement or repurchase, directly or indirectly, of any Subordinated Debt, or (c) any amount paid by the Company or such Subsidiary in respect of any management, consulting or other similar arrangement with any equity holder (other than the Company or a Subsidiary) of the Company, a Subsidiary or Affiliate in excess of the aggregate amount of One Hundred Thousand Dollars (\$100,000) in any fiscal year, or (d) any amount paid by the Company or such Subsidiary in repayment, redemption, retirement or repurchase, directly or indirectly, of any Debt incurred under or governed by the Credit Documents.

“*Revolving Credit Facility*” shall mean the Company’s principal revolving credit facility governed by the Credit Agreement.

“*Section 10.10 Consolidated Net Income*” shall mean for the Company and its Subsidiaries on a consolidated basis for any period, the net income (or loss) after taxes of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period, deemed in conformity with GAAP, subject to customary exclusions with respect to extraordinary and non-recurring items.

“*Section 10.10 Debt*” shall mean, as to any Person, all items that in conformity with GAAP would be shown on the balance sheet of such Person as a liability and in any event shall include (without duplication and regardless of whether such items would be shown on the balance sheet of such Person) (a) indebtedness for borrowed money or for notes, debentures or other debt securities, (b) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (c) reimbursement obligations in respect of letters of credit issued for the account of such Person (including any such obligations in respect of any drafts drawn thereunder), (d) liabilities for all or any part of the deferred purchase price of property or services, (e) liabilities secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by or is a primary liability of such Person, (f) Capital Lease Obligations, (g) Contingent Obligations, and (h) Off-Balance Sheet Liabilities.

“*Section 10.10. Interest Expense*” shall mean, as to any Person for any period, the aggregate interest expense and amortization of deferred loan costs of such Person and its Subsidiaries on a consolidated basis for such period (calculated without regard to any limitations on the payment thereof), imputed interest on Capital Leases, commissions, discounts and other fees and charges owed with respect to letters of credit and unused commitments and net costs under interest rate protection agreements, all as determined in conformity with GAAP.

“*Section 10.10 Rent Expense*” shall mean, as to any Person for any period, the aggregate rent and lease expenses recorded by such Person and its Subsidiaries on a consolidated basis in conformity with GAAP pursuant to any Operating Lease.

“*Securities Act*” shall mean the Securities Act of 1933, as amended from time to time.

“*Security Agreement*” shall mean each Security Agreement, executed and delivered by an Obligor in favor of Collateral Agent, dated as of the Restatement Closing Date, and any other Security Agreement executed on or after the Restatement Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“*Senior Financial Officer*” shall mean the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“*Series*” is defined in Section 1.2.

“*Series A Closing Day*” shall mean the date of the issuance and purchase of the Series A Note under the Original Note Agreement.

“*Series A Notes*” is defined in Section 1.

“*Series A Note Purchasers*” shall mean the Persons listed on Schedule A hereto.

“*Standard & Poor’s*” means Standard & Poor’s Ratings Group, a division of McGraw-Hill, Inc., and any successor to such company.

“*Structuring Fee*” shall have the meaning specified in Section 2.2.9(i).

“*Subordinated*” shall mean, as applied to Debt, Debt that shall have been subordinated in favor of the prior payment in full of the Obligations.

“*Subordination Agreement*” means a Subordination Agreement executed and delivered by a holder of Subordinated Debt, as the same may from time to time be amended, restated or otherwise modified.

“*Subsidiary*” shall mean, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“*Subsidiary Guaranty*” shall mean and include as to each Guarantor the obligations of the Guarantors pursuant to this Agreement including Section 23, as amended, modified, restated or supplemented (by joinder agreement in Exhibit 10.8(b) or otherwise) from time to time, each as satisfactory in form and substance to the Required Holders.

“*Subsidiary Stock*” shall mean, with respect to any Person, the stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Subsidiary of such Person.

“*Supplement*” is defined in Section 2.2.

“*Synthetic Lease*” shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an “operating lease” by the lessee pursuant to Statement of Financial Accounting Standards No. 13, as amended and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

“*Synthetic Lease Obligations*” shall mean, with respect to any Person, the sum of (i) all remaining rental obligations of such Person as lessee under Synthetic Leases which are attributable to principal and, without duplication, (ii) all rental and purchase price payment obligations of such Person under such Synthetic Leases assuming such Person exercises the option to purchase the lease property at the end of the lease term.

“*Tax*” shall mean any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“*Taxing Jurisdiction*” is defined in Section 13.

“*U.C.C.*” means the Uniform Commercial Code, as in effect from time to time in the State of New York.

“*U.C.C. Financing Statement*” means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time, in the relevant state or states.

“*U.S. Obligors*” shall mean and include the Company and each Obligor organized under the laws of the United States or any State thereof.

“*Voting Stock*” shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting powers by reason of the happening of any contingency).

“*Yield Maintenance Amount*” is defined in Section 8.7.

[ATTACH SCHEDULES]

B-22

Exhibit 1.1

[FORM OF SERIES A NOTE]

NN, INC.

[_____] Senior Note, Series A due April 26, 2014

No. [_____] [Date]
\$[_____] PPN 629337 A@5

For Value Received, the undersigned, NN, Inc. (herein called the “*Company*”), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] Dollars on April 26, 2014, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 8.50% per annum from the date hereof if no Event of Default (as defined in the Note Purchase Agreement referred to below) has occurred and is continuing, payable semiannually, on the twenty-sixth (26th) day of each April and October in each year, commencing with the April 26 or October 26 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on the unpaid balance hereof at the Default Rate (as defined in the Note Purchase Agreement referred to below) if an Event of Default has occurred and is continuing, and to the extent permitted by law on any overdue payment of interest and any Yield-Maintenance Amount (as defined in the Note Purchase Agreement referred to below), payable at the Default Rate semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Yield Maintenance Amount with respect to this Series A Note (as defined below) are to be made in lawful money of the United States of America at CitiBank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Series A Note as provided in the Note Purchase Agreements referred to below.

This Series A Note (herein called the “*Series A Note*”) is one of a series of senior notes issued pursuant to that certain Second Amended and Restated Note Purchase and Shelf Agreement, dated as of March 13, 2009, among between the Company and the respective Purchasers named therein, (as from time to time amended, the “*Note Purchase Agreement*”) and is entitled to the benefits thereof. Each holder of this Series A Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 21 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement, *provided* that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Series A Note is a registered Series A Note and, as provided in the Note Purchase Agreement, upon surrender of this Series A Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Series A Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Series A Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Series A Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Series A Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Yield Maintenance Amount) and with the effect provided in the Note Purchase Agreement.

This Series A Note is guaranteed pursuant to the Subsidiary Guarantees and is secured by the Security Agreements, and reference is hereby made to such Financing Agreements.

This Series A Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

NN, INC.

By
Name:
Title:

Exhibit 1.2

[FORM OF SHELF NOTE]

NN, INC.

_____ % Senior Note, Series ____ due _____

No. [_____] [Date]
\$[_____] PPN [_____]

For Value Received, the undersigned, NN, Inc. (herein called the “Company”), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] Dollars on _____, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of _____% per annum from the date hereof, payable [**quarterly**] [**semiannually**], on the twenty-sixth (26th) day of each [January.] April [, July] and October in each year, commencing with the [**January 26,**] April 26 [**July 26**] or October 26 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on the unpaid balance hereof at the Default Rate (as defined in the Note Purchase Agreement referred to below) if an Event of Default has occurred and is continuing, and to the extent permitted by law on any overdue payment of interest and any Yield Maintenance Amount (as defined in the Note Purchase Agreement referred to below), payable at the Default Rate [**quarterly**] [**semiannually**] as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Yield Maintenance Amount with respect to this Note are to be made in lawful money of the United States of America at Citibank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Series __ Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to an Amended and Restated Note Purchase Agreement and Shelf Agreement, dated as of December __, 2007 (as from time to time amended, the “Note Purchase Agreement”), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 21 of the Note Purchase Agreements and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement, *provided* that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA.

This Series __ Note is a registered Series __ Note and, as provided in the Note Purchase Agreement, upon surrender of this Series __ Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Series __ Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Series __ Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement [**as well as the following required repayments of principal:**_____]. This Series __ Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Series __ Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Yield Maintenance Amount) and with the effect provided in the Note Purchase Agreements.

This Series __ Note is guaranteed pursuant to the Subsidiary Guarantees and is secured by the Pledge Agreements, and reference is hereby made to such Financing Agreements.

This Series __ Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

NN, Inc.

By
Name:
Title:

Exhibit 2.2.4

[FORM OF REQUEST FOR PURCHASE]

NN, INC.

Reference is made to the Second Amended and Restated Note Purchase and Shelf Agreement, dated as of March 13, 2009 (as amended, restated, modified or supplemented from time to time, the "**Agreement**") among NN, Inc. (the "**Company**"), and the Guarantors named in the definition of such term (the Company, together with the Guarantors, collectively, the "**Obligors**"), on the one hand, and The Prudential Insurance Company of America, certain other Purchasers defined therein and each Prudential Affiliate which becomes a party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Section 2.2.4. of the Agreement, the Obligors hereby make the following Request for Purchase:

1. Aggregate principal amount of the Notes covered hereby ¹
(the "Notes").....\$

2. Individual specification of the Notes:

Principal Amount	Final Maturity Date ²	Principal Prepayment Dates and Amounts ³	Interest Payment Period ⁴
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3. Use or uses of proceeds of the Notes:

4. Proposed day for the closing of the purchase and sale of the Notes:

-
1. Minimum principal amount of \$10,000,000.
 2. Fixed Rate Shelf Note final maturity not to exceed 10 years.
 3. Fixed Rate Shelf Note average life not to exceed 7 years.
 4. Specify quarterly or semi-annually

EXHIBIT 2.2.4
(to Note Purchase Agreement)

5. The purchase price of the Notes is to be transferred to:

Name, Address
and ABA Routing
Number of Bank

Number of
Account

6. the Obligors certify (a) that the representations and warranties contained in Section 5 of the Agreement are true on and as of the date of this Request for Purchase and except as the schedules to the Agreement have been modified by written supplements delivered by the Obligors to Prudential and (b) that there exists on the date of this Request for Purchase no Event of Default or Default and, after giving effect to the issuance of Notes on the proposed Closing Date, no Event of Default or Default shall have occurred and be continuing.

Dated: [_____]

NN, INC.

By:
Name:
Title:

Exhibit 2.2.6

[FORM OF CONFIRMATION OF ACCEPTANCE]

NN, INC.

Reference is made to the Second Amended and Restated Note Purchase and Shelf Agreement, dated as of March 13, 2009 (as amended, restated, modified or supplemented from time to time, the "**Agreement**") among NN, Inc. (the "**Company**"), and the Guarantors named in the definition of such term (the Company, together with the Guarantors, collectively, the "**Obligors**"), on the one hand, and The Prudential Insurance Company of America, certain other Purchasers defined therein and each Prudential Affiliate which becomes a party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

The Prudential Affiliate which is named below as a Purchaser of Notes hereby confirms the representations as to such Notes set forth in Section 6 of the Agreement, and agrees to be bound by the provisions of Sections 2.2.6 and 2.2.8 of the Agreement relating to the purchase and sale of such Notes and by the provisions of Section 15 and 21 of the Agreement.

Pursuant to Section 2.2.6. of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Accepted Notes: Aggregate principal amount \$ _____

- (A) (a) Name of Purchaser:
 - (b) Principal amount:
 - (c) Final maturity date:
 - (d) Principal prepayment dates and amounts:
 - (e) Interest rate:
 - (f) Interest payment period⁵:
 - (i) Payment and notice instructions: As set forth on attached Purchaser Schedule

 - (B) (a) Name of Purchaser:
 - (b) Principal amount:
 - (c) Final maturity date:
 - (d) Principal prepayment dates and amounts:
 - (e) Interest rate:
 - (f) Interest payment period⁶:
 - (i) Payment and notice instructions: As set forth on attached Purchaser Schedule
-

[(C), (D)..... same information as above.]

II. Closing Day: [_____]

Dated: [_____]

NN, INC.

By:
Name:
Title:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By:
Name:
Title: Vice President

[PRUDENTIAL AFFILIATE]

By: _____
Vice President

⁵Specify quarterly or semi-annually.

⁶Specify quarterly or semi-annually.

EXHIBIT 2.2.6
(to Note Purchase Agreement)

Exhibit 4.3

Closing Documents

- (a) Domestic Security Agreements. A Security Agreement executed by the Company and each Domestic Subsidiary and such other documents or instruments, as may be required by the holders of the Notes to create or perfect the Liens of Collateral Agent in the assets of the Company or such Domestic Subsidiary.
- (b) Domestic Pledge Agreements. A Pledge Agreement executed by the Company and each Domestic Subsidiary that has a Subsidiary with respect to the Pledged Securities, (ii) appropriate transfer powers for each of the Pledged Securities, (iii) the Pledged Securities, and (iv) any other documentation (including legal opinions from foreign counsel) reasonably required by the holders of the Notes regarding the perfection of such Pledged Securities.
- (c) Domestic Intellectual Property Security Agreements. An Intellectual Property Security Agreement executed by the Company and each Domestic Subsidiary that owns federally registered intellectual property.
- (d) Domestic Real Estate Matters. With respect to each parcel of the Real Property owned by an Obligor:
- (i) a title insurance policy (or comparable foreign document) reasonably acceptable to the Collateral Agent issued to Collateral Agent by a title company acceptable to the Collateral Agent, in an amount equal to the lesser of \$130,000,000 or the appraised value of the Real Property insuring the Mortgage to be a valid, first-priority lien in the Real Property, free and clear of all defects and encumbrances except such matters of record as accepted by the Collateral Agent, in its sole discretion, and shown as permitted encumbrances in "Exhibit B" to the Mortgage, with such endorsements and affirmative insurance as Collateral Agent may require, including without limitation:
- (A) the deletion of all so-called "standard exceptions" from such policy other than any such exception which would require delivery of updated "as-built" surveys in order to make such deletion;
- (B) a so-called "comprehensive" endorsement in form and substance acceptable to Collateral Agent;
- (C) affirmative insurance coverage regarding access, compliance with respect to restrictive covenants and any other matters to which Collateral Agent may have objection or require affirmative insurance coverage; and
- (D) the results of a federal tax lien search in the county wherein the Real Property is located and such Obligor has its principal place of business;

Exhibit 4.3
(to Note Purchase Agreement)

- (ii) evidence, to Collateral Agent's satisfaction in its sole discretion, that no portion of such Real Property is located in a Special Flood Hazard Area or is otherwise classified as Class A or Class BX on the Flood Maps maintained by the Federal Emergency Management Agency;
 - (iii) two fully executed originals of the Mortgage with respect to such Real Property; and
 - (iv) a local real estate counsel legal opinion, to be in form and substance satisfactory to the Purchasers.
- (e) Intercreditor Agreement. The Intercreditor Agreement.
- (f) Lien Searches. With respect to the property owned or leased by any U.S. Obligor, and any other property securing the Obligations, (i) the results of Uniform Commercial Code lien searches, satisfactory to the holders of the Notes (ii) the results of federal and state tax lien and judicial lien searches, satisfactory to the holders of the Notes and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 10.10 hereof.
- (g) Officer's Certificate, Resolutions, Organizational Documents. An officer's certificate certifying the names of the officers of such Obligor authorized to sign the Financing Agreements being executed on the Restatement Closing Date, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors of such Obligor evidencing approval of the execution and delivery of such Financing Agreements and the execution of other Collateral Agreements to which such Obligor is a party, and (ii) the articles of incorporation, operating agreement or equivalent formation documents, and bylaws or equivalent governing documents (each as amended or otherwise modified) of such Obligor.
- (h) Good Standing and Full Force and Effect Certificates. A good standing certificate or full force and effect certificate (or comparable foreign documentation, if any), as the case may be, for each Obligor, issued within thirty (30) days prior to the Restatement Closing Date by the Secretary of State (or comparable foreign entity) in the state or states where such Obligor is incorporated or formed or qualified as a foreign entity.
- (i) Insurance Certificate. Evidence of insurance on ACORD 25 and 27 or 28 form, and otherwise satisfactory to the holders of the Notes, of adequate real property, personal property and liability insurance of each Obligor, with Collateral Agent listed as mortgagee, lender's loss payee and additional insured, as appropriate.
- (j) Fee Letter. The Fee Letter.

Exhibit 4.4(a)

**DESCRIPTION OF OPINION OF COUNSEL
TO THE U.S. OBLIGORS**

The respective opinions of Blackwell Sanders LLP, counsel for the U.S. Obligors, which are called for by Section 4.4A(a) and Section 4.4B(a) of the Second Amended and Restated Note Purchase and Shelf Agreement (“Note Purchase Agreement”), shall be dated the date of such agreement or the issuance of Shelf Notes, as applicable, and addressed to the Purchasers, shall be satisfactory in scope and form to the Purchasers and shall be to the effect that:

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, is qualified as a foreign corporation in each jurisdiction wherein the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on the Company, and, has the corporate power and the corporate authority to execute and perform the Note Purchase Agreements and to issue the Notes.
2. Each Guarantor organized under the laws of the United States is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, is qualified as a foreign jurisdiction wherein the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on such Guarantor, and, has the corporate power and corporate authority to execute and perform the Subsidiary Guarantee, and all of the issued and outstanding shares of capital stock of each such Guarantor have been duly issued, are fully paid and non-assessable and are owned by the Company, by one or more Guarantors, or by the Company and one or more Guarantors.
3. Each Financing Agreement has been duly authorized by all necessary corporate action on the part of the U.S. Obligors, has been duly executed and delivered by the U.S. Obligors and constitutes the legal and valid contract of the U.S. Obligors enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors’ rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).
4. No approval, consent or withholding of objection on the part of, or filing, registration or qualification with, any governmental body, Federal or state, is necessary in connection with the execution and delivery of the Financing Agreements.
5. The issuance and sale of the Notes and the execution, delivery and performance by the U.S. Obligors of the Financing Agreements do not conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien upon any of the property of the U.S. Obligors pursuant to the provisions of the Articles of Incorporation or By-laws of each U.S. Obligor or any Material agreement or other instrument known to such counsel to which an U.S. Obligor is a party or by which an U.S. Obligor may be bound

Exhibit 4.4(a)
(to Note Purchase Agreement)

6. To our knowledge, after due inquiry, there is no litigation pending or threatened against or affecting U.S. Obligors, at law or in equity which could reasonably be expected to materially adversely effect, individually or in the aggregate, the properties, business, prospects, profits or condition (financial or otherwise) of the U.S. Obligors or which could impair the ability of the U.S. Obligors to carry on their business as now conducted or impair the ability of the U.S. Obligors to comply with the provisions of and perform its obligations under the Financing Agreements.

7. Neither the issuance of the Notes, nor the use of the proceeds of the sale of the Notes, will violate or conflict with Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States of America.

8. The issuance, sale and delivery of the Notes and the Subsidiary Guarantee under the circumstances contemplated by the Note Purchase Agreements do not, under existing law, require the registration of the Notes or the Subsidiary Guarantee under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

9. No Obligor organized under the laws of the United States is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended.

[Collateral opinions from the Restatement Closing Date.]

Each opinion of Blackwell Sanders LLP shall cover such other matters relating to the sale of the Notes as the Purchasers may reasonably request. Each opinion of Blackwell Sanders LLP shall assume, for the purposes of the opinions in paragraphs 3 and 4 above relating to enforceability, that the laws of the State of Nebraska are identical to the laws of the State of New York. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and officers of the Company.

Exhibit 10.8(b)

FORM OF JOINDER TO NOTE PURCHASE AGREEMENTS

This Joinder to Note Purchase Agreement (this "*Agreement*"), dated as of _____, 20__, is made by _____, a _____ (the "*Additional Guarantor*"), in favor of those several holders (the "*Holder*s") under the Note Purchase Agreement (as hereinafter defined), and _____, as noteholder collateral agent (the "*Collateral Agent*").

RECITALS:

A. The Purchasers listed in Schedule A thereto, NN, Inc. as the Company, and certain Subsidiaries of the Company becoming parties thereto as Guarantors are parties to at certain Second Amended and Restated Note Purchase and Shelf Agreement, dated as of March 13, 2009 (as the same heretofore may have been and/or hereafter may be amended, restated, supplemented, extended, renewed, replaced or otherwise modified from time to time, the "*Note Purchase Agreements*"; except as otherwise defined herein, terms used herein and defined in the Note Purchase Agreements shall be used herein as so defined), pursuant to which the Company has issued an aggregate of \$40,000,000 8.50% Senior Notes, Series A, due April 26, 2014, the Holders or certain of them, have established a shelf facility for the Company, and the Company has or may issue certain Shelf Notes (as defined therein) thereunder, all as more specifically described in the Note Purchase Agreement.

B. Pursuant to the Note Purchase Agreement, the Guarantors have guaranteed the due and punctual payment and performance of all of the Obligations of the Company under the Note Purchase Agreements and the other Financing Agreements.

C. Pursuant to the Note Purchase Agreement, the Company is required to cause the Additional Guarantor to execute and deliver to the Collateral Agent this Agreement, and the Additional Guarantor desires to execute and deliver this Agreement to satisfy such requirement and condition.

AGREEMENTS:

Now, Therefore, in consideration of the premises and in order to ensure the Company's compliance with the Note Purchase Agreements, the Additional Guarantor hereby agrees as follows:

1. *Additional Guarantor.* The Additional Guarantor hereby assumes all obligations of a Guarantor under and shall be a Guarantor for all purposes of the Note Purchase Agreement and shall be fully liable thereunder to the Collateral Agent and the Holders to the same extent and with the same effect as though the Additional Guarantor had been one of the Guarantors originally executing and delivering the Note Purchase Agreements. Without limiting the foregoing:

Exhibit 10.8(b)
(to Note Purchase Agreement)

(a) the Additional Guarantor hereby unconditionally and irrevocably guarantees to the Collateral Agent and the Holders the due and punctual payment and performance of all the Obligations of the Company, in each case as and when the same shall become due and payable, whether at maturity, by acceleration, mandatory prepayment, declaration or otherwise, according to their terms;

(b) in case of failure by the Company punctually to pay or perform the Obligations, the Additional Guarantor hereby unconditionally and irrevocably agrees to cause such payment or performance to be made punctually as and when the same shall become due and payable, whether at maturity, by acceleration, by prepayment, declaration or otherwise, and as if such payment or performance were made by the Company;

(c) the foregoing guarantee shall be a guarantee of payment and performance and not merely of collection;

(d) the foregoing guarantee is subject to the limitations expressly provided in subsections (a) and (b) of Section 23.2 of the Note Purchase Agreement and is subject to the other terms and conditions governing the guarantee of Guarantors under the Note Purchase Agreement (including, without limitation, Section 23.4 thereof), and the Additional Guarantor shall be entitled to all of the benefits and rights provided to a Guarantor under Section 23.3 of the Note Purchase Agreements; and

(e) the obligations of the Additional Guarantor with respect to the Obligations shall be joint and several with those of the other Guarantors, and all references in the Note Purchase Agreements to the "Guarantors" or any "Guarantor" shall be deemed to include and to refer to the Additional Guarantor.

2. *Waiver.* Without limitation of the Note Purchase Agreement, the Additional Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Company or any other Person, or any Collateral granted as security for the obligations or the Guaranteed Obligations. The Additional Guarantor hereby specifically waives any right to require that an action be brought against the Company or any other Principal Obligor with respect to the Guaranteed Obligations.

3. *Waiver of Reimbursement, Subrogation, Etc.* Without limitation of the Note Purchase Agreement, the Additional Guarantor hereby waives to the fullest extent possible as against the Company and its assets any and all rights, whether at law, in equity, by agreement or otherwise, to subrogation, indemnity, reimbursement, contribution, exoneration, or any other similar claim, cause of action, right or remedy that otherwise would arise out of the Additional Guarantor's performance of its obligations to the Collateral Agent or any Holder under this Agreement or the Note Purchase Agreement. The preceding waiver is intended by the Additional Guarantor, the Collateral Agent and the Holders to be for the benefit of the Company or any of its successors and permitted assigns as an absolute defense to any action by such Additional Guarantor against the Company or its assets that arises out of such Additional Guarantor's having made any payment to the Collateral Agent or any Holder with respect to any of the Company's Obligations guaranteed hereunder.

4. *Governing Law.* Unless otherwise expressly set forth herein, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without reference to the conflicts or choice of law principles thereof.
5. *Consent to Jurisdiction.* The Additional Guarantor hereby irrevocably consents to the personal jurisdiction of the New York state and federal courts located in Borough of Manhattan, City of New York in any action, claim or other proceeding arising out of any dispute in connection with this Agreement, the Note Purchase Agreements, the Notes and the other Financing Agreements, any rights or obligations hereunder or thereunder or the performance of such rights and obligations. The Additional Guarantor hereby irrevocably consents to the service of a summons and complaint and other process in any action, claim or proceeding brought by the Collateral Agent or any Holder in connection with this Agreement, the Note Purchase Agreements, the Notes or the other Financing Agreements, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations, on behalf of itself or its property, in the manner specified in Section 19 of the Note Purchase Agreements and at the address specified opposite the Additional Guarantor herein. Nothing in this Section 5 shall affect the right of the Collateral Agent or any Holder to serve legal process in any other manner permitted by law or affect the right of the Collateral Agent or any Holder to bring any action or proceeding against the Additional Guarantor or its properties in the Courts of any other jurisdictions.
6. *Waiver of Jury Trial.* The Collateral Agent, each Holder, and the Additional Guarantor hereby irrevocably waive their respective rights to a jury trial with respect to any action, claim or other proceeding arising out of any dispute in connection with this Agreement, the Note Purchase Agreements, the Notes or the other Financing Agreements, any rights or obligations hereunder or thereunder or the performance of such rights and obligations. The scope of this waiver is intended to be all-encompassing with respect to any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the parties hereto (i) acknowledges that this waiver is a material inducement for the parties to the Financing Agreements to enter into a business relationship, that the parties to the Financing Agreements have already relied on this waiver in entering into same and the transactions that are the subject thereof and that they will continue to rely on this waiver in their related future dealings, and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing, and this waiver shall apply to any subsequent amendments, modifications, supplements, extensions, renewals and/or replacements of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.
7. *Severability.* Any provision of this Agreement that is prohibited or unenforceable with respect to any Person or circumstance or in any jurisdiction shall, as to such Person, circumstance or jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision with respect to other Persons or circumstances or in any other jurisdiction.

8. *Subordination of Debt.* Any indebtedness of the Company for borrowed money now or hereafter owed to the Additional Guarantor is hereby subordinated in right of payment to the payment by the Company of the Obligations such that if a default in the payment of the Obligations shall have occurred and be continuing, any such indebtedness of the Company owed to the Additional Guarantor, if collected or received by the Additional Guarantor, shall be held in trust by the Additional Guarantor for the holders of the Obligations and be paid over to the Collateral Agent for application in accordance with the Note Purchase Agreements and the other Financing Agreements.

9. *Final Agreement.* This written agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

In Witness Whereof, the Additional Guarantor has caused this Agreement to be duly executed and delivered by its duly authorized officer or other representative as of the date first above written:

Additional Guarantor:

ADDITIONAL GUARANTOR:

By: _____

Name: _____

Title: _____

Address for notices
under Section 19
of
the Note Purchase Agreement

Exhibit 10.8(b)-5

Exhibit 10.9(h)

Terms of Subordinated Debt

1. All Subordinated Debt shall be subordinate in right of payment to the prior payment in full in cash of all existing and future Obligations and any other Debt referenced in the Intercreditor Agreement (collectively, the “Senior Debt”), and shall be unsecured.
 2. The agreements governing any Subordinated Debt may not provide for the making of any scheduled or required payment of principal in respect of such Subordinated Debt prior to the day that is six months after the termination of the Commitment Period unless the Senior Debt and any other Debt referenced in the Intercreditor Agreement, shall have otherwise been indefeasibly paid in full and the Commitment terminated.
 3. The agreements governing any Subordinated Debt may not provide that such Subordinated Debt is in default solely because of the occurrence of a Default or Event of Default (but may provide that such Subordinated Debt is in default in the event of the acceleration of the maturity of the Obligations).
 4. No payment of any kind may be made in respect of any Subordinated Debt (a) after the occurrence and during the continuance of a Default under Section 11, (b) if the maturity of any of the Obligations has been accelerated or deemed accelerated by virtue of the occurrence of an Event of Default, or (c) if any Event of Default (other than one described in clause 4(a) hereof) shall have occurred and the holders of the Notes shall have issued a notice to the Company prohibiting the making of any payments in respect of Subordinated Debt (a “Payment Blockage Notice”). A Payment Blockage Notice shall be effective for a period ending upon the earlier of (i) one year following the issuance thereof or (ii) the day on which the Event of Default giving rise to such Payment Blockage Notice has been waived by the Required Holders; provided that payments in respect of Subordinated Debt may not be resumed following the expiration of a Payment Blockage Notice if clause 4(a) or clause 4(b) above has become applicable at or prior to such expiration.
 5. In the event of any payment or distribution of property or securities to creditors of the Company or any Guarantor in a liquidation or dissolution thereof or in a bankruptcy, insolvency, reorganization, receivership or similar case or proceeding involving the Company or any Guarantor or any property thereof, or pursuant to any assignment for the benefit of creditors of the Company or any Guarantor or any marshaling of any assets thereof:
 - (a) the holders of the Senior Debt shall be entitled to receive full payment thereof (including any interest accruing after the commencement of any such case or proceeding at the interest rate applicable thereto pursuant to the terms of the Obligations, regardless of whether a claim for such interest would be allowed in such case or proceeding) in cash before the holders of Subordinated Debt shall be entitled to receive any payment in respect of such Subordinated Debt; and
-

(b) until all of the Senior Debt have been paid in full in cash, any payment or distribution to which holders of Subordinated Debt would be entitled (but for this clause (b)) shall be made to the holders of the Obligations, and the holders of the Obligations shall have the right to collect, receive and retain same.

6. A holder of Subordinated Debt may not take any action (including but not limited to the institution of a civil action to collect such Subordinated Debt) until after the termination of a standstill period commencing on the date on which such holder gives written notice to the holders of the Notes that a payment default has occurred in respect of such Subordinated Debt and ending upon the first to occur of:

- (i) the day that is one hundred eighty (180) days after the date of such written notice,
- (ii) the acceleration of the maturity of the Obligations, the institution of a civil action to collect the Obligations and/or the exercise by the holders of the Notes of remedies with respect to collateral securing the Obligations,
- (iii) the institution of any case or proceeding described in Paragraph 5 above by or against the Company, or
- (iv) full and final payment in cash of the Senior Debt.

If a holder of Subordinated Debt is made whole by virtue of the making at the end of the standstill period of any payments (with default interest) not made during the standstill period, then such holder may not take any action (including but not limited to the institution of a civil action to collect such Subordinated Debt) at the end of the standstill period.

7. If any holder of Subordinated Debt receives any payment or distribution in respect of such Subordinated Debt at a time when such payment or distribution is prohibited by Paragraph 4 or Paragraph 5 above, the recipient shall hold such payment or distribution in trust for the benefit of the holders of the Senior Debt and forthwith shall pay the same to such holders to the extent necessary to pay the Senior Debt in full (after giving effect to any concurrent payment or distribution to the holders of the Senior Debt). To the extent of any amounts so paid to holders of the Senior Debt by or on behalf of holders of Subordinated Debt, such holders of Subordinated Debt will be subrogated to the rights of such holders of the Senior Debt; provided that such holders of Subordinated Debt may not enforce such subrogation rights until the Senior Debt have been fully and finally paid in cash.

8. If any obligation, payment or distribution in respect of the Senior Debt (whether consisting of a payment or proceeds of security or the exercise of a right of setoff or otherwise) is declared invalid, fraudulent or preferential or otherwise is set aside or required to be returned or repaid, any Senior Debt purportedly satisfied by any such payment or distribution shall be deemed reinstated and outstanding as if such payment or distribution had not occurred.

**AMENDED AND RESTATED
CREDIT AGREEMENT**

among

**NN, INC.
as US Borrower**

and

**THE FOREIGN BORROWERS NAMED HEREIN
collectively, as Borrowers**

**THE LENDERS NAMED HEREIN
as Lenders**

**KEYBANK NATIONAL ASSOCIATION
as Lead Arranger, Book Runner and Administrative Agent**

and

**REGIONS BANK
as Swing Line Lender**

**dated as of September 21, 2006,
as amended and restated as of March 13, 2009**

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This AMENDED AND RESTATED CREDIT AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 21st day of September, 2006, as amended and restated as of the 13th day of March, 2009 among:

- (a) NN, INC., a Delaware corporation ("US Borrower");
- (b) each Foreign Borrower, as hereinafter defined (each such Foreign Borrower, together with US Borrower shall be referred to herein, collectively, as "Borrowers" and, individually, each a "Borrower");
- (c) the lenders listed on Schedule 1 hereto and each other Eligible Transferee, as hereinafter defined, that from time to time becomes a party hereto pursuant to Section 11.10 hereof (collectively, the "Lenders" and, individually, each a "Lender");
- (d) KEYBANK NATIONAL ASSOCIATION, as the lead arranger, book runner and administrative agent for the Lenders under this Agreement ("Agent"); and
- (e) REGIONS BANK (successor by merger to AmSouth Bank), as the swing line lender, and any successor provider of the Swing Line Commitment (as hereinafter defined) reasonably acceptable to Agent ("Swing Line Lender").

WITNESSETH:

WHEREAS, Borrowers, Agent and the Lenders named therein entered into that certain Credit Agreement, dated as of September 21, 2006 (as amended, the "Original Credit Agreement");

WHEREAS, this Agreement amends and restates in its entirety the Original Credit Agreement and, upon the effectiveness of this Agreement, the terms and provisions of the Original Credit Agreement shall be superseded hereby. All references to "Credit Agreement" contained in the Loan Documents, as defined in the Original Credit Agreement, delivered in connection with the Original Credit Agreement shall be deemed to refer to this Agreement. Notwithstanding the amendment and restatement of the Original Credit Agreement by this Agreement, the obligations outstanding (including, but not limited to, the letters of credit issued and outstanding) under the Original Credit Agreement as of March 13, 2009 shall remain outstanding and constitute continuing Obligations hereunder. Such outstanding Obligations and the guaranties of payment thereof shall in all respects be continuing, and this Agreement shall not be deemed to evidence or result in a novation or repayment and re-borrowing of such Obligations. In furtherance of and, without limiting the foregoing, from and after the date hereof and except as expressly specified herein, the terms, conditions, and covenants governing the obligations outstanding under the Original Credit Agreement shall be solely as set forth in this Agreement, which shall supersede the Original Credit Agreement in its entirety;

WHEREAS, US Borrower has requested (and Agent and the Lenders have agreed) that this Agreement shall provide for (a) the addition of the Foreign Subsidiaries listed in Schedule 2 hereto as Foreign Borrowers on or before the Foreign Borrower Addition Date pursuant to Section 2.13(a) hereof, and that the Foreign Borrowers be permitted to borrow up to the aggregate amount of Forty Million Dollars (\$40,000,000) of the Total Commitment Amount, and (b) the addition of the Foreign Subsidiaries listed in Schedule 3 hereto as Foreign Guarantors of Payment on or before the Foreign Borrower Addition Date pursuant to Section 2.13(b) hereof;

WHEREAS, it is the intent of Borrowers, Agent and the Lenders that the provisions of this Agreement be effective commencing on the Restatement Closing Date; and

WHEREAS, Borrowers, Agent and the Lenders desire to contract for the establishment of credits in the aggregate principal amounts hereinafter set forth, to be made available to Borrowers upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

“Account” means an account, as defined in the U.C.C.

“Account Debtor” means any Person obligated to pay all or any part of any Account in any manner and includes (without limitation) any Guarantor thereof.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person (other than a Company), or any business or division of any Person (other than a Company), (b) the acquisition of in excess of fifty percent (50%) of the outstanding capital stock (or other equity interest) of any Person (other than a Company), or (c) the acquisition of another Person (other than a Company) by a merger, amalgamation or consolidation or any other combination with such Person.

“Acquisition Pro Forma Effect” means, in making any calculation hereunder to which such term is applicable, including any calculation necessary to determine whether the US Borrower is in compliance with Section 5.7 hereof, or whether a Default would result from any Acquisition, (a) any Acquisition made during the most recent twelve (12) month period (the “Reference Period”) ending on and including the date of determination (the “Calculation Date”) shall be assumed to have occurred on the first day of the Reference Period, (b) Consolidated Funded Indebtedness, and the application of proceeds therefrom, incurred or to be incurred in connection with any Acquisition made or to be made during the Reference Period shall be assumed to have arisen or occurred on the first day of the Reference Period, (c) there shall be excluded any interest expense in respect of Consolidated Funded Indebtedness outstanding during the Reference Period that was or is to be refinanced with proceeds of Indebtedness incurred or to be incurred in connection with any Acquisition made or to be made during the Reference Period, (d) interest expense in respect of Consolidated Funded Indebtedness bearing a floating rate of interest and assumed to have been incurred on the first day of the Reference Period shall be calculated on the basis of the average rate in effect under this Agreement for Base Rate Loans throughout the period such Consolidated Funded Indebtedness is assumed to be outstanding, and (e) rent expense shall include actual rent expense incurred by any Person, operating unit or business acquired during the Reference Period, plus rent expense projected for the twelve (12) month period following the date of actual incurrence thereof in respect of any operating lease entered into or to be entered into in connection with any Acquisition made during the Reference Period, which projected rent expense shall be deemed to have been incurred on the first day of the Reference Period.

