UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-12477

AMGEN INC.
(Exact name of registrant as specified in its charter)

Delaware	95-3540776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Amgen Center Drive, Thousand Oaks, California	91320-1789
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (805) 447-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of June 30, 1998, the registrant had 253,927,244 shares of Common Stock, $.0001 par value, outstanding.

AMGEN INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three and six months ended June 30, 1998 and 1997 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which Amgen Inc. ("Amgen" or the "Company") considers necessary for a fair presentation of the results of operations for those periods.

The condensed consolidated financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

Interim results are not necessarily indicative of results for the full fiscal year.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Revenues:				
Product sales	$611.2	$566.7	$1,178.0	$1,102.7
Corporate partner revenues	29.9	40.0	52.5	67.4
Royalty income	15.8	13.8	31.8	25.9
Total revenues	656.9	620.5	1,262.3	1,196.0
Operating expenses:				
Cost of sales	83.9	76.8	162.9	148.8
Research and development	152.4	145.4	304.9	293.1
Marketing and selling	74.3	81.8	141.1	149.9
General and administrative	47.7	43.7	94.0	88.1
Loss of affiliates, net	10.2	12.1	16.4	20.6
Total operating expenses	368.5	359.8	719.3	700.5
Operating income	288.4	260.7	543.0	495.5
Other income (expense):				
Interest and other income	23.9	18.0	39.1	33.9
Interest expense, net	(3.3)	(0.4)	(5.5)	(0.7)
Total other income (expense)	20.6	17.6	33.6	33.2
Income before income taxes	309.0	278.3	576.6	528.7
Provision for income taxes	92.7	77.8	173.0	147.9
Net income	$216.3	$200.5	$ 403.6	$ 380.8
Earnings per share:				
Basic	$ 0.85	$ 0.76	$ 1.58	$ 1.44
Diluted	$ 0.82	$ 0.72	$ 1.53	$ 1.37
Shares used in calculation of earnings per share:				
Basic	253.9	265.3	255.1	265.3
Diluted	262.5	277.5	263.2	277.8

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share data)
(Unaudited)

	June 30, 1998	December 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 158.0	$ 239.1
Marketable securities	863.3	787.4
Trade receivables, net	291.2	269.0
Inventories	113.3	109.2
Other current assets	141.7	138.8
Total current assets	1,567.5	1,543.5
Property, plant and equipment at cost, net	1,349.5	1,186.2
Investments in affiliated companies	117.1	116.9
Other assets	252.7	263.6
	$3,286.8	$3,110.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 85.0	$ 103.9
Commercial paper	99.5	-
Accrued liabilities	671.8	608.0
Current portion of long-term debt	11.0	30.0
Total current liabilities	867.3	741.9
Long-term debt	223.0	229.0
Contingencies		
Stockholders' equity:		
Preferred stock; $.0001 par value; 5 shares authorized; none issued or outstanding	-	-
Common stock and additional paid-in capital; $.0001 par value; 750 shares authorized; outstanding - 253.9 shares in 1998 and 258.3 shares in 1997	1,306.7	1,196.1
Retained earnings	889.8	943.2
Total stockholders' equity	2,196.5	2,139.3
	$3,286.8	$3,110.2

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	1998	1997
Cash flows from operating activities:		
Net income	$ 403.6	$ 380.8
Depreciation and amortization	72.7	65.1
Loss of affiliates, net	16.4	20.6
Cash provided by (used in):		
Trade receivables, net	(22.2)	(3.4)
Inventories	(4.1)	(8.2)
Other current assets	3.7	16.6
Accounts payable	(18.9)	7.6
Accrued liabilities	63.8	(9.2)
Net cash provided by operating activities	515.0	469.9
Cash flows from investing activities:		
Purchases of property, plant and equipment	(236.0)	(195.0)
Proceeds from maturities of marketable securities	-	184.3
Proceeds from sales of marketable securities	272.1	312.4
Purchases of marketable securities	(348.5)	(483.0)
Other	(6.2)	0.5
Net cash used in investing activities	(318.6)	(180.8)

See accompanying notes.

(Continued on next page)

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	1998	1997
Cash flows from financing activities:		
Increase in commercial paper	$ 99.5	$ -
Repayment of long-term debt	(25.0)	(78.2)
Proceeds from issuance of long-term debt	-	100.0
Net proceeds from issuance of common stock upon the exercise of stock options	91.8	59.0
Tax benefits related to stock options	30.0	28.6
Repurchases of common stock	(457.0)	(210.9)
Other	(16.8)	(25.9)
Net cash used in financing activities	(277.5)	(127.4)
(Decrease) increase in cash and cash equivalents	(81.1)	161.7
Cash and cash equivalents at beginning of period	239.1	169.3
Cash and cash equivalents at end of period	$158.0	$331.0

See accompanying notes.

AMGEN INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1998

1. Summary of significant accounting policies

Business

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that discovers, develops, manufactures and markets human therapeutics based on advances in cellular and molecular biology.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as well as affiliated companies for which the Company has a controlling financial interest and exercises control over their operations ("majority controlled affiliates"). All material intercompany transactions and balances have been eliminated in consolidation. Investments in affiliated companies which are 50% or less owned and where the Company exercises significant influence over operations are accounted for using the equity method. All other equity investments are accounted for under the cost method. The caption "Loss of affiliates, net" includes Amgen's equity in the operating results of affiliated companies and the minority interest others hold in the operating results of Amgen's majority controlled affiliates.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined in a manner which approximates the first-in, first-out (FIFO) method. Inventories are shown net of applicable reserves and allowances. Inventories consist of the following (in millions):

	June 30, 1998	December 31, 1997
Raw materials.....	$ 17.6	$ 18.7
Work in process.....	49.6	53.6
Finished goods.....	46.1	36.9
	$113.3	$109.2

Product sales

Product sales consist of three products, EPOGEN(R) (Epoetin alfa), NEUPOGEN(R) (Filgrastim) and INFERGEN(R) (Interferon alfacon-1).

The Company has the exclusive right to sell Epoetin alfa for dialysis, diagnostics and all non-human uses in the United States. The Company sells Epoetin alfa under the brand name EPOGEN(R).

Amgen has granted to Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), a license relating to Epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. Pursuant to this license, Amgen does not recognize product sales it makes into the exclusive market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's exclusive market. Sales in Amgen's exclusive market and adjustments thereto are derived from Company shipments and from third-party data on shipments to end users and their usage (see Note 4, "Contingencies - Johnson & Johnson arbitrations").

Foreign currency transactions

The Company has a program to manage foreign currency risk. As part of this program, it has purchased foreign currency option and forward contracts to hedge against possible reductions in values of certain anticipated foreign currency cash flows generally over the next 12 months, primarily resulting from its sales in Europe. At June 30, 1998, the Company had option and forward contracts to exchange foreign currencies for U.S. dollars of $39.9 million and $25.3 million, respectively, all having maturities of seven months or less. The option contracts, which have only nominal intrinsic value at the time of purchase, are designated and effective as hedges of anticipated foreign currency transactions for financial reporting purposes and accordingly, the net gains on such contracts are deferred and recognized in the same period as the hedged transactions. The forward contracts do not qualify as hedges for financial reporting purposes and accordingly, are marked-to-market. Net gains on option contracts (including option contracts for hedged transactions whose occurrence are no longer probable) and changes in market values of forward contracts are reflected in "Interest and other income". The deferred premiums on option contracts and fair values of forward contracts are included in "Other current assets".

The Company has additional foreign currency forward contracts to hedge exposures to foreign currency fluctuations of certain receivables and payables denominated in foreign currencies. At June 30, 1998, the Company had forward contracts to exchange foreign currencies for U.S. dollars of $27.5 million, all having maturities of two months or less. These contracts are designated and effective as hedges and accordingly, gains and losses on these forward contracts are recognized in the same period the offsetting gains and losses of hedged assets and liabilities are realized and recognized. The fair values of the forward contracts are included in the corresponding captions of the hedged assets and liabilities. Gains and losses on forward contracts, to the extent they differ in amount from the hedged receivables and payables, are included in "Interest and other income".

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," which is required to be adopted in fiscal years beginning after June 15, 1999. Because of the Company's minimal use of derivatives, management does not anticipate that the adoption of this new

statement will have a significant effect on earnings or the financial position of the Company.

Income taxes

Income taxes are accounted for in accordance SFAS No. 109 (see Note 3, "Income taxes").

Stock option and purchase plans

The Company's stock option and purchase plans are accounted for under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees".

Earnings per share

Basic earnings per share is based upon the weighted-average number of common shares outstanding. Diluted earnings per share is based upon the weighted-average number of common shares and dilutive potential common shares outstanding. Potential common shares are outstanding options under the Company's stock option plans which are included under the treasury stock method.

The following table sets forth the computation for basic and diluted earnings per share (in millions, except per share information):

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Numerator for basic and diluted earnings per share - net income	$216.3	$200.5	$403.6	$380.8
Denominator:				
Denominator for basic earnings per share - weighted-average shares	253.9	265.3	255.1	265.3
Effect of dilutive securities - employee stock options	8.6	12.2	8.1	12.5
Denominator for diluted earnings per share - adjusted weighted-average shares	262.5	277.5	263.2	277.8
Basic earnings per share	$ 0.85	$ 0.76	$ 1.58	$ 1.44
Diluted earnings per share	$ 0.82	$ 0.72	$ 1.53	$ 1.37

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the

financial statements and accompanying notes. Actual results may differ from those estimates.

Basis of presentation

The financial information for the three and six months ended June 30, 1998 and 1997 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which the Company considers necessary for a fair presentation of the results of operations for these periods. Interim results are not necessarily indicative of results for the full fiscal year.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Debt

As of June 30, 1998, the Company had $234 million of unsecured debt securities outstanding, of which $11 million matures within one year. The Company has established a $500 million debt shelf registration statement under which the Company has issued $100 million of debt securities (the "Notes") and established a $400 million medium term note program. The Company may offer and issue medium term notes from time to time with terms to be determined by market conditions. The Notes bear interest at a fixed rate of 6.5% and mature in 10 years. The Company's other outstanding debt includes $100 million of debt securities that bear interest at a fixed rate of 8.1% and mature in 2097 and $34 million of notes that bear interest at fixed rates averaging 6% and have remaining maturities of less than six years.

The Company had a commercial paper program which provided for unsecured short-term borrowings up to an aggregate of $200 million. In April 1998, the Company replaced this program with a new commercial paper program which provides for the same amount of aggregate short-term borrowings. As of June 30, 1998, commercial paper with a face amount of $100 million was outstanding. These borrowings had maturities of less than four months and had effective interest rates averaging 5.6%.

In May 1998, the Company replaced its credit facility with a new unsecured $150 million credit facility that has substantially the same terms as the Company's prior credit facility and expires on May 28, 2003. As of June 30, 1998, $150 million was available under the Company's line of credit for borrowing.

3. Income taxes

The provision for income taxes consists of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Federal(including U.S. possessions)	$86.6	$72.3	$161.5	$137.4
State	6.1	5.5	11.5	10.5
	$92.7	$77.8	$173.0	$147.9

The increase in the effective tax rate in the current year is the result of a provision in the federal tax law which caps tax benefits associated with the Company's Puerto Rico operations at the 1995 income level.

4. Contingencies

Johnson & Johnson arbitrations

Epoetin alfa

In September 1985, the Company granted Johnson & Johnson's affiliate, Ortho Pharmaceutical Corporation, a license relating to certain patented technology and know-how of the Company to sell a genetically engineered form of recombinant human erythropoietin, called Epoetin alfa, throughout the United States for all human uses except dialysis and diagnostics. Johnson & Johnson sells Epoetin alfa under the brand name PROCRIT(R). A number of disputes have arisen between Amgen and Johnson & Johnson as to their respective rights and obligations under the various agreements between them, including the agreement granting the license (the "License Agreement").

A dispute between Amgen and Johnson & Johnson that is the subject of a current arbitration proceeding relates to the audit methodology currently employed by the Company for Epoetin alfa sales. The Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales which either party makes into the other party's exclusive market, sometimes referred to as "spillover". Spillover occurs when, for example, a hospital or other purchaser buys one brand for use in both dialysis and non-dialysis indications. The Company has established and is employing an audit methodology to assign the proceeds of sales of EPOGEN(R) and PROCRIT in the Company's and Johnson & Johnson's respective exclusive markets. On September 12, 1997, the arbitrator in this matter (the "Arbitrator") issued an opinion adopting the Company's audit methodology. For the free standing dialysis center segment of the Epoetin alfa market, which accounts for about two-thirds of the Company's EPOGEN sales, the Arbitrator ruled that the Company's audit accurately determined

period. As a result of that hearing, the Company will pay an additional amount to Johnson & Johnson for the 1991-94 period which is covered by amounts previously provided for by the Company. On April 14, 1998, the Arbitrator issued his final order which confirmed that the Company was the successful party in the arbitration and, as a result, Johnson & Johnson has been ordered to pay to the Company all costs and expenses, including reasonable attorney's fees, that the Company incurred in the arbitration as well as one-half of the audit costs. The Company currently estimates that it will submit a bill for such costs incurred over an eight year period of approximately $100 million; however, the actual amount of the Company's recovery will be determined by the Arbitrator. The final order also confirmed that for the period 1995 forward, the estimates of usage of Epoetin alfa in the Hospital segment of the Company's audit methodology shall be applied without adjustment, subject to the right of either party to challenge the Hospital survey results for 1995 and certain subsequent years.

Both parties filed and presented arguments on motions seeking reconsideration of certain aspects of the Arbitrator's final order. On July 29, 1998, the Arbitrator issued his opinion on both parties' motions for reconsideration. The Arbitrator granted the Company's motion to reconsider one aspect of the adjustment to the results of the audit for the Hospital and Home Health Care Segment. The Arbitrator's ruling changes the calculation for that segment and reduces the Company's liability to Johnson & Johnson for the 1991-94 period. The Arbitrator denied all other motions, including Johnson & Johnson's motion seeking a reconsideration of the award to the Company of all costs and expenses, including reasonable attorneys' fees and costs, that the Company incurred in the arbitration. Due to remaining uncertainties the Company has not recognized any benefit from the reduced liability for 1991-94 or for the recovery of attorneys' fees and costs or audit costs. On August 12, 1998, Johnson & Johnson gave notice of challenge to the results of the audit of the Hospital segment for the 1995-97 period. If, as a result of this challenge, adjustments to the results of the Company's audit are made, the Company may be required to pay additional compensation to Johnson & Johnson for sales during 1995, 1996 and 1997. The Company does not expect that any such additional compensation for the 1995-97 period would have a material adverse effect on the annual financial statements of Amgen due to amounts previously provided for by the Company.

The Company has filed a demand in the arbitration to terminate Johnson & Johnson's rights under the License Agreement and to recover damages for breach of the License Agreement. Johnson & Johnson disputes the Arbitrator's jurisdiction to decide the Company's

audit yield results that are different from the results of the audit currently employed by the Company, the Company may be required to pay additional compensation to Johnson & Johnson for sales during 1995, 1996 and 1997, or Johnson & Johnson may be required to pay compensation to the Company for such prior period sales.

The Company has filed a demand in the arbitration to terminate Johnson & Johnson's rights under the License Agreement and to recover damages for breach of the License Agreement. Johnson & Johnson disputes the Arbitrator's jurisdiction to decide the Company's demand. The Company has requested a hearing before the Arbitrator on the Company's termination demand. No trial date on this matter has been set.

On October 2, 1995, Johnson & Johnson filed a demand for a separate arbitration proceeding against the Company before the American Arbitration Association ("AAA") in Chicago, Illinois. Johnson & Johnson alleges in this demand that the Company has breached the License Agreement. The demand also includes allegations of various antitrust violations. In this demand, Johnson & Johnson seeks an injunction, declaratory relief, unspecified compensatory damages, punitive damages and costs. On October 27, 1995, the Company filed a complaint in the Circuit Court of Cook County, Illinois seeking an order compelling Johnson & Johnson to arbitrate the Company's claim for termination before the Arbitrator as well as all related counterclaims asserted in Johnson & Johnson's October 2, 1995 AAA arbitration demand. The Company is unable to predict at this time the outcome of the demand for termination or when it will be resolved. The Company has filed a motion to stay the AAA arbitration pending the outcome of the existing arbitration proceedings before the Arbitrator discussed above. The Company has also filed an answer and counterclaim denying that AAA has jurisdiction to hear or decide the claims stated in the demand, denying the allegations in the demand and counter claiming for certain unpaid invoices.

NESP

On June 5, 1997, Johnson & Johnson filed a demand for arbitration against Kirin-Amgen, Inc. ("Kirin-Amgen"), an affiliate of the Company, before the AAA. The demand alleges that Amgen's novel erythropoiesis stimulating protein ("NESP") is covered by a license granted by Kirin-Amgen to Johnson & Johnson in 1985 for the development, manufacture and sale of Epoetin alfa in certain territories outside the United States, Japan and China (the "K-A License"). In 1996 Kirin-Amgen acquired exclusive worldwide rights in NESP from Amgen. Kirin-Amgen, in turn, transferred certain rights in NESP to Kirin and certain rights to Amgen. Johnson & Johnson alleges that the K-A License effectively grants Johnson & Johnson the same right to develop, manufacture and sell NESP as granted under the K-A License with respect to Epoetin alfa. Kirin-Amgen filed its answer to Johnson & Johnson's complaint on January 12, 1998, denying that Johnson & Johnson has rights to NESP. Kirin-Amgen also asserted a counterclaim for the recovery of certain royalty payments which Kirin-Amgen asserts were improperly withheld. These same disputes

exist between the Company and Johnson & Johnson under the License Agreement and the parties have agreed that the resolution of these issues in this arbitration will be binding upon them with respect to the License Agreement. The trial in this matter has commenced.

While it is not possible to predict accurately or determine the eventual outcome of the above described legal matters or various other legal proceedings (including patent disputes) involving Amgen, the Company believes that the outcome of these proceedings will not have a material adverse effect on its annual financial statements.

5. Stockholders' equity

During the six months ended June 30, 1998, the Company repurchased 8.2 million shares of its common stock at a total cost of $457 million under its common stock repurchase program. In October 1997, the Board of Directors authorized the Company to repurchase up to an additional $1 billion of common stock through December 31, 1998. At June 30, 1998, $255 million of this authorization remained. Stock repurchased under the program is retired.

6. Comprehensive income

As of January 1, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income". SFAS No. 130 establishes new rules for the reporting and display of comprehensive income and its components. SFAS No. 130 requires unrealized gains and losses on the Company's available-for-sale securities and foreign currency translation adjustments to be included in other comprehensive income. During the three and six months ended June 30, 1998, total comprehensive income was $208.1 million and $392.4 million, respectively. During the three and six months ended June 30, 1997, total comprehensive income was $197.6 million and $376 million, respectively.

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

Liquidity and Capital Resources

Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. During the six months ended June 30, 1998, operations provided $515 million of cash compared with $469.9 million during the same period last year. The Company had cash, cash equivalents and marketable securities of $1,021.3 million at June 30, 1998, compared with $1,026.5 million at December 31, 1997.

Capital expenditures totaled $236 million for the six months ended June 30, 1998, compared with $195 million for the same period a year ago. The Company anticipates spending approximately $400 million to $500 million in 1998 on capital projects and equipment to expand the Company's global operations. Thereafter, over the next

few years, the Company anticipates that capital expenditures will average in excess of $400 million per year.

The Company receives cash from the exercise of employee stock options. During the six months ended June 30, 1998, stock options and their related tax benefits provided $121.8 million of cash compared with $87.6 million for the same period last year. Proceeds from the exercise of stock options and their related tax benefits will vary from period to period based upon, among other factors, fluctuations in the market value of the Company's stock relative to the exercise price of such options.

The Company has a stock repurchase program primarily to offset the dilutive effect of its employee stock option and stock purchase plans. During the six months ended June 30, 1998, the Company repurchased 8.2 million shares of its common stock at a total cost of $457 million compared with 3.5 million shares purchased at a cost of $210.9 million during the same period last year. In October 1997, the Board of Directors authorized the Company to repurchase up to an additional $1 billion of common stock through December 31, 1998. At June 30, 1998, $255 million of this authorization remained.

To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. The Company established a $500 million debt shelf registration statement and in December 1997, pursuant to such registration statement, the Company issued $100 million of debt securities that bear interest at a fixed rate of 6.5% and mature in 10 years (the "Notes"). As of June 30, 1998, the Company had $234 million of unsecured debt securities outstanding. This amount includes the Notes, $34 million of debt securities that bear interest at fixed rates averaging 6% and have remaining maturities of less than six years and $100 million of debt securities that bear interest at a fixed rate of 8.1% and mature in 2097. The Company repaid $25 million of maturing debt securities during the six month ended June 30, 1998.

The Company's sources of debt financing also include a commercial paper program which provides for short-term borrowings up to an aggregate face amount of $200 million. In April 1998, the Company replaced this program with a new commercial paper program which provides for the same amount of aggregate short-term borrowings. As of June 30, 1998, commercial paper with a face amount of $100 million was outstanding. These borrowings had maturities of less than four months and had effective interest rates averaging 5.6%. In May 1998, the Company replaced its credit facility with a new $150 million unsecured credit facility that has substantially the same terms as the Company's prior credit facility and expires on May 28, 2003. The new credit facility supports the Company's commercial paper program. As of June 30, 1998, no amounts were outstanding under the line of credit.

The primary objectives for the Company's investment portfolio are liquidity and safety of principal. Investments are made to achieve the highest rate of return to the Company, consistent with these two objectives. The Company's investment policy limits investments to certain types of instruments issued by institutions

with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer. The Company invests its excess cash in securities with varying maturities to meet projected cash needs.

The Company believes that existing funds, cash generated from operations and existing sources of debt financing are adequate to satisfy its working capital and capital expenditure requirements for the foreseeable future, as well as to support its stock repurchase program. However, the Company may raise additional capital from time to time.

Results of Operations

Product sales

Product sales were $611.2 million and $1,178 million for the three and six months ended June 30, 1998, respectively. These amounts represent increases of $44.5 million and $75.3 million, or 8% and 7%, respectively, over the same periods last year.

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were $336.5 million and $640.9 million for the three and six months ended June 30, 1998, respectively. These amounts represent increases of $41.6 million and $54.4 million or 14% and 9%, respectively, over the same periods last year. These increases were primarily due to growth in the U.S. dialysis patient population and the administration of higher doses. The administration of higher doses of EPOGEN(R) was principally due to certain dialysis providers using better anemia management practices, including using hemoglobin measurements instead of hematocrit measurements, as well as changes in reimbursement announced in March and June 1998 by the Health Care Financing Administration ("HCFA"), discussed below.

In September 1997, HCFA implemented changes (the "HCFA Policy Changes") to its reimbursement policy. Prior to the HCFA Policy Changes, fiscal intermediaries under contract with HCFA were authorized to pay reimbursement claims for patients whose hematocrits exceeded 36 percent, the top of the suggested target hematocrit range in the Company's labeling, if deemed medically justified. Under the HCFA Policy Changes, medical justification was not accepted for payment of claims of hematocrits that exceeded 36 percent and, if the current month's hematocrit were greater than 36 percent and the patient's hematocrit exceeded 36.5 percent on an historical 90-day "rolling average" basis, reimbursement for the current month would be denied in full. Beginning in the second quarter of 1997, the Company experienced a decline in the growth rate of EPOGEN(R) sales as dialysis providers attempted to lower hematocrits by lowering or withholding EPOGEN(R) doses in order to avoid or minimize claim denials under the HCFA Policy Changes. However, in March 1998, HCFA announced the easing of restrictions on reimbursement that had been instituted under the HCFA Policy Changes. In June 1998, HCFA announced further revisions.

In March 1998, HCFA issued two revisions (the "March HCFA Revisions") to the HCFA Policy Changes in a program memorandum. The first revision provided that, for a month in which the three month "rolling average" hematocrit exceeds 36.5 percent, HCFA would pay the lower of 100 percent of the actual dosage billed for that month, or 80 percent of the prior month's allowable EPOGEN(R) dosage. The second revision re-established authorization to make payment for EPOGEN(R) when a patient's hematocrit exceeded 36 percent when accompanied by documentation establishing medical necessity. In June 1998, HCFA issued another program memorandum establishing additional revisions (the "June HCFA Revisions") to the reimbursement policy. The policy now states that pre-payment review of claims has been eliminated and fiscal intermediaries should conduct post-payment reviews of those dialysis providers with an atypical number of patients with hematocrit levels above a 90-day "rolling average" of 37.5 percent. Additionally, HCFA stated that it is encouraging dialysis providers to maintain a hematocrit level within the range of 33 to 36 percent as recommended by the Dialysis Outcomes Quality Initiative. HCFA also stated that it plans to develop a national policy for medical justification for physicians who target their patients' hematocrits greater than 36 percent. In the interim, individual patient treatment will continue to be subject to the physician's discretion and documentation must satisfy the judgment of the fiscal intermediary. The June HCFA Revisions supersede the HCFA Policy Changes and the March HCFA Revisions. The Company believes that dialysis providers are currently in the process of understanding the June HCFA Revisions, revising their protocols and discerning how fiscal intermediaries will implement these revisions. The Company believes that fiscal intermediaries are likely to implement the June HCFA Revisions at variable rates which may have an impact on dialysis providers' practice pattern changes and the rate of change. Accordingly, it is difficult to predict what effect the June HCFA Revisions will have on EPOGEN(R) sales.

NEUPOGEN(R) (Filgrastim)

Worldwide NEUPOGEN(R) sales were $270.6 million and $531.8 million for the three and six months ended June 30, 1998. These amounts represent a decrease of $1.2 million or 0.4% and an increase of $15.6 million or 3%, respectively, over the same periods last year. Results for the second quarter of 1998 include low single digit underlying growth in demand due to sustained growth in the U.S. cancer chemotherapy market, which was more than offset by a decline in off-label sales for use in the AIDS setting, a slight decline in use in the cancer chemotherapy setting in the European Union ("EU"), unfavorable foreign currency effects, and a draw-down of wholesaler inventories. The increase during the six months ended June 30, 1998 is primarily due to an increase in demand in the U.S. market, which includes a price increase and an increase in wholesaler inventories. This increase was largely offset by the unfavorable foreign currency effects on reported EU sales. In addition, the Company believes that the use of protease inhibitors as a treatment for AIDS continues to reduce sales of NEUPOGEN(R) for off-label use as a supportive therapy in this setting. NEUPOGEN(R) is not approved or promoted for such use, except in Australia and Canada.

Cost containment pressures in the U.S. health care marketplace have contributed to the slowing of growth in domestic NEUPOGEN(R) usage over the past several quarters. These pressures are expected to continue to influence growth for the foreseeable future. In addition, quarterly NEUPOGEN(R) sales volume is influenced by a number of factors including underlying demand and wholesaler inventory management practices.

The growth of the colony stimulating factor ("CSF") market in the EU in which NEUPOGEN(R) competes has slowed, principally due to EU government pressures on physician prescribing practices in response to ongoing government initiatives to reduce health care expenditures. Experimental cancer trials in Italy that do not include the use of NEUPOGEN(R) have also adversely affected EU sales. Additionally, the Company faces competition from another granulocyte CSF product. Amgen's CSF market share in the EU has remained relatively constant over the last several quarters, however, the Company does not expect the competitive intensity to subside in the near future.

Other product sales

INFERGEN(R) (Interferon alfacon-1) sales were $4.1 million and $5.3 million for the three and six months ended June 30, 1998. INFERGEN(R) was launched in October 1997 for the treatment of chronic hepatitis C virus infection. There are treatments for this infection against which INFERGEN(R) competes, and the Company cannot predict the extent to which it will penetrate this market.

Corporate partner revenues

During the three and six months ended June 30, 1998, corporate partner revenues decreased by $10.1 million and $14.9 million, or 25% and 22%, respectively, compared with the same periods last year. These decreases primarily resulted from a $20 million milestone payment from Yamanouchi Pharmaceutical Co., Ltd. during the second quarter of 1997.

Cost of sales

Cost of sales as a percentage of product sales was 13.7% and 13.8% for the three and six months ended June 30, 1998, respectively, compared with 13.6% and 13.5% for the same periods last year.

Research and development

During the three and six months ended June 30, 1998, research and development expenses increased $7 million and $11.8 million, or 5% and 4%, respectively, compared with the same periods last year. The increase during the second quarter of 1998 is primarily due to higher clinical and preclinical expenses and occupancy related costs, partially offset by lower product licensing costs. The increase during the six months ended June 30, 1998 is primarily due to higher clinical and preclinical expenses and staff and occupancy related costs, partially offset by lower product licensing costs.

Marketing and selling/General and administrative

Marketing and selling expenses decreased $7.5 million and $8.8 million, or 9% and 6%, respectively, during the three and six months ended June 30, 1998 compared with the same periods last year. These decreases were primarily due to lower expenses related to the Johnson & Johnson arbitration and to lower domestic and European marketing expenses.

General and administrative expenses increased $4 million and $5.9 million, or 9% and 7%, respectively, during the three and six months ended June 30, 1998 compared with the same periods last year. These increases were primarily due to higher staff-related expenses and legal fees.

Interest and other income

During the three and six months ended June 30, 1998, interest and other income increased $5.9 million and $5.2 million, or 33% and 15%, respectively, compared with the same periods last year. These increases are primarily due to a gain realized on the sale of an equity position in Techne Corporation, an unaffiliated company.

Income taxes

The Company's effective tax rate for the three and six months ended June 30, 1998 was 30.0% compared with 28.0% for the same periods last year. The increase in the effective tax rate in the current year is due to a provision in the federal tax law which caps tax benefits associated with the Company's Puerto Rico operations at the 1995 income level.