“Additional Foreign Borrower Assumption Agreement” means each of the Additional Foreign Borrower Assumption Agreements executed by a Foreign Borrower, as applicable, after the Restatement Closing Date, in the form of the attached Exhibit G, as the same may from time to time be amended, restated or otherwise modified.

“Administrative Borrower” means US Borrower.

“Advantage” means any payment (whether made voluntarily or involuntarily, by offset of any deposit or other indebtedness or otherwise) received by any Lender in respect of the Obligations, if such payment results in that Lender having less than its pro rata share (based upon its Commitment Percentage) of the Obligations then outstanding.

“Affiliate” means any Person, directly or indirectly, controlling, controlled by or under common control with a Company and “control” (including the correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means the power, directly or indirectly, to direct or cause the direction of the management and policies of a Company, whether through the ownership of voting securities, by contract or otherwise.

“Agent” means that term as defined in the first paragraph hereof.

“Agent Fee Letter” means the Agent Fee Letter between US Borrower and Agent, dated as of the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“Agreement” means that term as defined in the first paragraph hereof.

“Alternate Currency” means Euros or any other currency, other than Dollars, agreed to by Agent that shall be freely transferable and convertible into Dollars.

“Alternate Currency Exposure” means, at any time and without duplication, the sum of the Dollar Equivalent of (a) the aggregate principal amount of Alternate Currency Loans outstanding to US Borrower, and (b) the Foreign Borrower Exposure.

“Alternate Currency Loan” means a Revolving Loan described in Section 2.2(a) hereof, that shall be denominated in an Alternate Currency and on which a Borrower shall pay interest at a rate based upon the Derived LIBOR Fixed Rate applicable to such Alternate Currency.

“Alternate Currency Maximum Amount” means an amount equal to the Total Commitment Amount.

“Alternate Currency Rate” means, with respect to an Alternate Currency Loan, for any Interest Period, a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the nearest 1/16th of 1%) by dividing (a) the rate of interest, determined by Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) as of approximately 11:00 A.M. (London time) two Business Days prior to the beginning of such Interest Period pertaining to such Alternate Currency Loan, as listed on British Bankers Association Interest Rate LIBOR 01 or 02 as provided by Reuters (or, if for any reason such rate is unavailable from Reuters, from any other similar company or service that provides rate quotations comparable to those currently provided by Reuters) as the rate in the London interbank market for deposits in the relevant Alternate Currency in immediately available funds with a maturity comparable to such Interest Period, provided that, in the event that such rate quotation is not available for any reason, then the Alternate Currency Rate shall be the average (rounded upward to the nearest 1/16th of 1%) of the per annum rates at which deposits in immediately available funds in the relevant Alternate Currency for the relevant Interest Period and in the amount of the Alternate Currency Loan to be disbursed or to remain outstanding during such Interest Period, as the case may be, are offered to Agent (or an affiliate of Agent, in Agent’s discretion) by prime banks in any Alternate Currency market reasonably selected by Agent, determined as of 11:00 A.M. (London time) (or as soon thereafter as practicable), two Business Days prior to the beginning of the relevant Interest Period pertaining to such Alternate Currency Loan hereunder; by (b) 1.00 minus the Reserve Percentage.

“Amended and Restated Agent Fee Letter” means the Amended and Restated Agent Fee Letter between US Borrower and Agent, dated as of the Restatement Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“Amendment Closing Fee Letter” means the Amendment Closing Fee Letter between US Borrower and Agent, dated as of the Restatement Closing Date.

“Applicable Margin” means (a) four hundred (400.00) basis points for LIBOR Fixed Rate Loans, and (b) three hundred fifty (350.00) basis points for Base Rate Loans.

“Approved Depository” means Regions Bank and any other bank whose short-term commercial paper rating from Standard & Poor’s is at least A-1, or the equivalent thereof, or from Moody’s is at least P-1, or the equivalent thereof.

"Asset Disposition Account" means that term as defined in Section 2.11(c)(i) hereof.

“Assignment Agreement” means an Assignment and Acceptance Agreement in the form of the attached Exhibit F.

“Authorized Officer” means a Financial Officer or other individual authorized by a Financial Officer in writing (with a copy to Agent) to handle certain administrative matters in connection with this Agreement.

“Bank Group Share” means, with respect to a Mandatory Prepayment, as determined on the date such Mandatory Prepayment is to be made, an amount equal to (a) the Total Commitment Amount (or, after the Commitment Period, the aggregate amount of the Revolving Credit Exposure), divided by the sum of (i) the Total Commitment Amount (or, after the Commitment Period, the aggregate amount of the Revolving Credit Exposure), plus (ii) the aggregate principal outstanding on the Senior Notes; multiplied by (b) the amount of such Mandatory Prepayment.

“Bank Product Agreements” means those certain cash management service and other agreements entered into from time to time between a Company and Agent or a Lender (or an affiliate of a Lender) in connection with any of the Bank Products.

“Bank Product Obligations” means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by a Company to Agent or any Lender (or an affiliate of a Lender) pursuant to or evidenced by the Bank Product Agreements.

“Bank Products” means any service or facility extended to a Company by Agent or any Lender (or an affiliate of a Lender) including (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, and (f) cash management, including controlled disbursement, accounts or services.

“Base Rate” means a rate per annum equal to the highest of (a) the Prime Rate, (b) one-half of one percent (.50%) in excess of the Federal Funds Effective Rate, and (c) one hundred (100) basis points in excess of the Eurodollar Rate for loans with an Interest Period of one month. Any change in the Base Rate shall be effective immediately from and after such change in the Base Rate.

“Base Rate Loan” means a Revolving Loan described in Section 2.2(a) hereof, that shall be denominated in Dollars and on which a Borrower shall pay interest at a rate based on the Derived Base Rate.

“Borrower” means that term as defined in the first paragraph hereof.

“Borrowers” means that term as defined in the first paragraph hereof.

“Business Day” means any day that is not a Saturday, a Sunday or another day of the year on which national banks are authorized or required to close in Cleveland, Ohio, and, in addition, (a) if the applicable Business Day relates to a LIBOR Fixed Rate Loan, a day of the year on which dealings in deposits are carried on in the London interbank Eurodollar market, and (b) if the applicable Business Day relates to an Alternate Currency, a day of the year on which dealings in deposits are carried on in the relevant Alternate Currency.

“Capital Distribution” means a payment made, liability incurred or other consideration given by a Company to any Person that is not a Company, for the purchase, acquisition, redemption, repurchase, payment or retirement of any capital stock or other equity interest of such Company or as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of such Company) in respect of such Company’s capital stock or other equity interest.

“Capitalization Ratio” means, as determined for the most recently completed fiscal quarter of US Borrower (and on any other date Agent and the Required Lenders shall reasonably require), on a Consolidated basis and in accordance with GAAP, the ratio of (a) Consolidated Funded Indebtedness, to (b) Consolidated Total Capitalization.

“Capitalized Lease Obligations” means obligations of the Companies for the payment of rent for any real or personal property under leases or agreements to lease that, in accordance with GAAP, have been or should be capitalized on the books of the lessee and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateral Account” means a commercial Deposit Account designated “cash collateral account” and maintained by US Borrower with Collateral Agent, without liability by Collateral Agent or the Lenders to pay interest thereon, from which account Collateral Agent, on behalf of the Lenders and the holders of the Senior Notes, shall have the exclusive right to withdraw funds until all of the Senior Indebtedness (as defined in the Intercreditor Agreement) is paid in full.

“Cash Equivalent” means cash equivalent as determined in accordance with GAAP.

“Change in Control” means (a) the acquisition of, or, if earlier, the shareholder or director approval of the acquisition of, ownership or voting control, directly or indirectly, beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Securities Exchange Act of 1934, as then in effect) or of record, on or after the Closing Date, by any Person or group (within the meaning of Sections 13d and 14d of the Securities Exchange Act of 1934, as then in effect), of shares representing more than thirty-five percent (35%) of the aggregate ordinary Voting Power represented by the issued and outstanding capital stock of US Borrower; (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors or other governing body of US Borrower by Persons who were neither (i) nominated by the board of directors or other governing body of US Borrower nor (ii) appointed by directors so nominated; (c) if US Borrower shall cease to own, directly or indirectly, one hundred percent (100%) of the record and beneficial ownership of each other Borrower; or (d) the occurrence of a change in control, or other similar provision, as defined in any Material Indebtedness Agreement.

“Closing Date” means September 21, 2006.

“Closing Fee Letter” means the Closing Fee Letter between US Borrower and Agent, dated as of the Closing Date.

“Code” means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

“Collateral” means the collateral granted from time to time by the Credit Parties to Collateral Agent pursuant to the Security Documents.

“Collateral Agent” means Agent acting as Collateral Agent for the Secured Creditors pursuant to the Security Documents and the Intercreditor Agreement, and any successor designated as Collateral Agent pursuant to Section 9.15 hereof.

“Commitment” means the obligation hereunder of the Lenders, during the Commitment Period, to make Loans and to participate in the issuance of Letters of Credit pursuant to the Revolving Credit Commitment, up to the Total Commitment Amount.

“Commitment Percentage” means, for each Lender, the percentage set forth opposite such Lender’s name under the column headed “Commitment Percentage”, as listed in Schedule 1 hereto (taking into account any assignments pursuant to Section 11.10 hereof).

“Commitment Period” means the period from the Closing Date to September 20, 2011, or such earlier date on which the Commitment shall have been terminated pursuant to Article VIII hereof.

“Companies” means all Borrowers and all Subsidiaries of all Borrowers.

“Company” means a Borrower or a Subsidiary of a Borrower.

“Compliance Certificate” means a Compliance Certificate in the form of the attached Exhibit E.

“Consideration” shall mean, in connection with an Acquisition, the aggregate consideration paid or to be paid, including borrowed funds, cash, deferred payments, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment of consulting fees or fees for a covenant not to compete and any other consideration paid or to be paid for such Acquisition.

“Consignee’s Waiver” means a consignee’s waiver (or similar agreement), in form and substance reasonably satisfactory to Agent, delivered by a Company in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

“Consolidated” means the resultant consolidation of the financial statements of US Borrower and its Subsidiaries in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in Section 6.14 hereof.

“Consolidated Adjusted Net Worth” means, as of the date of any determination thereof, the Consolidated Net Worth as of such date, plus (but without duplication and only to the extent excluded or deducted from stockholders’ equity) any goodwill on the US Borrower’s balance sheet as of December 31, 2006 which is subsequently written off.

“Consolidated Capital Expenditures” means, for any period, the amount of capital expenditures of US Borrower, as determined on a Consolidated basis and in accordance with GAAP; provided that any capital expenditures made for an Acquisition permitted pursuant to Section 5.13 hereof shall be excluded from the calculation of Consolidated Capital Expenditures.

“Consolidated Depreciation Charges” means, for any period, the aggregate of all depreciation charges for fixed assets, leasehold improvements and general intangibles (excluding goodwill) of US Borrower for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Depreciation and Amortization Charges” means, for any period, the aggregate of all depreciation and amortization charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) of US Borrower for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated EBITDA” means, for any period, as determined on a Consolidated basis and after giving Acquisition Pro Forma Effect to any Acquisition made during such period, Consolidated Net Earnings for such period plus, without duplication, the aggregate amounts deducted in determining such Consolidated Net Earnings in respect of (a) Consolidated Interest Expense, (b) Consolidated Income Tax Expense, (c) Consolidated Depreciation and Amortization Charges, (d) cash restructuring charges in an aggregate amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000), and (e) (i) non-recurring non-cash charges incurred in accordance with GAAP, minus (ii) extraordinary or unusual non-cash gains not incurred in the ordinary course of business but that were included in the calculation of Consolidated Net Earnings for such period; provided that, for purposes of calculating the Leverage Ratio and the applicable financial covenants set forth in Section 5.7 hereof, Consolidated EBITDA shall be deemed to be (A) Fifteen Million One Hundred Sixteen Thousand Dollars (\$15,116,000) for the fiscal quarter ended March 31, 2008, (B) Nineteen Million Two Hundred Eighty-Three Thousand Dollars (\$19,283,000) for the fiscal quarter ended June 30, 2008, (C) Eleven Million Seven Hundred Thirty-Five Thousand Dollars (\$11,735,000) for the fiscal quarter ended September 30, 2008, and (D) Three Million Two Hundred Forty Thousand Dollars (\$3,240,000) for the fiscal quarter ended December 31, 2008.

“Consolidated EBITDAR” means, for any period, as determined on a Consolidated basis and in accordance with GAAP, Consolidated EBITDA plus Consolidated Rent Expense.

“Consolidated Funded Indebtedness” means, at any date, all Indebtedness (including, but not limited to, current, long-term and Subordinated Indebtedness, if any) of US Borrower, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Income Tax Expense” means, for any period, all provisions for taxes based on the gross or net income of US Borrower (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), and all franchise taxes of US Borrower, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Interest Expense” means, for any period, the interest expense of US Borrower for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Net Earnings” means, for any period, the net income (loss) of US Borrower for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Net Income” means, for any period, the net income of US Borrower for such Period, as determined on a Consolidated basis and in accordance with GAAP, after eliminating all offsetting debits and credits between US Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of Consolidated financial statements of US Borrower and its Subsidiaries in accordance with GAAP, provided that there shall be excluded:

- (a) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with US Borrower or a Subsidiary, and the income (or loss) of any Person, substantially all of the assets of which have been acquired in any manner, realized by such other Person prior to the date of acquisition,
- (b) the income (or loss) of any Person (other than a Subsidiary) in which US Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by US Borrower or such Subsidiary in the form of cash dividends or similar cash distributions, and
- (c) extraordinary gains or losses of US Borrower and its Subsidiaries as determined in accordance with GAAP.

“Consolidated Net Worth” means, at any date, the stockholders’ equity of US Borrower, determined as of such date on a Consolidated basis and in accordance with GAAP; provided that, for purposes of calculating the Capitalization Ratio, (a) the amount used for “other comprehensive income” in calculating Consolidated Net Worth shall be Twenty Four Million Four Hundred Sixty-One Thousand Dollars (\$24,461,000), and (b) to the extent that Consolidated Net Worth is calculated at any time other than at the end of a fiscal quarter of US Borrower, Consolidated Net Worth shall be calculated as of the most recently completed calendar month.

“Consolidated Rent Expense” means, for any period, the rent expense of US Borrower for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Total Capitalization” means, at any time, the sum of (a) Consolidated Funded Indebtedness plus (b) Consolidated Net Worth.

“Control Agreement” means each Deposit Account Control Agreement among US Borrower or a Domestic Guarantor of Payment, Collateral Agent and a depository institution, dated on or after the Restatement Closing Date, to be in form and substance satisfactory to Agent, as the same may from time to time be amended, restated or otherwise modified.

“Controlled Group” means a Company and each Person required to be aggregated with a Company under Code Section 414(b), (c), (m) or (o).

“Credit Event” means the making by the Lenders of a Loan, the conversion by the Lenders of a Base Rate Loan to a Eurodollar Loan, the continuation by the Lenders of a Eurodollar Loan after the end of the applicable Interest Period, the making by the Swing Line Lender of a Swing Loan, or the issuance (or amendment or renewal) by the Fronting Lender of a Letter of Credit.

“Credit Party” means a Borrower and any Subsidiary or other Affiliate that is a Guarantor of Payment.

“Default” means an event or condition that constitutes, or with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default, and that has not been waived by the Required Lenders (or, if applicable, all of the Lenders) in writing.

“Default Rate” means (a) with respect to any Loan or other Obligation, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto, and (b) with respect to any other amount, if no rate is specified or available, a rate per annum equal to two percent (2%) in excess of the Derived Base Rate from time to time in effect; provided that, in no event shall the Default Rate be a rate that is less than the highest default rate charged under the Senior Notes Documents.

“Deposit Account” means (a) a deposit account, as defined in the U.C.C., (b) any other deposit account, and (c) any demand, time, savings, checking, passbook or similar account maintained with a bank, savings and loan association, credit union or similar organization.

“Derived Base Rate” means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for Base Rate Loans plus the Base Rate.

“Derived LIBOR Fixed Rate” means (a) with respect to a Eurodollar Loan, a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for LIBOR Fixed Rate Loans plus the Eurodollar Rate, and (b) with respect to an Alternate Currency Loan, a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for LIBOR Fixed Rate Loans plus the Alternate Currency Rate applicable to the relevant Alternate Currency.

“Dollar” or the \$ sign means lawful money of the United States of America.

“Dollar Equivalent” means (a) with respect to an Alternate Currency Loan denominated in an Alternate Currency, the Dollar equivalent of the amount of such Alternate Currency Loan denominated in an Alternate Currency, determined by Agent on the basis of its spot rate at approximately 11:00 A.M. (London time) on the date two Business Days before the date of such Alternate Currency Loan, for the purchase of the relevant Alternate Currency with Dollars for delivery on the date of such Alternate Currency Loan, and (b) with respect to any other amount, if such amount is denominated in Dollars, then such amount in Dollars and, otherwise the Dollar equivalent of such amount, determined by Agent on the basis of its spot rate at approximately 11:00 A.M. (London time) on the date for which the Dollar equivalent amount of such amount is being determined, for the purchase of the relevant Alternate Currency with Dollars for delivery on such date; provided that, in calculating the Dollar Equivalent for purposes of determining (i) a Borrower’s obligation to prepay Loans pursuant to Section 2.7 hereof, or (ii) a Borrower’s ability to request additional Loans pursuant to the Commitment, Agent may, in its discretion, on any Business Day selected by Agent (prior to payment in full of the Obligations), calculate the Dollar Equivalent of each such Loan. Agent shall notify US Borrower of the Dollar Equivalent of such Alternate Currency Loan or any other amount, at the time that such Dollar Equivalent shall have been determined.

“Domestic Guarantor of Payment” means each of the Companies designated a “Domestic Guarantor of Payment” on Schedule 3 hereto, each of which executed and delivered a Guaranty of Payment on the Closing Date, and any other Domestic Subsidiary that shall deliver a Guaranty of Payment to Agent subsequent to the Restatement Closing Date.

“Domestic Subsidiary” means a Subsidiary that is not a Foreign Subsidiary.

“Dormant Subsidiary” means a Company that (a) is not a Credit Party, (b) has aggregate assets of less than One Hundred Thousand Dollars (\$100,000), and (c) has no direct or indirect Subsidiaries with aggregate assets for all such Company and all such Subsidiaries of more than One Hundred Thousand Dollars (\$100,000).

“Eligible Transferee” means a commercial bank, financial institution or other “accredited investor” (as defined in SEC Regulation D) that is not a Borrower, a Subsidiary or an Affiliate.

“Environmental Laws” means all provisions of law (including the common law), statutes, ordinances, codes, rules, guidelines, policies, procedures, orders in council, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by a Governmental Authority or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning environmental health or safety and protection of, or regulation of the discharge of substances into, the environment.

“Environmental Permits” means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

“Equipment” means all equipment, as defined in the U.C.C.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated pursuant thereto.

“ERISA Event” means (a) the existence of a condition or event with respect to an ERISA Plan that presents a risk of the imposition of an excise tax or any other liability on a Company or of the imposition of a Lien on the assets of a Company; (b) the engagement by a Controlled Group member in a non-exempt “prohibited transaction” (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in liability to a Company; (c) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to provide security under Code Section 401(a)(29) or ERISA Section 307; (d) the occurrence of a Reportable Event with respect to any Pension Plan as to which notice is required to be provided to the PBGC; (e) the withdrawal by a Controlled Group member from a Multiemployer Plan in a “complete withdrawal” or a “partial withdrawal” (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (f) the involvement of, or occurrence or existence of any event or condition that makes likely the involvement of, a Multiemployer Plan in any reorganization under ERISA Section 4241; (g) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any “cash or deferred arrangement” under any such ERISA Plan to meet the requirements of Code Section 401(k); (h) the taking by the PBGC of any steps to terminate a Pension Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (i) the failure by a Controlled Group member or an ERISA Plan to satisfy any requirements of law applicable to an ERISA Plan; (j) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits; or (k) any incurrence by or any expectation of the incurrence by a Controlled Group member of any liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, et. seq., or Code Section 4980B.

“ERISA Plan” means an “employee benefit plan” (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

“Eurocurrency Liabilities” shall have the meaning 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” means a Dollar denominated deposit in a bank or branch outside of the United States.

“Eurodollar Loan” means a Revolving Loan described in Section 2.2(a) hereof, that shall be denominated in Dollars and on which a Borrower shall pay interest at a rate based upon the Derived LIBOR Fixed Rate applicable to Eurodollars Loans.

“Eurodollar Rate” means, with respect to a Eurodollar Loan, for any Interest Period, a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the nearest 1/16th of 1%) by dividing (a) the rate of interest, determined by Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) as of approximately 11:00 A.M. (London time) two Business Days prior to the beginning of such Interest Period pertaining to such Eurodollar Loan, as listed on British Bankers Association Interest Rate LIBOR 01 or 02 as provided by Reuters or Bloomberg (or, if for any reason such rate is unavailable from Reuters or Bloomberg, from any other similar company or service that provides rate quotations comparable to those currently provided by Reuters or Bloomberg) as the rate in the London interbank market for Dollar deposits in immediately available funds with a maturity comparable to such Interest Period, provided that, in the event that such rate quotation is not available for any reason, then the Eurodollar Rate shall be the average (rounded upward to the nearest 1/16th of 1%) of the per annum rates at which deposits in immediately available funds in Dollars for the relevant Interest Period and in the amount of the Eurodollar Loan to be disbursed or to remain outstanding during such Interest Period, as the case may be, are offered to Agent (or an affiliate of Agent, in Agent’s discretion) by prime banks in any Eurodollar market reasonably selected by Agent, determined as of 11:00 A.M. (London time) (or as soon thereafter as practicable), two Business Days prior to the beginning of the relevant Interest Period pertaining to such Eurodollar Loan; by (b) 1.00 minus the Reserve Percentage.

“Event of Default” means an event or condition that shall constitute an event of default as defined in Article VII hereof.

“Excluded Taxes” means, in the case of Agent and each Lender, taxes imposed on or measured by its overall net income or branch profits, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which Agent or such Lender, as the case may be, is organized or in which its principal office is located, or, in the case of any Lender, in which its applicable lending office is located.

“Existing Letter of Credit” means that term as defined in Section 2.2(b)(vii) hereof.

“Federal Funds Effective Rate” means, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the “Federal Funds Effective Rate” as of the Restatement Closing Date.

“Financial Officer” means any of the following officers: chief executive officer, president, chief financial officer, chief administrative officer or controller. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of US Borrower.

“Fixed Rate Loan” means a Eurodollar Loan or an Alternate Currency Loan.

“Foreign Affiliate” means, with respect to a Foreign Borrower, a parent Company, sister Company or Subsidiary of such Foreign Borrower that is also a Foreign Subsidiary of US Borrower and is owned (either directly or indirectly) by the same Domestic Subsidiary of such Foreign Borrower.

“Foreign Benefit Plan” means each material plan, fund, program or policy established under the law of a jurisdiction other than the United States (or a state or local government thereof), whether formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which one or more Companies have any liability with respect to any employee or former employee, but excluding any Foreign Pension Plan.

“Foreign Borrower” means any Wholly-Owned Subsidiary of US Borrower that shall also be a Foreign Subsidiary that, after the Restatement Closing Date, shall have satisfied, in the opinion of Agent, the requirements of Section 2.13(a) hereof.

“Foreign Borrower Addition Date” means April 30, 2009.

“Foreign Borrower Maximum Amount” means the Dollar Equivalent of Sixty Million Dollars (\$60,000,000).

“Foreign Borrower Original Amount” means the Dollar Equivalent of Forty Million Dollars (\$40,000,000).

“Foreign Borrower Total Amount” means the Foreign Borrower Original Amount, as such amount may be increased up to the Foreign Borrower Maximum Amount pursuant to Section 2.9(b) hereof.

“Foreign Borrower Revolving Credit Note” means a Foreign Borrower Revolving Credit Note, in the form of the attached Exhibit B, executed and delivered by a Foreign Borrower pursuant to Section 2.4(b) hereof.

“Foreign Borrower Exposure” means, at any time, the Dollar Equivalent of the aggregate principal amount of all Revolving Loans made to a Foreign Borrower.

“Foreign Guarantor of Payment” means any Wholly-Owned Subsidiary of US Borrower that shall also be a Foreign Subsidiary that, after the Restatement Closing Date, shall have satisfied, in the opinion of Agent, the requirements of Section 2.13(b) hereof.

“Foreign Jurisdiction” means a jurisdiction located outside of the United States of America.

“Foreign Pension Plan” means a pension plan required to be registered under the law of a jurisdiction other than the United States (or a state or local government thereof), that is maintained or contributed to by one or more Companies for their employees or former employees.

“Foreign Subsidiary” means a Subsidiary that is organized under the laws of any jurisdiction other than the United States, any State thereof or the District of Columbia.

“Fronting Lender” means, (a) as to any Letter of Credit transaction hereunder, Agent as issuer of the Letter of Credit, or, in the event that Agent either shall be unable to issue or shall agree that another Lender may issue, a Letter of Credit, such other Lender as shall agree to issue the Letter of Credit in its own name, but in each instance on behalf of the Lenders hereunder, or (b) as to any Existing Letter of Credit, Regions Bank.

“GAAP” means generally accepted accounting principles in the United States as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, applied on a basis consistent with the past accounting practices and procedures of US Borrower.

“Governmental Authority” means any nation or government, any state, province or territory or other political subdivision thereof, any governmental agency, department, authority, instrumentality, regulatory body, court, central bank or other governmental entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization exercising such functions.

“Guarantor” means a Person that shall have pledged its credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker, endorser or Person that shall have agreed conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind.

“Guarantor of Payment” means a Domestic Guarantor of Payment or Foreign Guarantor of Payment, or any other Person that shall execute and deliver a Guaranty of Payment to Agent subsequent to the Restatement Closing Date.

“Guaranty of Payment” means each Guaranty of Payment or Amended and Restated Guaranty of Payment executed and delivered on or after the Closing Date in connection with this Agreement by the Guarantors of Payment, as the same may from time to time be amended, restated or otherwise modified.

“Hedge Agreement” means any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device entered into by a Company with any Person in connection with any Indebtedness of such Company, or (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates entered into by a Company.

“Indebtedness” means, for any Company, without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations in respect of the deferred purchase price of property or services (provided that the following shall not constitute Indebtedness for purposes of this definition: trade accounts payable in the ordinary course of business and current liabilities in the form of expenses that are not the result of the borrowing of money or the extension of credit and that are listed on the financial statements of US Borrower as “other current liabilities”), (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit or banker’s acceptance, (e) all net obligations under any currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device or any Hedge Agreement, (f) all synthetic leases, (g) all lease obligations that have been or should be capitalized on the books of such Company in accordance with GAAP, (h) all obligations of such Company with respect to asset securitization financing programs to the extent that there is recourse against such Company or such Company is liable (contingent or otherwise) under any such program, (i) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, (j) all indebtedness of the types referred to in subparts (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Company is a general partner or joint venturer, unless such indebtedness is expressly made non-recourse to such Company, (k) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by such Company to finance its operations or capital requirements, and (l) any guaranty of any obligation described in subparts (a) through (k) hereof.

“Intellectual Property Security Agreement” means an Intellectual Property Security Agreement, executed and delivered by US Borrower in favor of Collateral Agent, dated as of the Restatement Closing Date, and any other Intellectual Property Security Agreement executed on or after the Restatement Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement, dated as of the Restatement Closing Date among Agent (for the benefit of and on behalf of the Lenders), Collateral Agent (for the benefit of and on behalf of the Secured Creditors), and the applicable Senior Noteholders, as the same may from time to time be amended, restated or otherwise modified.

“Interest Adjustment Date” means the last day of each Interest Period.

“Interest Coverage Ratio” means, as determined for the most recently completed four fiscal quarters of US Borrower, on a Consolidated basis and after giving Acquisition Pro Forma Effect to any Acquisition made during such period, the ratio of (a) Consolidated EBITDAR, to (b) the sum of (i) Consolidated Interest Expense plus (ii) Consolidated Rent Expense.

“Interest Period” means, with respect to a LIBOR Fixed Rate Loan, the period commencing on the date such LIBOR Fixed Rate Loan is made and ending on the last day of such period, as selected by Administrative Borrower pursuant to the provisions hereof, and, thereafter (unless, with respect to a Eurodollar Loan, such LIBOR Fixed Rate Loan is converted to a Base Rate Loan), each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of such period, as selected by Administrative Borrower pursuant to the provisions hereof. The duration of each Interest Period for a LIBOR Fixed Rate Loan shall be one month, two months or three months, in each case as Administrative Borrower may select upon notice, as set forth in Section 2.5 hereof; provided that (a) if Administrative Borrower shall fail to so select the duration of any Interest Period for a Eurodollar Loan at least three Business Days prior to the Interest Adjustment Date applicable to such Eurodollar Loan, Borrowers shall be deemed to have converted such Eurodollar Loan to a Base Rate Loan at the end of the then current Interest Period; and (b) each Alternate Currency Loan must be repaid on the last day of the Interest Period applicable thereto.

“Inventory” means all inventory, as defined in the U.C.C.

“KeyBank” means KeyBank National Association, and its successors and assigns.

“Landlord’s Waiver” means a landlord’s waiver or mortgagee’s waiver, each in form and substance satisfactory to Agent, delivered by a Credit Party in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

“Lender” means that term as defined in the first paragraph hereof. References to “Lenders” shall include the Fronting Lender and the Swing Line Lender; for purposes of clarification only, to the extent that KeyBank or Regions Bank (or any successor Fronting Lender or Swing Line Lender) may have any rights or obligations in addition to those of the other Lenders due to its status as Fronting Lender or Swing Line Lender, its status as such will be specifically referenced. In addition to the foregoing, for the purpose of identifying the Persons entitled to share in the Collateral and the proceeds thereof under, and in accordance with the provisions of, this Agreement and the Loan Documents, the term “Lender” shall include affiliates of a Lender providing Bank Products.

“Letter of Credit” means a standby letter of credit that shall be issued by the Fronting Lender for the account of a Borrower or a Domestic Guarantor of Payment, including amendments thereto, if any, and shall have an expiration date no later than the earlier of (a) one year after its date of issuance (provided that such Letter of Credit may provide for the renewal thereof for additional one year periods), or (b) fifteen (15) days prior to the last day of the Commitment Period.

“Letter of Credit Commitment” means the commitment of the Fronting Lender, on behalf of the Lenders, to issue Letters of Credit in an aggregate face amount of up to Five Million Dollars (\$5,000,000); provided that the Letter of Credit Commitment may be increased to Ten Million Dollars (\$10,000,000) at the request of US Borrower and in the discretion of Agent.

“Letter of Credit Exposure” means, at any time, the Dollar Equivalent of the sum of (a) the aggregate undrawn amount of all issued and outstanding Letters of Credit, and (b) the aggregate of the draws made on Letters of Credit that have not been reimbursed by Borrowers or converted to a Revolving Loan pursuant to Section 2.2(b)(iv) hereof.

“Leverage Ratio” means, as determined on a Consolidated basis after giving Acquisition Pro Forma Effect to any Acquisition made during the most recently completed four fiscal quarters of US Borrower, the ratio of (a) Consolidated Funded Indebtedness (for the most recently completed fiscal quarter of US Borrower), to (b) Consolidated EBITDA (for the most recently completed four fiscal quarters of US Borrower).

“LIBOR Fixed Rate Loan” means a Eurodollar Loan or an Alternate Currency Loan.

“Lien” means any mortgage, deed of trust, security interest, lien (statutory or other), charge, assignment, hypothecation, encumbrance on, pledge or deposit of, or conditional sale, leasing (other than Operating Leases), sale with a right of redemption or other title retention agreement and any capitalized lease with respect to any property (real or personal) or asset (including any “patrimonio separato” or “finanziamento dedicato” pursuant to Article 2447-bis of the Italian Civil Code).

“Loan” means a Revolving Loan granted to a Borrower by the Lenders in accordance with Section 2.2(a) hereof, or a Swing Loan granted to US Borrower by the Swing Line Lender in accordance with Section 2.2(c) hereof.

“Loan Documents” means, collectively, this Agreement, each Note, each Guaranty of Payment, all documentation relating to each Letter of Credit, each Security Document, the Intercreditor Agreement, the Amended and Restated Agent Fee Letter and the Amendment Closing Fee Letter, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced, and any other document delivered pursuant thereto.

“Mandatory Prepayment” means that term as defined in Section 2.11(c) hereof.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of any Borrower, (b) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Companies taken as a whole, (c) the ability of any Credit Party to perform its obligations under any Loan Document to which it is a party, or (d) the legality, validity, binding effect or enforceability against any Credit Party of any Loan Document to which it is a party.

“Material Indebtedness Agreement” means any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing or entered into in connection with any Indebtedness of any Company or the Companies in excess of the amount of Seven Million Dollars (\$7,000,000).

"Material Recovery Account" means that term as defined in Section 2.11(c)(ii) hereof.

“Material Recovery Determination Notice” means that term as defined in Section 2.11(c)(ii) hereof.

“Material Recovery Event” means (a) any casualty loss in respect of assets of a Company covered by casualty insurance, and (b) any compulsory transfer or taking under threat of compulsory transfer of any asset of a Company by any Governmental Authority; provided that, in the case of either (a) or (b), the proceeds received by the Companies from such loss, transfer or taking exceeds Two Hundred Fifty Thousand Dollars (\$250,000).

“Maximum Amount” means, for each Lender, the amount set forth opposite such Lender’s name under the column headed “Maximum Amount” as set forth on Schedule 1 hereto, subject to decreases determined pursuant to Section 2.9(a) hereof and assignments of interests pursuant to Section 11.10 hereof; provided that the Maximum Amount for the Swing Line Lender shall exclude the Swing Line Commitment (other than its pro rata share), and the Maximum Amount of the Fronting Lender shall exclude the Letter of Credit Commitment (other than its pro rata share).

“Maximum Rate” means that term as defined in Section 2.3(d) hereof.

“Minimum Consultant Consolidated EBITDA” means, as determined for the most recently completed four fiscal quarters of US Borrower, Consolidated EBITDA in an amount equal to (a) for the period ending March 31, 2009, Twenty Eight Million Eighty-Nine Thousand Dollars (\$28,089,000), (b) for the period ending June 30, 2009, Seven Million Five Hundred Eighty-One Thousand Dollars (\$7,581,000), (c) for the period ending September 31, 2009, negative Four Million Six Hundred Thirty-Eight Thousand Dollars (-\$4,638,000), (d) for the period ending December 31, 2009, negative Six Million Four Hundred Seventy-Eight Thousand Dollars (-\$6,478,000), (e) for the period ending March 31, 2010, negative Sixty Thousand Dollars (-\$60,000), and (f) for the period ending June 30, 2010 and thereafter, an amount to be determined in the sole discretion of Agent and the Required Lenders, after consultation with US Borrower.

“Moody’s” means Moody’s Investors Service, Inc., and any successor to such company.

“Mortgage” means each Open-End Mortgage, Assignment of Leases and Rents and Security Agreement (or deed of trust or comparable foreign document), dated on or after the Restatement Closing Date, relating to the Real Property, executed and delivered by a Credit Party, to further secure the Secured Obligations, as the same may from time to time be amended, restated or otherwise modified.

“Multiemployer Plan” means a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

“Non-Credit Party” means a Company that is not a Credit Party.

“Non-U.S. Lender” means that term as defined in Section 3.2(c) hereof.

“Note” means a Revolving Credit Note or the Swing Line Note, or any other promissory note delivered pursuant to this Agreement.

“Notice of Loan” means a Notice of Loan in the form of the attached Exhibit D.

“Obligations” means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by one or more Borrowers to Agent, Collateral Agent, the Fronting Lender, the Swing Line Lender, or any Lender (or any affiliate thereof) pursuant to this Agreement and the other Loan Documents, and includes the principal of and interest on all Loans and all obligations pursuant to Letters of Credit; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the commitment and other fees, and any prepayment fees payable pursuant to this Agreement or any other Loan Document; (d) all fees and charges in connection with the Letters of Credit; (e) every other liability, now or hereafter owing to Agent or any Lender by any Company pursuant to this Agreement or any other Loan Document; and (f) all Related Expenses.