Foreign currency transactions

The Company has a program to manage certain portions of its exposure to fluctuations in foreign currency exchange rates arising from international operations. The Company generally hedges the receivables and payables with foreign currency forward contracts, which typically mature within three months. The Company uses foreign currency option and forward contracts which generally expire within 12 months to hedge certain anticipated future sales and expenses. At June 30, 1998, outstanding foreign currency option and forward contracts totaled $39.9 million and $52.8 million, respectively.

Year 2000

The Year 2000 issue results from computer programs that do not differentiate between the year 1900 and the year 2000 because they were written using two digits rather than four to define the applicable year; accordingly, computer systems that have time-sensitive calculations may not properly recognize the year 2000. The Company has conducted an initial review of its computer systems, devices, applications and manufacturing equipment (collectively, "Computer Systems") to identify those areas that could be affected by Year 2000 noncompliance. Additionally, the Company has appointed

a program manager for Year 2000 compliance and is presently assessing in detail the affected Computer Systems and is developing plans to address the required modifications. The Company is using internal and external resources to identify, correct or reprogram and test its Computer Systems for Year 2000 compliance. The total cost associated with Year 2000 compliance is not known at this time. The Company has not communicated with many of its suppliers, service providers, distributors, wholesalers and other entities with which it has a business relationship (collectively, "Third Party Businesses") regarding compliance with Year 2000 requirements, although the Company does intend to communicate with key Third Party Businesses. The Company is in the process of identifying key Third Party Businesses. In addition, the Company has not determined the impact, if any, on its operations if key Third Party Businesses fail to comply with Year 2000 requirements. While the Company plans to complete modifications of its business critical Computer Systems prior to the year 2000, if modifications of such business critical Computer Systems, or Computer Systems of key Third Party Businesses are not completed in a timely manner, the Year 2000 issue could have a material adverse effect on the operations and financial position of the Company. The Company may also be affected by the failure of state, federal and private payors or reimbursers to be Year 2000 compliant if such entities are unable to make timely, proper or complete payments to sellers of the Company's products. The Company cannot predict the extent of any such impact.

Financial Outlook

The Company expects a low single digit sales growth rate for NEUPOGEN(R) in 1998. Future NEUPOGEN(R) (Filgrastim) sales growth is dependent primarily upon further penetration of existing markets, the timing and nature of additional indications for which the product may be approved and the effects of competitive products. Although not approved or promoted for use in Amgen's domestic or foreign markets, except for Australia and Canada, the Company believes that currently approximately 5% of its worldwide NEUPOGEN(R) sales are from off-label use as a supportive therapy to various AIDS treatments. Changes in AIDS therapies, including protease inhibitors that may be less myelosuppressive, are believed to have adversely affected and are expected to continue to adversely affect such sales. NEUPOGEN(R) usage is expected to continue to be affected by cost containment pressures on health care providers worldwide. As a result of the factors discussed in "Results of Operations - Product sales - NEUPOGEN(R)" the Company believes that growth in the CSF market in the EU is likely to be flat year over year. In addition, reported NEUPOGEN(R) sales will continue to be affected by changes in foreign currency exchange rates and government budgets.

The Company expects a low double digit sales growth rate for EPOGEN(R) in 1998. Although the Company believes that dialysis providers have increased doses primarily in response to the March HCFA Revisions and due to certain dialysis providers using hemoglobin measurements instead of hematocrit measurements (see, "Results of Operations - Product sales - EPOGEN(R) (Epoetin alfa)"),

the timing and magnitude of EPOGEN(R) sales growth due to increases in dose is difficult to predict principally due to the timing and variety of dialysis providers' and fiscal intermediaries' reaction to the March HCFA Revisions and the June HCFA Revisions. The Company believes that increases in the U.S. dialysis patient population and dose will continue to grow EPOGEN(R) sales in the near term. Patients receiving treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may also be affected by future changes in reimbursement rates or a change in the basis for reimbursement by the federal government. The previously disclosed report of the Office of the Inspector General has been issued, recommending a 10% reduction in the Medicare reimbursement rate for EPOGEN(R). The Company believes the recommendation would primarily affect dialysis providers and that it is difficult to predict the impact on Amgen.

INFERGEN(R) (Interferon alfacon-1) was launched in October 1997 for the treatment of chronic hepatitis C virus infection. There are treatments for this infection against which INFERGEN(R) competes, and the Company cannot predict the extent to which it will penetrate this market. The Company is presently engaged in certain litigation related to INFERGEN(R), as described in "Part I, Item 3. Legal Proceedings - INFERGEN(R) litigation" in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

The Company anticipates total product sales growth in 1998 that is at, or close to, a double digit growth rate. Cost of sales as a percentage of product sales for 1998 is expected to be slightly higher than 1997. Research and development expenses in the second half of 1998 are expected to increase due in part to heavier spending on clinical trials and potential new licensing activities; for 1998, research and development expenses are expected to be approximately $650 million. In 1998, marketing and selling expenses combined with general and administrative expenses are expected to have little growth. Without giving effect to the 1997 legal assessment, earnings per share in 1998 is expected to grow at a low double digit rate. Estimates of future product sales, operating expenses, and earnings per share are necessarily speculative in nature and are difficult to predict with accuracy.

Except for the historical information contained herein, the matters discussed herein are by their nature forward-looking. Investors are cautioned that forward-looking statements or projections made by the Company, including those made in this document, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Reference is made in particular to forward-looking statements regarding product sales, earnings per share and expenses. Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. Future operating results and the Company's stock price may be affected by a number of factors, including, without limitation: (i) the results of preclinical and clinical trials; (ii) regulatory approvals of product candidates, new indications and manufacturing facilities; (iii) reimbursement for Amgen's products by governments and private

payors; (iv) health care guidelines relating to Amgen's products; (v) intellectual property matters (patents) and the results of litigation; (vi) competition; (vii) fluctuations in operating results and (viii) rapid growth of the Company. These factors and others are discussed herein and in the sections appearing in "Item 1. Business - Factors That May Affect the Company" in the Company's Annual Report on Form 10-K for the year ended December 31, 1997, which sections are incorporated herein by reference and filed as exhibit 99 hereto.

Legal Matters

The Company is engaged in arbitration proceedings with one of its licensees and various other legal proceedings. For a discussion of these matters, see Note 4 to the Consolidated Financial Statements.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is engaged in arbitration proceedings with one of its licensees. For a complete discussion of these matters see Note 4 to the Condensed Consolidated Financial Statements, "Contingencies". Other legal proceedings are also reported in the Company's Form 10-K for the year ended December 31, 1997, with material developments since that report described in the Company's Form 10-Q for the quarter ended March 31, 1998, and below. While it is not possible to predict accurately or to determine the eventual outcome of these matters, the Company believes that the outcome of these proceedings will not have a material adverse effect on the annual financial statements of the Company, except with respect to the Securities Litigation, which the Company has not evaluated.

Securities Litigation

On August 7, 1998, August 10, 1998 and August 13, 1998, press releases were issued announcing that securities class action lawsuits had been filed against Amgen and certain of its officers. According to the press releases, the complaints allege that Amgen and several of its senior executives issued false and misleading statements between January 23, 1997 and August 11, 1997 (the "Class Period") regarding: (i) the demand for and sales growth of Amgen's two products, EPOGEN(R) and NEUPOGEN(R); (ii) an arbitration proceeding between Amgen and Johnson & Johnson regarding entitlement to millions of dollars in "spillover" sales of EPOGEN(R); and (iii) Amgen's 1996 fourth quarter and 1997 first and second quarter results. The press releases further state that plaintiffs seek to recover damages on behalf of all purchasers of Amgen common stock during the Class Period.

On August 13, 1998, the Company was served in this matter and has not reviewed the complaints.

Biogen litigation

On March 10, 1995, Biogen Inc. ("Biogen"), filed suit in the United States District Court for the District of Massachusetts alleging infringement by the Company of certain claims of U.S. Patent 4,874,702 (the "'702 Patent"), relating to vectors for expressing cloned genes. Biogen alleges that Amgen has infringed its patent by manufacturing and selling NEUPOGEN(R). On March 28, 1995, Biogen filed an amended complaint further alleging that the Company is also infringing the claims of two additional patents allegedly assigned to Biogen, U.S. Patent 5,401,642 (the "'642 Patent") and U.S. Patent No. 5,401,658 (the "'658 Patent"), relating to vectors, methods for making vectors and expressing cloned genes. The amended complaint seeks injunctive relief, unspecified compensatory damages and treble damages. On April 24, 1995, the Company answered Biogen's amended complaint, denying its material allegations and pleading counterclaims for declaratory judgment of non-infringement, patent invalidity and unenforceability. On January 19, 1996, the Court decided, upon Biogen's motion to dismiss certain of Amgen's counterclaims, that it will exert jurisdiction over claims 9 and 17 of the '702 Patent, and dismissed all claims and counterclaims relating to any other claims of the '702 Patent. On October 22, 1997, Amgen moved for summary judgment of invalidity of the certain claims of the '702 and '658 Patents based on prior public uses of the claimed subject matter. Amgen concurrently moved for a partial interpretation of the claims at issue. In addition, on October 24, 1997, Amgen filed a motion for summary judgment of invalidity of particular claims of the patents-in-suit based on abandonment of the invention. Amgen also concurrently filed a motion to dismiss the lawsuit in its entirety based on Biogen's lack of standing to bring the lawsuit in view of Biogen's lack of ownership of the patents-in-suit. Both parties have submitted claim construction briefs with the court. On January 15, 1998, Amgen filed a second motion to dismiss for lack of subject matter jurisdiction and standing in view of Biogen's lack of necessary ownership rights in the patents-in-suit. In an August 6, 1998 ruling on a previously-held claim construction hearing, the court issued an order that essentially limits the Biogen patent claims to a single particular type of vector. The judge ruled that, to be covered by claim 1 of the '702 patent (the claim that forms the crux of the asserted claims), a plasmid vector must contain the entire DNA sequence as represented in a specific Figure (Figure 6) of the '702 patent, as well as at least one endonuclease recognition site inserted at the converted HaeIII site at 73.1% of bacteriophage lambda or at another site downstream of HaeIII, said endonuclease recognition site being within 300 base pairs of the HincII site at -33, and prior to any sequences of lambda DNA downstream of the HaeIII site.

Discovery in the case is substantially completed. A trial date has not been set.

In a separate matter, on July 30, 1997, Biogen filed a complaint in the United States District Court for the District of Massachusetts in Boston alleging that Amgen infringes claims 9 and 17 of the '702 Patent, and the '642 Patent and '658 Patent by making and using the claimed subject matter in the United States in the manufacture of INFERGEN(R), the Company's consensus interferon product. On September 17, 1997, Amgen responded to the Complaint by filing a motion to dismiss the case in its entirety due to Biogen's lack of ownership of the patents-in-suit. Amgen also filed a motion for summary judgment of patent invalidity of particular claims of the patents-in-suit due to abandonment of the invention. The Court has ordered the Company to file an answer to Biogen's complaint but has stayed all discovery in this matter until certain discovery in the NEUPOGEN(R) matter described above is completed. The Company has filed a motion to dismiss the complaint on the grounds that the Court lacks jurisdiction over the matter as Biogen lacks the necessary ownership rights to afford it standing. A trial date has not been set.

FoxMeyer Health Corporation

On January 10, 1997, FoxMeyer Health Corporation, now known as Avatex Corporation ("Avatex"), filed suit (the "FoxMeyer Lawsuit") in the District Court of Dallas County, Dallas, Texas, alleging that defendant McKesson Corporation ("McKesson") defrauded Avatex, misused confidential information received from Avatex about subsidiaries of Avatex (FoxMeyer Corporation and FoxMeyer Drug Corporation, collectively the "FoxMeyer Subsidiaries"), and attempted to monopolize the market for pharmaceutical and health care product distribution by attempting to injure or destroy the FoxMeyer Subsidiaries. The Company is named as one of twelve "Manufacturer Defendants" alleged to have conspired with McKesson Corporation in doing, among other things, the above and (i) inducing Avatex to refrain from seeking other suitable purchasers for the FoxMeyer Subsidiaries and (ii) causing Avatex to believe that McKesson was serious about purchasing Avatex's assets at fair value, when, in fact, McKesson was not. The Manufacturer Defendants and McKesson are also alleged to have intentionally and tortiously interfered with a

number of business expectancies and opportunities. The complaint seeks from the Manufacturer Defendants and McKesson compensatory damages of at least $400 million and punitive damages in an unspecified amount, as well as Avatex's costs and attorney's fees. The Company has filed an answer denying Avatex's allegations. The matter has been transferred to the Federal Bankruptcy Court in Dallas, Texas (the "Texas Bankruptcy Court"). McKesson and the Manufacturer Defendants have intervened in an action brought by the Chapter 7 trustee in the Federal Bankruptcy Court in Delaware (the "Delaware Bankruptcy Court") that seeks to enjoin the FoxMeyer Lawsuit and have moved for partial summary judgment in that proceeding, asserting that Avatex is not the owner of the alleged causes of action. On November 3, 1997, McKesson and the Manufacturer Defendants moved for summary judgment in the Delaware Bankruptcy Court to preclude Avatex and the Chapter 7 trustee from litigating in Delaware the claims brought in the Texas Bankruptcy Court. On June 23, 1998, the interim judge in the Delaware Bankruptcy Court heard oral argument on the motion of McKesson, the Manufacturer Defendants, and the Chapter 7 trustee for an order finding that Avatex is not the holder of any of the claims asserted in its complaint. At that oral argument, Avatex voluntarily dismissed without prejudice all of the anti-trust claims contained in the original complaint. The matter is currently under advisement. To date, no discovery has occurred in either the Texas Bankruptcy Court adversary proceedings or the Delaware Bankruptcy Court adversary proceedings.

Johnson & Johnson arbitrations

The Company is engaged in arbitration proceedings with one of its licensees. See Note 4 to the Consolidated Financial Statements, "Contingencies - - Johnson & Johnson arbitrations".

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its Annual Meeting of Stockholders on May 7, 1998.

(b) Omitted pursuant to Instruction 3 to Item 4 of Form 10-Q.

(c) The two matters voted upon at the meeting were to elect two directors to hold office until the Annual Meeting of Stockholders in the year 2001 and to ratify the selection of Ernst & Young LLP as the independent auditors of the Company for the year ending December 31, 1998.

(i) The following votes were cast for or were withheld with respect to each of the nominees for director: Mr. Steven Lazarus: 210,416,924 votes for and 2,363,696 votes withheld; and Dr. Gilbert S. Omenn: 210,481,718 votes for and 2,298,902 votes withheld. All nominees were declared to have been elected as directors to hold office until the Annual Meeting of Stockholders in the year 2001. No abstentions or broker non-votes were cast for the election of directors.

(ii) With respect to the proposal to ratify the selection of Ernst & Young LLP as the Company's independent auditors, 211,523,704 votes were cast for the proposal, 639,674 votes were cast against the proposal and 617,242 votes abstained. No broker non-votes were cast in connection with the proposal. The selection of Ernst & Young LLP as the Company's independent auditors for the year ending December 31, 1998 was declared to have been ratified.

(d) Not applicable.

Item 5. Other Information

The Company's 1999 Annual Meeting of Stockholders (the "Annual Meeting") will be held on May 6, 1999.

In June 1998 the Securities and Exchange Commission adopted revisions to the proxy rules promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in particular, Rules 14a-4, 14a-5 and 14a-8, relating to stockholder proposals. Stockholders interested in presenting a proposal for consideration at the Company's Annual Meeting may do so by following the procedures prescribed in Rule 14a-8 of the Exchange Act and the Company's Amended and Restated Bylaws (the "Bylaws"). The Company's Bylaws provide that stockholders desiring to nominate persons for election to the Board of Directors or to bring any other business before the stockholders at the Annual Meeting must notify the Secretary of the Company thereof in writing and such notice must be delivered to or received by the Secretary no later than 90 days prior to the Annual Meeting, or, no later than February 5, 1999. The Bylaws also contain other requirements as to the contents of such notice which are discussed in the Company's 1998 proxy statement and in the Bylaws, a copy of which are filed as an exhibit to this Form 10-Q. Additionally, to be eligible for inclusion in the Company's 1999 proxy statement, stockholder proposals must be received by the Company's Secretary no later than December 4, 1998. While the Board of Directors will consider stockholder proposals, the Company however reserves the right to omit from the 1999 proxy statement stockholder proposals that it is not required to include under the Exchange Act, including Rule 14a-8 thereunder.

Item 6. Exhibits and Reports on Form 8-K

(a) Reference is made to the Index to Exhibits included herein.

(b) Reports on Form 8-K - none

SIGNATURES

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

Amgen Inc.
(Registrant)

Date: 8/12/98

By:/s/Kathryn E. Falberg
Kathryn E. Falberg
Vice President, Finance,
Chief Financial Officer and
Chief Accounting Officer

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Restated Certificate of Incorporation as amended. (17)
3.2*	Amended and Restated Bylaws.
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (8)
4.2	First Supplement to Indenture, dated February 26, 1997 between the Company and Citibank N.A., as trustee. (14)
4.3	Officer's Certificate pursuant to Sections 2.1 and 2.3 of the Indenture, as supplemented, establishing a series of securities "8-1/8% Debentures due April 1, 2097." (16)
4.4	8-1/8% Debentures due April 1, 2097. (16)
4.5	Form of stock certificate for the common stock, par value $.0001 of the Company. (17)
4.6	Officer's Certificate pursuant to Sections 2.1 and 2.3 of the Indenture, dated as of January 1, 1992, as supplemented by the First supplemental Indenture, dated as of February 26, 1997, each between the Company and Citibank, N.A., as Trustee, establishing a series of securities entitled "6.50% Notes Due December 1, 2007". (20)
4.7	6.50% Notes Due December 1, 2007 described in Exhibit 4.7. (20)
4.8	Corporate Commercial Paper - Master Note between and among Amgen Inc., as Issuer, Cede & Co., as nominee of The Depository Trust Company and Citibank, N.A. as Paying Agent. (23)
10.1	Company's Amended and Restated 1991 Equity Incentive Plan. (21)
10.2	Company's Amended and Restated 1984 Stock Option Plan. (12)
10.3	Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984, between the Company and Kirin Brewery Company, Limited (with certain confidential information deleted therefrom). (1)
10.4	Amendment Nos. 1, 2, and 3, dated March 19, 1985, July 29, 1985 and December 19, 1985, respectively, to the Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984 (with certain confidential information deleted therefrom). (3)
10.5	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated, September 30, 1985 between the Company and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (2)
10.6	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between Kirin-Amgen, Inc. and Ortho Pharmaceutical

	Corporation (with certain confidential information deleted therefrom). (3)
10.7	Company's Amended and Restated Employee Stock Purchase Plan. (12)
10.8	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.9	Amendment Nos. 4 and 5, dated October 16, 1986 (effective July 1, 1986) and December 6, 1986 (effective July 1, 1986), respectively, to the Shareholders Agreement of Kirin-Amgen, Inc. dated May 11, 1984 (with certain confidential information deleted therefrom). (5)
10.10	Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)
10.11	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)
10.12	Research and Development Technology Disclosure and License Agreement: GM-CSF, dated March 31, 1987, between Kirin Brewery Company, Limited and the Company (with certain confidential information deleted therefrom). (5)
10.13	Company's Amended and Restated 1988 Stock Option Plan. (12)
10.14	Company's Amended and Restated Retirement and Savings Plan. (12)
10.15	Amendment, dated June 30, 1988, to Research, Development, Technology Disclosure and License Agreement: GM-CSF dated March 31, 1987, between Kirin Brewery Company, Limited and the Company. (6)
10.16	Agreement on G-CSF in Certain European Countries, dated January 1, 1989, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (7)
10.17	Partnership Purchase Agreement, dated March 12, 1993, between the Company, Amgen Clinical Partners, L.P., Amgen Development Corporation, the Class A limited partners and the Class B limited partner. (9)
10.18	Amgen Inc. Supplemental Retirement Plan (As Amended and Restated Effective January 1, 1998). (23)
10.19	Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (10)
10.20	Amgen Performance Based Management Incentive Plan. (15)
10.21*	Credit Agreement, dated as of May 28, 1998, among Amgen Inc., the Borrowing Subsidiaries named therein, the Banks named therein, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent.
10.22	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (11)
10.23	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (11)
10.24	Promissory Note of Mr. Stan Benson, dated March 19, 1996. (11)
10.25	Amendment No. 1 to the Company's Amended and Restated Retirement and Savings Plan. (12)

10.26	Amendment Number 5 to the Company's Amended and Restated Retirement and Savings Plan dated January 1, 1993. (15)
10.27	Amendment Number 2 to the Company's Amended and Restated Retirement and Savings Plan dated April 1, 1996. (15)
10.28	Fourth Amendment to Rights Agreement, dated February 18, 1997 between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (13)
10.29	Preferred Share Rights Agreement, dated February 18, 1997, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (13)
10.30	Consulting Agreement, dated November 15, 1996, between the Company and Daniel Vapnek. (15)
10.31	Agreement, dated May 30, 1995, between the Company and George A. Vandeman. (15)
10.32	First Amendment, effective January 1, 1998, to the Company's Amended and Restated Employee Stock Purchase Plan. (18)
10.33	Third Amendment, effective January 1, 1997, to the Company's Amended and Restated Retirement and Savings Plan dated April 1, 1996. (18)
10.34	Heads of Agreement dated April 10, 1997, between the Company and Kirin Amgen, Inc., on the one hand, and F. Hoffmann-La Roche Ltd, on the other hand (with certain confidential information deleted therefrom). (18)
10.35	Binding Term Sheet, dated August 20, 1997, between Guilford Pharmaceuticals Inc. ("Guilford") and GPI NIL Holdings, Inc., and Amgen Inc. (with certain confidential information deleted therefrom). (19)
10.36	Promissory Note of Ms. Kathryn E. Falberg, dated April 7, 1995. (21)
10.37	Promissory Note of Mr. Edward F. Garnett, dated July 18, 1997. (21)
10.38	Fourth Amendment to the Company's Amended and Restated Retirement and Savings Plan as amended and restated effective April 1, 1996. (21)
10.39	Fifth Amendment to the Company's Amended and Restated Retirement and Savings Plan as amended and restated effective April 1, 1996. (21)
10.40	Company's Amended and Restated 1987 Directors' Stock Option Plan. (15)
10.41	Amended and Restated Agreement on G-CSF in the EU between Amgen Inc. and F. Hoffmann-La Roche Ltd (with certain confidential information deleted therefrom). (23)
10.42	Collaboration and License Agreement, dated December 15, 1997, between the Company, GPI NIL Holdings, Inc. and Guilford Pharmaceuticals Inc. ("Guilford") (with certain confidential information deleted therefrom). (22)
27*	Financial Data Schedule.
99*	Sections appearing under the heading "Business - Factors That May the Affect Company" in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

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* Filed herewith.

(1) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1984 on June 26, 1984 and incorporated herein by reference.
(2) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended September 30, 1985 on November 14, 1985 and incorporated herein by reference.
(3) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended December 31, 1985 on February 3, 1986 and incorporated herein by reference.
(4) Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement (Registration No. 33-3069) on March 11, 1986 and incorporated herein by reference.
(5) Filed as an exhibit to the Form 10-K Annual Report for the year ended March 31, 1987 on May 18, 1987 and incorporated herein by reference.
(6) Filed as an exhibit to Form 8 amending the Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 on August 25, 1988 and incorporated herein by reference.
(7) Filed as an exhibit to the Form 8 dated November 8, 1989, amending the Annual Report on Form 10-K for the year ended March 31, 1989 on June 28, 1989 and incorporated herein by reference.
(8) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.
(9) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.
(10) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1993 on November 12, 1993 and incorporated herein by reference.
(11) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1995 on March 29, 1996 and incorporated herein by reference.
(12) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1996 on November 5, 1996 and incorporated herein by reference.
(13) Filed as an exhibit to the Form 8-K Current Report dated February 18, 1997 on February 28, 1997 and incorporated herein by reference.
(14) Filed as an exhibit to the Form 8-K Current Report dated March 14, 1997 on March 14, 1997 and incorporated herein by reference.
(15) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1996 on March 24, 1997 and incorporated herein by reference.
(16) Filed as an exhibit to the Form 8-K Current Report dated April 8, 1997 on April 8, 1997 and incorporated herein by reference.
(17) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1997 on May 13, 1997 and incorporated herein by reference.
(18) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1997 on August 12, 1997 and incorporated herein by reference.
(19) Filed as exhibit 10.47 to the Guilford Form 8-K Current Report dated August 20, 1997 on September 4, 1997 and incorporated herein by reference.
(20) Filed as an exhibit to the Form 8-K Current Report dated and filed on December 5, 1997 and incorporated herein by reference.

(21) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1997 on March 24, 1998 and incorporated herein by reference.
(22) Filed as Exhibit 10.40 to the Guilford Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
(23) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1998 on May 13, 1998 and incorporated herein by reference.

EXHIBIT 3.2

AMENDED AND RESTATED BYLAWS

OF

AMGEN INC.
(a Delaware corporation)

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent. (Del. Code Ann., tit. 8, Section 131)

Section 2. Other Offices. The corporation also shall have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and also may have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require. (Del. Code Ann., tit. 8, Section 122(8))

ARTICLE II

Corporate Seal

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. (Del. Code Ann., tit. 8, Section 122(3))

ARTICLE III

Stockholders' Meetings

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 hereof. (Del. Code Ann., tit. 8, Section 211(a))

Section 5. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on any date and time which may from time to time be designated by the Board of Directors. At such annual meeting, directors shall be elected and any other business may be transacted that may properly come before the meeting. (Del. Code Ann., tit. 8, Section 211(b))

Section 6. Special Meetings. Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Chairman of the Board of Directors ("Chairman of the Board"), the Chief Executive Officer, the President, or the Board of Directors at any time. Upon written request of any stockholder or stockholders holding in the aggregate 20% or more of the voting power of all stockholders delivered in person or sent by registered mail to the Chief Executive Officer, the President or Secretary, the Secretary shall call a special meeting of stockholders to be held at the office of the corporation required to be maintained pursuant to Section 2 hereof, or at such other place as may be designated by the Secretary, at such time as the Secretary may fix, such meeting to be held not less than ten (10) nor more than sixty (60) days after the receipt of such request, and if the Secretary shall neglect or refuse to call such meeting, within seven (7) days after the receipt of such request, the stockholder making such request may do so. (Del. Code Ann., tit. 8, Section 211(d))

Section 7. Notice of Meetings. Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. (Del. Code Ann., tit. 8, Sections 222, 229)

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Any shares, the voting of which at said meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. In the absence of a quorum any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the corporation. (Del. Code Ann., tit. 8, Section 216)

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are present either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. (Del. Code Ann., tit. 8, Section 222(c))

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used. An agent so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date of creation unless the proxy provides for a longer period. All elections of Directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation. (Del. Code Ann., tit. 8, Sections 211(e), 212(b))

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the General Corporation Law of Delaware, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of this subsection (c) shall be a majority or even-split in interest. (Del. Code Ann., tit. 8, Section 217(b))

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. (Del. Code Ann., tit. 8, Section 219(a))

Section 13. No Action Without Meeting. Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 14. Organization. At every meeting of stockholders, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, the President, or, if the President is absent, the most senior Vice President present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

Section 15. Notifications of Nominations and Proposed Business. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation,

(x) nominations for the election of directors, and

(y) business proposed to be brought before any stockholder meeting,

may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any such stockholder may nominate one or more persons for election as directors at a meeting or propose business to be brought before a meeting, or both, only if such stockholder has given timely notice in proper written form of his intent to make such nomination or nominations or to propose such business. To be timely, a stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation not later than 90 days prior to such meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of

the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the date on which such notice of the date of such meeting was mailed or such public disclosure was made. To be in proper written form, a stockholder's notice to the Secretary shall set forth:

(a) the name and address of the stockholder who intends to make the nominations or propose the business and, as the case may be, of the person or persons to be nominated or of the business to be proposed;

(b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(c) if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(d) such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or the matter been proposed, or intended to be proposed by the Board of Directors; and

(e) if applicable, the consent of each nominee to serve as director of the corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedure.

ARTICLE IV

Directors

Section 16. Number. The authorized number of directors of the corporation shall be fixed from time to time by the Board of Directors. The number of directors presently authorized is eight. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws. (Del. Code Ann., tit. 8, Sections 141(b), 211(b), (c))

Section 17. Classes of Directors. The Board of Directors shall be divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which the director was elected. Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. (Del. Code Ann., tit. 8, Section 141(d))

Section 18. Newly Created Directorships and Vacancies. In the event of any increase or decrease in the authorized number of directors, the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal in number as possible. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office (and not by stockholders), even though less than a quorum of the authorized Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successors shall have been elected and qualified.

Section 19. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation (Del. Code Ann., tit. 8, Section 141(a))

Section 20. Resignation. Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified. (Del. Code Ann., tit. 8, Sections 141(b), 223(d))

Section 21. Removal. At a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors, or any individual director, may be removed from office, (a) with cause, and one or more new directors may be

elected, by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of Directors or (b), without cause, by a vote of stockholders holding at least 66.67% of the outstanding shares entitled to vote at an election of directors. (Del. Code Ann., tit. 8, Section 141(k))

Section 22. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held on the date of the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 hereof. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors also may be held at any place within or without the State of Delaware which has been designated by resolution of the Board of Directors or the written consent of all Directors. (Del. Code Ann., tit. 8, Section 141(g))

(c) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or a majority of the Directors. (Del. Code Ann., tit. 8, Section 141(g))

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. (Del. Code Ann., tit. 8, Section 141(i))

(e) Notice of Meetings. Written notice of the time and place of all regular and special meetings of the Board of Directors shall be given at least one (1) day before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. (Del. Code Ann., tit. 8, Section 229)

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after

the meeting, each of the Directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. (Del. Code Ann., tit. 8, Section 229)

Section 23. Quorum and Voting.