“Operating Leases” means all real or personal property leases under which any Company is bound or obligated as a lessee or sublessee and which, under GAAP, are not required to be capitalized on a balance sheet of such Company; provided that Operating Leases shall not include any such lease under which any Company is also bound as the lessor or sublessor.

“Organizational Documents” means, with respect to any Person (other than an individual), such Person’s Articles (Certificate) of Incorporation, operating agreement or equivalent formation documents, and Regulations (Bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

“Original Credit Agreement” means that term as defined in the first Whereas paragraph of this Agreement.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise, ad valorem or property taxes, goods and services taxes, harmonized sales taxes and other sales taxes, use taxes, value added taxes, charges or similar taxes or levies arising from any payment made hereunder or from the execution, delivery, registration, recording or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” means that term as defined in Section 11.11 hereof.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time.

“PBGC” means the Pension Benefit Guaranty Corporation, and its successor.

“Pension Plan” means an ERISA Plan that is a “pension plan” (within the meaning of ERISA Section 3(2)).

“Permitted Foreign Subsidiary Loans and Investments” means:

- (a) the investments by any Company in a Foreign Subsidiary, existing as of the Restatement Closing Date and set forth on Schedule 5.11 hereto;
- (b) the loans by any Company to a Foreign Subsidiary, in such amounts existing as of the Restatement Closing Date and set forth on Schedule 5.11 hereto;
- (c) any investment by a Foreign Subsidiary in, or loan from a Foreign Subsidiary to, or guaranty from a Foreign Subsidiary of Indebtedness of, a Credit Party;
- (d) (i) during the 2009 fiscal year of US Borrower, any investment by any Company in, or loan by any Company to, or guaranty of, a Foreign Subsidiary organized in China, in an aggregate amount not to exceed One Million Dollars (\$1,000,000); and (ii) any investment by any Company in, or loan by any Company to, any other Company if the proceeds of such loan or investment are used by such Company to make a loan or investment permitted under subpart (i) hereof;

(e) during the 2009 fiscal year of US Borrower, any investment by any Company in, or loan by any Company to, NN Netherlands BV, in an aggregate amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000);

(f) in addition to subparts (d) and (e) above, during the 2009 fiscal year of US Borrower, any investment by any Company in, or loan by any Company to, one or more Foreign Subsidiaries, in an aggregate amount for all such Foreign Subsidiaries not to exceed Five Hundred Thousand Dollars (\$500,000);

(g) in addition to subparts (d), (e) and (f) above, on and after the completion of the requirements set forth in subparts (d) and (e) of Section 4.4 hereof, any investment by any Company in, or loan by any Company to, or guaranty of the Indebtedness of, one or more Foreign Subsidiaries that are Credit Parties, in an aggregate amount for all such Foreign Subsidiaries not to exceed Ten Million Dollars (\$10,000,000) at any time outstanding; and

(h) any investment by a Foreign Subsidiary that is a Non-Credit Party in, or loan by a Foreign Subsidiary that is a Non-Credit Party to, a Company.

“Permitted Investment” means an investment of a Company in the stock (or other debt or equity instruments) of a Person (other than a Company), so long as (a) the Company making the investment is a Credit Party; and (b) the aggregate amount of all such investments of all Companies does not exceed, at any time, an aggregate amount (as determined when each such investment is made) of Four Million Dollars (\$4,000,000).

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, unlimited liability company, institution, trust, estate, Governmental Authority or any other entity.

“Pledge Agreement” means each of the Pledge Agreements, relating to the Pledged Securities executed and delivered by a Borrower or a Guarantor of Payment in favor of Collateral Agent and any other Pledge Agreement executed by any other Borrower or Guarantor of Payment after the Restatement Closing Date, as any of the foregoing may from time to time be amended, restated or otherwise modified.

“Pledged Intercompany Note” means any promissory note made by any Company to a Credit Party, whether now owned or hereafter acquired by such Credit Party. (Schedule 4 hereto lists, as of the Restatement Closing Date, all of the Pledged Intercompany Notes.)

“Pledged Securities” means all of the shares of capital stock or other equity interest of a Borrower or a Subsidiary of a Borrower, whether now owned or hereafter acquired or created, and all proceeds thereof; provided that Pledged Securities that secure Secured Obligations of US Borrower shall only include up to sixty-five percent (65%) of the shares of voting capital stock or other voting equity interest of any first-tier Foreign Subsidiary and shall not include any Foreign Subsidiary other than a first-tier Foreign Subsidiary. (Schedule 4 hereto lists, as of the Restatement Closing Date, all of the Pledged Securities, and all of the securities to be pledged as security on or prior to the Foreign Borrower Addition Date.)

“Pre-Approved Acquisition” means any Acquisition by the Companies approved in writing by Agent and the Required Lenders.

“Prime Rate” means the interest rate established from time to time by Agent as Agent’s prime rate, whether or not such rate shall be publicly announced; the Prime Rate may not be the lowest interest rate charged by Agent for commercial or other extensions of credit. Each change in the Prime Rate shall be effective immediately from and after such change.

“Proceeds” means (a) proceeds, as defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of Agent and the Lenders to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Agent or any Lender to a Company’s sale, exchange, collection or other disposition of any or all of the Collateral.

“Real Property” means each parcel of the real estate owned by a Borrower, as set forth on Schedule 6.5 hereto, together with all improvements and buildings thereon and all appurtenances, easements or other rights thereto belonging, and being defined collectively as the “Property” in each of the Mortgages.

“Register” means that term as described in Section 11.10(i) hereof.

“Regularly Scheduled Payment Date” means the last day of each March, June, September and December of each year.

“Related Expenses” means any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, attorneys’ fees, legal expenses, judgments, suits and disbursements) (a) incurred by Agent or Collateral Agent, or imposed upon or asserted against Agent, Collateral Agent or any Lender, in any attempt by Agent or Collateral Agent and the Lenders to (i) obtain, preserve, perfect or enforce any Loan Document or any security interest evidenced by any Loan Document; (ii) obtain payment, performance or observance of any and all of the Obligations; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the collateral securing the Obligations or any part thereof, including, without limitation, costs and expenses for appraisals, assessments and audits of any Company or any such collateral; or (b) incidental or related to (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate.

“Related Writing” means each Loan Document and any other assignment, mortgage, security agreement, guaranty agreement, subordination agreement, financial statement, audit report or other writing furnished by any Credit Party, or any of its officers, to Agent or the Lenders pursuant to or otherwise in connection with this Agreement.

“Reportable Event” means any of the events described in Section 4043 of ERISA except where notice is waived by the PBGC.

“Required Lenders” means the holders of at least sixty-six and two-thirds percent (66-2/3%), based upon each Lender’s Commitment Percentage, of (a) the Total Commitment Amount, or (b) after the Commitment Period, the aggregate amount of the Revolving Credit Exposure (including, for each Lender, such Lender’s risk participation in any Swing Line Exposure and Letter of Credit Exposure); provided that, if at the time of determination there shall be three or fewer Lenders, then Required Lenders means all of the Lenders.

“Requirement of Law” means, as to any Person, any law, treaty, rule or regulation or determination or policy statement or interpretation of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property.

“Reserve Percentage” means, for any day, that percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) for a member bank of the Federal Reserve System in Cleveland, Ohio, in respect of Eurocurrency Liabilities. The Eurodollar Rate and the Alternate Currency Rate shall be adjusted automatically on and as of the effective date of any change in the Reserve Percentage.

“Restatement Closing Date” means March 13, 2009.

“Restricted Payment” means, with respect to any Company, (a) any Capital Distribution, (b) any amount paid by such Company in repayment, redemption, retirement or repurchase, directly or indirectly, of any Subordinated Indebtedness, or (c) any amount paid by such Company in respect of any management, consulting or other similar arrangement with any equity holder (other than a Company) of a Company or Affiliate in excess of the aggregate amount of One Hundred Thousand Dollars (\$100,000) in any fiscal year, or (d) any amount paid by such Company in repayment, redemption, retirement or repurchase, directly or indirectly, of any Indebtedness owing under the Senior Notes.

“Revolving Credit Commitment” means the obligation hereunder, during the Commitment Period, of (a) each Lender to make Revolving Loans up to the Maximum Amount for such Lender, (b) the Fronting Lender to issue and each Lender to participate in Letters of Credit pursuant to the Letter of Credit Commitment, and (c) the Swing Line Lender to make and each Lender to participate in Swing Loans pursuant to the Swing Line Commitment.

“Revolving Credit Exposure” means, at any time, the Dollar Equivalent of the sum of (a) the aggregate principal amount of all Revolving Loans outstanding, (b) the Swing Line Exposure, and (c) the Letter of Credit Exposure.

“Revolving Credit Note” means a US Borrower Revolving Credit Note or a Foreign Borrower Revolving Credit Note.

“Revolving Loan” means a Loan granted to US Borrower or a Foreign Borrower by the Lenders in accordance with Section 2.2(a) hereof.

“SEC” means the United States Securities and Exchange Commission, or any governmental body or agency succeeding to any of its principal functions.

“Secured Creditors” means the Lenders and the Senior Noteholders.

“Secured Obligations” means, collectively, (a) the Obligations, (b) all obligations and liabilities of the Companies owing to Lenders under Hedge Agreements, and (c) the Bank Product Obligations owing to Lenders under Bank Product Agreements.

“Security Agreement” means each Security Agreement, executed and delivered by a Credit Party in favor of Collateral Agent, dated as of the Restatement Closing Date, and any other Security Agreement executed on or after the Restatement Closing Date, as the same may from time to time be amended, restated or otherwise modified.

“Security Documents” means each Security Agreement, each Pledge Agreement, each Mortgage, each Consignee’s Waiver, each Intellectual Property Security Agreement, each Landlord’s Waiver, and each Control Agreement, and each document of similar import creating a Lien under the laws of a Foreign Jurisdiction, and each U.C.C. Financing Statement or similar filing as to a Foreign Jurisdiction, filed in connection herewith or perfecting any interest created in any of the foregoing documents, and any other document pursuant to which any Lien is granted by a Credit Party or any other Person to Collateral Agent, as security for the Secured Obligations, or any part thereof, and each other agreement executed in connection with any of the foregoing, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

“Senior Noteholders” means the holders of the Senior Notes.

“Senior Noteholders Share” means, with respect to a Mandatory Prepayment, as determined on the date such Mandatory Prepayment is to be made, an amount equal to (a) the aggregate principal outstanding on the Senior Notes, divided by the sum of (i) the Total Commitment Amount (or, after the Commitment Period, the aggregate amount of the Revolving Credit Exposure), plus (ii) the aggregate principal outstanding on the Senior Notes; multiplied by (b) the amount of such Mandatory Prepayment.

“Senior Notes” means the 8.50% Senior Notes, Series A, due April 26, 2014, as the same may from time to time be amended, restated, supplemented or otherwise modified.

“Senior Notes Documents” means the Senior Notes Indenture and the Senior Notes, and every other agreement executed in connection therewith, as the same may from time to time be amended, restated, supplemented or otherwise modified.

“Senior Notes Indenture” means that certain Second Amended and Restated Note Purchase and Shelf Agreement, dated as of March 6, 2009, which amends and restates the Amended and Restated Note Purchase Agreement and Shelf Agreement, dated as of December 21, 2007, by and between the Companies, The Prudential Insurance Company of America and any other holders of the Senior Notes thereunder (as the same may from time to time be further amended, restated, supplemented or otherwise modified).

“Standard & Poor’s” means Standard & Poor’s Ratings Group, a division of McGraw-Hill, Inc., and any successor to such company.

“Subordinated” means, as applied to Indebtedness, Indebtedness that shall have been subordinated in favor of the prior payment in full of the Obligations.

“Subordination Agreement” means a Subordination Agreement executed and delivered by a holder of Subordinated Indebtedness, as the same may from time to time be amended, restated or otherwise modified.

“Subsidiary” means (a) a corporation more than fifty percent (50%) of the Voting Power of which is owned, directly or indirectly, by a Borrower or by one or more other subsidiaries of such Borrower or by such Borrower and one or more subsidiaries of such Borrower, (b) a partnership, limited liability company or unlimited liability company of which a Borrower, one or more other subsidiaries of such Borrower or such Borrower and one or more subsidiaries of such Borrower, directly or indirectly, is a general partner or managing member, as the case may be, or otherwise has an ownership interest greater than fifty percent (50%) of all of the ownership interests in such partnership, limited liability company or unlimited liability company, or (c) any other Person (other than a corporation, partnership, limited liability company or unlimited liability company) in which a Borrower, one or more other subsidiaries of such Borrower or such Borrower and one or more subsidiaries of such Borrower, directly or indirectly, has at least a majority interest in the Voting Power or the power to elect or direct the election of a majority of directors or other governing body of such Person.

“Swing Line Commitment” means the commitment of the Swing Line Lender to make Swing Loans to US Borrower up to the aggregate amount at any time outstanding of Ten Million Dollars (\$10,000,000).

“Swing Line Exposure” means, at any time, the aggregate principal amount of all Swing Loans outstanding.

“Swing Line Lender” means that term as defined in the first paragraph hereof.

“Swing Line Note” means the Swing Line Note, in the form of the attached Exhibit C, executed and delivered by US Borrower pursuant to Section 2.4(c) hereof.

“Swing Loan” means a loan that shall be denominated in Dollars granted to US Borrower by the Swing Line Lender under the Swing Line Commitment, in accordance with Section 2.2(c) hereof.

“Swing Loan Maturity Date” means, with respect to any Swing Loan, the earlier of (a) fifteen (15) days after the date such Swing Loan is made, or (b) the last day of the Commitment Period.

“Taxes” means any and all present or future taxes of any kind, including but not limited to, levies, imposts, duties, surtaxes, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (together with any interest, penalties, fines, additions to taxes or similar liabilities with respect thereto) other than Excluded Taxes.

“Total Commitment Amount” means Ninety Million Dollars (\$90,000,000), as such amount may be decreased pursuant to Section 2.9(a) hereof.

“U.C.C.” means the Uniform Commercial Code, as in effect from time to time in the State of Ohio.

“U.C.C. Financing Statement” means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time, in the relevant state or states.

“US Borrower” means that term as defined in the first paragraph hereof.

“US Borrower Revolving Credit Note” means a US Borrower Revolving Credit Note, executed and delivered by US Borrower pursuant to Section 2.4(a) hereof.

“Voting Power” means, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person. The holding of a designated percentage of Voting Power of a Person means the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or similar governing body of such Person.

“Waterfall” means that term as defined in Section 8.6(b)(ii) hereof.

“Welfare Plan” means an ERISA Plan that is a “welfare plan” within the meaning of ERISA Section 3(1).

“Wholly-Owned Subsidiary” means, with respect to any Person, any corporation, limited liability company, unlimited liability company or other entity, all of the securities or other ownership interest of which having ordinary Voting Power to elect a majority of the board of directors, or other persons performing similar functions, are at the time directly or indirectly owned by such Person.

Section 1.2. Accounting Terms. Any accounting term not specifically defined in this Article I shall have the meaning ascribed thereto by GAAP. Unless otherwise defined in this Article I, terms that are defined in the U.C.C. are used herein as so defined.

Section 1.3. Terms Generally. The foregoing definitions shall be applicable to the singular and plural forms of the foregoing defined terms.

Section 1.4. Confirmation of Recitals. Borrowers, Agent and the Lenders hereby confirm the statements set forth in the recitals of this Agreement.

ARTICLE II. AMOUNT AND TERMS OF CREDIT

Section 2.1. Amount and Nature of Credit.

(a) Subject to the terms and conditions of this Agreement, the Lenders, during the Commitment Period and to the extent hereinafter provided, shall make Loans to Borrowers, participate in Swing Loans made by the Swing Line Lender to US Borrower, and issue or participate in Letters of Credit at the request of Administrative Borrower, in such aggregate amount as Borrowers shall request pursuant to the Commitment; provided that in no event shall the Revolving Credit Exposure be in excess of the Total Commitment Amount.

(b) Each Lender, for itself and not one for any other, agrees to make Loans, participate in Swing Loans, and issue or participate in Letters of Credit, during the Commitment Period, on such basis that, immediately after the completion of any borrowing by Borrowers or the issuance of a Letter of Credit:

(i) the Dollar Equivalent of the aggregate outstanding principal amount of Loans made by such Lender (other than Swing Loans made by the Swing Line Lender) when combined with such Lender’s pro rata share, if any, of the Letter of Credit Exposure and the Swing Line Exposure, shall not be in excess of the Maximum Amount for such Lender; and

(ii) the aggregate outstanding principal amount of Loans (other than Swing Loans) made by such Lender shall represent that percentage of the aggregate principal amount then outstanding on all Loans (other than Swing Loans) that shall be such Lender’s Commitment Percentage.

Each borrowing (other than Swing Loans which shall be risk participated on a pro rata basis) from the Lenders shall be made pro rata according to the respective Commitment Percentages of the Lenders.

(c) The Loans may be made as Revolving Loans as described in Section 2.2(a) hereof and as Swing Loans as described in Section 2.2(c) hereof, and Letters of Credit may be issued in accordance with Section 2.2(b) hereof.

Section 2.2. Revolving Credit.

(a) Revolving Loans. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Lenders shall make a Revolving Loan or Revolving Loans to US Borrower or a Foreign Borrower in such amount or amounts as Administrative Borrower, through an Authorized Officer, may from time to time request, but not exceeding in aggregate principal amount at any time outstanding hereunder the Total Commitment Amount, when such Revolving Loans are combined with the Letter of Credit Exposure and the Swing Line Exposure; provided that (i) Borrowers shall not request any Alternate Currency Loan (and the Lenders shall not be obligated to make an Alternate Currency Loan) if, after giving effect thereto, the Alternate Currency Exposure would exceed the Alternate Currency Maximum Amount, and (ii) Foreign Borrowers shall not request any Revolving Loan (and the Lenders shall not be obligated to make a Revolving Loan) if, after giving effect thereto, the Foreign Borrower Exposure would exceed the Foreign Borrower Maximum Amount. Borrowers shall have the option, subject to the terms and conditions set forth herein, to borrow Revolving Loans, maturing on the last day of the Commitment Period, by means of any combination of Base Rate Loans, Eurodollar Loans or Alternate Currency Loans. With respect to each Alternate Currency Loan, subject to the other provisions of this Agreement, US Borrower or the appropriate Foreign Borrower, as applicable, shall receive all of the proceeds of such Alternate Currency Loan in one Alternate Currency and repay such Alternate Currency Loan in the same Alternate Currency. Subject to the provisions of this Agreement, Borrowers shall be entitled under this Section 2.2(a) to borrow Revolving Loans, repay the same in whole or in part and re-borrow Revolving Loans hereunder at any time and from time to time during the Commitment Period.

(b) Letters of Credit.

(i) Generally. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Fronting Lender shall, in its own name, on behalf of the Lenders, issue such Letters of Credit for the account of US Borrower or a Domestic Guarantor of Payment, as Administrative Borrower may from time to time request. Administrative Borrower shall not request any Letter of Credit (and the Fronting Lender shall not be obligated to issue any Letter of Credit) if, after giving effect thereto, (A) the Letter of Credit Exposure would exceed the Letter of Credit Commitment, or (B) the Revolving Credit Exposure would exceed the Total Commitment Amount. The issuance of each Letter of Credit shall confer upon each Lender the benefits and liabilities of a participation consisting of an undivided pro rata interest in the Letter of Credit to the extent of such Lender's Commitment Percentage.

(ii) Request for Letter of Credit. Each request for a Letter of Credit shall be delivered to Agent (and to the Fronting Lender, if the Fronting Lender is a Lender other than Agent), through an Authorized Officer, not later than 11:00 A.M. (U.S. Eastern time) three Business Days prior to the date of the proposed issuance of the Letter of Credit. Each such request shall be in a form acceptable to Agent (and the Fronting Lender, if the Fronting Lender is a Lender other than Agent) and shall specify the face amount thereof, the account party, the beneficiary, the requested date of issuance, amendment, renewal or extension, the expiry date thereof, and the nature of the transaction or obligation to be supported thereby. Concurrently with each such request, Administrative Borrower, and any Guarantor of Payment for whose account the Letter of Credit is to be issued, shall execute and deliver to the Fronting Lender an appropriate application and agreement, being in the standard form of the Fronting Lender for such letters of credit, as amended to conform to the provisions of this Agreement if required by Agent. Agent shall give the Fronting Lender and each Lender notice of each such request for a Letter of Credit.

(iii) Standby Letters of Credit. With respect to each Letter of Credit that shall be a standby letter of credit and the drafts thereunder, if any, whether issued for the account of US Borrower or any Domestic Guarantor of Payment, US Borrower agrees to (A) pay to Agent, for the pro-rata benefit of the Lenders, a non-refundable commission based upon the face amount of such Letter of Credit, which shall be paid quarterly in arrears, on each Regularly Scheduled Payment Date, at a rate per annum equal to the Applicable Margin for LIBOR Fixed Rate Loans (in effect on the Regularly Scheduled Payment Date) multiplied by the face amount of such Letter of Credit; (B) pay to Agent, for the sole benefit of the Fronting Lender, an additional Letter of Credit fee, which shall be paid on each date that such Letter of Credit shall be issued, amended or renewed at the rate of one-eighth percent (1/8%) of the face amount of such Letter of Credit; and (C) pay to Agent, for the sole benefit of the Fronting Lender, such other issuance, amendment, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as are customarily charged by the Fronting Lender in respect of the issuance and administration of similar letters of credit under its fee schedule as in effect from time to time.

(iv) Refunding of Letters of Credit with Revolving Loans. Whenever a Letter of Credit shall be drawn, US Borrower shall immediately reimburse the Fronting Lender for the amount drawn. In the event that the amount drawn shall not have been reimbursed by US Borrower on the date of the drawing of such Letter of Credit, at the sole option of Agent (and the Fronting Lender, if the Fronting Lender is a Lender other than Agent), US Borrower shall be deemed to have requested a Revolving Loan, subject to the provisions of Sections 2.2(a) and 2.5 hereof (other than the requirement set forth in Section 2.5(d) hereof), in the amount drawn. Such Revolving Loan shall be evidenced by the Revolving Credit Notes (or, if a Lender has not requested a Revolving Credit Note, by the records of Agent and such Lender). Each Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Lender acknowledges and agrees that its obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(b)(iv) shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of the Fronting Lender, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Lender's Revolving Credit Commitment shall have been reduced or terminated. US Borrower irrevocably authorizes and instructs Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(b)(iv) to reimburse, in full (other than the Fronting Lender's pro rata share of such borrowing), the Fronting Lender for the amount drawn on such Letter of Credit. Each such Revolving Loan shall be deemed to be a Base Rate Loan unless otherwise requested by and available to Borrowers hereunder. Each Lender is hereby authorized to record on its records relating to its Revolving Credit Note (or, if such Lender has not requested a Revolving Credit Note, its records relating to Revolving Loans) such Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit.

(v) Participation in Letters of Credit. If, for any reason, Agent (and the Fronting Lender if the Fronting Lender is a Lender other than Agent) shall be unable to or, in the opinion of Agent, it shall be impracticable to, convert any Letter of Credit to a Revolving Loan pursuant to the preceding subsection, Agent (and the Fronting Lender if the Fronting Lender is a Lender other than Agent) shall have the right to request that each Lender fund a participation in the amount due with respect to such Letter of Credit, and Agent shall promptly notify each Lender thereof (by facsimile or telephone, confirmed in writing). Upon such notice, but without further action, the Fronting Lender hereby agrees to grant to each Lender, and each Lender hereby agrees to acquire from the Fronting Lender, an undivided participation interest in the amount due with respect to such Letter of Credit in an amount equal to such Lender's Commitment Percentage of the principal amount due with respect to such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for the account of the Fronting Lender, such Lender's ratable share of the amount due with respect to such Letter of Credit (determined in accordance with such Lender's Commitment Percentage). Each Lender acknowledges and agrees that its obligation to acquire participations in the amount due under any Letter of Credit that is drawn but not reimbursed by Borrowers pursuant to this Section 2.2(b)(v) shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Lender's Revolving Credit Commitment shall have been reduced or terminated. Each Lender shall comply with its obligation under this Section 2.2(b)(v) by wire transfer of immediately available funds (in Dollars), in the same manner as provided in Section 2.5 hereof with respect to Revolving Loans. Each Lender is hereby authorized to record on its records such Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit. In addition, each Lender agrees to risk participate in the Existing Letters of Credit as provided in Section 2.2(b)(vi) below.

(vi) Existing Letters of Credit. Schedule 2.2 hereto contains a description of all letters of credit outstanding on, and to continue in effect after, the Closing Date. Each such letter of credit issued by a bank that is or becomes a Lender under this Agreement on the Closing Date (each, an "Existing Letter of Credit") shall constitute a "Letter of Credit" for all purposes of this Agreement, issued, for purposes of Section 2.2(b)(v) hereof, on the Closing Date. Borrowers, Agent and the Lenders hereby agree that, from and after such date, the terms of this Agreement shall apply to the Existing Letters of Credit, superseding any other agreement theretofore applicable to them to the extent inconsistent with the terms hereof. Notwithstanding anything to the contrary in any reimbursement agreement applicable to the Existing Letters of Credit, the fees payable in connection with each Existing Letter of Credit to be shared with the Lenders shall accrue from the Closing Date at the rate provided in Section 2.2(b)(iv) hereof.

(c)

Swing Loans.

(i) Generally. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Swing Line Lender shall make a Swing Loan or Swing Loans to US Borrower in such amount or amounts as Administrative Borrower, through an Authorized Officer, may from time to time request; provided that Administrative Borrower shall not request any Swing Loan if, after giving effect thereto, (A) the Revolving Credit Exposure would exceed the Total Commitment Amount, or (B) the Swing Line Exposure would exceed the Swing Line Commitment. Each Swing Loan shall be due and payable on the Swing Loan Maturity Date applicable thereto. Each Swing Loan shall be made in Dollars.

(ii) Refunding of Swing Loans. If the Swing Line Lender so elects, by giving notice to Agent, Administrative Borrower and the Lenders, US Borrower agrees that the Swing Line Lender shall have the right, in its sole discretion (in consultation with Agent), to require that any Swing Loan be refinanced as a Revolving Loan. Such Revolving Loan shall be a Base Rate Loan unless otherwise requested by and available to US Borrower hereunder. Upon receipt of such notice by Agent, Administrative Borrower and the Lenders, US Borrower shall be deemed, on such day, to have requested a Revolving Loan in the principal amount of the Swing Loan in accordance with Sections 2.2(a) and 2.5 hereof (other than the requirement set forth in Section 2.5(d) hereof). Such Revolving Loan shall be evidenced by the US Borrower Revolving Credit Notes (or, if a Lender has not requested a US Borrower Revolving Credit Note, by the records of Agent and such Lender). Each Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Lender acknowledges and agrees that such Lender's obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(c)(ii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of the Swing Line Lender, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Lender's Revolving Credit Commitment shall have been reduced or terminated. US Borrower irrevocably authorizes and instructs Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(c)(ii) to repay in full such Swing Loan. Each Lender is hereby authorized to record on its records relating to its US Borrower Revolving Credit Note (or, if such Lender has not requested a US Borrower Revolving Credit Note, its records relating to Revolving Loans) such Lender's pro rata share of the amounts paid to refund such Swing Loan.

(iii) Participation in Swing Loans. If, for any reason, the Swing Line Lender is unable to or, in the opinion of Agent, it is impracticable to, convert any Swing Loan to a Revolving Loan pursuant to the preceding Section 2.2(c)(ii), then on any day that a Swing Loan is outstanding (whether before or after the maturity thereof), Agent shall have the right to request that each Lender purchase a participation in such Swing Loan, and Agent shall promptly notify each Lender thereof (by facsimile or telephone, confirmed in writing). Upon such notice, but without further action, the Swing Line Lender hereby agrees to grant to each Lender, and each Lender hereby agrees to acquire from the Swing Line Lender, an undivided participation interest in such Swing Loan in an amount equal to such Lender's Commitment Percentage of the principal amount of such Swing Loan. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for the benefit of the Swing Line Lender, such Lender's ratable share of such Swing Loan (determined in accordance with such Lender's Commitment Percentage). Each Lender acknowledges and agrees that its obligation to acquire participations in Swing Loans pursuant to this Section 2.2(c)(iii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Lender's Revolving Credit Commitment shall have been reduced or terminated. Each Lender shall comply with its obligation under this Section 2.2(c)(iii) by wire transfer of immediately available funds, in the same manner as provided in Section 2.5 hereof with respect to Revolving Loans to be made by such Lender.

Section 2.3. Interest.

(a) Revolving Loans.

(i) Base Rate Loan. The appropriate Borrower or Borrowers shall pay interest on the unpaid principal amount of a Base Rate Loan outstanding from time to time from the date thereof until paid at the Derived Base Rate from time to time in effect. Interest on such Base Rate Loan shall be payable, commencing September 30, 2006, and on each Regularly Scheduled Payment Date thereafter and at the maturity thereof.

(ii) LIBOR Fixed Rate Loans. The appropriate Borrower or Borrowers shall pay interest on the unpaid principal amount of each LIBOR Fixed Rate Loan outstanding from time to time, fixed in advance on the first day of the Interest Period applicable thereto through the last day of the Interest Period applicable thereto (but subject to changes in the Applicable Margin) for LIBOR Fixed Rate Loans, at the Derived LIBOR Fixed Rate. Interest on such LIBOR Fixed Rate Loan shall be payable on each Interest Adjustment Date with respect to an Interest Period (provided that if an Interest Period shall exceed three months, the interest must be paid every three months, commencing three months from the beginning of such Interest Period).

(b) Swing Loans. US Borrower shall pay interest directly to the Swing Line Lender, for the sole benefit of the Swing Line Lender (until such time as the Lenders shall have purchased a participation in such Swing Loan; thereafter, such payment shall be paid for the benefit of the Lenders that have purchased such participations), on the unpaid principal amount of each Swing Loan outstanding from time to time from the date thereof until paid at the Derived Base Rate from time to time in effect. After written notice to US Borrower from Agent, all such interest payments shall be made by Swing Line Lender or US Borrower, as applicable, to Agent, for the sole benefit of the Swing Line Lender (and any Lender that shall have purchased a participation in such Swing Loan). Interest on each Swing Loan shall be payable on the Swing Loan Maturity Date applicable thereto. Each Swing Loan shall bear interest for a minimum of one day.

(c) Default Rate. Anything herein to the contrary notwithstanding, if an Event of Default shall occur, (i) the principal of each Loan and the unpaid interest thereon shall bear interest, until paid, at the Default Rate, (ii) the fee for the aggregate undrawn amount of all issued and outstanding Letters of Credit shall be increased by two percent (2%) in excess of the rate otherwise applicable thereto, and (iii) in the case of any other amount not paid when due from Borrowers hereunder or under any other Loan Document, such amount shall bear interest at the Default Rate.

(d) Limitation on Interest. In no event shall the rate of interest hereunder exceed the maximum rate allowable by law. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

Section 2.4. Evidence of Indebtedness.

(a) US Borrower Revolving Loans. Upon the request of a Lender, to evidence the obligation of US Borrower to repay the Base Rate Loans and LIBOR Fixed Rate Loans made by such Lender and to pay interest thereon, US Borrower shall execute a US Borrower Revolving Credit Note, payable to the order of such Lender in the principal amount of its Revolving Credit Commitment or, if less, the aggregate unpaid principal amount of Revolving Loans made by such Lender; provided that the failure of a Lender to request a US Borrower Revolving Credit Note shall in no way detract from US Borrower's obligations to such Lender hereunder.

(b) Foreign Borrower Revolving Loans. Upon the request of a Lender, to evidence the obligation of each Foreign Borrower to repay the Base Rate Loans and LIBOR Fixed Rate Loans made by such Lender to such Foreign Borrower and to pay interest thereon, each such Foreign Borrower shall execute a Foreign Borrower Revolving Credit Note, payable to the order of such Lender in the principal amount of its Revolving Credit Commitment or, if less, the aggregate unpaid principal amount of Revolving Loans made by such Lender to such Foreign Borrower; provided that the failure of a Lender to request a Foreign Borrower Revolving Credit Note shall in no way detract from such Foreign Borrower's obligations to such Lender hereunder.

(c) Swing Loan. Upon the request of the Swing Line Lender, to evidence the obligation of US Borrower to repay the Swing Loans and to pay interest thereon, US Borrower shall execute a Swing Line Note, and payable to the order of the Swing Line Lender in the principal amount of the Swing Line Commitment, or, if less, the aggregate unpaid principal amount of Swing Loans made by the Swing Line Lender; provided that the failure of the Swing Line Lender to request a Swing Line Note shall in no way detract from US Borrower's obligations to the Swing Line Lender hereunder.

Section 2.5. Notice of Credit Event; Funding of Loans.

(a) Notice of Credit Event. Administrative Borrower, through an Authorized Officer, shall provide to Agent a Notice of Loan prior to (i) 11:00 A.M. (U.S. Eastern time) on the proposed date of borrowing or conversion of any Base Rate Loan; (ii) 11:00 A.M. (U.S. Eastern time) three Business Days prior to the proposed date of borrowing, conversion or continuation of any Eurodollar Loan; (iii) 11:00 A.M. (U.S. Eastern time) three Business Days prior to the proposed date of borrowing of any Alternate Currency Loan; and (iv) with respect to any Swing Loan, 2:00 P.M. (U.S. Eastern time) on the proposed date of borrowing of such Swing Loan, provided that, if the Revolving Credit Exposure shall be less than Sixty Million Dollars (\$60,000,000), no notice of a request for a Swing Loan shall be required to the extent that funding of Swing Loans is administered through an automated cash management system with the Swing Line Lender. Notwithstanding anything herein to the contrary, with respect to any request for any Loan or Letter of Credit, at such time the Revolving Credit Exposure shall be (or would be after such Credit Event) equal to or exceed Eighty Million Dollars (\$80,000,000), Administrative Borrower shall cause the Swing Line Lender to provide a written notice to Agent on the date such Credit Event is to occur that sets forth the outstanding principal amount of Swing Loans on such date. Thereafter, the Swing Line Lender and US Borrower shall not increase the aggregate amount of Swing Loans outstanding without confirming with Agent that there is availability under the Revolving Credit Commitment for further Swing Loans. Administrative Borrower shall comply with the notice provisions set forth in Section 2.2(b)(ii) hereof with respect to Letters of Credit.

(b) Funding of Loans. Agent shall notify each Lender of the date, amount, type of currency and Interest Period (if applicable) promptly upon the receipt of a Notice of Loan, and, in any event, by 2:00 P.M. (U.S. Eastern time) on the date such Notice of Loan is received. On the date that the Credit Event set forth in such Notice of Loan is to occur, each such Lender shall provide to Agent, not later than 3:00 P.M. (U.S. Eastern time), the amount in Dollars, or, with respect to an Alternate Currency, in the applicable Alternate Currency, in federal or other immediately available funds, required of it. If Agent shall elect to advance the proceeds of such Loan prior to receiving funds from such Lender, Agent shall have the right, upon prior notice to Administrative Borrower, to debit any account of the appropriate Borrower or otherwise receive such amount from the appropriate Borrower, on demand, in the event that such Lender shall fail to reimburse Agent in accordance with this subsection. Agent shall also have the right to receive interest from such Lender at the Federal Funds Effective Rate in the event that such Lender shall fail to provide its portion of the Loan on the date requested and Agent shall elect to provide such funds.

(c) Conversion of Loans. At the request of Administrative Borrower to Agent, subject to the notice and other provisions of this Section 2.5, the Lenders shall convert a Base Rate Loan to one or more Eurodollar Loans at any time and shall convert a Eurodollar Loan to a Base Rate Loan on any Interest Adjustment Date applicable thereto. Swing Loans may be converted by the Swing Line Lender to Revolving Loans in accordance with Section 2.2(c)(ii) hereof. No Alternate Currency Loan may be converted to a Base Rate Loan or Eurodollar Loan and no Base Rate Loan or Eurodollar Loan may be converted to an Alternate Currency Loan.

(d) Minimum Amount for Loans. Each request for:

(i) a Base Rate Loan shall be in an amount of not less than One Million Dollars (\$1,000,000), increased by increments of One Hundred Thousand Dollars (\$100,000); and

(ii) a LIBOR Fixed Rate Loan shall be in an amount (or, with respect to an Alternate Currency Loan, such approximately comparable amount as shall result in a rounded number) of not less than One Million Dollars (\$1,000,000), increased by increments of One Hundred Thousand Dollars (\$100,000) (or, with respect to an Alternate Currency Loan, such approximately comparable amount as shall result in a rounded number).

(e) Interest Periods. Administrative Borrower shall not request that LIBOR Fixed Rate Loans be outstanding for more than eight different Interest Periods at the same time.

Section 2.6. Payment on Loans and Other Obligations.

(a) Payments Generally. Each payment made hereunder by a Credit Party shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever.

(b) Payments in Alternate Currency. With respect to any Alternate Currency Loan or any Alternate Currency Letter of Credit, all payments (including prepayments) to any Lender of the principal of or interest on such Alternate Currency Loan or Alternate Currency Letter of Credit shall be made in the same Alternate Currency as the original Loan or Letter of Credit. All such payments shall be remitted by the appropriate Borrower to Agent, at the address of Agent for notices referred to in Section 11.4 hereof (or at such other office or account as designated in writing by Agent to Administrative Borrower), for the account of the Lenders (or the Fronting Lender or the Swing Line Lender, as appropriate) not later than 11:00 A.M. (U.S. Eastern time) on the due date thereof in same day funds. Any such payments received by Agent after 11:00 A.M. (U.S. Eastern time) shall be deemed to have been made and received on the next Business Day.

(c) Payments in Dollars. With respect to (i) any Loan (other than an Alternate Currency Loan), or (ii) any other payment to Agent and the Lenders that shall not be covered by subsection (b) above, all such payments (including prepayments) to Agent (except with respect to Swing Loans, which may be paid to the Swing Line Lender pursuant to Section 2.3(b) hereof or, with respect to Letters of Credit, certain of which payments shall be paid to the Fronting Lender) of the principal of or interest on such Loan or other payment, including but not limited to principal, interest, fees or any other amount owed by any Borrower under this Agreement, shall be made in Dollars. All payments described in this subsection (c) shall be remitted to Agent, at the address of Agent for notices referred to in Section 11.4 hereof for the account of the Lenders (or the Fronting Lender or the Swing Line Lender, as appropriate) not later than 11:00 A.M. (U.S. Eastern time) on the due date thereof in immediately available funds. Any such payments received by Agent after 11:00 A.M. (U.S. Eastern time) shall be deemed to have been made and received on the next Business Day.

(d) Payments to Lenders. Upon Agent's receipt of payments hereunder, Agent shall immediately distribute to each Lender (except with respect to Swing Loans, certain of which payments shall be paid to the Swing Line Lender and any Lender that has funded a participation in such Swing Loan, or, with respect to Letters of Credit, certain of which payments shall be paid to the Fronting Lender) their respective ratable shares, if any, of the amount of principal, interest, and commitment and other fees received by Agent for the account of such Lender. Payments received by Agent in Dollars shall be delivered to the Lenders in Dollars in immediately available funds. Payments received by Agent in any Alternate Currency shall be delivered to the Lenders in such Alternate Currency in same day funds. Each Lender shall record any principal, interest or other payment, the principal amounts of Base Rate Loans, LIBOR Fixed Rate Loans, Swing Loans and Letters of Credit, the type of currency for each Loan, all prepayments and the applicable dates, including Interest Periods, with respect to the Loans made, and payments received by such Lender, by such method as such Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of Borrowers under this Agreement or any Note. The aggregate unpaid amount of Loans, types of Loans, Interest Periods and similar information with respect to the Loans and Letters of Credit set forth on the records of Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal, interest and fees owing to each Lender.

(e) Timing of Payments. Whenever any payment to be made hereunder, including, without limitation, any payment to be made on any Loan, shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next Business Day and such extension of time shall in each case be included in the computation of the interest payable on such Loan; provided that, with respect to a LIBOR Fixed Rate Loan, if the next Business Day shall fall in the succeeding calendar month, such payment shall be made on the preceding Business Day and the relevant Interest Period shall be adjusted accordingly.

Section 2.7. Prepayment.

- (a) Right to Prepay. Borrowers shall have the right at any time or from time to time to prepay, on a pro rata basis for all of the Lenders (except with respect to Swing Loans, which shall be paid to the Swing Line Lender and any Lender that has funded a participation in such Swing Loans), all or any part of the principal amount of the Loans, as designated by Administrative Borrower. Such payment shall include interest accrued on the amount so prepaid to the date of such prepayment, and any amount payable under Article III hereof with respect to the amount being prepaid. Prepayments of Base Rate Loans shall be without any premium or penalty.
- (b) Notice of Prepayment. Administrative Borrower shall give Agent notice of prepayment of a Base Rate Loan or Swing Loan by no later than 11:00 A.M. (U.S. Eastern time) on the Business Day on which such prepayment is to be made and written notice of the prepayment of any LIBOR Fixed Rate Loan not later than 1:00 P.M. (U.S. Eastern time) three Business Days before the Business Day on which such prepayment is to be made; provided that, with respect to a repayment of a Swing Loan that is administered through an automated cash management system with the Swing Line Lender, no prepayment notice shall be required.
- (c) Minimum Amount. Each prepayment of a LIBOR Fixed Rate Loan shall be in the principal amount of not less than the lesser of One Million Dollars (\$1,000,000) or the principal amount of such Loan (or, with respect to an Alternate Currency Loan, the Dollar Equivalent (rounded to a comparable amount) of such amount), except in the case of a mandatory payment pursuant to Section 2.11 or Article III hereof.

Section 2.8. Commitment and Other Fees.

- (a) Commitment Fee. US Borrower shall pay to Agent, for the ratable account of the Lenders, as a consideration for the Commitment, a commitment fee from the Restatement Closing Date to and including the last day of the Commitment Period, payable quarterly, at a rate per annum equal to (i) fifty (50.00) basis points, multiplied by (ii) (A) the average daily Total Commitment Amount in effect during such quarter, minus (B) the average daily Revolving Credit Exposure (exclusive of the Swing Line Exposure) during such quarter. The commitment fee shall be payable in arrears, on March 31, 2009 and continuing on each Regularly Scheduled Payment Date thereafter, and on the last day of the Commitment Period.
- (b) Amended and Restated Agent Fee. US Borrower shall pay to Agent, for its sole benefit, the fees set forth in the Amended and Restated Agent Fee Letter.

Section 2.9. Optional Reduction of Commitment; Increase in Foreign Borrower Total Amount.

- (a) Optional Reduction of Commitment. Borrowers may at any time and from time to time permanently reduce in whole or ratably in part the Total Commitment Amount to an amount not less than the then existing Revolving Credit Exposure, by Administrative Borrower giving Agent not fewer than three Business Days' written notice of such reduction, provided that any such partial reduction shall be in an aggregate amount, for all of the Lenders, of not less than Five Million Dollars (\$5,000,000), increased in increments of Five Hundred Thousand Dollars (\$500,000). Agent shall promptly notify each Lender of the date of each such reduction and such Lender's proportionate share thereof. After each such reduction, the commitment fees payable hereunder shall be calculated upon the Total Commitment Amount as so reduced. If Borrowers reduce in whole the Total Commitment Amount, on the effective date of such reduction (the appropriate Borrowers having prepaid in full the unpaid principal balance, if any, of the Loans, together with all interest and commitment and other fees accrued and unpaid, and provided that no Letter of Credit Exposure or Swing Line Exposure shall exist), all of the Notes, if any, shall be delivered to Agent marked "Canceled" and Agent shall redeliver such Notes to Administrative Borrower. Any partial reduction in the Total Commitment Amount shall be effective during the remainder of the Commitment Period.

(b) Increase in Foreign Borrower Total Amount. At any time after the Foreign Borrower Addition Date, Administrative Borrower may increase the Foreign Borrower Total Amount from the Foreign Borrower Original Amount up to an amount that shall not exceed the Foreign Borrower Maximum Amount. Agent and the Lenders hereby agree to any such requested increase in the Foreign Borrower Total Amount, provided that prior to the effectiveness of each such increase, each Foreign Borrower shall (i) execute and deliver to each Lender requesting a Foreign Borrower Revolving Credit Note, a replacement Foreign Borrower Revolving Credit Note for such Lender, and (ii) deliver to Agent and the Lenders such other documents and agreements as may be reasonably required by Agent or the Lenders in connection with such increase.

Section 2.10. Computation of Interest and Fees. Interest on Loans, Letter of Credit fees, Related Expenses, and commitment and other fees and charges hereunder shall be computed on the basis of a year having three hundred sixty (360) days and calculated for the actual number of days elapsed.

Section 2.11. Mandatory Payments.

(a) Revolving Credit Exposure.

(i) Generally. If, at any time, the Revolving Credit Exposure shall exceed the Total Commitment Amount, US Borrower shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Revolving Loans sufficient to bring the Revolving Credit Exposure within the Total Commitment Amount.

(ii) Foreign Borrower Exposure. If, at any time, the Foreign Borrower Exposure shall exceed the Foreign Borrower Maximum Amount, the appropriate Foreign Borrowers shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Revolving Loans sufficient to bring the Foreign Borrower Exposure within the Foreign Borrower Maximum Amount.

(b) Swing Line Exposure. If, at any time, the Swing Line Exposure shall exceed the Swing Line Commitment, US Borrower shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Swing Loans sufficient to bring the Swing Line Exposure within the Swing Line Commitment.

(c) Mandatory Prepayments. Borrowers shall make Mandatory Prepayments (each a "Mandatory Prepayment") in accordance with the following provisions:

(i) Sale of Assets. Upon the sale or other disposition of any assets by a Company (permitted pursuant to Section 5.12 hereof) to any Person (other than a Credit Party) other than in the ordinary course of business, and to the extent the proceeds of such sale or other disposition are in excess of Two Hundred Fifty Thousand Dollars (\$250,000) during any fiscal year of US Borrower and are not to be reinvested in fixed assets or other similar assets within one hundred eighty (180) days of such sale or other disposition, US Borrower, or any other Borrower, as appropriate, shall make a Mandatory Prepayment, on the date of such sale or other disposition, in an amount equal to one hundred percent (100%) of the proceeds of such disposition net of amounts reasonably determined by Borrower to be required to pay taxes and costs applicable to the disposition. If Administrative Borrower decides to reinvest in fixed assets or other similar assets, and the net proceeds of such disposition of assets shall equal or exceed Two Million Dollars (\$2,000,000), (A) US Borrower shall open a commercial Deposit Account at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) (the "Asset Disposition Account"), and (B) the net proceeds received from any Company in respect of such disposition of assets shall be immediately deposited in the Asset Disposition Account by such Company, and shall be held by Collateral Agent as security for the Senior Indebtedness (as defined in the Intercreditor Agreement). Collateral Agent shall have exclusive control of the Asset Disposition Account. So long as no Default or Event of Default shall exist, Collateral Agent shall permit Administrative Borrower to withdraw funds from the Asset Disposition Account to be applied to the costs and expenses of purchasing replacement fixed assets or similar assets. Any amounts not applied by the Companies as set forth above shall be applied as a Mandatory Prepayment.

(ii) Material Recovery Event. Within ten days after the occurrence of a Material Recovery Event, Administrative Borrower shall furnish to Agent written notice thereof. Within sixty (60) days after such Material Recovery Event, Administrative Borrower shall notify Agent of Administrative Borrower's determination as to whether or not to replace, rebuild or restore the affected property (a "Material Recovery Determination Notice"). If Administrative Borrower decides not to replace, rebuild or restore such property or if Administrative Borrower has not delivered the Material Recovery Determination Notice within sixty (60) days after such Material Recovery Event, then the proceeds of insurance paid in connection with such Material Recovery Event, when received, shall be paid as a Mandatory Prepayment. If Administrative Borrower decides to replace, rebuild or restore such property, then any such replacement, rebuilding or restoration must be (A) commenced within six months of the date of the Material Recovery Event, and (B) substantially completed within twelve (12) months of such commencement date, with such casualty insurance proceeds and other net proceeds and other funds available to the appropriate Companies for replacement, rebuilding or restoration of such property. If Administrative Borrower decides to replace, rebuild or restore such property, (1) US Borrower shall open a commercial Deposit Account at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) (the "Material Recovery Account"), and (2) the net proceeds received from any Company in respect of such Material Recovery Event shall be immediately deposited in the Material Recovery Account by such Company and shall be held by Collateral Agent as security for the Senior Indebtedness (as defined in the Intercreditor Agreement). Collateral Agent shall have exclusive control of the Material Recovery Account. So long as no Default or Event of Default shall exist, Collateral Agent shall permit Administrative Borrower to withdraw funds from the Material Recovery Account to be applied to the costs and expenses of replacing, rebuilding or restoring such property. Any amounts of such insurance proceeds not applied to the costs of replacement or restoration shall be applied as a Mandatory Prepayment.

(iii) Excess Cash of All Companies. If, at any time, the Dollar Equivalent of the aggregate unencumbered and unrestricted cash on hand of the Companies plus Cash Equivalents of the Companies exceeds Fifteen Million Dollars (\$15,000,000), US Borrower shall, within three Business Days thereof, make a Mandatory Prepayment in an amount equal to such excess (provided that US Borrower need not make such Mandatory Prepayment if the Leverage Ratio for the most recently completed fiscal quarter shall have been less than 2.50 to 1.00).

(iv) Excess Cash of All Domestic Companies. If, at any time, the aggregate unencumbered and unrestricted cash on hand of US Borrower and the Domestic Subsidiaries plus Cash Equivalents of the US Borrower and the Domestic Subsidiaries shall exceed Six Million Dollars (\$6,000,000), US Borrower shall, within three Business Days thereof, make a Mandatory Prepayment in an amount equal to such excess (provided that US Borrower need not make such Mandatory Prepayment if the Leverage Ratio for the most recently completed fiscal quarter shall have been less than 2.50 to 1.00).

(d) Application of Mandatory Payments.

(i) Generally. Subject to subparts (ii) and (iii) below, each prepayment pursuant to this Section 2.11 shall be applied to the principal outstanding in the following order (i) first, on a pro rata basis for the Lenders, to outstanding Base Rate Loans, (ii) second, on a pro rata basis for the Lenders, to outstanding Eurodollar Loans (to Eurodollars Loans with the earliest Interest Adjustment Dates first), and (iii) third, on a pro rata basis for the Lenders, to outstanding Alternate Currency Loans, provided that if the outstanding principal amount of any Eurodollar Loan shall be reduced to an amount less than the minimum amount set forth in Section 2.5(d) hereof as a result of such prepayment, then such Eurodollar Loan shall be converted into a Base Rate Loan on the date of such prepayment. Any prepayment of a LIBOR Fixed Rate Loan or Swing Loan pursuant to this Section 2.11 shall be subject to the prepayment provisions set forth in Article III hereof.

(ii) US Sale of Assets and Material Recovery Event. To the extent any Mandatory Prepayment is required to be made pursuant to Section 2.11(c) hereof by US Borrower or a Domestic Guarantor of Payment, such Mandatory Prepayment shall be applied first to Loans borrowed by US Borrower, and second to Loans borrowed by Foreign Borrowers.

(iii) Foreign Sale of Assets and Material Recovery Event. To the extent any Mandatory Prepayment is required to be made pursuant to Section 2.11(c) hereof by a Foreign Borrower or a Foreign Guarantor of Payment, such Mandatory Prepayment shall be applied to Loans borrowed by Foreign Borrowers.

(iv) Reduction in Total Commitment Amount. To the extent a Mandatory Prepayment is required to be made pursuant to Section 2.11(c)(i) or (ii) hereof, prior to the application of such Mandatory Prepayment pursuant to Section 2.11(d)(i) through (iii) hereof, Agent and the Required Lenders shall have the option to require a permanent reduction of the Total Commitment Amount in an amount equal to such Mandatory Prepayment's Bank Group Share. To the extent that Agent and the Required Lenders exercise this option, the amount of such Mandatory Prepayment required to be made shall be reduced by an amount equal to the Senior Noteholders Share of such Mandatory Prepayment and applied in accordance with Section 2.11(d)(i) through (iii) hereof, with the remainder of such Mandatory Prepayment to be returned to US Borrower (if in the possession of Agent or Collateral Agent) for application by US Borrower to the Senior Notes as permitted by Section 5.15(b) hereof.

Section 2.12. Liability of Borrowers.

(a) Liability. Each Borrower hereby authorizes Administrative Borrower or any other Borrower to request Loans or Letters of Credit hereunder. US Borrower acknowledges and agrees that Agent and the Lenders are entering into this Agreement at the request of US Borrower and with the understanding that US Borrower is and shall remain fully liable for payment in full of the Obligations. US Borrower agrees that it is receiving or will receive a direct pecuniary benefit for each Loan made or Letter of Credit issued hereunder (including the Obligations of Foreign Borrowers through Article X hereof) and any other amount payable under this Agreement and the other Loan Documents.

(b) Appointment of Administrative Borrower. Each Borrower hereby irrevocably appoints Administrative Borrower as the borrowing agent and attorney-in-fact for all Borrowers, which appointment shall remain in full force and effect unless and until Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes Administrative Borrower to (i) provide Agent with all notices with respect to Loans and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement, (ii) take such action as Administrative Borrower deems appropriate on its behalf to obtain Loans and Letters of Credit, and (iii) exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Collateral of Borrowers in a combined fashion, as more fully set forth herein, is done solely as an accommodation to Borrowers in order to utilize the collective borrowing powers of Borrowers in the most efficient and economical manner and at their request, and that neither Agent nor any Lender shall incur liability to any Borrower as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group.

(c) Maximum Liability of Each Foreign Borrower. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, in no event shall the maximum liability of any Foreign Borrower exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of such Foreign Borrower from other Affiliates of such Foreign Borrower) would not render the rights to payment of Agent and the Lenders hereunder void, voidable or avoidable under any applicable fraudulent transfer law.

(d) Waivers of Each Borrower. In the event that any obligation of any Borrower under this Agreement is deemed to be an agreement by such Borrower to answer for the debt or default of another Credit Party or as an hypothecation of property as security therefor, each Borrower represents and warrants that (i) no representation has been made to such Borrower as to the creditworthiness of such other Credit Party, and (ii) such Borrower has established adequate means of obtaining from such other Credit Party on a continuing basis, financial or other information pertaining to such other Credit Party's financial condition. Each Borrower expressly waives, except as expressly required under this Agreement, diligence, demand, presentment, protest and notice of every kind and nature whatsoever, consents to the taking by Agent and the Lenders of any additional security of another Credit Party for the obligations secured hereby, or the alteration or release in any manner of any security of another Credit Party now or hereafter held in connection with the Obligations, and consents that Agent, the Lenders and any other Credit Party may deal with each other in connection with such obligations or otherwise, or alter any contracts now or hereafter existing between them, in any manner whatsoever, including without limitation the renewal, extension, acceleration or changes in time for payment of any such obligations or in the terms or conditions of any security held. Agent and the Lenders are hereby expressly given the right, at their option, to proceed in the enforcement of any of the Obligations independently of any other remedy or security they may at any time hold in connection with such obligations secured and it shall not be necessary for Agent and the Lenders to proceed upon or against or exhaust any other security or remedy before proceeding to enforce their rights against such Borrower. Each Borrower further subordinates any right of subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid to Agent and the Lenders by any other Credit Party.

(e) Liability of Foreign Borrowers and Foreign Guarantors of Payment.

(i) Generally. Anything herein to the contrary notwithstanding, (A) no Foreign Borrower or Foreign Guarantor of Payment shall at any time be liable for the Indebtedness of US Borrower under this Agreement (exclusive of Indebtedness of the Foreign Borrowers that is guaranteed by US Borrower under this Agreement), and (B) no Collateral granted by a Foreign Borrower or Foreign Subsidiary shall at any time secure any Indebtedness of US Borrower under this Agreement (exclusive of Indebtedness of the Foreign Borrowers that is guaranteed by US Borrower under this Agreement).

(ii) Germany. Anything herein to the contrary notwithstanding, the obligations of a Foreign Borrower or Foreign Guarantor of Payment organized under the laws of Germany under this Agreement or any other Loan Document shall not include any payment undertaking, obligation or liability to the extent such payment undertaking, obligation or liability would result in the infringement or circumvention of German capital maintenance rules.

(iii) Italy. Anything herein to the contrary notwithstanding, at no time shall a Foreign Borrower or Foreign Guarantor of Payment organized under the laws of Italy be required to perform or guarantee the performance of obligations in violation of Italian mandatory rules. In this respect, such Foreign Borrower or Foreign Guarantor of Payment will not incur (A) any portion of interest exceeding the thresholds of the interest rate permitted under Italian law n. 108/1996 and Italian law n. 24/2001 (i.e. Italian usury laws), (B) any portion of interest deriving from any compounding of interest which does not comply with Italian law (including Article 1283 (Anatocismo) of the Italian Civil Code, and (C) any indebtedness and/or guarantee (and/or granting of security) relating to the acquisition or subscription of shares issued or to become issued by such Foreign Borrower or Foreign Guarantor of Payment or by any of its direct or indirect controlling entities unless such indebtedness is borrowed (and/or the guarantee/security is granted) within the limits provided by Italian law.

(iv) Slovakia. Anything herein to the contrary notwithstanding, the obligations of a Foreign Borrower or Foreign Guarantor of Payment organized under the laws of Slovakia under this Agreement or any other Loan Document shall not include any payment undertaking, obligation or liability to the extent such payment undertaking, obligation or liability would result in the infringement or circumvention of the provisions on capital maintenance set forth by Slovak Law (in particular Section 123(3) of the Slovak Commercial Code).

Section 2.13. Addition of Foreign Borrowers and Foreign Guarantors.

(a) Addition of Foreign Borrower. At the request of Administrative Borrower, a Foreign Subsidiary of US Borrower that shall not then be a Foreign Borrower may become a Foreign Borrower hereunder, provided that all of the following requirements shall have been met to the reasonable satisfaction of Agent:

(i) such Foreign Subsidiary shall be a Wholly-Owned Subsidiary of US Borrower;

(ii) US Borrower and each Domestic Guarantor of Payment shall have guaranteed the obligations of such Foreign Subsidiary under this Agreement pursuant to the terms of a Guaranty of Payment;

(iii) such Foreign Subsidiary shall have executed an Additional Foreign Borrower Assumption Agreement and appropriate Foreign Borrower Revolving Credit Notes (for Lenders requesting Notes);

(iv) any material Foreign Affiliate, as determined by Agent in its reasonable discretion, of such Foreign Subsidiary shall become a Foreign Guarantor of Payment with respect to such Foreign Subsidiary, and shall have executed a Guaranty of Payment with respect to the obligations of such Foreign Subsidiary (provided that there shall be no adverse tax consequences or adverse legal impact);

(v) such Foreign Subsidiary shall have executed and delivered to Agent, for the benefit of the Lenders, such Security Documents as may be deemed necessary or advisable by Agent; and

(vi) US Borrower and such Foreign Subsidiary that shall become a Foreign Borrower shall have provided to Agent such corporate governance and authorization documents and an opinion of counsel and any other documents and items as may be deemed necessary or advisable by Agent (including an amendment to this Agreement), all of the foregoing to be in form and substance reasonably satisfactory to Agent.

(b) Addition of Foreign Guarantor of Payment. At the request of Administrative Borrower, a Foreign Subsidiary of US Borrower that shall not then be a Foreign Guarantor of Payment may become a Foreign Guarantor of Payment hereunder, provided that all of the following requirements shall have been met to the satisfaction of Agent:

(i) Administrative Borrower shall have provided to Agent a written request that such Foreign Subsidiary be designated as a Foreign Guarantor of Payment pursuant to the terms of this Agreement;

(ii) such Foreign Subsidiary shall be a Wholly-Owned Subsidiary of US Borrower;

(iii) such Foreign Subsidiary shall have executed a Guaranty of Payment with respect to the obligations of one or more Foreign Borrowers as may be required by Agent (provided that there shall be no adverse tax consequences or adverse legal impact);

(iv) such Foreign Subsidiary shall have executed and delivered to Agent, for the benefit of the Lenders, such Security Documents as may be deemed necessary or advisable by Agent; and

(v) such Foreign Subsidiary that shall become a Foreign Guarantor of Payment shall have provided to Agent such corporate governance and authorization documents and an opinion of counsel and any other documents and items as may be deemed necessary or advisable by Agent (including an amendment to this Agreement), all of the foregoing to be in form and substance reasonably satisfactory to Agent.

(c) Additional Credit Party Bound by Provisions. Upon satisfaction by Administrative Borrower and any such Foreign Subsidiary of the requirements set forth in subsections (a) and (b) above, Agent shall promptly notify Administrative Borrower and the Lenders, whereupon such Foreign Subsidiary shall be designated a "Foreign Borrower" or "Foreign Guarantor of Payment", as applicable, pursuant to the terms and conditions of this Agreement, and such Foreign Subsidiary shall become bound by all representations, warranties, covenants, provisions and conditions of this Agreement and each other Loan Document applicable to the Foreign Borrowers or Foreign Guarantors of Payment, as the case may be, as if such Foreign Borrower or Foreign Guarantor of Payment had been the original party making such representations, warranties and covenants.

(d) Alternative Structures. Agent, the Lenders and Borrowers agree that, if the addition of a Foreign Borrower or Foreign Guarantor of Payment pursuant to this Section would result in a requirement by such Foreign Borrower or Foreign Guarantor of Payment to pay to any Lenders additional amounts pursuant to Section 3.2 hereof, then Agent, the Lenders and Borrowers agree to use reasonable efforts to designate a different lending office or otherwise propose an alternate structure that would avoid the need for, or reduce the amount of, such additional amounts so long as the same would not, in the reasonable judgment of Agent and the Lenders, be otherwise disadvantageous to Agent and the Lenders.

Section 2.14. Intercreditor Agreement Authorization to US Borrower from Other US Credit Parties. Each Domestic Guarantor of Payment hereby authorizes US Borrower to acknowledge, and ratifies US Borrower's acknowledgment of, the Intercreditor Agreement on its behalf. Each Domestic Guarantor of Payment represents that it has read the Intercreditor Agreement and understands that the payments to Agent, the Lenders and the Senior Noteholders are subject to the Intercreditor Agreement.

ARTICLE III. ADDITIONAL PROVISIONS RELATING TO
LIBOR FIXED RATE LOANS; INCREASED CAPITAL; TAXES

Section 3.1. Requirements of Law.

(a) If, after the Closing Date, (i) the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by a Governmental Authority, or (ii) the compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(A) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit or any LIBOR Fixed Rate Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Taxes and Excluded Taxes which are governed by Section 3.2 hereof);

(B) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate or the Alternate Currency Rate; or

(C) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining LIBOR Fixed Rate Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, US Borrower (and any Foreign Borrower to which such Loan was made) shall pay to such Lender, promptly after receipt of a written request therefor, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection (a), such Lender shall promptly notify Administrative Borrower (with a copy to Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that, after the Closing Date, the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof by a Governmental Authority or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder, or under or in respect of any Letter of Credit, to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration the policies of such Lender or such corporation with respect to capital adequacy), then from time to time, upon submission by such Lender to Administrative Borrower (with a copy to Agent) of a written request therefor (which shall include the method for calculating such amount), US Borrower (and any Foreign Borrower to which such Loan was made) shall promptly pay or cause to be paid to such Lender or such corporation such additional amount or amounts as will compensate such Lender for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section 3.1 submitted by any Lender to Administrative Borrower (with a copy to Agent) shall be conclusive absent manifest error. In determining any such additional amounts, such Lender may use any method of averaging and attribution that it (in its sole discretion) shall deem applicable. The obligations of Borrowers pursuant to this Section 3.1 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) Notwithstanding the foregoing, no Lender shall be entitled to any indemnification or reimbursement pursuant to this Section 3.1 or Section 3.2 hereof to the extent such Lender has not made demand therefore (as set forth above) within one hundred eighty (180) days (or two years with respect to any indemnification or reimbursement pursuant to Section 3.2) after the occurrence of the event giving rise to such entitlement or, if later, such Lender having knowledge of such event.

Section 3.2. Taxes.

(a) All payments made by any Credit Party under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of any Taxes or Other Taxes. If any Taxes or Other Taxes are required to be deducted or withheld from any amounts payable to Agent or any Lender hereunder, the amounts so payable to Agent or such Lender shall be increased by such additional amounts to the extent necessary to yield to Agent or such Lender (after deducting, withholding and payment of all Taxes and Other Taxes, and including any of the foregoing levied on such additional amounts) interest or any such other amounts payable hereunder at the rates or in the amounts specified in the Loan Documents that Agent or such Lender would have received had no such deduction or withholding been required.

(b) Whenever any Taxes or Other Taxes are required to be withheld and paid by a Credit Party, such Credit Party shall timely withhold and pay such taxes to the relevant Governmental Authorities. As promptly as possible thereafter, Administrative Borrower shall send to Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by such Credit Party showing payment thereof or other evidence of payment reasonably acceptable to Agent or such Lender. If such Credit Party shall fail to pay any Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to Agent the required receipts or other required documentary evidence, US Borrower and such Credit Party shall indemnify Agent and the appropriate Lenders on demand for any incremental Taxes or Other Taxes paid or payable by Agent or such Lender as a result of any such failure.

(c) Each Lender that is not (i) a citizen or resident of the United States of America, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any jurisdiction thereof), or (iii) an estate or trust that is subject to federal income taxation regardless of the source of its income (any such Person, a "Non-U.S. Lender") shall deliver to Administrative Borrower and Agent two copies of either U.S. Internal Revenue Service Form W-8BEN, Form W-8IMY or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement with respect to such interest and two copies of a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by Credit Parties under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or such other Loan Document. In addition, each Non-U.S. Lender shall deliver such forms or appropriate replacements promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify Administrative Borrower at any time it determines that such Lender is no longer in a position to provide any previously delivered certificate to Administrative Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this subsection (c), a Non-U.S. Lender shall not be required to deliver any form pursuant to this subsection (c) that such Non-U.S. Lender is not legally able to deliver.

(d) Borrowers hereby acknowledge that Agent and the Lenders may be subject to withholding tax liabilities with respect to the Loans to Foreign Borrowers that, pursuant to this Section 3.2, are payable by Borrowers. Borrowers hereby agree not to contest their obligations to pay such tax liabilities.

(e) The agreements in this Section 3.2 shall survive the termination of the Loan Documents and the payment of the Loans and all other amounts payable hereunder.

Section 3.3. Funding Losses. US Borrower (and the appropriate Foreign Borrower) agrees to indemnify each Lender, promptly after receipt of a written request therefor, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by a Borrower in making a borrowing of, conversion into or continuation of LIBOR Fixed Rate Loans after such Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by a Borrower in making any prepayment of or conversion from LIBOR Fixed Rate Loans after such Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of a LIBOR Fixed Rate Loan on a day that is not the last day of an Interest Period applicable thereto, or (d) any conversion of a Eurodollar Loan to a Base Rate Loan on a day that is not the last day of an Interest Period applicable thereto. Such indemnification shall be in an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amounts so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) at the applicable rate of interest for such Loans provided for herein over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the appropriate London interbank market, along with any administration fee charged by such Lender. A certificate as to any amounts payable pursuant to this Section 3.3 submitted to Administrative Borrower (with a copy to Agent) by any Lender shall be conclusive absent manifest error. The obligations of Borrowers pursuant to this Section 3.3 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.4. Eurodollar Rate or Alternate Currency Rate Lending Unlawful; Inability to Determine Rate.

(a) If any Lender shall determine (which determination shall, upon notice thereof to Administrative Borrower and Agent, be conclusive and binding on Borrowers) that, after the Closing Date, (i) the introduction of or any change in or in the interpretation of any law makes it unlawful, or (ii) any Governmental Authority asserts that it is unlawful, for such Lender to make or continue any Loan as, or to convert (if permitted pursuant to this Agreement) any Loan into, a LIBOR Fixed Rate Loan, the obligations of such Lender to make, continue or convert any such LIBOR Fixed Rate Loan shall, upon such determination, be suspended until such Lender shall notify Agent that the circumstances causing such suspension no longer exist, and all outstanding LIBOR Fixed Rate Loans payable to such Lender shall automatically convert (if conversion is permitted under this Agreement) into a Base Rate Loan, or be repaid (if no conversion is permitted) at the end of the then current Interest Periods with respect thereto or sooner, if required by law or such assertion.

(b) If Agent or the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate or Alternate Currency Rate for any requested Interest Period with respect to a proposed LIBOR Fixed Rate Loan, or that the Eurodollar Rate or Alternate Currency Rate for any requested Interest Period with respect to a proposed LIBOR Fixed Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such Loan, Agent will promptly so notify Administrative Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain such LIBOR Fixed Rate Loan shall be suspended until Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Administrative Borrower may revoke any pending request for a borrowing of, conversion to or continuation of such LIBOR Fixed Rate Loan or, failing that, will be deemed to have converted such request into a request for a borrowing of a Base Rate Loan in the amount specified therein.

Section 3.5. Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of such Lender's Loans in any manner such Lender deems to be appropriate; it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if such Lender had actually funded and maintained each Eurodollar Loan or Alternate Currency Loan during the applicable Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Eurodollar Rate or Alternate Currency Rate, as applicable, for such Interest Period.

Section 3.6. Replacement of Lenders. Borrowers shall be permitted to replace any Lender that requests reimbursement for amounts owing pursuant to Section 3.1 or 3.2(a) hereof, or asserts its inability to make a LIBOR Fixed Rate Loan pursuant to Section 3.4 hereof; provided that (a) such replacement does not conflict with any Requirement of Law, (b) no Default or Event of Default shall have occurred and be continuing at the time of such replacement, (c) prior to any such replacement, such Lender shall have taken no action under Section 3.4 hereof so as to eliminate the continued need for payment of amounts owing pursuant to Section 3.1 or 3.2(a) hereof or, if it has taken any action, such request has still been made, (d) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement and assume all commitments and obligations of such replaced Lender, (e) Borrowers shall be liable to such replaced Lender under Section 3.3 hereof if any Alternate Currency Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (f) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Agent, (g) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 11.10 hereof (provided that Borrowers (or the succeeding Lender, if such Lender is willing) shall be obligated to pay the assignment fee referred to therein), and (h) until such time as such replacement shall be consummated, Borrowers shall pay all additional amounts (if any) required pursuant to Section 3.1 or 3.2(a) hereof, as the case may be.

ARTICLE IV. CONDITIONS PRECEDENT

Section 4.1. Conditions to Each Credit Event. The obligation of the Lenders, the Fronting Lender and the Swing Line Lender to participate in any Credit Event shall be conditioned, in the case of each Credit Event, upon the following:

(a) all conditions precedent as listed in Sections 4.2 and 4.3 hereof required to be satisfied prior to the first Credit Event shall have been satisfied prior to or as of the first Credit Event;

(b) Administrative Borrower (or other appropriate Borrower or Borrowers) shall have submitted a Notice of Loan (or with respect to a Letter of Credit, complied with the provisions of Section 2.2(b)(ii) hereof) and otherwise complied with Section 2.5 hereof;

(c) no Default or Event of Default shall then exist or immediately after such Credit Event would exist; and

(d) each of the representations and warranties contained in Article VI hereof shall be true in all material respects as if made on and as of the date of such Credit Event, except to the extent that any thereof expressly relate to an earlier date.

Each request by one or more Borrowers (or Administrative Borrower) for a Credit Event shall be deemed to be a representation and warranty by Borrowers as of the date of such request as to the satisfaction of the conditions precedent specified in subsections (c) and (d) above.

Section 4.2. Conditions to the First Credit Event – September 21, 2006. Borrowers shall cause the following conditions to be satisfied on or prior to the Closing Date. The obligation of the Lenders, the Fronting Lender and the Swing Line Lender to participate in the first Credit Event is subject to US Borrower satisfying each of the following conditions prior to or concurrently with such Credit Event:

(a) Notes as Requested. US Borrower shall have executed and delivered to (i) each Lender requesting a US Borrower Revolving Credit Note, such Lender's US Borrower Revolving Credit Note, and (ii) the Swing Line Lender the Swing Line Note, if requested by the Swing Line Lender.

(b) Domestic Guaranties of Payment. Each Domestic Guarantor of Payment shall have executed and delivered to Agent a Guaranty of Payment, in form and substance satisfactory to Agent and the Lenders.

(c) Pledge Agreements. US Borrower shall have executed and delivered to Collateral Agent the Pledge Agreement, in form and substance satisfactory to Agent, together with all stock certificates evidencing any of the Pledged Securities (and accompanying stock transfer powers) and all promissory notes evidencing any of the Pledged Intercompany Notes (and accompanying allonges).

(d) Officer's Certificate, Resolutions, Organizational Documents. Each Credit Party shall have delivered to Agent an officer's certificate (or comparable domestic or foreign documents) certifying the names of the officers of such Credit Party authorized to sign the Loan Documents, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors (or comparable domestic or foreign documents) of such Credit Party evidencing approval of the execution and delivery of the Loan Documents and the execution of other Related Writings to which such Credit Party is a party, and (ii) the Organizational Documents of such Credit Party.