(a) Quorum. Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of Directors fixed from time to time in accordance with Section 16 of these Bylaws, but not less than one (1); provided, however, at any meeting whether a quorum is present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting. (Del. Code Ann., tit. 8, Section 141(b))

(b) Majority Vote. At each meeting of the Board of Directors at which a quorum is present all questions and business shall be determined by a vote of a majority of the Directors present, unless a different vote is required by law, the Certificate of Incorporation or these Bylaws. (Del. Code Ann., tit. 8, Section 141(b))

Section 24. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. (Del. Code Ann., tit. 8, Section 141(f))

Section 25. Fees and Compensation. Directors shall not receive any stated salary for their services as Directors, but by resolution of the Board of Directors a fixed fee, with or without expense of attendance, may be allowed for serving on the Board of Directors and/or attendance at each meeting and at each meeting of any committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, consultant, employee, or otherwise and receiving compensation therefor. (Del. Code Ann., tit. 8, Section 141(h))

Section 26. Committees.

(a) Executive Committee. The Board of Directors may by resolution passed by a majority of the whole Board of Directors, appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and specifically granted by the Board of Directors, shall have and may exercise when the Board of Directors is not in session all powers of the Board of Directors in the

management of the business and affairs of the corporation, including, without limitation, the power and authority to declare a dividend or to authorize the issuance of stock, except such committee shall not have the power or authority to amend the Certificate of Incorporation (except that the committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided by law, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation), to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution or to amend these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(b) Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors, and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall such committee have the powers denied to the Executive Committee in these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(c) Term. Each member of a committee of the Board of Directors shall serve a term on the committee coexistent with such member's term on the Board of Directors. The Board of Directors, subject to the provisions of subsections (a) or (b) of this Section 26, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. (Del. Code Ann., tit. 8, Section 141(c))

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 26 shall be held at such times and places as are determined by the Board of

Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at the principal office of the corporation required to be maintained pursuant to Section 2 hereof, or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee. (Del. Code Ann., tit. 8, Sections 141(c), 229)

Section 27. Organization. At every meeting of the directors, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or if the Chief Executive Officer is absent, the President, or if the President is absent, the most senior Vice President, or, in the absence of any such officer, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

ARTICLE V

Officers

Section 28. Officers Designated. The officers of the corporation shall be the Chairman of the Board, the Chief Executive Officer, the President and Chief Operating Officer, one or more Vice Presidents, the Chief Financial Officer and the Secretary, all of whom shall be elected at the annual meeting of the Board of Directors. The Board of Directors also may appoint such other officers and agents with such powers and duties as it shall deem necessary. The order of the seniority of the Vice Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 29. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board. The Chairman of the Board, subject to the control of the Board of Directors, shall perform such duties and functions as are necessary to further the strategic direction of the corporation. Unless the Board of Directors designates another person, the Chairman of the Board shall preside at all meetings of the stockholders, the Board of Directors and of the Executive Committee.

(c) Duties of Chief Executive Officer. The Chief Executive Officer, at the request of the Chairman of the Board or upon his absence or disability, or in the event of a vacancy in the office of Chairman of the Board, shall exercise all the powers of Chairman of the Board as provided in Subsection 29(b). The Chief Executive Officer shall, subject to the control of the Board of Directors, exercise general management and supervision over the property, affairs and business of the corporation and shall authorize officers of the corporation, other than the Chairman of the Board, to exercise such powers as he, in his discretion, may deem to be in the best interests of the corporation. The Chief Executive Officer shall in general perform all duties incident to general management and supervision of the corporation and such other duties as the Board of Directors shall designate from time to time.

(d) Duties of President and Chief Operating Officer. The President and Chief Operating Officer, at the request of the Chief Executive Officer or upon his absence or disability, or in the event of a vacancy in the office of Chief Executive Officer, shall exercise all the powers of Chief Executive Officer as provided in Subsection 29(c). The President and Chief Operating Officer shall, subject to the control of the Chief Executive Officer and the Board of Directors, exercise general management and supervision over the operating functions of the corporation, and shall authorize officers of the corporation, other than the Chairman of the Board and the Chief Executive Officer, to exercise such powers with respect to the operating function of the corporation as he, in his discretion, may deem to be in the best interests of the corporation. The President and Chief Operating Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents, in the order of their seniority, may assume and perform the duties of the President and Chief Operating Officer in the absence or disability of the Chief Executive Officer and the President and Chief Operating Officer or whenever the offices of Chief Operating Officer and President and Chief Operating Officer are vacant. The

Vice Presidents shall perform other duties commonly incident to their office and also shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the President and Chief Operating Officer shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner, and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct any Assistant Chief Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Assistant Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall record all acts and proceedings thereof in the minute books of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders, and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 30. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. (Del. Code Ann., tit. 8, Section 142(b))

Section 31. Removal. Any officer may be removed from office at any time, with or without cause, by the vote or written consent of a majority of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

Section 32. Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the corporation.

ARTICLE VI

Execution of Corporate Instruments and Voting of Securities Owned by the Corporation

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation. (Del. Code Ann., tit. 8, Sections 103(a), 142(a), 158)

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors. (Del. Code Ann., tit. 8, Sections 103(a), 142(a), 158)

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do. (Del. Code Ann., tit. 8, Sections 103(a), 142(a), 158)

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board, the Chief Executive Officer, the President, or any Vice President. (Del. Code Ann., tit. 8, Section 123)

ARTICLE VII

Shares of Stock

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman of the Board or any vice-chairman of the Board of Directors, or the Chief Executive Officer, or the President or any Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. (Del. Code Ann., tit. 8, Section 158)

Section 36. Lost Certificates. The corporation may issue a new certificate of stock or uncertificated shares in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, and the corporation may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. (Del. Code Ann., tit. 8, Section 167)

Section 37. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares. (Del. Code Ann., tit. 6, Section 8-401(1))

Section 38. Fixing Record Dates. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action,

the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. (Del. Code Ann., tit. 8, Section 213)

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware. (Del. Code Ann., tit. 8, Sections 213(a), 219)

Section 40. Issuance, Transfer and Resignation of Shares. The Board of Directors may make such rules and regulations, not inconsistent with law or with these Bylaws, as it may deem advisable concerning the issuance, transfer and registration of certificates for shares of the capital stock of the corporation. The Board of Directors may appoint a transfer agent or registrar of transfers, or both, and may require all certificates for shares of the corporation to bear the signature of either or both.

ARTICLE VIII

Other Securities of the Corporation

Section 41. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the

signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

Dividends

Section 42. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. (Del. Code Ann., tit. 8, Sections 170, 173)

Section 43. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created. (Del. Code Ann., tit. 8, Section 171)

ARTICLE X

Fiscal Year

Section 44. Fiscal Year. Unless otherwise fixed by resolution of the Board of Directors, effective as of January 1, 1992, the fiscal year of the corporation shall end on the 31st day of the month of December in each calendar year.

ARTICLE XI

Indemnification of Directors, Officers Employees and Other Agents

Section 45. Indemnification of Directors, Officers, Employees and Other Agents.

(a) Directors and Officers. The corporation shall indemnify its directors and officers to the full extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Law permitted the corporation to provide prior to such amendment); provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation or (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law, or (iv) such indemnification is required to be made under subsection (d) of this Article XI.

(b) Other Employees and Other Agents. The corporation shall have the power to indemnify its other employees and other agents as set forth in the Delaware General Corporation Law.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of any such proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of any undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this Bylaw, no advance shall be made by the corporation to an officer of the corporation in any action, suit or proceeding, whether civil, criminal, administrative or investigate, if a determination is reasonably and promptly made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion that, the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful, except by reason of the fact

that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, joint venture, trust or other enterprise in which event this paragraph shall not apply.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Bylaw and other relevant provisions of the Delaware General Corporation Law and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the Delaware General Corporation Law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Savings Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent permitted by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

ARTICLE XII

Notices

Section 46. Notices.

(a) Notice to Stockholders. Whenever under any provisions of these Bylaws notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent. (Del. Code Ann., tit. 8, Section 222)

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or by telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Address Unknown. If no address of a stockholder or director be known, notice may be sent to the office of the corporation required to be maintained pursuant to Section 2 hereof.

(d) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. (Del. Code Ann., tit. 8, Section 222)

(e) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the notices.

(f) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(g) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(h) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the

corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful. (Del. Code Ann., tit. 8, Section 230)

ARTICLE XIII

Amendments

Section 47. Amendments. These Bylaws may be repealed, altered or amended or new Bylaws adopted by the stockholders. The Board of Directors also shall have the authority, if such authority is conferred upon the Board of Directors by the Certificate of Incorporation, to repeal, alter or amend these Bylaws or adopt new Bylaws (including, without limitation, the amendment of any Bylaw setting forth the number of directors who shall constitute the whole Board of Directors) subject to the power of the stockholders to change or repeal such Bylaws and provided that the Board of Directors shall not make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of directors. (Del. Code Ann., tit. 8, Sections 109(a), 122(6))

ARTICLE XIV

Loans of Officers and Others

Section 48. Certain Corporate Loans and Guaranties. The corporation may make loans of money or property to, or guarantee the obligations of, or otherwise assist any officer or other employee who is a director of the corporation or its parent or any subsidiary, or adopt an employee benefit plan or plans authorizing such loans or guaranties, upon the approval of the Board of Directors alone if the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation.

EXHIBIT 10.21

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CREDIT AGREEMENT

Dated as of May 28, 1998

among

Amgen Inc.,

The Borrowing Subsidiaries Herein Named,

The Banks Herein Named,

and

Citicorp USA, Inc.,
as Administrative Agent

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Arranger:
Citicorp Securities, Inc.

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ARTICLE 9

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CREDIT AGREEMENT

Dated as of May 28, 1998

This CREDIT AGREEMENT ("Agreement") is dated as of May 28, 1998 and is entered into by and among Amgen Inc., a Delaware corporation (the "Company"), each of the Borrowing Subsidiaries listed on Schedule 1.1 hereto, Citicorp USA, Inc. and each other financial institution whose name is set forth on the signature pages hereof as a Bank (collectively, the "Banks" and individually, a "Bank"), Citibank, N.A., as Issuing Bank and Citicorp USA, Inc., as Administrative Agent. In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND ACCOUNTING TERMS

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

"Adjusted Net Income" means, with regard to any fiscal period, Net Income for that fiscal period (a) plus any extraordinary losses sustained by the Company and its Subsidiaries during that period, (b) minus any extraordinary gains realized by the Company and its Subsidiaries during that period.

"Administrative Agent" means CUSA, when acting in its capacity as the administrative agent under any of the Loan Documents.

"Administrative Agent's Office" means the Administrative Agent's address as set forth on the signature pages of this Agreement, or such other address as the Administrative Agent hereafter may designate by written notice to the Company and the Banks.

"Advance" means any Advance made or to be made by any Bank to any Borrower as provided in Article 2, and includes each Base Rate Advance, each Eurodollar Rate Advance and each Competitive Advance.

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

"Agreement" means this Credit Agreement, either as originally executed or as
it may from time to time be supplemented, modified, amended, restated or
extended in accordance with Section 13.2.

"Agreement to Participate" means an Agreement to Participate, substantially
in the form of Exhibit A.

"Anniversary Date" has the meaning set forth in Section 2.9.

"Applicable Percentage" means, with respect to Eurodollar Rate Loans, the
Commitment Fee and the LC Reimbursement Fee, the per annum percentage
corresponding to the tier for the Company's Ratings as specified in the
following table:

Rate Spread and Fees

	Tier I	Tier II	Tier III	Tier IV
	AA- and Aa3 or better	A- and A3 or better	BBB and Baa2 or better	BBB- or Baa3
Eurodollar Rate Spread	.200%	.250%	.375%	.550%
Commitment Fee	.070%	.080%	.130%	.175%
LC Reimbursement Fee	.200%	.250%	.375%	.550%

Ratings indicated are the Company's senior unsecured long-term debt ratings
by Standard & Poor's Ratings Group and Moody's Investors Service, Inc.,
respectively.

"Arranger" means Citicorp Securities, Inc., in its capacity as arranger.

"Assignment Agreement" means an Assignment Agreement in substantially the
form of Exhibit J, executed by a Bank and an assignee of all or part of that
Bank's interest hereunder.

"Bank" has the meaning set forth in the introductory paragraph.

"Banking Day" means any Monday, Tuesday, Wednesday, Thursday or Friday,
other than a day on which banks are authorized or required to be closed in
California or New York.

"Base Rate", for any day, means the higher of (i) the rate of interest in
effect on such day as publicly announced by Citibank, N.A. from time to time as
its base commercial lending rate (such base rate is not intended to be the
lowest rate of

interest charged by Citibank, N.A.) and (ii) the sum of 0.50% per annum and the rate of interest determined by the Administrative Agent to be the average overnight federal funds rate.

"Base Rate Advance" means an Advance made hereunder that bears interest as set forth in Section 3.1(b) and designated as a Base Rate Advance in accordance with Article 2.

"Base Rate Loan" means a Loan made hereunder that bears interest as set forth in Section 3.1(b) and designated as a Base Rate Loan in accordance with Article 2.

"Borrower" means the Company and any Borrowing Subsidiary; "Borrowers" means the Company and each other Borrower, collectively.

"Borrowing Subsidiary" means any of the Subsidiaries of Borrower identified on Schedule 1.1 hereto and any Eligible Subsidiary that is a party to this Agreement as of the date hereof or any Eligible Subsidiary that has executed an Agreement to Participate pursuant to Section 12.1.

"Capital Lease" means, as to any Person, a lease of any Property by that Person as lessee that is, or should be in accordance with Financial Accounting Standards Board Statement No. 13, recorded as a "capital lease" on the balance sheet of that Person prepared in accordance with Generally Accepted Accounting Principles.

"Cash" means, when used in connection with any Person, all monetary and non-monetary items owned by that Person that are treated as cash in accordance with Generally Accepted Accounting Principles, except for amounts held by, or on deposit with, another Person as cash collateral or other security.

"Certificate of a Senior Officer" means a certificate signed by a Senior Officer of the Person providing the certificate.

"Closing Date" means the time and Banking Day on which the conditions set forth in Section 8.1 are satisfied, which date shall occur on or before May 31, 1998.

"Code" means the Internal Revenue Code of 1986, as amended or replaced and as in effect from time to time.

"Commitment" means the aggregate commitment of the Banks (i) to make Committed Advances pursuant to Section 2.1(a) in an aggregate principal amount up to $150,000,000 and (ii) to purchase an undivided interest in any Letters of Credit issued pursuant to Section 2.7(a)(2), as such Commitment may be reduced in accordance with Section 2.5. The respective Pro Rata Shares of the Banks with respect to the Commitments are set forth in Schedule 2.1.