- (e) Good Standing and Full Force and Effect Certificates. US Borrower shall have delivered to Agent a good standing certificate or full force and effect certificate, as the case may be, for each Credit Party, issued within ten days prior to the Closing Date by the Secretary of State in the state or states where such Credit Party is incorporated or formed or qualified as a foreign entity.
- (f) Legal Opinion. US Borrower shall have delivered to Agent (i) an opinion of counsel for each Credit Party, in form and substance satisfactory to Agent and the Lenders, and (ii) an opinion of counsel regarding the perfection of the security interests of Collateral Agent in the Pledged Securities, in form and substance satisfactory to Agent and the Lenders.
- (g) Agent Fee Letter, Closing Fee Letter and Other Fees. US Borrower shall have (i) executed and delivered to Agent, the Agent Fee Letter and paid to Agent, for its sole account, the fees stated therein, (ii) executed and delivered to Agent, the Closing Fee Letter and paid to Agent, for the benefit of the Lenders, the fees stated therein, and (iii) paid all reasonable legal fees and expenses of Agent in connection with the preparation and negotiation of the Loan Documents.
- (h) Lien Searches. With respect to the property owned or leased by each Borrower and Guarantor of Payment, US Borrower shall have caused to be delivered to Agent (i) the results of Uniform Commercial Code lien searches, satisfactory to Agent and the Lenders, (ii) the results of federal and state tax lien and judicial lien searches, satisfactory to Agent and the Lenders, and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof.
- (i) Termination of Existing Credit Agreement and Foreign Collateral and Release of Guaranties. Borrowers shall have terminated (i) the Credit Agreement by and among US Borrower, certain Subsidiaries, Regions Bank, and certain financial institutions party thereto, dated as of May 1, 2003, as amended, which termination shall be deemed to have occurred upon payment in full of all of the Indebtedness outstanding thereunder and termination of the commitments established therein, and (ii) any and all security interests held by the Senior Noteholders in any assets of the Companies (other than any security interests held by Collateral Agent, for the benefit of the Lenders and the Senior Noteholders), and released any guaranties by a Foreign Subsidiary for the benefit of the Senior Noteholders.
- (j) Closing Certificate. US Borrower shall have delivered to Agent and the Lenders an officer's certificate certifying that, as of the Closing Date, (i) all conditions precedent set forth in this Article IV have been satisfied, (ii) no Default or Event of Default exists nor immediately after the first Credit Event will exist, and (iii) each of the representations and warranties contained in Article VI hereof are true and correct as of the Closing Date.
- (k) Long-Term Debt Instruments. US Borrower shall have provided Agent copies of the Senior Notes Documents, and any other long-term debt instrument to which any Company is a party, certified by a Financial Officer as true and complete.

(l) Letter of Direction. Administrative Borrower shall have delivered to Agent a letter of direction authorizing Agent, on behalf of the Lenders, to disburse the proceeds of the Loans, which letter of direction includes the authorization to transfer funds under this Agreement and the wire instructions that set forth the locations to which such funds shall be sent.

(m) No Material Adverse Change. No material adverse change, in the opinion of Agent, shall have occurred in the financial condition, operations or prospects of the Companies since December 31, 2005.

(n) Miscellaneous. Borrowers shall have provided to Agent and the Lenders such other items and shall have satisfied such other conditions as may be reasonably required by Agent or the Lenders.

Section 4.3. Restatement Closing Conditions – March 13, 2009. On or before the Restatement Closing Date, Borrowers shall satisfy each of the items specified below:

(a) Domestic Security Agreements. US Borrower and each Domestic Subsidiary shall have executed and delivered to Collateral Agent, a Security Agreement and such other documents or instruments, as may be required by Agent to create or perfect the Liens of Collateral Agent in the assets of such Credit Party, all to be in form and substance satisfactory to Agent and the Lenders.

(b) Domestic Pledge Agreements. US Borrower and each Domestic Subsidiary that has a Subsidiary shall have (i) executed and delivered to Collateral Agent, for the benefit of the Lender and the Senior Noteholders, a Pledge Agreement, in form and substance satisfactory to Agent and the Lenders and the Senior Noteholders with respect to the Pledged Securities, (ii) executed and delivered to Collateral Agent appropriate transfer powers for each of the Pledged Securities, (iii) delivered to Collateral Agent the Pledged Securities, and (iv) delivered to Agent any other documentation (including legal opinions from foreign counsel) reasonably required by Agent regarding the perfection of such Pledged Securities.

(c) Domestic Intellectual Property Security Agreements. US Borrower and each Domestic Subsidiary that owns federally registered intellectual property shall have executed and delivered to Collateral Agent, for the benefit of the Lenders and the Senior Noteholders, an Intellectual Property Security Agreement, in form and substance reasonably satisfactory to Agent and the Lenders.

(d) Domestic Real Estate Matters. With respect to each parcel of the Real Property owned by a Credit Party, Borrowers shall have delivered to Collateral Agent, for the benefit of the Lenders and the Senior Noteholders:

(i) a Loan Policy of title insurance (or comparable foreign document) reasonably acceptable to Agent issued to Collateral Agent by a title company acceptable to Agent (the “Title Company”), in an amount equal to the lesser of the Total Commitment Amount or the appraised value of the Real Property insuring the Mortgage to be a valid, first-priority lien in the Real Property, free and clear of all defects and encumbrances except such matters of record as accepted by Agent, in its sole discretion, and shown as Permitted Encumbrances in “Exhibit B” to the Mortgage, with such endorsements and affirmative insurance as Agent may require, including without limitation:

(A) the deletion of all so-called “standard exceptions” from such policy other than any such exception which would require delivery of updated “as-built” surveys in order to make such deletion;

(B) a so-called “comprehensive” endorsement in form and substance acceptable to Agent;

(C) affirmative insurance coverage regarding access, compliance with respect to restrictive covenants and any other matters to which Agent may have objection or require affirmative insurance coverage; and

(D) the results of a federal tax lien search in the county wherein the Real Property is located and such Credit Party has its principal place of business;

(ii) evidence, to Agent’s satisfaction in its sole discretion, that no portion of such Real Property is located in a Special Flood Hazard Area or is otherwise classified as Class A or Class BX on the Flood Maps maintained by the Federal Emergency Management Agency;

(iii) two fully executed originals of the Mortgage with respect to such Real Property; and

(iv) a local real estate counsel legal opinion, to be in form and substance satisfactory to Agent.

(e) Intercreditor Agreement. Borrowers shall have delivered the Intercreditor Agreement, fully executed by each Senior Noteholder, in form and substance satisfactory to Agent and the Lenders.

(f) Lien Searches. With respect to the property owned or leased by US Borrower and a Domestic Guarantor of Payment, and any other property securing the Obligations located in the United States, Borrowers shall have caused to be delivered to Collateral Agent (i) the results of Uniform Commercial Code lien searches, satisfactory to Agent and the Lenders, (ii) the results of federal and state tax lien and judicial lien searches, satisfactory to Agent and the Lenders, and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof.

(g) Officer’s Certificate, Resolutions, Organizational Documents. US Borrower and each Domestic Guarantor of Payment shall have delivered to Agent an officer’s certificate certifying the names of the officers of such Credit Party authorized to sign the Loan Documents being executed on the Restatement Closing Date, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors of such Credit Party evidencing approval of the execution and delivery of such Loan Documents and the execution of other Related Writings to which such Credit Party is a party, and (ii) the Organizational Documents of such Credit Party.

(h) Good Standing and Full Force and Effect Certificates. US Borrower shall have delivered to Agent a good standing certificate or full force and effect certificate (or comparable foreign documentation, if any), as the case may be, for each Credit Party, issued within thirty (30) days prior to the Restatement Closing Date by the Secretary of State (or comparable foreign entity) in the state or states where such Credit Party is incorporated or formed or qualified as a foreign entity.

(i) US Legal Opinion. US Borrower shall have delivered to Agent an opinion of counsel for US Borrower and each Domestic Guarantor of Payment, in form and substance satisfactory to Agent and the Lenders.

(j) Amendment of Senior Notes Documents. US Borrower shall have delivered to Agent and the Lenders a copy of an executed and effective amendment to the Senior Notes Indenture (which includes a consent to this Agreement and the related transactions by the Senior Noteholders), to be in form and substance satisfactory to Agent.

(k) Amended and Restated Agent Fee Letter, Amendment Closing Fee Letter and Other Fees. US Borrower shall have (i) executed and delivered to Agent, the Amended and Restated Agent Fee Letter and paid to Agent, for its sole account, the fees stated therein, (ii) executed and delivered to Agent, the Amendment Closing Fee Letter and paid to Agent, for the benefit of the Lenders, the fees stated therein, and (iii) paid all reasonable legal fees and expenses of Agent in connection with the preparation and negotiation of the Loan Documents.

(l) Insurance Certificate. Borrowers shall have delivered to Agent evidence of insurance on ACORD 25 and 27 or 28 form, and otherwise satisfactory to Agent and the Lenders, of adequate real property, personal property and liability insurance of each Company, with Collateral Agent listed as mortgagee, lender's loss payee and additional insured, as appropriate.

Section 4.4. Post Restatement Closing Conditions.

(a) Domestic Control Agreements. No later than thirty (30) days (unless a longer period is agreed to by Agent) after the Restatement Closing Date, US Borrower shall have delivered to Collateral Agent, for the benefit of the Lenders and the Senior Noteholders, an executed Control Agreement, in form and substance satisfactory to Agent, for each Deposit Account maintained by a Credit Party in the United States (other than for Deposit Accounts held at Plains Capital Bank, Fifth Third Bank, Bank of America, N.A. and M&I Bank, each of which, as of the Restatement Closing Date, has a balance that does not exceed Ten Thousand Dollars (\$10,000)).

(b) Landlords' Waivers. No later than thirty (30) days (unless a longer period is agreed to by Agent) after the Restatement Closing Date, Borrowers shall have delivered to Collateral Agent, for the benefit of the Lenders and the Senior Noteholders, a Landlord's Waiver and a mortgagee's waiver, if applicable, each in form and substance satisfactory to Agent and the Lenders, for each location of US Borrower or Domestic Guarantor of Payment where any material amount of collateral securing any part of the Obligations is located, unless such location is owned by the Company that owns the collateral located there.

(c) Consignee's Waivers. No later than thirty (30) days (unless a longer period is agreed to by Agent) after the Restatement Closing Date, Borrowers shall have delivered to Collateral Agent, for the benefit of the Lenders and the Senior Noteholders, a Consignee's Waiver for each location where US Borrower or a Domestic Guarantor of Payment maintains any material amount of inventory with a consignee, together with filed U.C.C. Financing Statements, in form and substance satisfactory to Agent and the Lenders.

(d) Additional Foreign Borrower Documentation. No later than the Foreign Borrower Addition Date (unless a longer period is agreed to by Agent), each Foreign Subsidiary listed in Schedule 2 hereto (provided that, if a Foreign Subsidiary becomes a Foreign Borrower prior to the Foreign Borrower Addition Date, the following documentation shall be provided on such earlier date):

(i) shall have executed and delivered to Agent an Additional Foreign Borrower Assumption Agreement, in form and substance satisfactory to Agent and the Lenders;

(ii) shall have executed and delivered to each Lender requesting Foreign Borrower Revolving Credit Notes, such Lender's Foreign Borrower Revolving Credit Notes;

(iii) shall have executed and delivered to Agent, for the benefit of the Lenders, applicable Security Documents and such other documents or instruments, as may be required by Agent to create or perfect the Liens of Agent, for the benefit of the Lenders, in the assets of such Foreign Subsidiary, all to be in form and substance satisfactory to Agent and the Lenders;

(iv) that has a Subsidiary shall have (A) executed and delivered to Agent, for the benefit of the Lenders, a Pledge Agreement, in form and substance satisfactory to Agent and the Lenders, with respect to the Pledged Securities owned by such Foreign Subsidiary, (B) executed and delivered to Agent, for the benefit of the Lenders, appropriate transfer powers for each of the Pledged Securities, (C) delivered to Agent, for the benefit of the Lenders, the Pledged Securities (if certificated), and (D) delivered to Agent any other documentation (including legal opinions from foreign counsel) reasonably required by Agent regarding the perfection of such Pledged Securities;

(v) shall have executed and delivered to Agent a Guaranty of Payment, in form and substance satisfactory to Agent and the Lenders;

(vi) shall have delivered to Agent an opinion of counsel for such Foreign Subsidiary, in form and substance satisfactory to Agent and the Lenders, including opinions of counsel regarding the security interests of Agent in the Collateral of such Foreign Subsidiary; and

(vii) shall have delivered to Agent and the Lenders an officer's certificate (or comparable domestic or foreign documents) certifying the names of the officers of such Foreign Subsidiary authorized to sign the Loan Documents being executed on the Foreign Borrower Addition Date, together with the true signatures of such officers and certified copies of (A) the resolutions of the board of directors (or comparable domestic or foreign documents) of such Foreign Subsidiary evidencing approval of the execution and delivery of such Loan Documents and the execution of other Related Writings to which such Foreign Subsidiary is a party, and (B) the Organizational Documents of such Foreign Subsidiary.

(e) Additional Foreign Guarantor Documentation. No later than the Foreign Borrower Addition Date (unless a longer period is agreed to by Agent), each Foreign Subsidiary (other than a Foreign Borrower) listed in Schedule 3 hereto as a Foreign Guarantor of Payment (provided that, if a Foreign Subsidiary becomes a Foreign Guarantor of Payment prior to the Foreign Borrower Addition Date, the following documentation shall be provided on such earlier date):

(i) shall have executed and delivered to Agent a Guaranty of Payment, in form and substance satisfactory to Agent and the Lenders;

(ii) shall have executed and delivered to Agent, for the benefit of the Lenders, applicable Security Documents and such other documents or instruments, as may be required by Agent to create or perfect the Liens of Agent, for the benefit of the Lenders, in the assets of such Foreign Guarantor of Payment, all to be in form and substance satisfactory to Agent and the Lenders;

(iii) that has a Subsidiary shall have (A) executed and delivered to Agent, for the benefit of the Lenders, a Pledge Agreement, in form and substance satisfactory to Agent and the Lenders, with respect to the Pledged Securities owned by such Foreign Subsidiary, (B) executed and delivered to Agent, for the benefit of the Lenders, appropriate transfer powers for each of the Pledged Securities, (C) delivered to Agent, for the benefit of the Lenders, the Pledged Securities (if certificated), and (D) delivered to Agent any other documentation (including legal opinions from foreign counsel) reasonably required by Agent regarding the perfection of such Pledged Securities;

(iv) shall have delivered to Agent an opinion of counsel for such Foreign Subsidiary, in form and substance satisfactory to Agent and the Lenders, including opinions of counsel regarding the security interests of Agent in the Collateral of such Foreign Subsidiary; and

(v) shall have delivered to Agent and the Lenders an officer's certificate (or comparable domestic or foreign documents) certifying the names of the officers of such Foreign Subsidiary authorized to sign the Loan Documents being executed on the Foreign Borrower Addition Date, together with the true signatures of such officers and certified copies of (A) the resolutions of the board of directors (or comparable domestic or foreign documents) of such Foreign Subsidiary evidencing approval of the execution and delivery of such Loan Documents and the execution of other Related Writings to which such Foreign Subsidiary is a party, and (B) the Organizational Documents of such Foreign Subsidiary.

ARTICLE V. COVENANTS

Section 5.1. Insurance. Each Company shall at all times maintain insurance upon its Inventory, Equipment and other personal and real property in such form, written by such companies, in such amounts, for such periods, and against such risks as may be acceptable to Agent, with provisions satisfactory to Agent for, with respect to Credit Parties, payment of all losses thereunder to Agent and such Company as their interests may appear (with lender's loss payable endorsement in favor of Collateral Agent) and, if required by Agent, Borrowers shall deposit the policies with Agent. Any such policies of insurance shall provide for no fewer than thirty (30) days prior written notice of cancellation to Agent and the Lenders. Any sums received by Collateral Agent in payment of insurance losses, returns, or unearned premiums under the policies shall be applied as set forth in Section 2.11(d) hereof. Agent is hereby authorized to act as attorney-in-fact for the Companies in (after the occurrence and during the continuation of an Event of Default) obtaining, adjusting, settling and canceling such insurance and indorsing any drafts. In the event of failure to provide such insurance as herein provided, Agent may, at its option, provide such insurance and US Borrower shall pay to Agent, upon demand, the cost thereof. Should US Borrower fail to pay such sum to Agent upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the Default Rate. Within ten days of Agent's written request, Borrowers shall furnish to Agent such information about the insurance of the Companies as Agent may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to Agent and certified by a Financial Officer.

Section 5.2. Money Obligations. Each Company shall pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate provisions have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject; (b) in the case of US Borrower and the Domestic Guarantors of Payment, all of its material wage obligations to its employees in compliance with the Fair Labor Standards Act (29 U.S.C. §§ 206-207) or any comparable provisions, and, in the case of the Foreign Borrowers and the Foreign Guarantors of Payment, those obligations under foreign laws with respect to employee source deductions, obligations and employer obligations to its employees; and (c) all of its other material obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate provisions have been established in accordance with GAAP) before such payment becomes overdue.

Section 5.3. Financial Statements and Information.

(a) Quarterly Financials. Administrative Borrower shall deliver to Agent and the Lenders, within fifty (50) days after the end of each of the first three quarter-annual periods of each fiscal year of US Borrower, balance sheets of the Companies as of the end of such period and statements of income (loss), stockholders' equity and cash flow for the quarter and fiscal year to date periods, all prepared on a Consolidated and consolidating basis, in accordance with GAAP, and in form and detail satisfactory to Agent and the Lenders and certified by a Financial Officer of Administrative Borrower. Borrower shall be deemed to be in compliance with its delivery obligations pursuant to this Section 5.3(a) with respect to any material or information set forth in this Section 5.3(a) to the extent such material or information is publicly filed via the Securities and Exchange Commission's Electronic Data Gathering and Retrieval System (EDGAR) or any public electronic filing system successor thereto.

(b) Annual Audit Report. Administrative Borrower shall deliver to Agent and the Lenders, within ninety-five (95) days after the end of each fiscal year of US Borrower, an annual audit report of the Companies for that year prepared on a Consolidated and consolidating basis, in accordance with GAAP, and in form and detail satisfactory to Agent and the Lenders and certified by an unqualified opinion of an independent public accountant satisfactory to Agent, which report shall include balance sheets and statements of income (loss), stockholders' equity and cash-flow for that period. Borrower shall be deemed to be in compliance with its delivery obligations pursuant to this Section 5.3(b) with respect to any material or information set forth in this Section 5.3(b) to the extent such material or information is publicly filed via the Securities and Exchange Commission's Electronic Data Gathering and Retrieval System (EDGAR) or any public electronic filing system successor thereto.

(c) Compliance Certificate. Administrative Borrower shall deliver to Agent and the Lenders, concurrently with the delivery of the financial statements set forth in subsections (a) and (b) above, a Compliance Certificate.

(d) Cash Flow Projections. Administrative Borrower shall deliver to Agent and the Lenders, within three Business Days after the end of each week, a cash-flow projection (including, but not limited to, expected weekly needs for Revolving Loans), for the immediately following thirteen (13) weeks, all prepared on a Consolidated basis and in form and detail satisfactory to Agent.

(e) Management Report. Administrative Borrower shall deliver to Agent and the Lenders, concurrently with the delivery of the quarterly and annual financial statements set forth in subsection (b) above, a copy of any management report, letter or similar writing furnished to the Companies by the accountants in respect of the Companies' systems, operations, financial condition or properties.

(f) Shareholder and SEC Documents. Administrative Borrower shall deliver to Agent and the Lenders, as soon as available, copies of all notices, reports, definitive proxy or other statements and other documents sent by US Borrower to its shareholders, to the holders of any of its debentures or bonds or the trustee of any indenture securing the same or pursuant to which they are issued, or sent by US Borrower (in final form) to any securities exchange or over the counter authority or system, or to the SEC or any similar federal agency having regulatory jurisdiction over the issuance of US Borrower's securities.

(g) Financial Information of the Companies. Administrative Borrower shall deliver to Agent and the Lenders, within ten days of the written request of Agent or any Lender, such other information about the financial condition, properties and operations of any Company as may from time to time be reasonably requested, which information shall be submitted in form and detail satisfactory to Agent and the Lenders and certified by a Financial Officer of the Company or Companies in question.

Section 5.4. Financial Records. Each Company shall at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate provisions for possible losses and liabilities, all in accordance with GAAP, and at all reasonable times (during normal business hours and upon reasonable notice to such Company) permit Agent or any Lender, or any representative of Agent or such Lender, to examine such Company's books and records and to make excerpts therefrom and transcripts thereof.

Section 5.5. Franchises; Change in Business.

(a) Each Company (other than a Dormant Subsidiary) shall preserve and maintain at all times its existence, and its rights and franchises necessary for its business, except as otherwise permitted pursuant to Section 5.12 hereof.

(b) No Company shall engage in any business if, as a result thereof, the general nature of the business of the Companies taken as a whole would be substantially changed from the general nature of the business the Companies are engaged in on the Closing Date.

Section 5.6. ERISA Pension and Benefit Plan Compliance.

(a) No Company shall incur any material accumulated funding deficiency within the meaning of ERISA, or any material liability to the PBGC, established thereunder in connection with any ERISA Plan. Borrowers shall furnish to Agent and the Lenders (i) as soon as possible and in any event within thirty (30) days after any Company knows or has reason to know that any Reportable Event with respect to any ERISA Plan has occurred, a statement of a Financial Officer of such Company, setting forth details as to such Reportable Event and the action that such Company proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC if a copy of such notice is available to such Company, and (ii) promptly after receipt thereof a copy of any notice such Company, or any member of the Controlled Group may receive from the PBGC or the Internal Revenue Service with respect to any ERISA Plan administered by such Company; provided that this latter clause shall not apply to notices of general application promulgated by the PBGC or the Internal Revenue Service. Borrowers shall promptly notify Agent of any material taxes assessed, proposed to be assessed or that Borrowers have reason to believe may be assessed against a Company by the Internal Revenue Service with respect to any ERISA Plan. As used in this Section 5.6, "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of Consolidated Net Worth. As soon as practicable, and in any event within twenty (20) days, after any Company shall become aware that an ERISA Event shall have occurred, such Company shall provide Agent with notice of such ERISA Event with a certificate by a Financial Officer of such Company setting forth the details of the event and the action such Company or another Controlled Group member proposes to take with respect thereto. Borrowers shall, at the request of Agent, deliver or cause to be delivered to Agent, true and correct copies of any documents relating to the ERISA Plan of any Company.

(b) Foreign Pension Plans and Benefit Plans.

(i) For each existing, or hereafter adopted, Foreign Pension Plan and Foreign Benefit Plan, US Borrower and any appropriate Foreign Subsidiary shall in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Foreign Pension Plan or Foreign Benefit Plan, including under any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations).

(ii) All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Foreign Pension Plan or Foreign Benefit Plan shall be paid or remitted by US Borrower and any appropriate Foreign Subsidiary in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws.

(iii) US Borrower and any appropriate Foreign Subsidiary shall deliver to Agent (A) if requested by Agent, copies of each annual and other return, report or valuation with respect to each Foreign Pension Plan as filed with any applicable Governmental Authority; (B) promptly after receipt thereof, a copy of any material direction, order, notice, ruling or opinion that US Borrower and any appropriate Foreign Subsidiary may receive from any applicable Governmental Authority with respect to any Foreign Pension Plan; and (C) notification within thirty (30) days of any increases having a cost to the Companies in excess of Two Hundred Fifty Thousand Dollars (\$250,000) per annum in the aggregate, in the benefits of any existing Foreign Pension Plan or Foreign Benefit Plan, or the establishment of any new Foreign Pension Plan or Foreign Benefit Plan, or the commencement of contributions to any such plan to which the Companies were not previously contributing.

Section 5.7. Financial Covenants.

(a) Capitalization Ratio. US Borrower shall not suffer or permit at any time the Capitalization Ratio to exceed (i) 0.60 to 1.00 on the Restatement Closing Date through March 30, 2010, (ii) 0.62 to 1.00 on March 31, 2010 through June 29, 2010, and (iii) on June 30, 2010 and thereafter, a ratio to be determined in the sole discretion of Agent and the Required Lenders, after consultation with US Borrower.

(b) Interest Coverage Ratio. US Borrower shall not suffer or permit at any time the Interest Coverage Ratio to be less than (i) 3.09 to 1.00 for the period ending March 31, 2009, (ii) 1.14 to 1.00 for the period ending June 30, 2009, (iii) 0.39 to 1.00 for the period ending March 31, 2010, and (iv) for each period ending June 30, 2010 and thereafter, a ratio to be determined in the sole discretion of Agent and the Required Lenders, after consultation with US Borrower.

(c) Minimum EBITDA. US Borrower shall not suffer or permit at any time Consolidated EBITDA, as determined for the most recently completed four fiscal quarters of US Borrower, to be less than:

- (i) Twenty-Five Million One Hundred Thirty-Two Thousand Dollars (\$25,132,000) for the period ending March 31, 2009;
- (ii) Six Million Seven Hundred Eighty-Three Thousand Dollars (\$6,783,000) for the period ending June 30, 2009;
- (iii) negative Five Million Six Hundred Fourteen Thousand Dollars (- \$5,614,000) for the period ending September 30, 2009;
- (iv) negative Seven Million Eight Hundred Forty-Two Thousand Dollars (- \$7,842,000) for the period ending December 31, 2009;
- (v) negative Seventy-Two Thousand Dollars (- \$72,000) for the period ending March 31, 2010; and
- (vi) for each period ending June 30, 2010 and thereafter, an amount to be determined in the sole discretion of Agent and the Required Lenders, after consultation with US Borrower.

(d) Consolidated Adjusted Net Worth. US Borrower shall not suffer or permit at any time the Consolidated Adjusted Net Worth, for the most recently completed fiscal quarter of US Borrower, to be less than (i) for all periods ending on or prior to December 31, 2008, the sum of (A) Seventy Million Dollars (\$70,000,000), plus (B) twenty-five percent (25%) of its aggregate Consolidated Net Income (but only if a positive number) for the period beginning on January 1, 2004 and ending at the end of the then most recently completed fiscal quarter of US Borrower, and (ii) for each period ending on March 31, 2011 and thereafter, the sum of (A) eighty percent (80%) % of the Consolidated Adjusted Net Worth as of December 31, 2008, plus (B) twenty-five percent (25%) of its aggregate Consolidated Net Income (but only if a positive number) for the period beginning on January 1, 2009 and ending at the end of the then most recently completed fiscal quarter of US Borrower. The foregoing covenant shall be suspended and shall not apply for the fiscal quarters of US Borrower ending during the 2009 and 2010 fiscal years of US Borrower, but shall apply for all fiscal quarters of US Borrower ending on March 31, 2011 and thereafter.

(e) Leverage Ratio. US Borrower shall not suffer or permit at any time the Leverage Ratio to exceed 2.75 to 1.00; provided that the foregoing covenant shall be suspended and shall not apply for the fiscal quarters of US Borrower ending during the 2009 and 2010 fiscal years of US Borrower, but shall apply for all fiscal quarters of US Borrower ending on March 31, 2011 and thereafter.

(f) Capital Expenditures. The Companies shall not invest in Consolidated Capital Expenditures, (i) during the 2009 fiscal year of US Borrower, more than an aggregate amount equal to Three Million Five Hundred Thousand Dollars (\$3,500,000), and (ii) thereafter, during any fiscal quarter of US Borrower, more than an aggregate amount equal to One Million Dollars (\$1,000,000); provided that, if at the end of a fiscal quarter of US Borrower the Leverage Ratio shall be less than 4.00 to 1.00, then the amount in subpart (ii) above shall be increased to Two Million Dollars (\$2,000,000) for the immediately following fiscal quarter of US Borrower: provided that Consolidated Capital Expenditures made with (A) net proceeds from a Material Recovery Event used to replace, rebuild or restore fixed assets in accordance with Section 2.11(c)(ii) hereof, and (B) net proceeds from asset dispositions used to replace such assets in accordance with Section 2.11(c)(i) hereof, shall not be included in calculating Consolidated Capital Expenditures for purposes of this subsection (f).

Section 5.8. Borrowing. No Company shall create, incur or have outstanding any Indebtedness of any kind; provided that this Section 5.8 shall not apply to the following:

(a) the Loans, the Letters of Credit and any other Indebtedness under this Agreement;

(b) any loans granted to or Capitalized Lease Obligations entered into by any Company for the purchase or lease of fixed assets (and refinancings of such loans or Capitalized Lease Obligations), which loans and Capitalized Lease Obligations shall only be secured by the fixed assets being purchased or leased, so long as the aggregate principal amount of all such loans and Capitalized Lease Obligations for all Companies shall not exceed Four Million Dollars (\$4,000,000) at any time outstanding;

(c) the Indebtedness existing on the Restatement Closing Date, in addition to the other Indebtedness permitted to be incurred pursuant to this Section 5.8, as set forth in Schedule 5.8 hereto (and, subject to restrictions on the Senior Notes set forth in Section 5.27 hereof, any extension, renewal or refinancing thereof but only to the extent that the principal amount thereof does not increase after the Restatement Closing Date);

(d) loans to US Borrower or a Domestic Guarantor of Payment from a Company;

(e) loans to a Foreign Borrower or a Foreign Guarantor of Payment from a Foreign Borrower or a Foreign Guarantor of Payment;

(f) Indebtedness under any Hedge Agreement, so long as such Hedge Agreement shall have been entered into in the ordinary course of business and not for speculative purposes;

(g) Permitted Foreign Subsidiary Loans and Investments;

(h) other unsecured Indebtedness, in addition to the Indebtedness listed above, in an aggregate principal amount for all Companies not to exceed Five Million Dollars (\$5,000,000) at any time outstanding;

(i) unsecured Subordinated Indebtedness that is subordinated to the Secured Obligations and subject to a Subordination Agreement that includes terms no less favorable to Agent and the Lenders than those set forth on Exhibit H hereto, provided that the documentation of such provisions are in form satisfactory to Agent;

(j) Indebtedness incurred in connection with the financing of insurance premiums, in an aggregate amount not to exceed One Million Dollars (\$1,000,000) at any time outstanding;

(k) contingent obligations consisting of guarantees executed by any Company with respect to Indebtedness of a Domestic Guarantor of Payment otherwise permitted by this Agreement;

(l) so long as the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereto, Indebtedness of the Companies in the form of additional Senior Notes, in an aggregate amount not to exceed Fifty Million Dollars (\$50,000,000) during the Commitment Period (provided that the holders of such Senior Notes shall enter into the Intercreditor Agreement or another "intercreditor agreement", in the form and substance of the Intercreditor Agreement, with the parties to the Intercreditor Agreement); and

(m) the following that do not constitute Indebtedness, but that are listed for purposes of clarification, contingent obligations consisting of the indemnification by any Company of (i) the officers, directors, employees and agents of the Companies, to the extent permissible under the corporation law of the jurisdiction in which such Company is organized, (ii) commercial banks, investment bankers and other independent consultants or professional advisors pursuant to agreements relating to the underwriting of the Companies' securities or the rendering of banking or professional services to the Companies, (iii) landlords, licensors, licensees and other parties pursuant to agreements entered into in the ordinary course of business by the Companies, and (iv) other Persons under agreements relating to Acquisitions permitted under Section 5.13 hereof; provided that each of the foregoing is only permitted to the extent that such indemnity obligation is not incurred in connection with the borrowing of money or the extension of credit.

Section 5.9. Liens. No Company shall create, assume or suffer to exist (upon the happening of a contingency or otherwise) any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this Section 5.9 shall not apply to the following:

(a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been established in accordance with GAAP;

(b) other statutory Liens incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

- (c) Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to a Credit Party;
- (d) purchase money Liens on fixed assets securing the loans and Capitalized Lease Obligations pursuant to Section 5.8(b) hereof, provided that such Lien is limited to the purchase price and only attaches to the property being acquired;
- (e) any Lien of (i) Agent, for the benefit of the Lenders, or (ii) Collateral Agent, for the benefit of the Secured Creditors;
- (f) the Liens existing on the Restatement Closing Date as set forth in Schedule 5.9 hereto and replacements, extensions, renewals, refundings or refinancings thereof, but only to the extent that the amount of debt secured thereby shall not be increased;
- (g) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of any Company;
- (h) pledges or deposits in connection with workers' compensation insurance, unemployment insurance and like matters;
- (i) Liens in respect of any writ of execution, attachment, garnishment, judgment or judicial award, if (i) the time for appeal or petition for rehearing has not expired, an appeal or appropriate proceeding for review is being prosecuted in good faith and a stay of execution pending such appeal or proceeding for review has been secured, or (ii) the underlying claim is fully covered by insurance issued by an insurer satisfactory to Agent, the insurer has acknowledged in writing its responsibility to pay such claim and no action has been taken to enforce such execution, attachment, garnishment, judgment or award;
- (j) any statutory or civil law Lien arising in the Netherlands under Netherland's General Banking Conditions (other than arising under article 20 thereof);
- (k) any Lien arising in Germany by operation of law and in the ordinary course of trading or arising under customary extended retention of title arrangements (verlängerter Eigentumsvorbehalt) in the ordinary course of business;
- (l) with respect to any Company organized in Germany, any netting or set-off arrangement entered into by such Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances and any Lien arising in the ordinary course of business under the general terms and conditions of banks or Sparkassen (Allgemeine Geschäftsbedingungen der Banken oder Sparkassen) with whom such Company maintains a banking relationship; or
- (m) other non-consensual Liens not securing Indebtedness, (i) the amount of which does not exceed One Million Dollars (\$1,000,000) in the aggregate, and (ii) the existence of which will not have a Material Adverse Effect; provided that any Lien permitted by this subpart (j) is permitted only for so long as is reasonably necessary for the affected Borrower or the affected Subsidiary, using its best efforts, to remove or eliminate such Lien and, provided further that, any Lien not otherwise permitted by this subpart shall be permitted so long as such Borrower or the affected Subsidiary shall within thirty (30) days after the filing thereof either (A) cause such Lien to be discharged, or (B) post with Agent a bond or other security in form and amount satisfactory to Agent in all respects and shall thereafter diligently pursue its discharge.

No Company shall enter into any contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets) that would prohibit Agent or the Lenders from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of such Company.

Section 5.10. Regulations T, U and X. No Company shall take any action that would result in any non-compliance of the Loans or Letters of Credit with Regulations T, U or X, or any other applicable regulation, of the Board of Governors of the Federal Reserve System.

Section 5.11. Investments, Loans and Guaranties. No Company shall (a) create, acquire or hold any Subsidiary, (b) make or hold any investment in any stocks, bonds or securities of any kind, (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan to any Person, or (e) be or become a Guarantor of any kind (other than a Guarantor of Payment under the Loan Documents); provided that this Section 5.11 shall not apply to the following:

- (i) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or similar transaction in the normal course of business;
- (ii) any investment in direct obligations of the United States of America or in certificates of deposit issued by a member bank (having capital resources in excess of One Hundred Million Dollars (\$100,000,000)) of the Federal Reserve System;
- (iii) any investment in commercial paper or securities that at the time of such investment is assigned the highest quality rating in accordance with the rating systems employed by either Moody's or Standard & Poor's;
- (iv) the holding of each of the Subsidiaries listed on Schedule 6.1 hereto, and the creation, acquisition and holding of, and any investment in, any new Subsidiary after the Restatement Closing Date so long as such new Subsidiary shall have been created, acquired or held, and investments made, in accordance with the terms and conditions of this Agreement;
- (v) any Permitted Foreign Subsidiary Loans and Investments, so long as no Default or Event of Default shall exist prior to or after giving effect to such loan or investments;

- (vi) loans to, investments in and guaranties of the Indebtedness of, US Borrower or a Domestic Guarantor of Payment from or by a Company;
- (vii) loans to, investments in and guaranties of the Indebtedness of, a Foreign Borrower or a Foreign Guarantor of Payment from or by a Foreign Borrower or a Foreign Guarantor of Payment;
- (viii) any advance or loan to an officer or employee of a Company as an advance on commissions, travel, relocation and other similar items in the ordinary course of business, so long as all such advances and loans from all Companies aggregate not more than the maximum principal sum of One Million Dollars (\$1,000,000) at any time outstanding;
- (ix) the holding of any stock that has been acquired pursuant to an Acquisition permitted by Section 5.13 hereof;
- (x) the creation of a Subsidiary for the purpose of making an Acquisition permitted by Section 5.13 hereof or the holding of any Subsidiary as a result of an Acquisition made pursuant to Section 5.13 hereof, so long as, in each case, if required pursuant to Section 2.13 or 5.20 hereof, such Subsidiary becomes a Guarantor of Payment promptly following such Acquisition; or
- (xi) Permitted Investments, so long as the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereto.

For purposes of this Section 5.11, the amount of any investment in equity interests shall be based upon the initial amount invested and shall not include any appreciation in value or return on such investment.