"Committed Advance" means an Advance made to any Borrower by any Bank in accordance with such Bank's Pro Rata Share of the Commitment pursuant to Section 2.1.

"Committed Advance Note" means any of the promissory notes made by the Borrowers in favor of a Bank to evidence revolving Committed Advances made by that Bank under the Commitment, substantially in the form of Exhibit B, as originally executed or as the same may from time to time be supplemented, modified, amended, renewed or extended.

"Common Stock" means the $.0001 par value common stock of the Company.

"Company" has the meaning set forth in the introductory paragraph.

"Competitive Advance" means an Advance made to any Borrower by any Bank not in accordance with that Bank's Pro Rata Share of the Commitment pursuant to Section 2.4.

"Competitive Advance Note" means any of the promissory notes made by a Borrower in favor of a Bank to evidence Competitive Advances made by that Bank, substantially in the form of Exhibit C, either as originally executed or as the same may from time to time be supplemented, modified, amended, renewed or extended.

"Competitive Bid" means a written bid to provide a Competitive Advance substantially in the form of Exhibit D, signed by a Responsible Official of a Bank and properly completed to provide all information required to be included therein.

"Competitive Bid Request" means (a) a written request submitted by a Borrower to one or more of the Banks to provide a Competitive Bid, substantially in the form of Exhibit E, signed by a Senior Officer and properly completed to provide all information required to be included therein or (b), at the election of such Borrower, a telephonic request by such Borrower to the Administrative Agent for one or more of the Banks to provide a Competitive Bid which, if so made, shall be made by an Assistant Treasurer or Senior Officer of such Borrower and shall include the substance of Exhibit E and shall be promptly confirmed in writing by a Senior Officer of such Borrower.

"Compliance Certificate" means a certificate in the form of Exhibit F, properly completed and signed by a Senior Officer of the Company.

"Consolidated Subsidiary" means, as of any date of determination and with respect to any Person, any Subsidiary of that Person whose financial data is, in accordance with Generally Accepted Accounting Principles, reflected in that Person's consolidated financial statements.

"Contractual Obligation" means, as to any Person, any provision of any outstanding Securities issued by that Person or of any material agreement, instrument or undertaking to which that Person is a party or by which it or any of its Property is bound.

"Convert," "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.6.

"Cross-Default Amount" means, as of any date of determination, an amount equal to the lesser of (i) $50,000,000 or (ii) 5% of Tangible Net Worth as of the last day of the then most recently ended Fiscal Quarter with respect to which the Company has delivered the financial statements required by Section 7.1(a) or, if the Company is delinquent in the delivery of such financial statements with respect to the most recently ended Fiscal Quarter, 5% of Tangible Net Worth as reasonably determined by the Administrative Agent.

"Current ERISA Affiliate", as applied to any Person, means (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member.

"CUSA" means Citicorp USA, Inc.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, as amended from time to time, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws from time to time in effect affecting the rights of creditors generally.

"Default" means any Event of Default or any event that, with the giving of any applicable notice or passage of time specified in Section 9.1, or both, would be an Event of Default.

"Default Rate" means the interest rate described in Section 3.9.

"Designated Deposit Account" means a deposit account designated by a Borrower in its Request for Loan submitted with respect to each Loan.

"Distribution" means, with respect to any shares of capital stock or any warrant or right to acquire shares of

capital stock or any other equity security issued by a Person, (a) the retirement, redemption, purchase, or other acquisition for value (other than for common stock of such Person) by such Person of any such security, (b) the declaration or (without duplication) payment by such Person of any dividend in cash or in Property (other than in common stock of such Person) on or with respect to any such security, (c) any Investment by such Person in the holder of any such security where such Investment is made in lieu of, or to avoid characterization as, a Distribution described in clauses (a) or (b) above, and (d) any other payment by such Person constituting a distribution under applicable laws with respect to such security. Notwithstanding the foregoing, "Distribution" shall not include a repurchase by the Company of its Common Stock.

"dollars" or "$" means United States dollars.

"Eligible Subsidiary" means any of the wholly-owned Subsidiaries of the Company listed on Schedule 1.2.

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is, or was at any time, maintained or contributed to by the Company or any of its ERISA Affiliates.

"Environmental Laws" means all plans, policies or decrees binding on the Company and its Subsidiaries in accordance with applicable statutes, ordinances, orders, rules or regulations and all statutes, ordinances, orders, rules or regulations and the like, in each case, relating to (i) environmental matters, including, without limitation, those relating to fines, injunctions, penalties, damages, contribution, cost recovery compensation, losses or injuries resulting from the release or threatened release of hazardous materials, (ii) the generation, use, storage, transportation or disposal of hazardous materials, or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to the Company or any of its Subsidiaries or any of their respective properties, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. (S) 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. (S) 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251 et seq.), the Clean Air Act (42 U.S.C. (S) 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. (S) 2601 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. (S)136 et seq.), the Occupational Safety and Health Act (29 U.S.C. (S) 651 et seq.) and et seq.), each as amended or supplemented, and any analogous future or present local, state and federal statutes and regulations promulgated pursuant thereto, each as in effect as of the date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, and any regulations issued pursuant thereto, as amended or replaced and as in effect from time to time.

"ERISA Affiliate", as applied to any Person, means (i) any corporation which is, or was at any time, a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which that Person is, or was at any time, a member; (ii) any trade or business (whether or not incorporated) which is, or was at any time, a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which that Person is, or was at any time, a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is, or was at any time, a member.

"ERISA Event" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC, or the penalty for failure to provide such notice, has been waived by regulation or by PBGC technical update); (ii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(d) of the Code) or the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by the Company or any of its ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability pursuant to Sections 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on the Company or any of its ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal by the Company or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by the Company or any of its ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which could give rise to the imposition on the Company or any of its ERISA Affiliates of fines, penalties, taxes

or related charges under Chapter 43 of the Code or under Section 409 or 502(c), (i) or (l) or 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against Company or any of its ERISA Affiliates in connection with any such Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code; or (xi) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Code or pursuant to ERISA with respect to any Pension Plan.

"Eurodollar Banking Day" means any Banking Day on which dealings in dollar deposits are conducted by and among banks in the Eurodollar Market.

"Eurodollar Lending Office" means, as to each Bank, its office or branch so designated by written notice to the Company and the Administrative Agent as its Eurodollar Lending Office. If no Eurodollar Lending Office is designated by a Bank, its Eurodollar Lending Office shall be its office at its address for purposes of notices hereunder.

"Eurodollar Market" means, with respect to any Eurodollar Rate Loan, the London interbank offer market for U.S. dollar deposits.

"Eurodollar Obligations" means eurocurrency liabilities, as defined in Regulation D.

"Eurodollar Period" means, as to each Eurodollar Rate Loan, the period commencing on the date specified by the Borrower pursuant to Section 2.1(b) and ending 1, 2, 3 or 6 months thereafter or, if available in the judgment of the Reference Banks, 9 or 12 months thereafter, as specified by the Borrower in the applicable Request for Loan; provided that:

(a) The first day of any Eurodollar Period shall be a Eurodollar Banking Day;

(b) Any Eurodollar Period that would otherwise end on a day that is not a Eurodollar Banking Day shall be extended to the next succeeding Eurodollar Banking Day unless such Eurodollar Banking Day falls in another calendar month, in which case such Eurodollar Period shall end on the next preceding Eurodollar Banking Day; and

(c) No Eurodollar Period shall extend beyond the Maturity Date.

"Eurodollar Rate" means, with respect to any Eurodollar Rate Loan, the
average interest rate per annum (determined solely by the Administrative Agent and rounded upward to the next 1/100 of 1%) at which deposits in dollars are offered to prime banks by the Reference Banks in the Eurodollar Market at or about 10:00 a.m. London time, two (2) Eurodollar Banking Days before the first day of the applicable Eurodollar Period in an aggregate amount approximately equal to the amount of the Eurodollar Rate Loan to be made by such Reference Bank and for a period of time comparable to the number of days in the applicable Eurodollar Period; provided that, if one Reference Bank is unable to provide its offered quotation to the Administrative Agent, the Eurodollar Rate shall be determined on the basis of the rates quoted by the remaining Reference Banks. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error.

"Eurodollar Rate Advance" means an Advance made hereunder that bears interest as set forth in Section 3.1(c) and designated as a Eurodollar Rate Advance in accordance with Article 2.

"Eurodollar Rate Loan" means a Loan made hereunder that bears interest as set forth in Section 3.1(c) and designated as a Eurodollar Rate Loan in accordance with Article 2.

"Eurodollar Reserve Percentage" means, with respect to any Eurodollar Rate Loan, the percentage applicable as of the date of determination of the Eurodollar Rate representing the aggregate reserve requirements of any Bank (disregarding any offsetting amounts that may be available to such Bank to decrease such requirements to the extent that such offsetting amounts arose out of transactions other than those contemplated by this Agreement) under Regulation D and any other applicable Laws with respect to Eurodollar Obligations in an aggregate amount equal to the amount of such Bank's Pro Rata Share of such Eurodollar Rate Loan and for a time period comparable to the number of months in the applicable Eurodollar Period. The determination by any Bank of any applicable Eurodollar Reserve Percentage shall be presumed correct in the absence of manifest error.

"Event of Default" shall have the meaning provided in Section 9.1.

"Existing Loan Documents" means the loan documents executed in connection with that certain Credit Agreement dated as of June 23, 1995, as amended, between the Company, the borrowing subsidiaries therein named, the lenders therein named, Swiss Bank Corporation, New York Branch, as issuing bank and Swiss Bank Corporation, New York Branch and Citicorp USA, Inc., as co-agents for themselves and such lenders.

"Fiscal Quarter" means the fiscal quarter of the Company consisting of a three month fiscal period ending on each March 31, June 30, September 30 and December 31.

"Fiscal Year" means the fiscal year of the Company consisting of a twelve month fiscal period ending on each December 31.

"Generally Accepted Accounting Principles" means, as of any date of determination, accounting principles set forth as "generally accepted" in then currently effective Statements of the Auditing Standards Board of the American Institute of Certified Public Accountants, or, if no such Statements are then in effect, that are then approved by such other entity as may be approved by a significant segment of the accounting profession in the United States of America. The term "Generally Accepted Accounting Principles" shall be read in each instance as if the words "consistently applied" followed immediately thereafter, meaning that the accounting principles applied are consistent in all material respects (except for changes concurred in by the Company's independent public accountants) to those applied at prior dates or for prior periods.

"Governmental Agency" means (a) any foreign, federal, state, county or municipal government, or political subdivision thereof, (b) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, (c) any court or administrative tribunal or (d) with respect to any Person, any arbitration tribunal or other nongovernmental authority to whose jurisdiction that Person has consented.

"Hostile Acquisition" means the acquisition of capital stock or other equity interests of a Person (the "Target") through a tender offer or similar solicitation of the owners of such capital stock or other equity interests which has not been approved (prior to such acquisition) by resolutions of the Board of Directors of the Target or by similar action if the Target is not a corporation and as to which such approval has not been withdrawn.

"Indebtedness" means, as to any Person, (a) all indebtedness of such Person for borrowed money, (b) that portion of the obligations of such Person under Capital Leases which is properly recorded as a liability on a balance sheet of that Person prepared in accordance with Generally Accepted Accounting Principles, (c) to the extent of the outstanding Indebtedness thereunder, any obligation of such Person that is evidenced by a promissory note or other instrument representing an extension of credit to such Person, whether or not for borrowed money, (d) any obligation of such Person for the deferred purchase price of Property or services (other than trade or other accounts payable in the ordinary course of business), (e) any obligation of such Person of the nature described in clauses (a), (b), (c) or (d)

above that is secured by a Lien on assets of such Person, whether or not that Person has assumed such obligation or whether or not such obligation is non-recourse to the credit of such Person, but only to the extent of the lesser of the face amount of the obligation or the fair market value of the assets so subject to the Lien, (f) obligations of such Person arising under acceptance facilities or under facilities for the discount of accounts receivable of such Person, (g) any obligation of such Person to reimburse the issuer of any letter of credit issued for the account of such Person upon which and only to the extent a draw has been made and (h) in the case of the Company, any obligations of the Company under a Swap Agreement. As of any date of determination, the amount of the Company's Indebtedness pursuant to any Swap Agreement shall be equal to 1% of the notional amount of that Swap Agreement times the number of years then remaining in the term of that Swap Agreement.

"Intangible Assets" means assets that are considered intangible assets under Generally Accepted Accounting Principles, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, unamortized deferred charges, unamortized debt discount, capitalized research and development costs and other intangible assets.

"Interest Charges" means, as of the last day of any fiscal period, the sum of (a) all interest, fees, charges and related expenses paid or payable (without duplication) for that fiscal period to a lender in connection with borrowed money or the deferred purchase price of assets that is treated as interest in accordance with Generally Accepted Accounting Principles excluding interest paid or payable (without duplication) for that fiscal period on any intercompany loans, plus (b) the portion of rent paid or payable (without duplication) for that fiscal period under Capital Leases that should be treated as interest in accordance with Generally Accepted Accounting Principles.

"Interest Charge Coverage Ratio" means, as of the last day of any Fiscal Quarter, the ratio of (a) Adjusted Net Income for the fiscal period consisting of that Fiscal Quarter and the three immediately preceding Fiscal Quarters plus (i) Interest Charges of the Company and its Consolidated Subsidiaries for such fiscal period, plus (ii) depreciation and amortization expense of the Company and its Consolidated Subsidiaries for such fiscal period, plus (iii) provisions for taxes based on income of the Company and its Consolidated Subsidiaries for such fiscal period, to (b) Interest Charges of the Company and its Consolidated Subsidiaries for such fiscal period.

"Interest Period" means with respect to any Eurodollar Rate Loan, the related Eurodollar Period.

"Investment" means, when used in connection with any Person, any investment by or of that Person, whether by means of purchase or other acquisition of capital stock or other

Securities of any other Person or by means of loan, advance, capital contribution, guaranty or other debt or equity participation or interest, or otherwise, in any other Person, including any partnership and joint venture interests of such Person in any other Person. "Investment" shall include (a) a repurchase by the Company of its Common Stock, (b) all payments by the Company or any Subsidiary to any Person as a buyout of royalty obligations to that Person and (c) all acquisitions by the Company or any Subsidiary of technology and/or distribution rights. The amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Issuing Bank" means Citibank, N.A.

"Laws" means, collectively, all foreign, federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or controlling precedents of any Governmental Agency.

"LC Issuance Fee" means a fee payable to the Issuing Bank as provided in Section 3.4.

"LC Reimbursement Fee" means a fee payable to the Administrative Agent, for the pro rata benefit of the Banks, as provided in Section 3.5.