Section 5.12. Merger and Sale of Assets. No Company shall merge, amalgamate or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist:

- (a) a Domestic Subsidiary may merge with (i) US Borrower (provided that such US Borrower shall be the continuing or surviving Person), or (ii) any one or more Domestic Guarantors of Payment;
- (b) a Domestic Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to (i) US Borrower or (ii) any Domestic Guarantor of Payment;
- (c) a Company may sell, lease, transfer or otherwise dispose of any assets, so long as (i) the aggregate amount of all such dispositions, for all Companies, shall not exceed Five Million Dollars (\$5,000,000) per fiscal year of Borrower, and (ii) if such sale, lease, transfer or disposal of assets is greater than One Million Dollars (\$1,000,000), then US Borrower shall have provided to Agent and the Lenders, at least ten (10) days prior to such sale, lease, transfer or disposal of assets, a certificate of a Financial Officer of US Borrower showing pro forma compliance with Section 5.7 hereof, both before and after giving effect to the proposed sale, lease, transfer or disposal of assets;

- (d) a Domestic Subsidiary (other than a Credit Party) may merge with or sell, lease, transfer or otherwise dispose of any of its assets to any other Domestic Subsidiary;
- (e) a Foreign Subsidiary (that is a Credit Party) may merge or amalgamate with another Foreign Subsidiary (that is a Credit Party) or US Borrower or a Domestic Guarantor of Payment, provided that such US Borrower or Domestic Guarantor of Payment shall be the continuing or surviving Person;
- (f) a Foreign Subsidiary (other than a Credit Party) may merge or amalgamate with (i) a Credit Party provided that a Credit Party shall be the continuing or surviving Person, or (ii) another Foreign Subsidiary;
- (g) a Foreign Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to any Credit Party;
- (h) a Foreign Subsidiary (other than a Credit Party) may sell, lease, transfer or otherwise dispose of any of its assets to any other Foreign Subsidiary;
- (i) any Company may sell, transfer or otherwise dispose of fixed assets in the ordinary course of business for the purpose of replacing such fixed assets, provided that any such fixed assets are replaced within one hundred eighty (180) days of such sale or other disposition with other fixed assets which have a fair market value not materially less than the fair market value of the fixed assets sold or otherwise disposed; and
- (j) Acquisitions may be effected in accordance with the provisions of Section 5.13 hereof.

Section 5.13. Acquisitions. No Company shall effect an Acquisition; provided that, at any time the Leverage Ratio shall be less than 2.50 to 1.00 prior to and after giving pro forma effect thereof, the Companies may make an Acquisition so long as:

- (a) in the case of a merger, amalgamation or other combination including a Borrower, such Borrower shall be the surviving entity;
- (b) in the case of a merger, amalgamation or other combination including a Credit Party (other than a Borrower), a Credit Party shall be the surviving entity;
- (c) the business to be acquired shall be similar to the lines of business of the Companies;
- (d) the Companies shall be in full compliance with the Loan Documents both prior to and subsequent to the transaction;

- (e) no Default or Event of Default shall exist prior to or after giving effect to such Acquisition;
- (f) such Acquisition shall not be actively opposed by the board of directors (or similar governing body) of the selling Persons or the Persons whose equity interests are to be acquired;
- (g) if the aggregate Consideration for such Acquisition is (i) equal to or greater than One Million Dollars (\$1,000,000), US Borrower shall have provided to Agent and the Lenders, at least ten (10) days prior to such Acquisition, historical financial statements of the target entity and a pro forma financial statement of the Companies accompanied by a certificate of a Financial Officer of US Borrower showing compliance with Section 5.7 hereof, both before and after giving Pro Forma Effect to the proposed Acquisition, and (ii) less than One Million Dollars (\$1,000,000), US Borrower shall have provided to Agent and the Lenders, within five days after such Acquisition, a pro forma financial statement of the Companies accompanied by a certificate of a Financial Officer of US Borrower showing pro forma compliance with Section 5.7 hereof; and
- (h) the aggregate amount of Consideration for all Acquisitions (other than any Pre-Approved Acquisition) for all Companies, during any fiscal year of US Borrower, would not exceed Ten Million Dollars (\$10,000,000).

Section 5.14. Notice.

- (a) Each Borrower shall cause a Financial Officer of such Borrower to promptly notify Agent and the Lenders, in writing, whenever a Default or Event of Default may occur hereunder or any representation or warranty made in Article VI hereof or elsewhere in this Agreement or in any Related Writing may for any reason cease in any material respect to be true and complete.
- (b) Administrative Borrower shall provide written notice to Agent and the Lenders contemporaneously with any notice provided to or received from the trustee or the holders of the Senior Notes.

Section 5.15. Restricted Payments. No Company shall make or commit itself to make any Restricted Payment at any time, except that, if no Default or Event of Default shall then exist or, after giving pro forma effect to such payment, thereafter shall begin to exist:

- (a) US Borrower may make regularly scheduled payments of principal and interest with respect to Indebtedness owing under the Senior Notes;
- (b) other than during a Declared Sharing Period (as defined in the Intercreditor Agreement), to the extent that Agent and the Required Lenders reduce the Total Commitment Amount pursuant to Section 2.11(d)(iv) hereof, US Borrower and the Domestic Subsidiaries may make a prepayment of the Indebtedness owing under the Senior Notes in an amount equal to the Senior Noteholders Share;

(c) US Borrower and the Domestic Subsidiaries may make prepayments of the Indebtedness owing under the Senior Notes to the extent required by the Intercreditor Agreement during a Declared Sharing Period (as defined in the Intercreditor Agreement); and

(d) if, prior to and after giving pro forma effect thereof, the Leverage Ratio shall be 2.50 to 1.00 or less, US Borrower may pay or commit itself to pay, in cash to shareholders of US Borrower, during any fiscal year of US Borrower, Capital Distributions in an aggregate amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000).

Section 5.16. Environmental Compliance. Each Company shall comply in all respects with any and all applicable Environmental Laws and Environmental Permits including, without limitation, all Environmental Laws in jurisdictions in which such Company owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise. Each Company shall furnish to Agent and the Lenders, promptly after receipt thereof, a copy of any notice such Company may receive from any Governmental Authority or private Person, or otherwise, that any material litigation or proceeding pertaining to any environmental, health or safety matter has been filed or is threatened against such Company, any real property in which such Company holds any interest or any past or present operation of such Company. No Company shall allow the release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which any Company holds any ownership interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 5.16, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity action, administrative action, investigation or inquiry whether brought by any Governmental Authority or private Person, or otherwise. US Borrower (and any Foreign Borrower, as applicable) shall defend, indemnify and hold Agent and the Lenders harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys' fees) arising out of or resulting from the noncompliance of any Company with any Environmental Law. Such indemnification shall survive any termination of this Agreement.

Section 5.17. Affiliate Transactions. No Company shall, directly or indirectly, enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate (other than a Company that is a Credit Party) on terms that shall be less favorable to such Company than those that might be obtained at the time in a transaction with a non-Affiliate; provided that the foregoing shall not prohibit the payment of customary and reasonable directors' fees to directors who are not employees of a Company or an Affiliate.

Section 5.18. Use of Proceeds. Borrowers' use of the proceeds of the Loans shall be solely for working capital and other general corporate purposes of the Companies and for the refinancing of existing Indebtedness.

Section 5.19. Corporate Names and Locations of Collateral. No Company shall change its corporate name or its state, province or other jurisdiction of organization, unless, in each case, Administrative Borrower shall have provided Agent and the Lenders with at least thirty (30) days prior written notice thereof. Administrative Borrower shall promptly notify Agent of (a) any change in any location where a material portion of any Credit Party's Inventory or Equipment is maintained, and any new locations where any material portion of any Credit Party's Inventory or Equipment is to be maintained; (b) any change in the location of the office where any Credit Party's records pertaining to its Accounts are kept; (c) the location of any new places of business and the changing or closing of any of its existing places of business; and (d) any change in the location of any Credit Party's chief executive office. In the event of any of the foregoing or if deemed appropriate by Agent, Agent is hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary or appropriate, as determined in Agent's sole discretion, to perfect or continue perfected the security interest of Collateral Agent in the Collateral. Borrowers shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and security interests and shall promptly reimburse Agent therefor if Agent pays the same. Such amounts shall be Related Expenses hereunder.

Section 5.20. Subsidiary Guaranties, Security Documents and Pledge of Stock or Other Ownership Interest.

(a) Guaranties and Security Documents. Each Subsidiary (that is not a Dormant Subsidiary or a Subsidiary organized in China) created, acquired or held subsequent to the Restatement Closing Date, shall immediately execute and deliver to Agent, for the benefit of the Lenders, a Guaranty of Payment, and to Collateral Agent the appropriate Security Documents, such agreements to be in form and substance acceptable to Agent, along with any such other supporting documentation, corporate governance and authorization documents, and an opinion of counsel as may be deemed necessary or advisable by Agent. Anything in this subsection (a) to the contrary notwithstanding, if the execution and delivery of such Guaranty of Payment or Security Documentation under the laws of such foreign jurisdiction is impractical or cost prohibitive, in the reasonable judgment of Agent, after consultation with Administrative Borrower, then Agent may forego such Guaranty of Payment or Security Documentation in such foreign jurisdiction.

(b) Pledge of Stock or Other Ownership Interest. With respect to the creation or acquisition of a Subsidiary, the appropriate Credit Party shall execute a Pledge Agreement and, in connection therewith, pledge all of its ownership interests in such Subsidiary to Collateral Agent as security for the Secured Obligations; provided that (i) US Borrower or any Domestic Subsidiary shall not be required to pledge more than sixty-five percent (65%) of the voting outstanding shares or other voting ownership interest of any first-tier Foreign Subsidiary, and (ii) such pledge shall be legally available and shall not result in materially adverse tax consequences on such Credit Party. Administrative Borrower shall deliver to Collateral Agent the share certificates (or other evidence of equity) evidencing any of the Pledged Securities if such Pledged Securities are certificated or so evidenced. Notwithstanding anything in this subsection (b) to the contrary, the Companies shall pledge any shares or other ownership interests that collateralize the Senior Notes on the Restatement Closing Date and thereafter.

(c) Perfection or Registration of Interest in Foreign Shares. With respect to any foreign shares pledged to Collateral Agent, on or after the Restatement Closing Date, Agent shall at all times, in the discretion of Agent or the Required Lenders, have the right to require the perfection, at Borrowers' cost, payable upon request therefor (including, without limitation, any foreign counsel, or foreign notary, filing, registration or similar, fees, costs or expenses), of the security interest in such shares in the respective foreign jurisdiction.

(d) Pledged Intercompany Notes. With respect to the creation or acquisition by a Credit Party of a Pledged Intercompany Note, the appropriate Credit Party shall pledge to Collateral Agent, as security for the Secured Obligations, such Pledged Intercompany Note. Administrative Borrower shall deliver to Collateral Agent such Pledged Intercompany Note and an accompanying allonge.

Section 5.21. Collateral. Each Borrower shall:

(a) at all reasonable times allow Agent and the Lenders by or through any of Agent's officers, agents, employees, attorneys or accountants to (i) examine, inspect and make extracts from such Borrower's books and other records, including, without limitation, the tax returns of such Borrower, (ii) arrange for verification of such Borrower's Accounts, under reasonable procedures, directly with Account Debtors or by other methods, and (iii) examine and inspect such Borrower's Inventory and Equipment, wherever located;

(b) promptly furnish to Agent or any Lender upon request (i) additional statements and information with respect to the Collateral, and all writings and information relating to or evidencing any of such Borrower's Accounts (including, without limitation, computer printouts or typewritten reports listing the mailing addresses of all present Account Debtors), and (ii) any other writings and information as Agent or such Lender may request;

(c) promptly notify Agent in writing upon the creation of any Accounts with respect to which the Account Debtor is the United States of America or any other Governmental Authority, or any business that is located in a foreign country;

(d) promptly notify Agent in writing upon the creation by any Credit Party of a Deposit Account not listed on Schedule 6.19 hereto and provide for the execution of a Control Agreement with respect thereto, if required by Agent or the Required Lenders;

(e) promptly notify Agent in writing whenever a material amount of the Equipment or Inventory of a Credit Party is located at a location of a third party (other than another Company) that is not listed on Schedule 6.9 hereto and cause to be executed any bailee's waiver, processor's waiver, consignee's waiver or similar document or notice that may be required by Agent or the Required Lenders;

(f) promptly notify Agent and the Lenders in writing of any information that Borrowers have or may receive with respect to the Collateral that might reasonably be determined to materially and adversely affect the value thereof or the rights of Agent and the Lenders with respect thereto;

(g) maintain such Borrower's Equipment in good operating condition and repair, ordinary wear and tear excepted, making all necessary replacements thereof so that the value and operating efficiency thereof shall at all times be maintained and preserved;

(h) deliver to Collateral Agent, to hold as security for the Secured Obligations, within ten Business Days after the written request of Agent, all certificated Investment Property owned by a Credit Party, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Agent, or in the event such Investment Property is in the possession of a securities intermediary or credited to a securities account, execute with the related securities intermediary an investment property control agreement over such securities account in favor of Collateral Agent in form and substance satisfactory to Agent;

(i) provide to Agent a list of any patents, trademarks or copyrights that have been federally registered by a Borrower or Domestic Subsidiary since the last list so delivered, and provide for the execution of an appropriate Intellectual Property Security Agreement; and

(j) upon request of Agent, promptly take such action and promptly make, execute, and deliver all such additional and further items, deeds, assurances, instruments and any other writings as Agent may from time to time deem necessary or appropriate, including, without limitation, chattel paper, to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to Agent and the Lenders their respective rights hereunder and in or to the Collateral.

Each Borrower hereby authorizes Collateral Agent to file U.C.C. Financing Statements with respect to the Collateral. If certificates of title or applications for title are issued or outstanding with respect to any of the Inventory or Equipment of any Borrower, such Borrower shall, upon request of Agent, (i) execute and deliver to Collateral Agent a short form security agreement, in form and substance satisfactory to Collateral Agent, and (ii) deliver such certificate or application to Collateral Agent and cause the interest of Collateral Agent to be properly noted thereon. Each Borrower hereby authorizes Agent, Collateral Agent or their respective designated agent (but without obligation by Agent or Collateral Agent to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Default or Event of Default), and Borrowers shall promptly repay, reimburse, and indemnify Agent, Collateral Agent and the Lenders for any and all Related Expenses. If any Borrower fails to keep and maintain its Equipment in good operating condition, ordinary wear and tear excepted, Agent may (but shall not be required to) so maintain or repair all or any part of such Borrower's Equipment and the cost thereof shall be a Related Expense. All Related Expenses are payable to Agent upon demand therefor; Agent may, at its option, debit Related Expenses directly to any Deposit Account of a Company located at Agent or Collateral Agent.

Section 5.22. Property Acquired Subsequent to the Restatement Closing Date and Right to Take Additional Collateral. Borrowers shall provide Agent with prompt written notice with respect to any real or personal property (other than Accounts, Inventory, Equipment and general intangibles and other property acquired in the ordinary course of business) acquired by any Company subsequent to the Restatement Closing Date. In addition to any other right that Agent and the Lenders may have pursuant to this Agreement or otherwise, upon written request of Agent, whenever made, Borrowers shall, and shall cause each Guarantor of Payment to, grant to Agent, for the benefit of the Lenders, as additional security for the Secured Obligations, a first Lien on any real or personal property of each Credit Party (other than for leased equipment or equipment subject to a purchase money security interest in which the lessor or purchase money lender of such equipment holds a first priority security interest, in which case, Agent shall have the right to obtain a security interest junior only to such lessor or purchase money lender), including, without limitation, such property acquired subsequent to the Restatement Closing Date, in which Agent does not have a first priority Lien. Borrowers agree, within ten days after the date of such written request, to secure all of the Secured Obligations by delivering to Agent security agreements, intellectual property security agreements, pledge agreements, mortgages (or deeds of trust, if applicable) or other documents, instruments or agreements or such thereof as Agent may require. Borrowers shall pay all recordation, legal and other expenses in connection therewith.

Section 5.23. Restrictive Agreements. Except as set forth in this Agreement and the Note Purchase Agreement (so long as such provisions are consistent with this Agreement), Borrowers shall not, and shall not permit any of their Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) make, directly or indirectly, any Capital Distribution to any Borrower, (b) make, directly or indirectly, loans or advances or capital contributions to any Borrower or (c) transfer, directly or indirectly, any of the properties or assets of such Subsidiary to any Borrower; except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) customary non-assignment provisions in leases or other agreements entered in the ordinary course of business and consistent with past practices, or (iii) customary restrictions in security agreements or mortgages permitted hereunder securing Indebtedness or Capitalized Lease Obligations permitted hereunder, of a Company to the extent such restrictions shall only restrict the transfer of the property subject to such security agreement, mortgage or lease.

Section 5.24. Other Covenants and Provisions. In the event that any Company shall enter into, or shall have entered into, any Material Indebtedness Agreement, wherein the covenants and agreements contained therein shall be more restrictive than the covenants and agreements set forth herein, then the Companies shall immediately be bound hereunder (without further action) by such more restrictive covenants and agreements with the same force and effect as if such covenants and agreements were written herein. In addition to the foregoing, Borrowers shall provide prompt written notice to Agent of the creation or existence of any Material Indebtedness Agreement that has such more restrictive provisions, and shall, within fifteen (15) days thereafter (if requested by Agent), execute and deliver to Agent an amendment to this Agreement that incorporates such more restrictive provisions, with such amendment to be in form and substance satisfactory to Agent.

Section 5.25. Guaranty Under Material Indebtedness Agreement. No Company shall be or become a primary obligor or Guarantor of the Indebtedness incurred pursuant to any Material Indebtedness Agreement unless such Company shall also be a Guarantor of Payment under this Agreement prior to or concurrently therewith.

Section 5.26. Pari Passu Ranking. The Obligations shall, and Borrowers shall take all necessary action to ensure that the Obligations shall, at all times, rank at least pari passu in right of payment with the Senior Notes and all other material senior Indebtedness of each Borrower.

Section 5.27. Senior Notes Documents. Borrowers shall not, without the prior written consent of Agent and the Required Lenders, amend, restate, supplement or otherwise modify the Senior Notes Documents to (a) increase the principal amount outstanding thereunder, unless the amount of such increase shall be permitted pursuant to Section 5.8(k) hereof, (b) change the date of any scheduled principal payment to a date prior to the eighth anniversary of the date of issuance, or (c) otherwise modify any provision such that a Default or Event of Default will exist. Borrowers shall not, without the prior written consent of Agent and the Required Lenders, permit to exist, on the occurrence of the condition or otherwise, any Lien or other security in favor of the trustee for or the holders of the Senior Notes other than any Lien granted to Collateral Agent, for the benefit of the Secured Creditors.

Section 5.28. Amendment of Organizational Documents. No Company shall amend its Organizational Documents to change its name or state, province or other jurisdiction of organization, or otherwise amend its Organizational Documents in any material respect, without the prior written consent of Agent which consent shall not be unreasonably withheld.

Section 5.29. Deposit Accounts. Borrowers shall not suffer or permit (a) any Deposit Account of US Borrower or a Domestic Guarantor of Payment not subject to a Control Agreement to have a balance, at any time, in excess of Ten Thousand Dollars (\$10,000), and (b) all such Deposit Accounts not subject to a Control Agreement to have an aggregate balance, at any time, in excess of Seventy-Five Thousand Dollars (\$75,000).

Section 5.30. Consultant. Promptly upon the request of Agent and the Required Lenders after (a) the failure of Borrowers at any time to achieve Minimum Consultant Consolidated EBITDA, or (b) the occurrence of a Default or an Event of Default, Borrowers hereby agree to engage and retain, at Borrower's expense, a business consultant, which consultant shall be reasonably satisfactory to Agent and the Required Lenders.

Section 5.31. Further Assurances. Borrowers shall, promptly upon request by Agent or the Required Lenders through Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as Agent, or the Required Lenders through Agent, may reasonably require from time to time in order to carry out more effectively the purposes of the Loan Documents.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.1. Corporate Existence; Subsidiaries; Foreign Qualification. Each Company is duly incorporated or organized (as the case may be), validly existing and in good standing (or comparable concept in the applicable jurisdiction) under the laws of its state or jurisdiction of incorporation or organization, and is duly qualified and authorized to do business and is in good standing (or comparable concept in the applicable jurisdiction) as a foreign entity in the jurisdictions set forth opposite its name on Schedule 6.1 hereto, which are all of the states or jurisdictions where the character of its property or its business activities makes such qualification necessary, except where a failure to so qualify would not reasonably be expected to have a Material Adverse Effect. Each Foreign Subsidiary is validly existing under the laws of its jurisdiction of organization. Schedule 6.1 hereto sets forth, as of the Restatement Closing Date, each Subsidiary of a Borrower (and whether such Subsidiary is a Dormant Subsidiary), its state (or jurisdiction) of formation, its registered office or similar concept if a foreign organization, its relationship to a Borrower, including the percentage of each class of stock or other equity interest owned by a Company, each Person that owns the stock or other equity interest of each Company, the location of its chief executive office and its principal place of business. Each Borrower, directly or indirectly, owns all of the equity interests of each of its Subsidiaries (excluding directors' qualifying shares and, in the case of Foreign Subsidiaries, other nominal amounts of shares held by a Person other than a Company).

Section 6.2. Corporate Authority. Each Credit Party has the right and power (and a direct and specific corporate benefit as to any Foreign Borrower or Foreign Guarantor of Payment organized under the laws of Italy, pursuant to Article 2497-ter of the Italian Civil Code) and is duly authorized and empowered to enter into, execute and deliver the Loan Documents to which it is a party and to perform and observe the provisions of the Loan Documents. The Loan Documents to which each Credit Party is a party have been duly authorized and approved by such Credit Party's board of directors or other governing body, as applicable, and are the valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms. The execution, delivery and performance of the Loan Documents do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Liens permitted under Section 5.9 hereof) upon any assets or property of any Company under the provisions of, such Company's Organizational Documents or any material agreement to which any Company is a party.

Section 6.3. Compliance with Laws and Contracts. Each Company:

- (a) holds permits, certificates, licenses, orders, registrations, franchises, authorizations, and other approvals from any Governmental Authority necessary for the conduct of its business and is in compliance with all applicable laws relating thereto, except where the failure to do so would not have a Material Adverse Effect;
- (b) is in compliance with all federal, state, local, or foreign applicable statutes, rules, regulations, and orders including, without limitation, those relating to environmental protection, occupational safety and health, and equal employment practices, except where the failure to be in compliance would not have a Material Adverse Effect;

(c) is not in violation of or in default under any agreement to which it is a party or by which its assets are subject or bound, except with respect to any violation or default that would not have a Material Adverse Effect;

(d) has ensured that no Person who owns a controlling interest in or otherwise controls a Company is (i) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, or any other similar lists maintained by OFAC pursuant to any authorizing statute, executive order or regulation, or (ii) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar executive orders;

(e) is in material compliance with all applicable Bank Secrecy Act ("BSA") and anti-money laundering laws and regulations; and

(f) is in compliance, in all material respects, with the Patriot Act.

Section 6.4. Litigation and Administrative Proceedings. Except as disclosed on Schedule 6.4 hereto, there are (a) no lawsuits, actions, investigations, examinations or other proceedings pending or threatened against any Company, or in respect of which any Company may have any liability, in any court or before or by any Governmental Authority, arbitration board or other tribunal, (b) no orders, writs, injunctions, judgments, or decrees of any court or Governmental Authority to which any Company is a party or by which the property or assets of any Company are bound, and (c) no grievances, disputes, or controversies outstanding with any union or other organization of the employees of any Company, or threats of work stoppage, strike, or pending demands for collective bargaining, that, as to (a) through (c) above, if violated or determined adversely, would have a Material Adverse Effect.

Section 6.5. Title to Assets. Each Company has good title to and ownership of all material property it purports to own, which property is free and clear of all Liens, except those permitted under Section 5.9 hereof. As of the Restatement Closing Date, the Companies own the real property listed on Schedule 6.5 hereto.

Section 6.6. Liens and Security Interests. On and after the Restatement Closing Date, except for Liens permitted pursuant to Section 5.9 hereof, (a) there is and will be no U.C.C. Financing Statement or similar notice of Lien outstanding covering any personal property of any Company; (b) there is and will be no mortgage or deed or hypothec outstanding covering any real property of any Company; and (c) no real or personal property of any Company is subject to any Lien of any kind. Collateral Agent has a valid and enforceable first Lien on the Collateral. No Company has entered into any contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets) that exists on or after the Restatement Closing Date that would prohibit Agent or the Lenders from acquiring a Lien on, or a collateral assignment of, any of the property or assets of any Company.

Section 6.7. Tax Returns. All federal, state, provincial and local tax returns and other reports required by law to be filed in respect of the income, business, properties and employees of each Company have been filed and all taxes, assessments, fees and other governmental charges that are due and payable have been paid, except as otherwise permitted herein. The provision for taxes on the books of each Company is adequate for all years not closed by applicable statutes and for the current fiscal year.

Section 6.8. Environmental Laws. Each Company is in compliance with all applicable Environmental Laws, including, without limitation, all Environmental Laws in all jurisdictions in which any Company owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No material litigation or proceeding arising under, relating to or in connection with any Environmental Law or Environmental Permit is pending or, to the best knowledge of each Company, threatened, against any Company, any real property in which any Company holds or has held an interest or any past or present operation of any Company. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred (other than those that are currently being remediated in accordance with Environmental Laws), on, under or to any real property in which any Company holds any interest or performs any of its operations, in material violation of any Environmental Law. As used in this Section 6.8, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any Governmental Authority or private Person, or otherwise.

Section 6.9. Locations. As of the Restatement Closing Date, the Companies have places of business or maintain their Accounts, Inventory and Equipment at the locations (including third party locations) set forth on Schedule 6.9 hereto, and each Company's chief executive office is set forth on Schedule 6.9 hereto. Schedule 6.9 hereto further specifies whether each location, as of the Restatement Closing Date, (a) is owned by the Companies, or (b) is leased by a Company from a third party, and, if leased by a Company from a third party, if a Landlord's Waiver has been requested. As of the Restatement Closing Date, Schedule 6.9 hereto correctly identifies the name and address of each third party location where a material portion of the assets of the Companies are located.

Section 6.10. Continued Business. There exists no actual, pending, or, to each Borrower's knowledge, any threatened termination, cancellation or limitation of, or any modification or change in the business relationship of any Company and any customer or supplier, or any group of customers or suppliers, whose purchases or supplies, individually or in the aggregate, are material to the business of any Company, and there exists no present condition or state of facts or circumstances that would have a Material Adverse Effect or prevent a Company from conducting such business or the transactions contemplated by this Agreement in substantially the same manner in which it was previously conducted.

(a) US Employee Benefit Plans. Schedule 6.11 hereto identifies each ERISA Plan as of the Closing Date. No ERISA Event has occurred or is expected to occur with respect to an ERISA Plan. Full payment has been made of all amounts that a Controlled Group member is required, under applicable law or under the governing documents, to have paid as a contribution to or a benefit under each ERISA Plan. The liability of each Controlled Group member with respect to each ERISA Plan has been fully funded based upon reasonable and proper actuarial assumptions, has been fully insured, or has been fully reserved for on its financial statements. No changes have occurred or are expected to occur that would cause a material increase in the cost of providing benefits under the ERISA Plan. With respect to each ERISA Plan that is intended to be qualified under Code Section 401(a), (a) the ERISA Plan and any associated trust operationally comply with the applicable requirements of Code Section 401(a); (b) the ERISA Plan and any associated trust have been amended to comply with all such requirements as currently in effect, other than those requirements for which a retroactive amendment can be made within the “remedial amendment period” available under Code Section 401(b) (as extended under Treasury Regulations and other Treasury pronouncements upon which taxpayers may rely); (c) the ERISA Plan and any associated trust have received a favorable determination letter from the Internal Revenue Service stating that the ERISA Plan qualifies under Code Section 401(a), that the associated trust qualifies under Code Section 501(a) and, if applicable, that any cash or deferred arrangement under the ERISA Plan qualifies under Code Section 401(k), unless the ERISA Plan was first adopted at a time for which the above-described “remedial amendment period” has not yet expired; (d) the ERISA Plan currently satisfies the requirements of Code Section 410(b), subject to any retroactive amendment that may be made within the above-described “remedial amendment period”; and (e) no contribution made to the ERISA Plan is subject to an excise tax under Code Section 4972. With respect to any Pension Plan, the “accumulated benefit obligation” of Controlled Group members with respect to the Pension Plan (as determined in accordance with Statement of Accounting Standards No. 87, “Employers’ Accounting for Pensions”) does not exceed the fair market value of Pension Plan assets.

(b) Foreign Pension Plan and Benefit Plans. As of the Closing Date, Schedule 6.11 hereto lists all Foreign Benefit Plans and Foreign Pension Plans currently maintained or contributed to by US Borrower and any appropriate Foreign Subsidiaries. The Foreign Pension Plans are duly registered under all applicable laws which require registration and are approved for tax purposes by the relevant tax authorities in the jurisdiction in which such Foreign Pension Plans are registered. US Borrower and any appropriate Foreign Subsidiaries have complied with and performed all of its obligations under and in respect of the Foreign Pension Plans and Foreign Benefit Plans under the terms thereof, any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations) except to the extent as would not reasonably be expected to have a Material Adverse Effect. All employer and employee payments, contributions or premiums to be remitted, paid to or in respect of each Foreign Pension Plan or Foreign Benefit Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect. There are no outstanding actions or suits concerning the assets of the Foreign Pension Plans or the Foreign Benefit Plans. Each of the Foreign Pension Plans is fully funded on an ongoing basis (using actuarial methods and assumptions as of the date of the valuations last filed with the applicable Governmental Authorities and that are consistent with generally accepted actuarial principles).

Section 6.12. Consents or Approvals. No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person is required to be obtained or completed by any Company in connection with the execution, delivery or performance of any of the Loan Documents, that has not already been obtained or completed.

Section 6.13. Solvency.

(a) US Borrower. US Borrower has received consideration that is the reasonable equivalent value of the obligations and liabilities that US Borrower has incurred to Agent and the Lenders. US Borrower is not insolvent as defined in any applicable state, federal or relevant foreign statute, nor will US Borrower be rendered insolvent by the execution and delivery of the Loan Documents to Agent and the Lenders. US Borrower is not engaged or about to engage in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to Agent and the Lenders incurred hereunder. US Borrower does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature.

(b) Foreign Borrowers. Each Foreign Borrower has received consideration that is the reasonable equivalent value of the obligations and liabilities that such Foreign Borrower has incurred to Agent and the Lenders. The property of each Foreign Borrower is (i) sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations due and accruing due, and (ii) at a fair valuation, greater than the total amount of liabilities, including contingent liabilities, of such Foreign Borrower. No Foreign Borrower has ceased paying its current obligations in the ordinary course of business as they generally become due. No Foreign Borrower is for any reason (and will not by reason of the execution and delivery of the Loan Documents) be unable to meet its obligations as they generally become due.

Section 6.14. Financial Statements. The Consolidated financial statements of US Borrower for the fiscal year ended December 31, 2005 and the unaudited Consolidated financial statements of Borrowers for the fiscal quarter ended March 31, 2006, furnished to Agent and the Lenders, are true and complete, have been prepared in accordance with GAAP, and fairly present the financial condition of the Companies as of the dates of such financial statements of US Borrower and the results of their operations for the periods then ending. Since the dates of such statements, there has been no material adverse change in any Company's financial condition, properties or business or any change in any Company's accounting procedures.

Section 6.15. Regulations. No Company is engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America). Neither the granting of any Loan (or any conversion thereof) or Letter of Credit nor the use of the proceeds of any Loan or Letter of Credit will violate, or be inconsistent with, the provisions of Regulation T, U or X or any other Regulation of such Board of Governors.

Section 6.16. Material Agreements. Except as disclosed on Schedule 6.15 hereto, as of the Closing Date, no Company is a party to any (a) debt instrument (excluding the Loan Documents); (b) lease (capital, operating or otherwise), whether as lessee or lessor thereunder; (c) contract, commitment, agreement, or other arrangement involving the purchase or sale of any inventory by it, or the license of any right to or by it; (d) contract, commitment, agreement, or other arrangement with any of its "Affiliates" (as such term is defined in the Securities Exchange Act of 1934, as amended) other than a Company; (e) management or employment contract or contract for personal services with any of its Affiliates that is not otherwise terminable at will or on less than ninety (90) days' notice without liability; (f) collective bargaining agreement; or (g) other contract, agreement, understanding, or arrangement with a third party; that, as to subsections (a) through (g), above, if violated, breached, or terminated for any reason, would have or would be reasonably expected to have a Material Adverse Effect.

Section 6.17. Intellectual Property. Each Company owns, or has the right to use, all of the material patents, patent applications, industrial designs, designs, trademarks, service marks, copyrights and licenses, and rights with respect to the foregoing, necessary for the conduct of its business without any known conflict with the rights of others. Schedule 6.17 hereto sets forth all patents, trademarks, copyrights, service marks and license agreements owned by each Company.

Section 6.18. Insurance. Each Company maintains with financially sound and reputable insurers (or is self-insured) insurance with coverage and limits as required by law and as is customary with Persons engaged in the same businesses as the Companies. Schedule 6.18 hereto sets forth all insurance carried by the Companies on the Restatement Closing Date, setting forth in detail the amount and type of such insurance.

Section 6.19. Deposit Accounts. Schedule 6.19 hereto lists all banks and other financial institutions at which any Company maintains deposit or other accounts as of the Restatement Closing Date, and Schedule 6.19 hereto correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

Section 6.20. Accurate and Complete Statements. Neither the Loan Documents nor any written statement made by any Company in connection with any of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or in the Loan Documents not misleading. After due inquiry by Borrowers, there is no known fact that any Company has not disclosed to Agent and the Lenders that has or is likely to have a Material Adverse Effect.

Section 6.21. Senior Notes Documents. No "default" or "event of default" (as defined in any Senior Notes Document), or event with which the passage of time or the giving of notice, or both, would cause a default or event of default exists, nor will exist immediately after the granting of any Loan or the issuance of any Letter of Credit under this Agreement.

Section 6.22. Investment Company. No Company is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 6.23. Defaults. No Default or Event of Default exists hereunder, nor will any begin to exist immediately after the execution and delivery hereof.

ARTICLE VII. EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default hereunder:

Section 7.1. Payments. If (a) the interest on any Loan or any commitment or other fee shall not be paid in full when due and payable or within five Business Days thereafter, or (b) the principal of any Loan or any obligation under any Letter of Credit shall not be paid in full when due and payable.

Section 7.2. Special Covenants. If any Company shall fail or omit to perform and observe Section 5.7, 5.8, 5.9, 5.11, 5.12, 5.13, 5.15, 5.20, 5.22, 5.23, 5.24, 5.25, 5.26 or 5.27 hereof.

Section 7.3. Other Covenants. If any Company shall fail or omit to perform and observe any agreement or other provision (other than those referred to in Section 7.1 or 7.2 hereof) contained or referred to in this Agreement or any Related Writing that is on such Company’s part to be complied with, and that Default shall not have been fully corrected within thirty (30) days after the earlier of (a) any Financial Officer of such Company becomes aware of the occurrence thereof, or (b) the giving of written notice thereof to Administrative Borrower by Agent or the Required Lenders that the specified Default is to be remedied.

Section 7.4. Representations and Warranties. If any representation, warranty or statement made in or pursuant to this Agreement or any Related Writing or any other material information furnished by any Company to Agent or the Lenders, or any thereof, or any other holder of any Note, shall be false or erroneous.

Section 7.5. Cross Default.

(a) If any Company shall default in the payment of any amount due and owing under any Material Indebtedness Agreement beyond any period of grace provided with respect thereto or in the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to allow the acceleration of the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to its stated maturity; or

(b) If an “event of default”, a “default” or an event with which the passage of time or the giving of notice, or both, would cause a default or event of default (other than defaults that have been cured within applicable grace periods or have otherwise been waived) shall occur under the Senior Notes Documents.

Section 7.6. ERISA Default. The occurrence of one or more ERISA Events that (a) the Required Lenders determine could have a Material Adverse Effect, or (b) results in a Lien on any of the assets of any Company.

Section 7.7. Change in Control. If any Change in Control shall occur.

Section 7.8. Money Judgment. A final judgment or order for the payment of money shall be rendered against any Company by a court of competent jurisdiction, that remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of thirty (30) days after the date on which the right to appeal has expired provided that the aggregate of all such judgments, for all such Companies, shall exceed One Million Dollars (\$1,000,000).

Section 7.9. Material Adverse Change. There shall have occurred any condition or event that Agent or the Required Lenders determine has or is reasonably likely to have a Material Adverse Effect.

Section 7.10. Security. If any Lien granted in this Agreement or any other Loan Document in favor of Agent or Collateral Agent shall be determined to be (a) void, voidable or invalid, or is subordinated or not otherwise given the priority contemplated by this Agreement and Borrowers have (or the appropriate Credit Party has) failed to promptly execute appropriate documents to correct such matters, or (b) unperfected as to any material amount of Collateral (as determined by Agent, in its reasonable discretion) and Borrowers have (or the appropriate Credit Party has) failed to promptly execute appropriate documents to correct such matters.

Section 7.11. Validity of Loan Documents. (a) The validity, binding effect or enforceability of any Loan Document against any Credit Party shall be contested by any Credit Party; (b) any Credit Party shall deny that it has any or further liability or obligation under any Loan Document; or (c) any Loan Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to Agent and the Lenders the benefits purported to be created thereby.

Section 7.12. Solvency.

(a) If any Company (other than a Dormant Subsidiary or a Borrower) that has aggregate assets (including assets of its Subsidiaries) of less than Five Million Dollars (\$5,000,000) shall (i) except as permitted pursuant to Section 5.12 hereof, discontinue business, (ii) generally not pay its debts as such debts become due, (iii) make a general assignment for the benefit of creditors, (iv) apply for or consent to the appointment of an interim receiver, a receiver, a receiver and manager, an interim examiner, an examiner, an administrator, sequestrator, monitor, a custodian, a trustee, an interim trustee or liquidator of all or a substantial part of its assets or of such Company, (v) be adjudicated a debtor or insolvent or have entered against it an order for relief under Title 11 of the United States Code, or under any other bankruptcy insolvency, liquidation, winding-up, examinership, corporate or similar statute or law, foreign, federal, state or provincial, in any applicable jurisdiction, now or hereafter existing, as any of the foregoing may be amended from time to time, or other applicable statute for jurisdictions outside of the United States, as the case may be, (vi) file a voluntary petition in bankruptcy, or file a petition for the appointment of an interim examiner or examiner, or file a proposal or notice of intention to file a proposal or have an involuntary proceeding filed against it and the same shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case, or file a petition or an answer or an application or a proposal seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, (vii) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition or an application or a proposal seeking its reorganization or appoints an interim receiver, a receiver and manager, an interim examiner, an examiner, an administrator, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or of such Company, (viii) have an administrative receiver, receiver or examiner appointed over the whole or substantially the whole of its assets, or of such Company, (ix) take, or omit to take, any action in order thereby to effect any of the foregoing assets, the value of which is less than its liabilities (taking into account prospective and contingent liabilities), or (x) have a moratorium declared in respect of any of its Indebtedness, or any analogous procedure or step is taken in any jurisdiction.

(b) If a Borrower or any Company with aggregate assets (including assets of its Subsidiaries) of Five Million Dollars (\$5,000,000) or more shall (i) except as permitted pursuant to Section 5.12 hereof, discontinue business, (ii) generally not pay its debts as such debts become due, (iii) make a general assignment for the benefit of creditors, (iv) apply for or consent to the appointment of an interim receiver, a receiver, a receiver and manager, an interim examiner, an examiner, an administrator, sequestrator, monitor, a custodian, a trustee, an interim trustee or liquidator of all or a substantial part of its assets or of such Company, (v) be adjudicated a debtor or insolvent or have entered against it an order for relief under Title 11 of the United States Code, or under any other bankruptcy insolvency, liquidation, winding-up, examinership, corporate or similar statute or law, foreign, federal, state or provincial, in any applicable jurisdiction, now or hereafter existing, as any of the foregoing may be amended from time to time, or other applicable statute for jurisdictions outside of the United States, as the case may be, (vi) file a voluntary petition in bankruptcy, or file a petition for the appointment of an interim examiner or examiner, or file a proposal or notice of intention to file a proposal or have an involuntary proceeding filed against it and the same shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case, or file a petition or an answer or an application or a proposal seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, (vii) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition or an application or a proposal seeking its reorganization or appoints an interim receiver, a receiver and manager, an interim examiner, an examiner, an administrator, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or of such Company, (viii) have an administrative receiver, receiver or examiner appointed over the whole or substantially the whole of its assets, or of such Company, (ix) take, or omit to take, any action in order thereby to effect any of the foregoing assets, the value of which is less than its liabilities (taking into account prospective and contingent liabilities), or (x) have a moratorium declared in respect of any of its Indebtedness, or any analogous procedure or step is taken in any jurisdiction.

ARTICLE VIII. REMEDIES UPON DEFAULT

Notwithstanding any contrary provision or inference herein or elsewhere:

Section 8.1. Optional Defaults. If any Event of Default referred to in Section 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11 or 7.12(a) hereof shall occur, Agent may, with the consent of the Required Lenders, and shall, at the written request of the Required Lenders, give written notice to Administrative Borrower to:

- (a) terminate the Commitment, if not previously terminated, and, immediately upon such election, the obligations of the Lenders, and each thereof, to make any further Loan, and the obligation of the Fronting Lender to issue any Letter of Credit, immediately shall be terminated; and/or
- (b) accelerate the maturity of all of the Obligations (if the Obligations are not already due and payable), whereupon all of the Obligations shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by each Borrower.

Section 8.2. Automatic Defaults. If any Event of Default referred to in Section 7.12(b) hereof shall occur:

- (a) all of the Commitment shall automatically and immediately terminate, if not previously terminated, and no Lender thereafter shall be under any obligation to grant any further Loan, nor shall the Fronting Lender be obligated to issue any Letter of Credit; and
- (b) the principal of and interest then outstanding on all of the Loans, and all of the other Obligations, shall thereupon become and thereafter be immediately due and payable in full (if the Obligations are not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by each Borrower.

Section 8.3. Letters of Credit. If the maturity of the Obligations shall be accelerated pursuant to Section 8.1 or 8.2 hereof, US Borrower (and any appropriate Foreign Borrower) shall immediately deposit with Agent, as security for the obligations of the appropriate Borrowers and Guarantors of Payment to reimburse Agent and the Lenders for any then outstanding Letters of Credit, cash equal to the sum of the aggregate undrawn balance of any then outstanding Letters of Credit. Agent and the Lenders are hereby authorized, at their option, to deduct any and all such amounts from any deposit balances then owing by any Lender (or any affiliate of such Lender, wherever located) to or for the credit or account of US Borrower or any Domestic Guarantor of Payment (and any appropriate Foreign Borrower or Foreign Guarantor of Payment), as security for the obligations of the appropriate Borrower and any Guarantor of Payment to reimburse Agent and the Lenders for any then outstanding Letters of Credit.

Section 8.4. Offsets. If there shall occur or exist any Event of Default referred to in Section 7.12(b) hereof or if the maturity of the Obligations is accelerated pursuant to Section 8.1 or 8.2 hereof, each Lender shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all of the Obligations then owing by a Borrower or Guarantor of Payment to such Lender (including, without limitation, any participation purchased or to be purchased pursuant to Sections 2.2(b), 2.2(c) or 8.4 hereof), whether or not the same shall then have matured, any and all deposit (general or special) balances and all other indebtedness then held or owing by such Lender (including, without limitation, by branches and agencies or any affiliate of such Lender, wherever located) to or for the credit or account of such Borrower or Guarantor of Payment, all without notice to or demand upon such Borrower or any other Person, all such notices and demands being hereby expressly waived by each Borrower.

Section 8.5. Equalization Provisions. Each Lender agrees with the other Lenders that if it, at any time, shall obtain any Advantage over the other Lenders or any thereof in respect of the Obligations (except as to Swing Loans and Letters of Credit prior to Agent's giving of notice to participate and except under Article III hereof), it shall purchase from the other Lenders, for cash and at par, such additional participation in the Obligations as shall be necessary to nullify the Advantage. If any such Advantage resulting in the purchase of an additional participation as aforesaid shall be recovered in whole or in part from the Lender receiving the Advantage, each such purchase shall be rescinded, and the purchase price restored (but without interest unless the Lender receiving the Advantage is required to pay interest on the Advantage to the Person recovering the Advantage from such Lender) ratably to the extent of the recovery. Each Lender further agrees with the other Lenders that if it at any time shall receive any payment for or on behalf of any Borrower on any Indebtedness owing by any Borrower pursuant to this Agreement (whether by voluntary payment, by realization upon security, by reason of offset of any deposit or other indebtedness, by counterclaim or cross-action, by the enforcement of any right under any Loan Document, or otherwise), it will apply such payment first to any and all Obligations owing by such Borrower to that Lender (including, without limitation, any participation purchased or to be purchased pursuant to this Section 8.5 or any other Section of this Agreement). Each Credit Party agrees that any Lender so purchasing a participation from the other Lenders or any thereof pursuant to this Section 8.5 may exercise all of its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 8.6. Application of Proceeds.

(a) Payments Prior to Exercise of Remedies. Prior to the exercise by Agent, on behalf of the Lenders, of remedies under this Agreement or the other Loan Documents, all monies received by Agent in connection with the Revolving Credit Commitment shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, to the Loans and Letters of Credit, as appropriate; provided that Agent shall have the right at all times to apply any payment received from Borrowers first to the payment of all obligations (to the extent not paid by Borrowers) incurred by Agent and Collateral Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses.

(b) Payments Subsequent to Exercise of Remedies. After the exercise by Agent or the Required Lenders of remedies under this Agreement or the other Loan Documents, all monies received by Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, as follows:

(i) with respect to:

(A) payments from assets of Companies organized in the United States (or a state thereof), (1) first, to the Obligations (and Secured Obligations if such payments are from proceeds of Collateral) of US Borrower, and (2) second, to the Obligations (and Secured Obligations if such payments are from proceeds of Collateral) of any other Borrowers, in each case applied in accordance with the Waterfall;

(B) payments from assets of Companies organized in Europe, to the Obligations (and Secured Obligations if such payments are from proceeds of Collateral) of the Foreign Borrowers, applied in accordance with the Waterfall; and

(C) any other payments, in accordance with the Waterfall; and

(ii) in accordance with the following priority (the "Waterfall"):

(A) first, to the extent incurred in connection with obligations payable by a specific Borrower, the payment of all obligations (to the extent not paid by Borrowers) incurred by Agent and Collateral Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses;

(B) second, to the extent incurred in connection with the obligations payable by a specific Borrower, to the payment pro rata of (1) interest then accrued and payable on the outstanding Loans, (2) any fees then accrued and payable to Agent, and (3) any fees then accrued and payable to any Fronting Lender or the holders of the Letter of Credit Commitment in respect of the Letter of Credit Exposure;

(C) third, for payment of (1) principal outstanding on the Loans and the Letter of Credit Exposure, on a pro rata basis to the Lenders, based upon each such Lender's Commitment Percentage, provided that the amounts payable in respect of the Letter of Credit Exposure shall be held and applied by Agent as security for the reimbursement obligations in respect thereof, and, if any Letter of Credit shall expire without being drawn, then the amount with respect to such Letter of Credit shall be distributed to the Lenders, on a pro rata basis in accordance with this subsection (C), (2) the Indebtedness under any Hedge Agreement with a Lender, such amount to be based upon the net termination obligation of Borrowers under such Hedge Agreement, and (3) the Bank Product Obligations owing to Lenders under Bank Product Agreements; with such payment to be pro rata among (1), (2) and (3) of this subsection (C); and

(D) finally, any remaining surplus after all of the Secured Obligations have been paid in full, to Administrative Borrower for distribution to the appropriate Borrowers, or to whomsoever shall be lawfully entitled thereto.

Section 8.7. Collections and Receipt of Proceeds by Borrowers.

(a) Upon written notice to Administrative Borrower from Agent after the occurrence of an Event of Default, a Cash Collateral Account shall be opened by US Borrower at the main office of Collateral Agent (or such other office as shall be designated by Collateral Agent) and all such lawful collections of US Borrower's Accounts and such Proceeds of US Borrower's Accounts and Inventory shall be remitted daily by US Borrower to Collateral Agent in the form in which they are received by US Borrower, either by mailing or by delivering such collections and Proceeds to Collateral Agent, appropriately endorsed for deposit in the Cash Collateral Account. In the event that such notice is given to Administrative Borrower from Agent, US Borrower shall not commingle such collections or Proceeds with any of US Borrower's other funds or property or the funds or property of any other Borrower, but shall hold such collections and Proceeds separate and apart therefrom upon an express trust for Collateral Agent. In such case, Agent may, in its sole discretion, and shall, at the request of the Required Lenders, at any time and from time to time, direct Collateral Agent to apply (subject to the terms of the Intercreditor Agreement) all or any portion of the account balance in the Cash Collateral Account as a credit against (i) the outstanding principal or interest of the Loans, or (ii) any other Secured Obligations in accordance with this Agreement. If any remittance shall be dishonored, or if, upon final payment, any claim with respect thereto shall be made against Collateral Agent on its warranties of collection, Collateral Agent may charge the amount of such item against the Cash Collateral Account or any other Deposit Account maintained by US Borrower with Collateral Agent or with any other Lender, and, in any event, retain the same and US Borrower's interest therein as additional security for the Secured Obligations. Agent may, in its sole discretion, at any time and from time to time, direct Collateral Agent to release funds from the Cash Collateral Account to US Borrower for use in the business of US Borrower. The balance in the Cash Collateral Account may be withdrawn by US Borrower upon termination of this Agreement and payment in full of all of the Secured Obligations.

(b) After the occurrence of an Event of Default, at Agent's written request, US Borrower shall cause all remittances representing collections and Proceeds of Collateral to be mailed to a lockbox at a location acceptable to Agent to which Collateral Agent shall have access for the processing of such items in accordance with the provisions, terms and conditions of the customary lockbox agreement of Collateral Agent.

(c) Collateral Agent, or Collateral Agent's designated agent, is hereby constituted and appointed attorney in fact for each Borrower with authority and power to endorse any and all instruments, documents, and chattel paper upon the failure of Borrowers to do so. Such authority and power, being coupled with an interest, shall be (i) irrevocable until all of the Secured Obligations are paid, (ii) exercisable by Collateral Agent at any time and without any request upon such Borrower by Collateral Agent to so endorse, and (iii) exercisable in the name of Collateral Agent or such Borrower. Each Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Neither Agent nor the Lenders shall be bound or obligated to take any action to preserve any rights therein against prior parties thereto.

Section 8.8. Collections and Receipt of Proceeds by Collateral Agent. Each Borrower hereby constitutes and appoints Collateral Agent, or Collateral Agent's designated agent, as such Borrower's attorney-in-fact to exercise, at any time, after the occurrence of an Event of Default, all or any of the following powers which, being coupled with an interest, shall be irrevocable until the complete and full payment of all of the Secured Obligations:

(a) to receive, retain, acquire, take, endorse, assign, deliver, accept, and deposit, in the name of Collateral Agent or such Borrower, any and all of such Borrower's cash, instruments, chattel paper, documents, Proceeds of Accounts, Proceeds of Inventory, collection of Accounts, and any other writings relating to any of the Collateral. Borrowers hereby waive presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Collateral Agent shall not be bound or obligated to take any action to preserve any rights therein against prior parties thereto;

(b) to transmit to Account Debtors, on any or all of such Borrower's Accounts, notice of assignment to Collateral Agent of security interest therein, and to request from such Account Debtors at any time, in the name of Collateral Agent or such Borrower, information concerning such Borrower's Accounts and the amounts owing thereon;

(c) to transmit to purchasers of any or all of such Borrower's Inventory, notice of Collateral Agent's security interest therein, and to request from such purchasers at any time, in the name of Collateral Agent or such Borrower, information concerning such Borrower's Inventory and the amounts owing thereon by such purchasers;

(d) to notify and require Account Debtors on such Borrower's Accounts and purchasers of such Borrower's Inventory to make payment of their indebtedness directly to Collateral Agent;

(e) to take or bring, in the name of Collateral Agent or Borrower, all steps, actions, suits, or proceedings deemed by Collateral Agent necessary or desirable to effect the receipt, enforcement, and collection of the Collateral; and

(f) to accept all collections in any form relating to the Collateral, including remittances that may reflect deductions, and to deposit the same, into such Borrower's Cash Collateral Account or, at the option of Collateral Agent, to apply them as a payment against the Loans or any other Secured Obligations in accordance with this Agreement.

Section 8.9. Collateral. Upon the occurrence of an Event of Default and at all times thereafter, Collateral Agent may require Borrowers to assemble the Collateral, each Borrower agrees to do, and make it available to Collateral Agent and the Lenders at a reasonably convenient place to be designated by Collateral Agent. Collateral Agent may, with or without notice to or demand upon such Borrower and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where the Collateral, or any thereof, may be found and to take possession thereof (including anything found in or on the Collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of the Collateral) and for that purpose may pursue the Collateral wherever the same may be found, without liability for trespass or damage caused thereby to such Borrower. After any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to any Borrower personally or any other Person or property, all of which each Borrower hereby waives, and upon such terms and in such manner as Collateral Agent may deem advisable, Collateral Agent, in its discretion, may sell, assign, transfer and deliver any of the Collateral at any time, or from time to time. No prior notice need be given to any Borrower or to any other Person in the case of any sale of Collateral that Collateral Agent determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case Collateral Agent shall give the Borrowers not fewer than ten days prior notice of either the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Each Borrower waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, Collateral Agent or the Lenders may purchase the Collateral, or any part thereof, free from any right of redemption, all of which rights each Borrower hereby waives and releases. Subject to the terms of the Intercreditor Agreement, after deducting all Related Expenses, and after paying all claims, if any, secured by Liens having precedence over this Agreement, Collateral Agent may apply the net proceeds of each such sale to or toward the payment of the Secured Obligations, whether or not then due, in such order and by such division as Collateral Agent, in its sole discretion, may deem advisable. Any excess, to the extent permitted by law, shall be paid to Borrowers, and each shall remain liable for any deficiency. In addition, Collateral Agent shall at all times have the right to obtain new appraisals of any Borrower or the Collateral, the cost of which shall be paid by Borrowers.

Section 8.10. Other Remedies. The remedies in this Article VIII are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which the Lenders may be entitled. Agent shall exercise the rights under this Article VIII and all other collection efforts on behalf of the Lenders and no Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement.

ARTICLE IX. THE AGENT AND THE COLLATERAL AGENT

The Lenders authorize KeyBank and KeyBank hereby agrees to act as agent for the Lenders in respect of this Agreement, and as Collateral Agent in respect of the Security Documents, upon the terms and conditions set forth elsewhere in this Agreement, and upon the following terms and conditions:

Section 9.1. Appointment and Authorization. Each Lender hereby irrevocably appoints and authorizes Agent (and Collateral Agent with respect to the Security Documents) to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to Agent by the terms hereof, together with such powers as are reasonably incidental thereto, including, without limitation, to execute Additional Foreign Borrower Assumption Agreements on behalf of the Lenders and to execute and deliver the Intercreditor Agreement on behalf of the Lenders. None of Agent, Collateral Agent nor any of their respective affiliates, directors, officers, attorneys or employees shall (a) be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct (as determined by a court of competent jurisdiction), or be responsible in any manner to any of the Lenders for the effectiveness, enforceability, genuineness, validity or due execution of this Agreement or any other Loan Documents, (b) be under any obligation to any Lender to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of Borrowers or any other Company, or the financial condition of Borrowers or any other Company, or (c) be liable to any of the Companies for consequential damages resulting from any breach of contract, tort or other wrong in connection with the negotiation, documentation, administration or collection of the Loans or Letters of Credit or any of the Loan Documents. Each Lender, by becoming a party to this Agreement, agrees to be bound by and subject to the terms and conditions of the Intercreditor Agreement as if it were an original party thereto. Notwithstanding any provision to the contrary contained in this Agreement or in any other Loan Document, neither Agent nor Collateral Agent shall have any duty or responsibility except those expressly set forth herein, nor shall Agent or Collateral Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent or Collateral Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” herein and in other Loan Documents with reference to Agent or Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 9.2. Note Holders. Agent may treat the payee of any Note as the holder thereof (or, if there is no Note, the holder of the interest as reflected on the books and records of Agent) until written notice of transfer shall have been filed with Agent, signed by such payee and in form satisfactory to Agent.

Section 9.3. Consultation With Counsel. Agent and Collateral Agent may consult with legal counsel selected by them and shall not be liable for any action taken or suffered in good faith by Agent or Collateral Agent in accordance with the opinion of such counsel.

Section 9.4. Documents. Neither Agent nor Collateral Agent shall be under any duty to examine into or pass upon the validity, effectiveness, genuineness or value of any Loan Document or any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and Agent and Collateral Agent shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.

Section 9.5. Agent and Affiliates. KeyBank and its affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Companies and Affiliates as though KeyBank were not Agent hereunder and without notice to or consent of any Lender. Each Lender acknowledges that, pursuant to such activities, KeyBank or its affiliates may receive information regarding any Company or any Affiliate (including information that may be subject to confidentiality obligations in favor of such Company or such Affiliate) and acknowledge that Agent shall be under no obligation to provide such information to other Lenders. With respect to Loans and Letters of Credit (if any), KeyBank and its affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though KeyBank were not Agent, and the terms “Lender” and “Lenders” include KeyBank and its affiliates, to the extent applicable, in their individual capacities.

Section 9.6. Knowledge of Default. Neither Agent nor Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless Agent has received written notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that Agent receives such a notice, Agent shall give notice thereof to the Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable, in its discretion, for the protection of the interests of the holders of the Obligations.

Section 9.7. Action by Agent. Subject to the other terms and conditions hereof, so long as Agent shall be entitled, pursuant to Section 9.6 hereof, to assume that no Default or Event of Default shall have occurred and be continuing, Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights that may be vested in it by, or with respect to taking or refraining from taking any action or actions that it may be able to take under or in respect of, this Agreement. Neither Agent nor Collateral Agent shall incur any liability under or in respect of this Agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, or that may seem to it to be necessary or desirable in the premises. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent or Collateral Agent as a result of Agent’s or Collateral Agent’s acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

Section 9.8. Release of Collateral or Guarantor of Payment. In the event of a transfer of assets permitted by Section 5.12 hereof (or otherwise permitted pursuant to this Agreement) where the proceeds of such transfer are applied in accordance with the terms of this Agreement to the extent required to be so applied, Collateral Agent, at the request and expense of Borrowers, is hereby authorized by the Lenders to (a) release such Collateral from this Agreement, (b) release a Guarantor of Payment in connection with such permitted transfer, and (c) duly assign, transfer and deliver to the affected Company (without recourse and without any representation or warranty) such Collateral as is then (or has been) so transferred or released and as may be in possession of Collateral Agent and has not theretofore been released pursuant to this Agreement.

Section 9.9. Delegation of Duties. Agent and Collateral Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. Neither Agent nor Collateral Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

Section 9.10. Indemnification of Agent and Collateral Agent. The Lenders agree to indemnify Agent and Collateral Agent (to the extent not reimbursed by Borrowers) ratably, according to their respective Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent or Collateral Agent, in their respective capacities as agent and collateral agent, in any way relating to or arising out of this Agreement or any Loan Document or any action taken or omitted by Agent with respect to this Agreement or any Loan Document, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements resulting from the gross negligence or willful misconduct of Agent or Collateral Agent, as applicable, as determined by a court of competent jurisdiction, or from any action taken or omitted by Agent or Collateral Agent in any capacity other than as agent or collateral agent, as applicable, under this Agreement, the Intercreditor Agreement or any other Loan Document. No action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.10. No action taken by the Collateral Agent in connection with the Asset Disposition Account or the Material Recovery Account shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.10. The undertaking in this Section 9.10 shall survive repayment of the Loans, cancellation of the Notes, if any, expiration or termination of the Letters of Credit, termination of the Commitment, any foreclosure under, or modification, release or discharge of, any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of the agent and the collateral agent.

Section 9.11. Successor Agent. Agent may resign as agent hereunder by giving not fewer than thirty (30) days prior written notice to Administrative Borrower and the Lenders. If Agent shall resign under this Agreement, then either (a) the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders (with the consent of Administrative Borrower so long as an Event of Default has not occurred and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following Agent's notice to the Lenders of its resignation, then Agent shall appoint a successor agent that shall serve as agent until such time as the Required Lenders appoint a successor agent. If no successor agent has accepted appointment as Agent by the date that is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "Agent" means such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Agent's resignation as Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

Section 9.12. Successor Collateral Agent. Collateral Agent may resign as collateral agent hereunder by giving not fewer than thirty (30) days prior written notice to Administrative Borrower and the Lenders. If Collateral Agent shall resign under this Agreement, then either (a) the Required Lenders shall appoint from among the Lenders a successor collateral agent for the Lenders (with the consent of Administrative Borrower so long as an Event of Default has not occurred and which consent shall not be unreasonably withheld), or (b) if a successor collateral agent shall not be so appointed and approved with the thirty (30) day period following Collateral Agent's notice to the Lenders of its resignation, then Collateral Agent shall appoint a successor collateral agent that shall serve as collateral agent until such time as the Required Lenders appoint a successor collateral agent. If no successor collateral agent has accepted appointment as Collateral Agent by the date this is thirty (30) days following a retiring Collateral Agent's notice of resignation, the retiring Collateral Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of Collateral Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "collateral Agent" means such successor effective upon its appointment, and the former collateral agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Collateral Agent's resignation as Collateral Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement and the other Loan Documents.

Section 9.13. Fronting Lender. The Fronting Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by the Fronting Lender and the documents associated therewith. The Fronting Lender shall have all of the benefits and immunities (a) provided to Agent in Article IX hereof with respect to any acts taken or omissions suffered by the Fronting Lender in connection with the Letters of Credit and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent", as used in Article IX hereof, included the Fronting Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to the Fronting Lender.

Section 9.14. Swing Line Lender. The Swing Line Lender shall act on behalf of the Lenders with respect to any Swing Loans. The Swing Line Lender shall have all of the benefits and immunities (a) provided to Agent in Article IX hereof with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with the Swing Loans as fully as if the term “Agent”, as used in Article IX hereof, included the Swing Line Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to the Swing Line Lender.

Section 9.15. Collateral Agent. Collateral Agent shall have all of the benefits and immunities (a) provided to Agent in Article IX hereof with respect to any acts taken or omissions suffered by Collateral Agent in connection with the Security Documents or this Agreement as fully as if the term “Agent”, as used in Article IX hereof, included Collateral Agent with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to Collateral Agent.

Section 9.16. Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, (a) Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, to (i) file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and Agent and their respective agents and counsel and all other amounts due the Lenders and Agent) allowed in such judicial proceedings, and (ii) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and (b) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent. Nothing contained herein shall be deemed to authorize Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.17. No Reliance on Agent’s Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its affiliates, participants or assignees, may rely on Agent to carry out such Lender’s or its affiliate’s, participant’s or assignee’s customer identification program, or other obligations required or imposed under or pursuant to the Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the “CIP Regulations”), or any other anti-terrorism law, including any programs involving any of the following items relating to or in connection with Borrowers, their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (a) any identity verification procedures, (b) any record keeping, (c) any comparisons with government lists, (d) any customer notices or (e) any other procedures required under the CIP Regulations or such other laws.

Section 9.18. Designation of Additional Agents. Agent shall have the continuing right from time to time to designate one or more Lenders (or its or their affiliates) as “syndication agent”, “documentation agent”, “book runner”, “lead arranger”, “arrangers” or other designations for purposes hereof, but, with the exception of Collateral Agent, (a) any such designation shall have no substantive effect, and (b) any such Lender and its affiliates shall have no additional powers, duties or responsibilities as a result thereof.

ARTICLE X. GUARANTY BY US BORROWER OF
OBLIGATIONS OF FOREIGN BORROWERS

Section 10.1. The Guaranty. US Borrower hereby guarantees to Agent, for the benefit of the Lenders, as a primary obligor and not as a surety, the prompt payment of the Obligations owing by the other Borrowers in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. US Borrower hereby further agrees that, if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), US Borrower will promptly pay the same, without any demand or notice whatsoever, and that, in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Section 10.2. Obligations Unconditional. The obligations of US Borrower under Section 10.1 hereof is absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 10.2 that the obligations of US Borrower hereunder, as Guarantors, shall be absolute and unconditional under any and all circumstances. US Borrower agrees that it shall have no right of subrogation, indemnity, reimbursement or contribution against any other Borrower or any other Guarantor of Payment for amounts paid under this Article X until such time as the Obligations have been irrevocably paid in full. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of US Borrower as Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents or any other agreement or instrument referred to in the Loan Documents shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents, or any other agreement or instrument referred to in the Loan Documents shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, Agent, for the benefit of the Lenders, as security for any of the Secured Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, US Borrower hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other agreement or instrument referred to in the Loan Documents, or against any other Person under any other guarantee of, or security for, any of the Obligations.

Section 10.3. Reinstatement. The obligations of US Borrower under this Article X shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and US Borrower agrees that it will indemnify Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by Agent or such Lender in connection with such rescission or restoration, including any such reasonable costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 10.4. Certain Additional Waivers. US Borrower agrees that US Borrower shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 10.2 hereof and through the exercise of rights of contribution pursuant to Section 11.6 hereof.

Section 10.5. Remedies. US Borrower agrees that, to the fullest extent permitted by law, as between US Borrower, on the one hand, and Agent, on behalf of the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 8.1 or 8.2 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in such Sections 8.1 and 8.2) for purposes of Section 10.1 hereof, notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by US Borrower for purposes of Section 10.1 hereof.

Section 10.6. Guarantee of Payment; Continuing Guarantee. The guarantee in this Article X is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations owing by each other Borrower, whenever arising.

Section 10.7. Payments. All payments by US Borrower under this Article X shall be made in Dollars, and free and clear of any Taxes.

ARTICLE XI. MISCELLANEOUS

Section 11.1. Lenders' Independent Investigation. Each Lender, by its signature to this Agreement, acknowledges and agrees that neither Agent nor Collateral Agent has made any representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of any Company or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between Agent or Collateral Agent and such Lender. Each Lender represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of the Companies in connection with the extension of credit hereunder, and agrees that neither Agent nor Collateral Agent has any duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by Agent to the Lenders hereunder), whether coming into its possession before the first Credit Event hereunder or at any time or times thereafter. Each Lender further represents that it has reviewed each of the Loan Documents, including, but not limited to, the Intercreditor Agreement.

Section 11.2. No Waiver; Cumulative Remedies. No omission or course of dealing on the part of Agent, Collateral Agent, any Lender or the holder of any Note (or, if there is no Note, the holder of the interest as reflected on the books and records of Agent) in exercising any right, power or remedy hereunder or under any of the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under any of the Loan Documents. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held under any of the Loan Documents or by operation of law, by contract or otherwise.

Section 11.3. Amendments, Waivers and Consents.

(a) General Rule. No amendment, modification, termination, or waiver of any provision of any Loan Document nor consent to any variance therefrom, shall 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.

(b) Exceptions to the General Rule. Notwithstanding the provisions of subsection (a) of this Section 11.3:

(i) Requirements. Subject to subpart (ii) below, unanimous consent of the Lenders shall be required with respect to (A) any increase in the Commitment hereunder, (B) the extension of maturity of the Loans, the payment date of interest or scheduled principal hereunder, or the payment date of commitment payable hereunder, (C) any reduction in the stated rate of interest on the Loans (provided that the institution of the Default Rate and a subsequent removal of the Default Rate shall not constitute a decrease in interest rate pursuant to this Section 11.3), or in any amount of interest or scheduled principal due on any Loan, or any reduction in the stated rate of commitment fees payable hereunder or any change in the manner of pro rata application of any payments made by Borrowers to the Lenders hereunder, (D) any change in any percentage voting requirement, voting rights, or the Required Lenders definition in this Agreement, (E) the release of any Borrower or Guarantor of Payment, except as specifically permitted hereunder, securing the Obligations, (F) the release of all or substantially all of the Collateral securing the Secured Obligations, or (G) any amendment to this Section 11.3 or Section 8.5 hereof.

(ii) Provisions Relating to Special Rights and Duties. No provision of this Agreement affecting Agent in its capacity as such shall be amended, modified or waived without the consent of Agent. No provision of this Agreement relating to the rights or duties of the Fronting Lender in its capacity as such shall be amended, modified or waived without the consent of the Fronting Lender. No provision of this Agreement relating to the rights or duties of the Swing Line Lender in its capacity as such shall be amended, modified or waived without the consent of the Swing Line Lender. No provision of this Agreement relating to the rights or duties of the Collateral Agent in its capacity as such shall be amended, modified or waived without the consent of the Collateral Agent.

(c) Replacement of Non Consenting Lender or Insolvent Lender. If, in connection with any proposed amendment, waiver or consent hereunder, (i) the consent of all Lenders is required, but only the consent of Required Lenders is obtained, or (ii) the consent of Required Lenders is required, but the consent of the Required Lenders is not obtained (any Lender withholding consent as described in subsections (a), (b) and (c) hereof being referred to as a "Non Consenting Lender"), then, so long as Agent is not the Non Consenting Lender, Agent may, at the sole expense of US Borrower, upon notice to such Non Consenting Lender and US Borrower, require such Non Consenting Lender to assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.10 hereof) all of its interests, rights and obligations under this Agreement to an Eligible Transferee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Non Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from such Eligible Transferee (to the extent of such outstanding principal and accrued interest and fees) or US Borrower (in the case of all other amounts, including any breakage compensation under Article III hereof). To the extent that a Lender is insolvent and unable to meet its funding obligations as set forth in this Agreement, Agent shall, at the request of US Borrower and upon notice to such Lender, require such Lender to assign and delegate all of its interests, rights and obligations under this Agreement as if such Lender were a Non-Consenting Lender.

(d) Generally. Notice of amendments, waivers or consents ratified by the Lenders hereunder shall be forwarded by Agent to all of the Lenders. Each Lender or other holder of a Note, or if there is no Note, the holder of the interest as reflected on the books and records of Agent (or interest in any Loan or Letter of Credit) shall be bound by any amendment, waiver or consent obtained as authorized by this Section 11.3, regardless of its failure to agree thereto.

Section 11.4. Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to a Borrower, mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement, if to a Lender, mailed or delivered to it, addressed to the address of such Lender specified on the signature pages of this Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when hand delivered, delivered by overnight courier or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by electronic mail or facsimile, in each case with telephonic confirmation of receipt (if received during a Business Day, otherwise the following Business Day), except that notices from a Borrower to Agent, Collateral Agent or the Lenders pursuant to any of the provisions hereof shall not be effective until received by Agent, Collateral Agent or the Lenders, as the case may be. For purposes of Article II hereof, Agent or Collateral Agent shall be entitled to rely on telephonic instructions from any person that Agent or Collateral Agent, as the case may be, in good faith believes is an Authorized Officer, and US Borrower (and each appropriate Foreign Borrower) shall hold Agent, Collateral Agent and each Lender harmless from any loss, cost or expense resulting from any such reliance.

Section 11.5. Costs, Expenses and Taxes. US Borrower agrees to pay on demand all costs and expenses of Agent and Collateral Agent and all Related Expenses, including but not limited to (a) syndication, administration, travel and out-of-pocket expenses, including but not limited to reasonable attorneys' fees and expenses, of Agent and Collateral Agent in connection with the preparation, negotiation and closing of the Loan Documents and the administration of the Loan Documents, the collection and disbursement of all funds hereunder and the other instruments and documents to be delivered hereunder, (b) extraordinary expenses of Agent and Collateral Agent in connection with the administration of the Loan Documents and the other instruments and documents to be delivered hereunder, and (c) the reasonable fees and out-of-pocket expenses of special counsel for Agent or Collateral Agent, with respect to the foregoing, and of local counsel, if any, who may be retained by said special counsel with respect thereto. US Borrower, and any appropriate Foreign Borrower, also agrees to pay on demand all costs and expenses of Agent, Collateral Agent and the Lenders, including reasonable attorneys' fees and expenses, in connection with the restructuring or enforcement of the Obligations, this Agreement or any Related Writing. In addition, US Borrower and any appropriate Foreign Borrower shall pay any and all stamp, transfer, documentary and other taxes, assessments, charges and fees payable or determined to be payable in connection with the execution and delivery of the Loan Documents, and the other instruments and documents to be delivered hereunder, and agree to hold Agent, Collateral Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or failure to pay such taxes or fees, other than those liabilities resulting from the gross negligence or willful misconduct of Agent, or, with respect to amounts owing to a Lender, such Lender, in each case as determined by a court of competent jurisdiction. All obligations provided for in this Section 11.5 shall survive any termination of this Agreement.

Section 11.6. Indemnification. US Borrower, and each Foreign Borrower to the extent relating to the Loans and other credit extensions to such Foreign Borrower, agrees to defend, indemnify and hold harmless Agent, Collateral Agent and the Lenders (and their respective affiliates, officers, directors, attorneys, agents and employees) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent, Collateral Agent or any Lender in connection with any investigative, administrative or judicial proceeding (whether or not such Lender, Collateral Agent or Agent shall be designated a party thereto) or any other claim by any Person relating to or arising out of any Loan Document or any actual or proposed use of proceeds of the Loans or any of the Obligations, or any activities of any Company or its Affiliates; provided that none of any Lender, Collateral Agent or Agent shall have the right to be indemnified under this Section 11.6 for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction. All obligations provided for in this Section 11.6 shall survive any termination of this Agreement.

Section 11.7. Obligations Several; No Fiduciary Obligations. The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by Agent, Collateral Agent or the Lenders pursuant hereto shall be deemed to constitute Agent, Collateral Agent or the Lenders a partnership, association, joint venture or other entity. No default by any Lender hereunder shall excuse the other Lenders from any obligation under this Agreement; but no Lender shall have or acquire any additional obligation of any kind by reason of such default. The relationship between Borrowers and the Lenders with respect to the Loan Documents and the Related Writings is and shall be solely that of debtors and creditors, respectively, and none of Agent, Collateral Agent or any Lender shall have any fiduciary obligation toward any Credit Party with respect to any such documents or the transactions contemplated thereby.