"Letters of Credit" means any letters of credit issued by the Issuing Bank pursuant to Section 2.7(a), either as originally executed or as the same may from time to time be supplemented, modified, reviewed, extended or supplanted.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, lien or charge of any kind, whether voluntarily incurred or arising by operation of Law or otherwise, affecting any Property, including any agreement to grant any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and/or the filing of or agreement to give any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the Uniform Commercial Code or comparable Law of any jurisdiction with respect to any Property.

"Loan" means any group of Committed Advances made at any one time by the Banks pursuant to Article 2.

"Loan Documents" means, collectively, this Agreement, the Notes, any Request for Loan, any Agreement to Participate, any Letter of Credit, any Request for Letter of Credit, any Competitive Bid Request and any other certificates or agreements heretofore or hereafter executed by a Senior Officer of any Borrower in connection with this Agreement and delivered by any

Borrower to the Administrative Agent, an Issuing Bank or any Bank, in each case either as originally executed or as the same may from time to time be supplemented, modified, amended, restated, extended or supplanted.

"Majority Banks" means, as of any date of determination, Banks whose aggregate Pro Rata Shares are at least 51% of the Commitment then in effect or if the Commitment is not then in effect, Banks to which at least 51% of the aggregate Total Outstandings is owed.

"Material Adverse Effect" means a circumstance or set of circumstances or events affecting the business, operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole that have a material adverse effect, individually or in the aggregate, upon the ability (i) of the Company and its Subsidiaries, taken as a whole, to perform under the Loan Documents or (ii) of any of the Banks to enforce, the Obligations under the Loan Documents.

"Maturity Date" means May 28, 2003, unless otherwise extended pursuant to Section 2.9.

"Multiemployer Plan" means a "multiemployer plan", as defined in Section 3(37) of ERISA, to which the Company or any of its ERISA Affiliates is contributing, or ever has contributed, or to which the Company or any of its ERISA Affiliates has, or ever has had, an obligation to contribute.

"Net Income" means, with respect to any fiscal period, the consolidated net income of the Company and its Subsidiaries for that period, determined in accordance with Generally Accepted Accounting Principles; provided that there shall be excluded from Net Income (i) any income or loss of a Person accrued prior to the date upon which such Person, or the assets of such Person, was acquired by or merged into the Company or any of its Subsidiaries; (ii) any income of a Subsidiary of the Company to the extent that declaration or payment of dividends or other Distributions by that Subsidiary is not permitted by any Contractual Obligation or Requirement of Law applicable to that Subsidiary; (iii) any charges taken in respect of payments to any Person as a buyout of royalty obligations to that Person; and (iv) any charges taken in connection with the acquisition of technology and/or distribution rights.

"Notes" means, collectively, the Committed Advance Notes and the Competitive Advance Notes.

"Notice of Conversion/Continuation" has the meaning specified in Section 2.6.

"Obligations" means all present and future obligations of every kind or nature of the Borrowers at any time and from time to time owed to the Arranger, the Administrative Agent, the

Issuing Bank or the Banks or any one or more of them under any one or more of the Loan Documents, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including
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obligations of performance as well as obligations of payment, and including
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interest that accrues after the commencement of any proceeding under any Debtor Relief Law by or against the Company or any Subsidiary of the Company.

"Other Taxes" means any present or future stamp or documentary taxes and
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any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or under any Loan Document or from the execution or delivery of, or otherwise with respect to, this Agreement or any other Loan Document.

"Pension Plan" means any Employee Benefit Plan other than a Multiemployer
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Plan, that is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA.

"Permitted Encumbrances" means:

(a) inchoate Liens incident to construction or maintenance of real property, or Liens incident to construction or maintenance of real property, now or hereafter filed of record for which adequate reserves have been set aside and which are being contested in good faith by appropriate proceedings and have not proceeded to judgment, provided that, by reason of nonpayment of the obligations
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secured by such Liens, no such real property is subject to a material risk of loss or forfeiture;

(b) Liens for taxes and assessments on real property which are not yet past due, or Liens for taxes and assessments on real property for which adequate reserves have been set aside and are being contested in good faith by appropriate proceedings and have not proceeded to judgment, provided that, by
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reason of non-payment of the obligations secured by such Liens, no such real property is subject to a material risk of loss or forfeiture;

(c) easements, exceptions, reservations, or other agreements granted or entered into after the date hereof for the purpose of pipelines, conduits, cables, wire communication lines, power lines and substations, streets, trails, walkways, drainage, irrigation, water, and sewerage purposes, dikes, canals, ditches, the removal of oil, gas, coal, or other minerals, and other like purposes affecting real property which in the aggregate do not materially burden or impair the fair market value or use of such real property for the purposes for which it is or may reasonably be expected to be held;

(d) rights reserved to or vested in any Governmental Agency by Law to control or regulate, or obligations or duties under Law to any Governmental Agency with respect to, the use of any real property;

(e) rights reserved to or vested in any Governmental Agency by Law to control or regulate, or obligations or duties under Law to any Governmental Agency with respect to, any right, power, franchise, grant, license, or permit;

(f) present or future zoning laws and ordinances or other laws and ordinances restricting the occupancy, use, or enjoyment of real property;

(g) statutory Liens, other than those described in clauses (a) or (b) above, arising in the ordinary course of business with respect to obligations which are not delinquent or are being contested in good faith by appropriate proceedings, provided that, if delinquent, adequate reserves have been set aside
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with respect thereto and, by reason of nonpayment, no Property is subject to a material risk of loss or forfeiture;

(h) Liens consisting of pledges or deposits to secure obligations under workers' compensation laws or similar legislation, including Liens of judgments thereunder which are not currently dischargeable;

(i) Liens consisting of pledges or deposits of Property to secure performance in connection with operating leases made in the ordinary course of business to which the Company or a Subsidiary is a party as lessee, provided the
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aggregate value of all such pledges and deposits in connection with any such lease does not at any time exceed 16-2/3% of the annual fixed rentals payable under such lease;

(j) Liens consisting of deposits of Property to secure statutory obligations of the Company or a Subsidiary of the Company in the ordinary course of its business;

(k) Liens consisting of deposits of Property to secure (or in lieu of) surety, appeal or customs bonds in proceedings to which the Company or a Subsidiary of the Company is a party in the ordinary course of its business, but not in excess of $10,000,000; and

(l) purchase money security interests or mortgages taken or retained by a seller of collateral to secure all or part of its purchase price.

"Person" means any entity, whether an individual, trustee, corporation,
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general partnership, limited partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, Governmental Agency, or otherwise.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor
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thereto).

"Property" means any interest in any kind of property or asset, whether
real, personal or mixed, or tangible or intangible.

"Pro Rata Share" means, with respect to each Bank, with respect to the
Commitment, and any Loan made under any portion of the Commitment, the
percentage set forth opposite the name of that Bank and that portion of the
Commitment on Schedule 2.1 as modified from time to time.

"Reference Banks" means Citibank, N.A., Bank of America NT&SA and ABN Amro
Bank N.V.

"Regulation D" means Regulation D, as at any time amended, of the Board of
Governors of the Federal Reserve System, or any other regulation in substance
substituted therefor.

"Regulation U" means Regulation U, as at any time amended, of the Board of
Governors of the Federal Reserve System, or any other regulation in substance
substituted therefor.

"Request for Letter of Credit" means a written request for a Letter of
Credit substantially in the form of Exhibit H, together with the standard form
of application for letter of credit used by the Issuing Bank, signed by a Senior
Officer of the Borrower and properly completed to provide all information
required to be provided therein.

"Request for Loan" means a written request for a Loan substantially in the
form of Exhibit I, signed by a Senior Officer of the Borrower and properly
completed to provide all information required to be included therein.

"Requirement of Law" means, as to any Person, the articles or certificate
of incorporation and by-laws or other organizational or governing documents of
such Person, and any Law, or judgment, award, decree, writ or determination of a
Governmental Agency, in each case applicable to or binding upon such Person or
any of its Property or to which such Person or any of its Property is subject.

"Responsible Official" means (a) when used with reference to a Person
other than an individual, any corporate officer of such Person, general partner
of such Person, corporate officer of a corporate general partner of such Person,
or corporate officer of a corporate general partner of a partnership that is a
general partner of such Person, or any other responsible official thereof duly
acting on behalf thereof, and (b) when used with reference to a Person who is an
individual, such Person. Any document or certificate hereunder that is signed or
executed by a Responsible Official of a Person shall be conclusively presumed to
have been authorized by all necessary corporate, partnership and/or other action
on the part of that Person.

"Securities" means any capital stock, share, voting trust certificate, bond, debenture, note or other evidence of indebtedness, limited partnership interest, or any warrant, option or other right to purchase or acquire any of the foregoing.

"Senior Officer" means the (a) chief executive officer, (b) chief operating officer, (c) chief financial officer, (d) corporate controller, or (e) treasurer, in each case whatever the title nomenclature may be, of the Person designated.

"Shareholders' Equity" means, as of any date of determination, shareholders' equity as of that date determined in accordance with Generally Accepted Accounting Principles; provided that there shall be excluded from Shareholders' Equity any amount attributable to capital stock that is, directly or indirectly, required to be redeemed or repurchased by the issuer thereof at a specified date or upon the occurrence of specified events or at the election of the holder thereof.

"Subsidiary" means, as of any date of determination and with respect to any Person, any corporation, partnership or joint venture, whether now existing or hereafter organized or acquired: (a) in the case of a corporation, of which a majority of the securities having ordinary voting power for the election of directors or other governing body (other than securities having such power only by reason of the happening of a contingency) are at the time beneficially owned by such Person and/or one or more Subsidiaries of such Person, or (b) in the case of a partnership or joint venture, of which such Person or a Subsidiary of such Person is a general partner or joint venturer or of which a majority of the partnership or other ownership interests are at the time beneficially owned by such Person and/or one or more of its Subsidiaries, excluding any partnership or joint venture over which the Person or Subsidiary of such Person does not exercise actual control.

"Swap Agreement" means a written agreement between the Company and one or more financial institutions providing for "swap", "collar" or other interest rate protection (other than "caps") with respect to any Indebtedness.

"Tangible Net Worth" means, as of any date of determination, the Shareholders' Equity of the Company and its Consolidated Subsidiaries on that date, minus the book value of any Intangible Assets of the Company and its Consolidated Subsidiaries on that date.

"Taxes" means any and all present and future taxes, duties, levies, imposts, deductions, charges or withholdings with respect to any payment by any Borrower pursuant to this Agreement or under any other Loan Document, and all liabilities with respect thereto, excluding (i) taxes imposed on the net income of any Bank or the Administrative Agent, and franchise or similar

taxes imposed on any Bank or the Administrative Agent, by a jurisdiction under the laws of which such Bank or the Administrative Agent, as the case may be, is organized or in which its principal executive office is located or, in the case of each Bank, in which its applicable lending office is located and (ii) in the case of each Bank, any United States withholding tax imposed on such payments but only to the extent that such Bank is subject to United States withholding tax at the time such Bank first becomes a party to this Agreement.

"Total Outstandings" means, as of any date of determination, the sum on that date of (a) the aggregate principal Indebtedness evidenced by the Notes, plus (b) the aggregate then undrawn portion of Letters of Credit which are issued and outstanding, plus (c) the aggregate unreimbursed drawings under Letters of Credit.

"Type" when used with respect to any Loan or Advance, means the designation of whether such Loan or Advance is a Base Rate Loan or Advance, a Eurodollar Rate Loan or Advance or a Competitive Advance.

"Unused Portion" means the Commitment, less Total Outstandings as to the Commitment.

1.2 Use of Defined Terms. Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any one or more of the members of the relevant class.

1.3 Accounting Terms. All accounting terms not specifically defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted by this Agreement shall be prepared in conformity with, Generally Accepted Accounting Principles applied on a consistent basis, except as otherwise specifically prescribed herein and except for changes concurred in by the Company's independent public accountants. In the event that Generally Accepted Accounting Principles change during the term of this Agreement such that the financial covenants contained in Sections 6.7 and 6.8 would then be calculated in a different manner or with different components, (a) the Borrowers and the Banks agree to negotiate to amend this Agreement in such respects as are necessary to conform those covenants as criteria for evaluating the Company's financial condition to substantially the same criteria as were effective prior to such change in Generally Accepted Accounting Principles and (b) the Company shall be deemed to be in compliance with the financial covenants contained in such Sections during the 60 day period following any such change in Generally Accepted Accounting Principles if and to the extent that the Company would have been in compliance therewith under Generally Accepted Accounting Principles as in effect immediately prior to such change.

1.4 Rounding. Any financial ratios required to be maintained by the Company pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in this Agreement and rounding the result up or down to the nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed in this Agreement.

1.5 Exhibits and Schedules. All Exhibits and Schedules to this Agreement, either as originally existing or as the same may from time to time be supplemented, modified or amended, are incorporated herein by this reference. A matter disclosed on any Schedule shall be deemed disclosed on all Schedules.

1.6 References to "the Company and its Subsidiaries". Any reference herein to "the Company and its Subsidiaries" or the like shall refer solely to the Company during such times, if any, as the Company shall have no Subsidiaries.

1.7 Miscellaneous Terms. The term "or" is disjunctive; the term "and" is conjunctive. The term "shall" is mandatory; the term "may" is permissive. Masculine terms also apply to females; feminine terms also apply to males. The term "including" is by way of example and not limitation.

ARTICLE 2
LOANS AND LETTERS OF CREDIT

2.1 Committed Advances - General.

(a) Subject to the terms and conditions set forth in this Agreement, at any time and from time to time from the Closing Date through the Maturity Date, each Bank shall, according to its Pro Rata Share of the Commitment, make Committed Advances to the Borrowers under the Commitment in such amounts as the Borrowers may request that do not exceed in the aggregate at any one time outstanding the amount of that Bank's Pro Rata Share of the Commitment; provided that, giving effect to the Loan of which such Advance is a part, (i) the Total Outstandings shall not exceed the Commitment and (ii) the sum of all Committed Advances then outstanding plus the sum of all Competitive Advances then outstanding plus the face amount of all Letters of Credit then outstanding plus the sum of all unreimbursed drawings under Letters of Credit shall not exceed the Commitment. Subject to the limitations set forth herein, the Borrowers may borrow and repay under the Commitment without premium or penalty.

(b) Subject to the next sentence, each Loan under this Section 2.1 shall be made pursuant to a Request for Loan

which shall specify the requested (i) date of such Loan, (ii) type of Loan, (iii) amount of such Loan and (iv) Interest Period for such Loan. Unless the Administrative Agent has notified, in its sole and absolute discretion, the Borrowers to the contrary, a Loan may be requested by telephone by an Assistant Treasurer or Senior Officer of the Borrower, in which case the Borrower shall promptly confirm such request by transmitting a telecopy of, or at the Administrative Agent's request by mailing, a Request for Loan executed by a Senior Officer of such Borrower conforming to the preceding sentence to the Administrative Agent.