Section 11.8. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 11.9. Binding Effect; Borrowers' Assignment. This Agreement shall become effective when it shall have been executed by each Borrower, Agent (on its own behalf and, by signing as Agent, as Collateral Agent) and each Lender and thereafter shall be binding upon and inure to the benefit of each Borrower, Agent, Collateral Agent and each of the Lenders and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of Agent and all of the Lenders.

Section 11.10. Lender Assignments.

(a) Assignments of Commitments. Each Lender shall have the right at any time or times to assign to an Eligible Transferee (other than to a Lender that shall not be in compliance with this Agreement), without recourse, all or a percentage of all of the following: (i) such Lender's Commitment, (ii) all Loans made by that Lender, (iii) such Lender's Notes, and (iv) such Lender's interest in any Letter of Credit or Swing Loan, and any participation purchased pursuant to Section 2.2(b) or (c) or 8.5 hereof.

(b) Prior Consent. No assignment may be consummated pursuant to this Section 11.10 without the prior written consent of Administrative Borrower and Agent (other than an assignment by any Lender to any affiliate of such Lender which affiliate is an Eligible Transferee and either wholly-owned by a Lender or is wholly-owned by a Person that wholly owns, either directly or indirectly, such Lender, or to another Lender), which consent of Administrative Borrower and Agent shall not be unreasonably withheld; provided that (i) the consent of Administrative Borrower shall not be required if, at the time of the proposed assignment, any Default or Event of Default shall then exist and (ii) Administrative Borrower shall be deemed to have granted its consent unless Administrative Borrower has expressly objected to such assignment within five Business Days of receipt of written notice thereof. Anything herein to the contrary notwithstanding, any Lender may at any time make a collateral assignment of all or any portion of its rights under the Loan Documents to a Federal Reserve Bank, and no such assignment shall release such assigning Lender from its obligations hereunder.

(c) Minimum Amount. Each such assignment shall be in a minimum amount of the lesser of Three Million Five Hundred Thousand Dollars (\$3,500,000) of the assignor's Commitment and interest herein, or the entire amount of the assignor's Commitment and interest herein.

(d) Assignment Fee. Unless the assignment shall be to an affiliate of the assignor or the assignment shall be due to merger of the assignor or for regulatory purposes, either the assignor or the assignee shall remit to Agent, for its own account, an administrative fee of Three Thousand Five Hundred Dollars (\$3,500).

(e) Assignment Agreement. Unless the assignment shall be due to merger of the assignor or a collateral assignment for regulatory purposes, the assignor shall (i) cause the assignee to execute and deliver to Administrative Borrower and Agent an Assignment Agreement, and (ii) execute and deliver, or cause the assignee to execute and deliver, as the case may be, to Agent such additional amendments, assurances and other writings as Agent may reasonably require.

(f) Non-U.S. Assignee. If the assignment is to be made to an assignee that is organized under the laws of any jurisdiction other than the United States or any state thereof, the assignor Lender shall cause such assignee, at least five Business Days prior to the effective date of such assignment, (i) to represent to the assignor Lender (for the benefit of the assignor Lender, Agent and Borrowers) that under applicable law and treaties no taxes will be required to be withheld by Agent, Borrowers or the assignor with respect to any payments to be made to such assignee in respect of the Loans hereunder, (ii) to furnish to the assignor Lender (and, in the case of any assignee registered in the Register (as defined below), Agent and Administrative Borrower) either U.S. Internal Revenue Service Form W-8ECI or U.S. Internal Revenue Service Form W-8BEN, as applicable (wherein such assignee claims entitlement to complete exemption from U.S. federal withholding tax on all payments hereunder), and (iii) to agree (for the benefit of the assignor, Agent and Borrowers) to provide to the assignor Lender (and, in the case of any assignee registered in the Register, to Agent and Borrowers) a new Form W-8ECI or Form W-8BEN, as applicable, upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such assignee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(g) Deliveries by Borrowers. Upon satisfaction of all applicable requirements specified in subsections (a) through (f) above, Administrative Borrower shall execute and deliver (i) to Agent, the assignor and the assignee, any consent or release (of all or a portion of the obligations of the assignor) required to be delivered by Borrowers in connection with the Assignment Agreement, and (ii) to the assignee, if requested, and the assignor, if applicable, an appropriate Note or Notes. After delivery of the new Note or Notes, the assignor's Note or Notes, if any, being replaced shall be returned to Administrative Borrower marked "replaced".

(h) Effect of Assignment. Upon satisfaction of all applicable requirements set forth in subsections (a) through (g) above, and any other condition contained in this Section 11.10, (i) the assignee shall become and thereafter be deemed to be a "Lender" for the purposes of this Agreement, (ii) the assignor shall be released from its obligations hereunder to the extent that its interest has been assigned, (iii) in the event that the assignor's entire interest has been assigned, the assignor shall cease to be and thereafter shall no longer be deemed to be a "Lender" and (iv) the signature pages hereto and Schedule 1 hereto shall be automatically amended, without further action, to reflect the result of any such assignment.

(i) Agent to Maintain Register. Agent shall maintain at the address for notices referred to in Section 11.4 hereof a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrowers, Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

Section 11.11. Sale of Participations. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell participations to one or more Eligible Transferees (each a "Participant") in all or a portion of its rights or obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of the Commitment and the Loans and participations owing to it and the Note, if any, held by it); provided that:

- (a) any such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged;
- (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;
- (c) the parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents;
- (d) such Participant shall be bound by the provisions of Section 8.5 hereof, and the Lender selling such participation shall obtain from such Participant a written confirmation of its agreement to be so bound; and
- (e) no Participant (unless such Participant is itself a Lender) shall be entitled to require such Lender to take or refrain from taking action under this Agreement or under any other Loan Document, except that such Lender may agree with such Participant that such Lender will not, without such Participant's consent, take action of the type described as follows:
 - (i) increase the portion of the participation amount of any Participant over the amount thereof then in effect, or extend the Commitment Period, without the written consent of each Participant affected thereby; or
 - (ii) reduce the principal amount of or extend the time for any payment of principal of any Loan, or reduce the rate of interest or extend the time for payment of interest on any Loan, or reduce the commitment fee, without the written consent of each Participant affected thereby.

Borrowers agree that any Lender that sells participations pursuant to this Section 11.11 shall still be entitled to the benefits of Article III hereof, notwithstanding any such transfer; provided that the obligations of Borrowers shall not increase as a result of such transfer and Borrowers shall have no obligation to any Participant.

Section 11.12. Patriot Act Notice. Each Lender and Agent (for itself and not on behalf of any other party) hereby notifies the Credit Parties that, pursuant to the requirements of the Patriot Act, such Lender and Agent are required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender or Agent, as applicable, to identify the Credit Parties in accordance with the Patriot Act. Each Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by Agent or a Lender in order to assist Agent or such Lender in maintaining compliance with the Patriot Act.

Section 11.13. Severability of Provisions; Captions; Attachments. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement. Each schedule or exhibit attached to this Agreement shall be incorporated herein and shall be deemed to be a part hereof.

Section 11.14. Investment Purpose. Each of the Lenders represents and warrants to Borrowers that it is entering into this Agreement with the present intention of acquiring any Note issued pursuant hereto (or, if there is no Note, the interest as reflected on the books and records of Agent) for investment purposes only and not for the purpose of distribution or resale, it being understood, however, that each Lender shall at all times retain full control over the disposition of its assets.

Section 11.15. Entire Agreement. This Agreement, any Note and any other Loan Document or other agreement, document or instrument attached hereto or executed on or as of the Closing Date integrate all of the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

Section 11.16. Legal Representation of Parties. The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement or any other Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

Section 11.17. Currency.

(a) Currency Equivalent Generally. For the purposes of making valuations or computations under this Agreement (but not for the purposes of the preparation of any financial statements delivered pursuant hereto), unless expressly provided otherwise, where a reference is made to a dollar amount the amount is to be considered as the amount in Dollars and, therefor, each other currency shall be converted into the Dollar Equivalent.

(b) Judgment Currency. If Agent, on behalf of the Lenders, or any other holder of the Obligations (the “Applicable Creditor”) obtains a judgment or judgments against any Credit Party in respect of any sum adjudged to be due to Agent or the Lenders hereunder or under the Notes (the “Judgment Amount”) in a currency (the “Judgment Currency”) other than the currency (the “Original Currency”) in which such sum is stated to be due hereunder, the obligations of such Credit Party in connection with such judgment shall be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, such Applicable Creditor may, in accordance with the normal banking procedures in the relevant jurisdiction, purchase the Original Currency with the Judgment Currency; if the amount of Original Currency so purchased is less than the amount of Original Currency that could have been purchased with the Judgment Amount on the date or dates the Judgment Amount (excluding the portion of the Judgment Amount that has accrued as a result of the failure of such Credit Party to pay the sum originally due hereunder when it was originally due and owing to Agent or the Lenders hereunder) was originally due and owing to Agent or the Lenders hereunder (the “Loss”), such Credit Party agrees as a separate obligation and notwithstanding any such judgment, to indemnify Agent or such Lender, as the case may be, against such Loss. For purposes of determining the equivalent in one currency of another currency as provided in this Section 11.17, such amount shall include any premium and costs payable in connection with the conversion into or from any currency. The obligations of Borrowers contained in this Section 11.17 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

Section 11.18. Special Foreign Provisions.

(a) Italy. Anything in this Agreement to the contrary notwithstanding, with respect to any Foreign Borrower or Foreign Guarantor of Payment organized under the laws of Italy, Agent and the Lenders hereby agree to comply with any formality or grace period required by article 1454 and 1845 of the Italian civil code (as the case may be).

(b) Germany. Agent and Collateral Agent are each hereby granted exemption from the restrictions of §181 of the German Civil Code (Bürgerliches Gesetzbuch BGB).

Section 11.19. Governing Law; Submission to Jurisdiction.

(a) Governing Law. This Agreement, each of the Notes and any Related Writing (except as otherwise set forth in any Loan Document executed by a Foreign Subsidiary) shall be governed by and construed in accordance with the laws of the State of Ohio and the respective rights and obligations of Borrowers, Agent, and the Lenders shall be governed by Ohio law, without regard to principles of conflicts of laws.

(b) Submission to Jurisdiction. Each Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, the Obligations or any Related Writing (except as otherwise set forth in any Loan Document executed by a Foreign Subsidiary), and each Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Each Borrower, on behalf of itself and its Subsidiaries, hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Each Borrower agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

[Remainder of page left intentionally blank]

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the parties have executed and delivered this Amended and Restated Credit Agreement as of the date first set forth above.

Address: 2000 Waters Edge Drive,
Building C, Suite 12
Johnson City, Tennessee 37604
Attention:

NN, INC.

By: /s/James H. Dorton
Name: James H. Dorton
Title: VP Corporate Development and
Chief Financial Officer

By: /s/William C. Kelly, Jr.
Name: William C. Kelly, Jr.
Title: Vice President and Chief Administration Officer

Signature Page 1 of 5
of the Amended and Restated Credit Agreement

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

Address: 127 Public Square
Cleveland, Ohio 44114-1306
Attention: Institutional Bank

KEYBANK NATIONAL ASSOCIATION,
as Agent and as a Lender

By: /s/Suzannah Harris
Suzannah Harris
Vice President

Signature Page 2 of 5
of the Amended and Restated Credit Agreement

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

Address: REGIONS BANK,
as Swing Line Lender and as a Lender

Attention: By:
Name:
Title:

Signature Page3 of 5
of the Amended and Restated Credit Agreement

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

Address: 900 South Gay Street, Suite 2400
Knoxville, Tennessee 37902
Attention: R. Andrew Beam

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/R. Andrew Beam
R. Andrew Beam
Senior Vice President

Signature Page 4 of 5
of the Amended and Restated Credit Agreement

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, EACH BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

Address:

WELLS FARGO BANK NATIONAL
ASSOCIATION, as a Lender

Attention:

By:
Name:
Title:

Signature Page 5 of 5
of the Amended and Restated Credit Agreement

SCHEDULE 1

LENDERS	COMMITMENT PERCENTAGE	REVOLVING CREDIT COMMITMENT AMOUNT	MAXIMUM AMOUNT
KeyBank National Association	29.62962962963%	\$26,666,666.67	\$26,666,666.67
Regions Bank	27.77777777778%	\$25,000,000.00	\$25,000,000.00
Branch Banking and Trust Company	27.77777777778%	\$25,000,000.00	\$25,000,000.00
Wells Fargo Bank National Association	14.814814814815%	\$13,333,333.33	\$13,333,333.33
Total Commitment Amount	100%	\$90,000,000.00	\$90,000,000.00

SCHEDULE 2

FOREIGN BORROWERS*

NN Netherlands B.V., a private company with limited liability (besloten vennootschap met beperkte aanspelijkheid) incorporated under the laws of The Netherlands

Kugelfertigung Eltmann GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) organized under the laws of Germany

NN Euroball Ireland Limited, a company incorporated under the laws of Ireland

NN Slovakia, s.r.o., a limited liability company (spoločnosť s ručením obmedzeným) organized under the laws of Slovakia

NN Europe S.p.A. (f/k/a Euroball S.p.A.), a società per azioni organized under the laws of Italy

* Effective as of the Foreign Borrower Addition Date to the extent the requirements set forth in Sections 2.13(a) and 4.4(d) of the Credit Agreement are satisfied.

SCHEDULE 3

GUARANTORS OF PAYMENT

Domestic Guarantors of Payment

The Delta Rubber Company, a Connecticut corporation
Whirlaway Corporation, an Ohio corporation
Triumph LLC, an Arizona limited liability company
Industrial Molding Corporation, a Tennessee corporation

Foreign Guarantors of Payment*

NN Netherlands B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands
NN International B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands
NN Holdings B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands
Kugelfertigung Eltmann GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) organized under the laws of Germany
NN Euroball Ireland Limited, a company incorporated under the laws of Ireland
NN Slovakia, s.r.o., a limited liability company (spoločnosť s ručením obmedzeným) organized under the laws of Slovakia
NN Europe S.p.A. (f/k/a Euroball S.p.A.), a società per azioni organized under the laws of Italy

* Effective as of the Foreign Borrower Addition Date to the extent the requirements set forth in Sections 2.13(b) and 4.4(e) of the Credit Agreement are satisfied.

EXHIBIT A
FORM OF
US BORROWER REVOLVING CREDIT NOTE

\$ _____ March 13, 2009

FOR VALUE RECEIVED, the undersigned, NN, INC., a Delaware corporation (“US Borrower”), promises to pay, on the last day of the Commitment Period, as defined in the Credit Agreement (as hereinafter defined), to the order of _____ (“Lender”) at the main office of KEYBANK NATIONAL ASSOCIATION, as Agent, as hereinafter defined, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

DOLLARS

or the aggregate unpaid principal amount of all Revolving Loans, as defined in the Credit Agreement made by Lender to US Borrower pursuant to Section 2.2(a) of the Credit Agreement, whichever is less, in lawful money of the United States of America; provided that Revolving Loans that are Alternate Currency Loans, as defined in the Credit Agreement, shall be payable in the applicable Alternate Currency, as defined in the Credit Agreement, at the place or places designated in the Credit Agreement. US Borrower also agrees to pay any additional amount that is required to be paid pursuant to Section 11.17 of the Credit Agreement.

As used herein, “Credit Agreement” means the Amended and Restated Credit Agreement dated as of September 21, 2006, as amended and restated as of March 13, 2009, among US Borrower, the Foreign Borrowers, as defined therein, the Lenders, as defined therein, Regions Bank, as the swing line lender, and KeyBank National Association, as the lead arranger, book runner and administrative agent for the Lenders (“Agent”), as the same may from time to time be further amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

US Borrower also promises to pay interest on the unpaid principal amount of each Revolving Loan from time to time outstanding, from the date of such Revolving Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.3(a) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.3(a); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Base Rate Loans and LIBOR Fixed Rate Loans, interest owing thereon, and payments of principal and interest of any thereof, shall be shown on the records of Lender by such method as Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of US Borrower under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the US Borrower Revolving Credit Notes referred to in the Credit Agreement. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, US Borrower expressly waives presentment, demand, protest and notice of any kind. This Note shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of laws provisions.

JURY TRIAL WAIVER. US BORROWER, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG US BORROWER, THE FOREIGN BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER NOTE OR INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

NN, INC.

By:
Name:
Title:

EXHIBIT B
FORM OF
FOREIGN BORROWER REVOLVING CREDIT NOTE

\$(_____) [____], 2009

FOR VALUE RECEIVED, the undersigned, [_____] (“Foreign Borrower”), promises to pay, on the last day of the Commitment Period, as defined in the Credit Agreement (as hereinafter defined), to the order of [_____] (“Lender”) at the main office of KEYBANK NATIONAL ASSOCIATION, as Agent, as hereinafter defined, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

[_____] MILLION AND 00/100 DOLLARS

or the aggregate unpaid principal amount of all Revolving Loans, as defined in the Credit Agreement made by Lender to Foreign Borrower pursuant to Section 2.2(a) of the Credit Agreement, whichever is less, in lawful money of the United States of America; provided that Revolving Loans that are Alternate Currency Loans, as defined in the Credit Agreement, shall be payable in the applicable Alternate Currency, as defined in the Credit Agreement, at the place or places designated in the Credit Agreement. Foreign Borrower also agrees to pay any additional amount that is required to be paid pursuant to Section 11.17 of the Credit Agreement.

As used herein, “Credit Agreement” means the Amended and Restated Credit Agreement dated as of September 21, 2006, as amended and restated as of March 13, 2009, among US Borrower, as defined therein, the Foreign Borrowers, as defined therein, the Lenders, as defined therein, Regions Bank, as the swing line lender, and KeyBank National Association, as the lead arranger, book runner and administrative agent for the Lenders (“Agent”), as the same may from time to time be further amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

Foreign Borrower also promises to pay interest on the unpaid principal amount of each Revolving Loan from time to time outstanding, from the date of such Revolving Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.3(a) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.3(a); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Base Rate Loans and LIBOR Fixed Rate Loans, interest owing thereon, and payments of principal and interest of any thereof, shall be shown on the records of Lender by such method as Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of Foreign Borrowers under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the Foreign Borrower Revolving Credit Notes referred to in the Credit Agreement. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, Foreign Borrower expressly waives presentment, demand, protest and notice of any kind. This Note shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of laws provisions.

JURY TRIAL WAIVER. FOREIGN BORROWER, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG US BORROWER, FOREIGN BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER NOTE OR INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

[FOREIGN BORROWER]

By:
Name:
Title:

EXHIBIT C
FORM OF
SWING LINE NOTE

\$_____ March 13, 2009

FOR VALUE RECEIVED, the undersigned, NN, INC., a Delaware corporation ("US Borrower"), promises to pay to the order of REGIONS BANK ("Swing Line Lender"), at the main office of KEYBANK NATIONAL ASSOCIATION, as Agent, as hereinafter defined, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

DOLLARS

or the aggregate unpaid principal amount of all Swing Loans, as defined in the Credit Agreement (as hereinafter defined), made by the Swing Line Lender to US Borrower pursuant to Section 2.2(c) of the Credit Agreement, whichever is less, in lawful money of the United States of America on the earlier of the last day of the Commitment Period, as defined in the Credit Agreement, or, with respect to each Swing Loan, the Swing Loan Maturity Date applicable thereto.

As used herein, "Credit Agreement" means the Credit Agreement dated as of September 21, 2006, as amended and restated as of March 13, 2009, among US Borrower, the Foreign Borrowers, as defined therein, the Lenders, as defined therein, Regions Bank, as the swing line lender, and KeyBank National Association, as the lead arranger, book runner and administrative agent for the Lenders ("Agent"), as the same may from time to time be amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

US Borrower also promises to pay interest on the unpaid principal amount of each Swing Loan from time to time outstanding, from the date of such Swing Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.3(b) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.3(b); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The principal sum hereof from time to time, interest owing thereon, and payments of principal and interest of any thereof, shall be shown on the records of Swing Line Lender by such method as Swing Line Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligation of US Borrower under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is the Swing Line Note referred to in the Credit Agreement. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, US Borrower expressly waives presentment, demand, protest and notice of any kind. This Note shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of laws provisions.

JURY TRIAL WAIVER. US BORROWER, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG US BORROWER, FOREIGN BORROWERS, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER NOTE OR INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

NN, INC.

By:
Name:
Title:

EXHIBIT D
FORM OF
NOTICE OF LOAN

_____, 20__

KeyBank National Association, as Agent
127 Public Square
Cleveland, Ohio 44114-0616
Attention: Institutional Bank

Ladies and Gentlemen:

The undersigned, NN, INC. ("Administrative Borrower") refers to the Amended and Restated Credit Agreement, dated as of September 21, 2006, as amended and restated as of March 13, 2009 ("Credit Agreement", the terms defined therein being used herein as therein defined), among Borrowers, as defined in the Credit Agreement, the Lenders, as defined in the Credit Agreement, Regions Bank, as the swing line lender, and KeyBank National Association, as Agent, and hereby gives you notice, pursuant to Section 2.5 of the Credit Agreement that Borrowers hereby request a Loan under the Credit Agreement, and in connection therewith sets forth below the information relating to the Loan (the "Proposed Loan") as required by Section 2.5 of the Credit Agreement:

(a) Administrative Borrower is requesting the Proposed Loan on behalf of _____.

(b) The Business Day of the Proposed Loan is _____, 20__.

(c) The amount of the Proposed Loan is \$ _____.

(d) The Proposed Loan is to be a Base Rate Loan ____ / Eurodollar Loan ____/
Alternate Currency Loan ____ / Swing Loan ____ (Check one.)

(e) If the Proposed Loan is a LIBOR Fixed Rate Loan, the Interest Period requested is one month ____, two months ____, three months ____.
(Check one.)

(f) If the Proposed Loan is an Alternate Currency Loan, the Alternate Currency requested is _____.

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

(i) the representations and warranties contained in each Loan Document are correct in all material respects, before and after giving effect to the Proposed Loan and the application of the proceeds therefrom, as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Proposed Loan, or the application of proceeds therefrom, that constitutes a Default or Event of Default; and

(iii) the conditions set forth in Section 2.5 and Article IV of the Credit Agreement have been satisfied.

NN, INC.

By:
Name:
Title:

EXHIBIT E
FORM OF
COMPLIANCE CERTIFICATE

For Fiscal Quarter ended _____

THE UNDERSIGNED HEREBY CERTIFIES THAT:

- (1) I am the duly elected [President] or [Chief Financial Officer] of NN, INC., a Delaware corporation (“Administrative Borrower”);
- (2) I am familiar with the terms of that certain Credit Agreement, dated as of September 21, 2006, as amended and restated as of March 13, 2009, among US Borrower, Foreign Borrowers, the Lenders, as each term is defined in the Credit Agreement, Regions Bank, as the swing line lender, and KeyBank National Association, as Agent (as the same may from time to time be amended, restated or otherwise modified, the “Credit Agreement”, the terms defined therein being used herein as therein defined), and the terms of the other Loan Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Borrowers and their Subsidiaries during the accounting period covered by the attached financial statements;
- (3) The review described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes or constituted a Default or Event of Default, at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate;
- (4) The representations and warranties made by the Credit Parties contained in each Loan Document are true and correct in all material respects as though made on and as of the date hereof; and
- (5) Set forth on Attachment I hereto are calculations of the financial covenants set forth in Section 5.7 of the Credit Agreement, which calculations show compliance with the terms thereof.

IN WITNESS WHEREOF, I have signed this certificate the ___ day of _____, 20__.
NN, INC.

By:
Name:
Title:

EXHIBIT F
FORM OF
ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (this "Assignment Agreement") between _____ (the "Assignor") and _____ (the "Assignee") is dated as of _____, 20_. The parties hereto agree as follows:

1. Preliminary Statement. Assignor is a party to an Amended and Restated Credit Agreement, dated as of September 21, 2006, as amended and restated as of March 13, 2009 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"), among NN, INC., a Delaware corporation ("US Borrower"), the Foreign Borrowers, as defined therein, the lenders named on Schedule 1 thereto (together with their respective successors and assigns, collectively, the "Lenders" and, individually, each a "Lender"), REGIONS BANK, as the swing line lender, and KEYBANK NATIONAL ASSOCIATION, as the lead arranger, book runner and administrative agent for the Lenders ("Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. Assignment and Assumption. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, an interest in and to Assignor's rights and obligations under the Credit Agreement, effective as of the Assignment Effective Date (as hereinafter defined), equal to the percentage interest specified on Annex 1 hereto (hereinafter, the "Assigned Percentage") of Assignor's right, title and interest in and to (a) the Commitment, (b) any Loan made by Assignor that is outstanding on the Assignment Effective Date, (c) Assignor's interest in any Letter of Credit outstanding on the Assignment Effective Date, (d) any Note delivered to Assignor pursuant to the Credit Agreement, and (e) the Credit Agreement and the other Related Writings. After giving effect to such sale and assignment and on and after the Assignment Effective Date, Assignee shall be deemed to have a "Commitment Percentage" under the Credit Agreement equal to the Commitment Percentage set forth in subpart I.A on Annex 1 hereto and an Assigned Amount as set forth on subpart I.B of Annex 1 hereto (hereinafter, the "Assigned Amount").

3. Assignment Effective Date. The Assignment Effective Date (the "Assignment Effective Date") shall be [_____, ____] (or such other date agreed to by Agent). On or prior to the Assignment Effective Date, Assignor shall satisfy the following conditions:

- (a) receipt by Agent of this Assignment Agreement, including Annex 1 hereto, properly executed by Assignor and Assignee and accepted and consented to by Agent and, if necessary pursuant to the provisions of Section 11.10(b) of the Credit Agreement, by Administrative Borrower;
- (b) receipt by Agent from Assignor of a fee of Three Thousand Five Hundred Dollars (\$3,500), if required by Section 11.10(d) of the Credit Agreement;

(c) receipt by Agent from Assignee of an administrative questionnaire, or other similar document, which shall include (i) the address for notices under the Credit Agreement, (ii) the address of its Lending Office, (iii) wire transfer instructions for delivery of funds by Agent, (iv) and such other information as Agent shall request; and

(d) receipt by Agent from Assignor or Assignee of any other information required pursuant to Section 11.10 of the Credit Agreement or otherwise necessary to complete the transaction contemplated hereby.

4. Payment Obligations. In consideration for the sale and assignment of Loans hereunder, Assignee shall pay to Assignor, on the Assignment Effective Date, the amount agreed to by Assignee and Assignor. Any interest, fees and other payments accrued prior to the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignor. Any interest, fees and other payments accrued on and after the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other party any interest, fees or other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and to pay the other party any such amounts which it may receive promptly upon receipt thereof.

5. Credit Determination; Limitations on Assignor's Liability. Assignee represents and warrants to Assignor, Borrowers, Agent and the Lenders (a) that it is capable of making and has made and shall continue to make its own credit determinations and analysis based upon such information as Assignee deemed sufficient to enter into the transaction contemplated hereby and not based on any statements or representations by Assignor; (b) Assignee confirms that it meets the requirements to be an assignee as set forth in Section 11.10 of the Credit Agreement; (c) Assignee confirms that it is able to fund the Loans and the Letters of Credit as required by the Credit Agreement; (d) Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the Related Writings are required to be performed by it as a Lender thereunder; and (e) Assignee represents that it has reviewed each of the Loan Documents, including, but not limited to the Intercreditor Agreement and by its signature to this Assignment Agreement, agrees to be bound by and subject to the terms and conditions of the Intercreditor Agreement as if it were an original party thereto. It is understood and agreed that the assignment and assumption hereunder are made without recourse to Assignor and that Assignor makes no representation or warranty of any kind to Assignee and shall not be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the Credit Agreement or any Related Writings, (ii) any representation, warranty or statement made in or in connection with the Credit Agreement or any of the Related Writings, (iii) the financial condition or creditworthiness of any Borrower or any Guarantor of Payment, (iv) the performance of or compliance with any of the terms or provisions of the Credit Agreement or any of the Related Writings, (v) the inspection of any of the property, books or records of Borrowers, or (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans or Letters of Credit. Neither Assignor nor any of its officers, directors, employees, agents or attorneys shall be liable for any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans, the Letters of Credit, the Credit Agreement or the Related Writings, except for its or their own gross negligence or willful misconduct. Assignee appoints Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to Agent by the terms thereof.

6. Indemnity. Assignee agrees to indemnify and hold Assignor harmless against any and all losses, cost and expenses (including, without limitation, attorneys' fees) and liabilities incurred by Assignor in connection with or arising in any manner from Assignee's performance or non-performance of obligations assumed under this Assignment Agreement.

7. Subsequent Assignments. After the Assignment Effective Date, Assignee shall have the right, pursuant to Section 11.10 of the Credit Agreement, to assign the rights which are assigned to Assignee hereunder, provided that (a) any such subsequent assignment does not violate any of the terms and conditions of the Credit Agreement, any of the Related Writings, or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Credit Agreement or any of the Related Writings has been obtained, (b) the assignee under such assignment from Assignee shall agree to assume all of Assignee's obligations hereunder in a manner satisfactory to Assignor, and (c) Assignee is not thereby released from any of its obligations to Assignor hereunder.

8. Reductions of Aggregate Amount of Commitments. If any reduction in the Total Commitment Amount occurs between the date of this Assignment Agreement and the Assignment Effective Date, the percentage of the Total Commitment Amount assigned to Assignee shall remain the percentage specified in Section 1 hereof and the dollar amount of the Commitment of Assignee shall be recalculated based on the reduced Total Commitment Amount.

9. Acceptance of Agent; Notice by Assignor. This Assignment Agreement is conditioned upon the acceptance and consent of Agent and, if necessary pursuant to Section 11.10 of the Credit Agreement, upon the acceptance and consent of Administrative Borrower; provided that the execution of this Assignment Agreement by Agent and, if necessary, by Administrative Borrower is evidence of such acceptance and consent.

10. Entire Agreement. This Assignment Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

11. Governing Law. This Assignment Agreement shall be governed by the laws of the State of Ohio, without regard to conflicts of laws.

12. Notices. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto (until notice of a change is delivered) shall be the address set forth under each party's name on the signature pages hereof.

13. Counterparts. This Assignment Agreement may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[Remainder of page intentionally left blank.]

14. JURY TRIAL WAIVER. EACH OF THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG AGENT, ANY OF THE LENDERS, AND ANY OF THE BORROWERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG EACH OF THEM IN CONNECTION WITH THIS INSTRUMENT OR ANY NOTE OR OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED HERETO.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

ASSIGNOR:

Address:

Attn:
Phone:
Fax:

By:
Name:
Title:

ASSIGNEE:

Address:

Attn:
Phone:
Fax:

By:
Name:
Title:

Accepted and Consented to this ___ day
of ___, 20__:

Accepted and Consented to this ___ day
of _____, 20__:

KEYBANK NATIONAL ASSOCIATION,
as Agent

[INSERT SIGNATURE OF ADMINISTRATIVE BORROWER IF
REQUIRED]

NN, INC.

By:
Name:
Title:

By:
Name:
Title:

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE AGREEMENT

On and after the Assignment Effective Date, after giving effect to all other assignments being made by Assignor on the Assignment Effective Date, the Commitment of Assignee, and, if this is less than an assignment of all of Assignor's interest, Assignor, shall be as follows:

I. INTEREST BEING ASSIGNED TO ASSIGNEE

A. Assigned Percentage _____%

B. Assigned Amount \$ _____

II. ASSIGNEE'S COMMITMENT (as of the Assignment Effective Date)

A. Assignee's Commitment Percentage
under the Credit Agreement _____%

B. Assignee's Commitment Amount under
the Credit Agreement \$ _____

III. ASSIGNOR'S COMMITMENT (as of the Assignment Effective Date)

A. Assignor's Commitment Percentage
under the Credit Agreement _____%

B. Assignor's Commitment Amount
under the Credit Agreement \$ _____

EXHIBIT G
FORM OF
ADDITIONAL FOREIGN BORROWER ASSUMPTION AGREEMENT

EXHIBIT H
TERMS OF
SUBORDINATION INDEBTEDNESS

1. All Subordinated Indebtedness shall be subordinate in right of payment to the prior payment in full in cash of all existing and future Secured Obligations and any other Indebtedness referenced in the Intercreditor Agreement (collectively, the “Senior Indebtedness”), and shall be unsecured.
2. The agreements governing any Subordinated Indebtedness may not provide for the making of any scheduled or required payment of principal in respect of such Subordinated Indebtedness prior to the day that is six months after the termination of the Commitment Period unless the Senior Indebtedness and any other Indebtedness referenced in the Intercreditor Agreement, shall have otherwise been indefeasibly paid in full and the Commitment terminated.
3. The agreements governing any Subordinated Indebtedness may not provide that such Subordinated Indebtedness is in default solely because of the occurrence of a Default or Event of Default (but may provide that such Subordinated Indebtedness is in default in the event of the acceleration of the maturity of the Obligations).
4. No payment of any kind may be made in respect of any Subordinated Indebtedness (a) after the occurrence and during the continuance of a Default under Section 7.1, (b) if the maturity of any of the Obligations has been accelerated or deemed accelerated by virtue of the occurrence of an Event of Default, or (c) if any Event of Default (other than one described in clause 4(a) hereof) shall have occurred and the Agent shall have issued a notice to US Borrower prohibiting the making of any payments in respect of Subordinated Indebtedness (a “Payment Blockage Notice”). A Payment Blockage Notice shall be effective for a period ending upon the earlier of (i) one year following the issuance thereof or (ii) the day on which the Event of Default giving rise to such Payment Blockage Notice has been waived by the Required Lenders; provided that payments in respect of Subordinated Indebtedness may not be resumed following the expiration of a Payment Blockage Notice if clause 4(a) or clause 4(b) above has become applicable at or prior to such expiration.
5. In the event of any payment or distribution of property or securities to creditors of the Borrower or any Guarantor in a liquidation or dissolution thereof or in a bankruptcy, insolvency, reorganization, receivership or similar case or proceeding involving any Borrower or any Guarantor or any property thereof, or pursuant to any assignment for the benefit of creditors of the Borrower or any Guarantor or any marshaling of any assets thereof:
 - (a) the holders of the Senior Indebtedness shall be entitled to receive full payment thereof (including any interest accruing after the commencement of any such case or proceeding at the interest rate applicable thereto pursuant to the terms of the Obligations, regardless of whether a claim for such interest would be allowed in such case or proceeding) in cash before the holders of Subordinated Indebtedness shall be entitled to receive any payment in respect of such Subordinated Indebtedness; and

(b) until all of the Senior Indebtedness have been paid in full in cash, any payment or distribution to which holders of Subordinated Indebtedness would be entitled (but for this clause (b)) shall be made to the holders of the Obligations, and the holders of the Obligations shall have the right to collect, receive and retain same.

6. A holder of Subordinated Indebtedness may not take any action (including but not limited to the institution of a civil action to collect such Subordinated Indebtedness) until after the termination of a standstill period commencing on the date on which such holder gives written notice to the Agent that a payment default has occurred in respect of such Subordinated Indebtedness and ending upon the first to occur of:

- (i) the day that is one hundred eighty (180) days after the date of such written notice,
- (ii) the acceleration of the maturity of the Obligations, the institution of a civil action to collect the Obligations and/or the exercise by the Agent of remedies with respect to collateral securing the Obligations,
- (iii) the institution of any case or proceeding described in Paragraph 5 above by or against US Borrower, or
- (iv) full and final payment in cash of the Senior Indebtedness.

If a holder of Subordinated Indebtedness is made whole by virtue of the making at the end of a standstill period of any payments (with default interest) not made during such standstill period, then such holder may not take any action (including but not limited to the institution of a civil action to collect such Subordinated Indebtedness) at the end of such standstill period.

7. If any holder of Subordinated Indebtedness receives any payment or distribution in respect of such Subordinated Indebtedness at a time when such payment or distribution is prohibited by Paragraph 4 or Paragraph 5 above, the recipient shall hold such payment or distribution in trust for the benefit of the holders of the Senior Indebtedness and forthwith shall pay the same to such holders to the extent necessary to pay the Senior Indebtedness in full (after giving effect to any concurrent payment or distribution to the holders of the Senior Indebtedness). To the extent of any amounts so paid to holders of the Senior Indebtedness by or on behalf of holders of Subordinated Indebtedness, such holders of Subordinated Indebtedness will be subrogated to the rights of such holders of the Senior Indebtedness; provided that such holders of Subordinated Indebtedness may not enforce such subrogation rights until the Senior Indebtedness have been fully and finally paid in cash.

8. If any obligation, payment or distribution in respect of the Senior Indebtedness (whether consisting of a payment or proceeds of security or the exercise of a right of setoff or otherwise) is declared invalid, fraudulent or preferential or otherwise is set aside or required to be returned or repaid, any Senior Indebtedness purportedly satisfied by any such payment or distribution shall be deemed reinstated and outstanding as if such payment or distribution had not occurred.