(c) Promptly following receipt of a Request for Loan (or the receipt of a substitute request permitted under the second sentence of Section 2.1(b)), the Administrative Agent shall notify each Bank by telephone (so long as such notce by telephone is followed by a notice in writing) or telecopier (the method of notice shall be at the Administrative Agent's option) of the date and type of the Loan, the applicable Interest Period and the amount of that Bank's Pro Rata Share of the Loan. Not later than 2:00 p.m., New York time, on the date specified for any Loan subject to the provisions of Sections 2.2 and 2.3, each Bank shall make its Pro Rata Share of the Loan in immediately available funds available to the Administrative Agent at the Administrative Agent's Office. Upon fulfillment of the applicable conditions set forth in Article 8 and subject to the provisions of Sections 2.2 and 2.3, all Advances shall be credited in immediately available funds to the Designated Deposit Account.

(d) Each Loan under the Commitment shall be in a minimum amount of $2,000,000 and multiples of $1,000,000 in excess of that amount.

(e) The Committed Advances made by each Bank under its Pro Rata Share of the Commitment shall be evidenced by that Bank's Committed Advance Note in the form set forth as Exhibit B.

(f) A Request for Loan shall be irrevocable upon the Administrative Agent's first notification thereof.

2.2 Base Rate Loans. Each request by a Borrower for a Base Rate Loan shall be made pursuant to a Request for Loan (or telephonic request for Loan referred to in the second sentence of Section 2.1(b), if applicable) received by the Administrative Agent, at the Administrative Agent's Office, not later than 11:00 a.m., New York time, on the date of a proposed Base Rate Advance. All Loans shall constitute Base Rate Loans unless properly designated as Eurodollar Rate Loans pursuant to Section 2.3. Each Base Rate Loan shall consist of Committed Advances.

2.3 Eurodollar Rate Loans.

(a) Each request by a Borrower for a Eurodollar Rate Loan shall be made pursuant to a Request for Loan (or telephonic request for Loan referred to in the second sentence of Section 2.1(b), if applicable) received by the Administrative Agent, at the Administrative Agent's Office, not later than 1:00 p.m., New York time, at least three (3) Eurodollar Banking Days before the first day of the applicable Eurodollar Period.

(b) On the second Eurodollar Banking Day before the first day of the applicable Eurodollar Period, the Administrative Agent shall determine the applicable Eurodollar Rate (which determination shall be conclusive in the absence of manifest error) and prior to 1:00 p.m., New York time on that same day shall give notice of the same to the Borrower and the Banks by telephone or telecopier (the method of notice shall be at the Administrative Agent's option).

(c) Unless all of the Banks otherwise consent, no Eurodollar Rate Loan may be requested during the continuance of an Event of Default.

(d) Each Eurodollar Rate Loan shall consist of Committed Advances.

(e) Prior to the submission of a Request for Loan with respect to a Eurodollar Rate Loan, any Borrower may request the Administrative Agent to provide a non-binding estimate of the Eurodollar Rate that would then apply in the event the Borrower submitted a Request for Loan.

2.4 Competitive Advances.

(a) Subject to the terms and conditions hereof, at any time and from time to time from the Closing Date through the day that is thirty-one (31) days prior to the Maturity Date, each Bank may in its sole and absolute discretion make Competitive Advances to a Borrower pursuant to this Section in such principal amounts as the Borrower may request pursuant to a Competitive Bid Request, provided that, after giving effect to the making of each such Competitive Advance, (i) the aggregate principal amount of the Indebtedness evidenced by the Competitive Advance Notes and the Committed Advance Notes shall not exceed the Commitment, (ii) the sum of all Committed Advances then outstanding plus the sum of all Competitive Advances then outstanding plus the face amount of all Letters of Credit then outstanding plus the sum of all unreimbursed drawings under Letters of Credit shall not exceed the Commitment, and (iii) Total Outstandings shall not exceed the Commitment. Any Bank may submit a Competitive Bid in an amount greater than, less

than or equal to its respective Pro Rata Share of the Commitment, up to the amount of the Competitive Bid Request.

(b) Each Borrower shall request Competitive Advances by submitting a Competitive Bid Request to the Administrative Agent by telephone or telecopier, to be received by the Administrative Agent not later than 12:00 noon, New York time, one Banking Day prior to the date of the proposed Competitive Advance, which Competitive Bid Request shall specify the relevant date, amount and maturity for the proposed Competitive Advance and shall otherwise be completed to the satisfaction of the Administrative Agent.

(c) Each Competitive Bid Request shall be made for a Competitive Advance with a maturity of not less than seven (7) nor more than 180 days. No Competitive Bid Request may be made for a Competitive Advance which has a maturity date which is later than the Banking Day immediately preceding the Maturity Date.

(d) Each Competitive Bid Request shall be in a minimum amount of $2,000,000 and multiples of $1,000,000 in excess thereof.

(e) Immediately following receipt of a Competitive Bid Request (or a telephonic request in accordance with Section 2.4(b)), the Administrative Agent
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shall notify each Bank by telephone or telecopier (the method of notice shall be at the Administrative Agent's option) of the relevant date, amount and maturity and of the other relevant terms of the requested Competitive Advance.

(f) Each Bank receiving a Competitive Bid Request may, in its sole and absolute discretion, make or not make a Competitive Bid responsive to the Competitive Bid Request. For purposes of this paragraph, a Competitive Bid shall be deemed responsive if it offers a Competitive Advance which is of an amount which is less than or equal to that specified in the Competitive Bid Request and if it comports in all other respects to the Competitive Bid Request. If the Bank which is then Administrative Agent determines, in its sole discretion, to submit a Competitive Bid with respect to a Competitive Bid Request, it shall submit its Competitive Bid to the Borrower by telecopier not later than 10:15 a.m., New York time, on the Banking Day of the proposed Competitive Advance. Each other Competitive Bid shall be submitted to the Administrative Agent via telecopier not later than 10:45 a.m., New York time, on the date of the requested Competitive Advance, and the Administrative Agent shall promptly thereafter notify the Borrower by telephone or telecopier (the method of notification shall be at the Administrative Agent's option) of the Competitive Bids. The Borrower shall maintain the confidentiality of any Competitive Bid made by the

Administrative Agent or any Bank pending receipt by the Borrower of all other Competitive Bids.

(g) Each Competitive Bid shall specify the stated fixed interest rate (on the basis of a year of 360 days times the actual number of days elapsed). A Competitive Bid once submitted to a Borrower shall be irrevocable prior to the time that the Borrower is required to accept such Competitive Bid as described in clause (h) below.

(h) A Borrower may accept or reject any Competitive Bid in its sole and absolute discretion at any time prior to 11:15 a.m., New York time, on the Banking Day of the proposed Competitive Advance; provided that (a) acceptance of a Competitive Bid shall be by telephone, promptly confirmed by the Borrower in writing by telecopier communicated to a Responsible Official of the Administrative Agent, (which shall immediately notify the relevant Bank as provided in clause (i) below) (b) the Borrower may not accept any Competitive Bid which quotes an interest rate which is higher than a rejected Competitive Bid unless the rejected Competitive Bid is for an amount which is less than that specified in the applicable Competitive Bid Request and (c) without the consent of the Bank offering a Competitive Bid, the Borrower may not accept any fractional portion of the amount specified in that Competitive Bid.

(i) A Bank whose Competitive Bid has been accepted by a Borrower shall make the Competitive Advance in accordance with the Competitive Bid Request and with its Competitive Bid, subject to the applicable conditions set forth in this Agreement and during the period when such Competitive Advance is outstanding, the Pro Rata Share of the Commitment of each Bank shall be deemed reduced by its Pro Rata Share of the principal amount of each such Competitive Advance.

(j) Promptly upon acceptance of a Competitive Bid, the Administrative Agent shall notify each relevant Bank by telephone or telecopier of the acceptance of that Bank's Competitive Bid and shall promptly notify each Bank whose Competitive Bid is not accepted that its Competitive Bid has not been accepted. Not later than 2:00 p.m., New York time, on the date of the Competitive Advance, and upon fulfillment of the applicable conditions set forth in Article 8, the Bank shall fund the Competitive Advance in immediately available funds to the Administrative Agent at the Administrative Agent's Office. Upon receipt of such funds, the Administrative Agent shall promptly credit the amount of the Competitive Advance to the Designated Deposit Account.

(k) Unless all of the Banks otherwise consent, (i) no Competitive Advances may be requested during the continuance of an Event of Default, and (ii) not more than twelve (12) Competitive Advances may be outstanding at any time.

(l) The Competitive Advances made by each Bank shall be evidenced by that Bank's Competitive Advance Note.

2.5 Voluntary Reduction of Commitment. The Company shall have the right, at any time and from time to time, without penalty or charge, upon at least two (2) days' prior written notice to the Administrative Agent, to voluntarily reduce, permanently and irrevocably, in a minimum amount of $5,000,000 and multiples of $1,000,000 in excess thereof, or to terminate, all or a portion of the then Unused Portion of the Commitment; provided that any such reduction or termination shall be accompanied by payment of all accrued and unpaid commitment fees with respect to the portion of the Commitment being reduced or terminated.

2.6 Voluntary Conversion or Continuation of Committed Advances.

(a) The Borrower may on any Banking Day upon notice given to the Administrative Agent not later than 12:00 noon (New York City time) on the third Eurodollar Banking Day prior to the date of the proposed Conversion or continuance (a "Notice of Conversion/Continuation") and subject to the provisions of Section 2.3, (1) Convert all or any portion of Committed Advances of one Type into Advances of another Type and (2) upon the expiration of any Interest Period applicable to Committed Advances which are Eurodollar Rate Advances, continue all (or, subject to Section 2.3, any portion of) such Advances as Eurodollar Rate Advances and the succeeding Interest Period(s) of such continued Advances shall commence on the last day of the Interest Period of the Advances to be continued; provided, however, that any Conversion of any Eurodollar Rate Advances into Base Rate Advances shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances. Each such Notice of Conversion/Continuation shall, within the restrictions specified above, specify (i) the date of such continuation or Conversion, (ii) the Committed Advances (or, subject to Section 2.3, any portion thereof) to be continued or Converted, (iii) if such continuation is of, or such Conversion is into, Eurodollar Rate Advances, the duration of the Interest Period of each such Committed Advance, and (iv) in the case of a continuation of or a Conversion into a Eurodollar Rate Advance, that no Event of Default has occurred and is continuing. Each Conversion or continuation shall be in a minimum amount of $2,000,000 and multiples of $1,000,000.

(b) If upon the expiration of the then existing Interest Period applicable to any Committed Advance which is a Eurodollar Rate Advance, the Borrower shall not have delivered a Notice of Conversion/Continuation in accordance with this Section 2.6, then such Advance shall upon such

expiration automatically be Converted to a Base Rate Advance.

(c) After the occurrence of and during the continuation of an Event of Default, the Borrower may not elect to have an Advance be made or continued as, or Converted into, a Eurodollar Rate Advance after the expiration of any Interest Period then in effect for that Advance.

2.7 Letters of Credit.

(a) Subject to the terms and conditions hereof, at any time and from time to time from the Closing Date through the date that is thirty (30) days before the Maturity Date, the Issuing Bank shall issue such Letters of Credit as a Borrower may request by delivering a Request for Letters of Credit to the Issuing Bank; provided that, giving effect to such Letter of Credit, (i) the aggregate effective face amounts of all outstanding Letters of Credit will not exceed $25,000,000, (ii) the sum of all Committed Advances then outstanding plus the sum of all Competitive Advances then outstanding plus the face amount of all Letters of Credit then outstanding plus the sum of all unreimbursed drawings under Letters of Credit shall not exceed the Commitment, and (iii) Total Outstandings will not exceed the Commitment. Letters of Credit issued under the Commitment may be issued for terms up to five (5) years from the date of issuance but in no event shall the term of any such Letter of Credit extend beyond the Maturity Date. Each Letter of Credit shall be in a minimum amount of $500,000, unless otherwise consented to by the Issuing Bank. The issuance of any Letter of Credit shall constitute usage of the Commitment. Subject to the limitations set forth herein, the Borrowers may request Letters of Credit, reimburse drawings under Letters of Credit and request further Letters of Credit without premium or penalty.

(b) The Issuing Bank is under no obligation to Issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Agency or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Agency with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of Letters of Credit generally or such Letter of Credit in particular;

(ii) the Issuing Bank has received written notice from the Majority Banks, the Administrative Agent or the Company on or prior to the Banking Day prior to the requested date of issuance of such Letter of Credit, that one or more of the applicable conditions contained in Section 8.2 is not then satisfied; or

(iii) any requested Letter of Credit is not in form acceptable to the Issuing Bank, or the issuance of a Letter of Credit shall violate any generally applicable policies of the Issuing Bank.

(c) Each Request for Letter of Credit shall be submitted to the Issuing Bank at least three (3) Banking Days prior to the date when the issuance of a Letter of Credit is requested. Upon issuance of a Letter of Credit, the Issuing Bank shall promptly notify the Banks of the amount and terms thereof. Any Letter of Credit issued shall conform with the applicable Issuing Bank's policies regarding form and substance.

(d) Upon the issuance of a Letter of Credit, each Bank shall be deemed to have irrevocably purchased from the Issuing Bank, without recourse to or warranty from the Issuing Bank, a pro rata undivided participation in the Letter of Credit, in an amount equal to that Bank's Pro Rata Share of the Commitment. Without limiting the scope and nature of each Bank's participation in any Letter of Credit, to the extent that the Issuing Bank has not been reimbursed by the Borrower, in accordance with Section 2.7(e), for any payment made by the Issuing
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Bank under any Letter of Credit, each Bank shall reimburse the Issuing Bank promptly upon demand for the amount of such payment in accordance with its Pro Rata Share of the Commitment, as the case may be. The obligation of each Bank to so reimburse the Issuing Bank shall be absolute and unconditional and shall not be affected by the occurrence of an Event of Default or any other occurrence or event. Any such reimbursement shall not relieve or otherwise impair the obligation of the Borrower to reimburse the Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit together with interest as hereinafter provided.

(e) After any drawing on a Letter of Credit, the Issuing Bank shall notify the Borrower and the Administrative Agent by telephone or telecopier of such drawing by 2:00 p.m., New York time, on the date such payment is to be made and the Borrower shall reimburse the Issuing Bank, in immediately available funds for any amount paid or to be paid by the Issuing Bank under such Letter of Credit by 4:00 p.m., New York time on the date of such notice.

(f) If the Borrower fails to make the payment required by Section 2.7(e), the Administrative Agent shall notify the Banks by telephone or telecopier (the method of notification shall be at the Administrative Agent's option) of the unreimbursed amount of such payment. Each Bank irrevocably and unconditionally agrees (irrespective of the occurrence of an Event of Default or any other circumstance) that it shall make available to the Administrative Agent (for the account of the applicable Issuing Bank) an amount equal to its respective participation in same day funds, at the Administrative Agent's Office, not later than the close of business (New York time) on the date notified by the Administrative Agent. In the event that any Bank fails to make available to the Administrative Agent the amount of such Bank's participation in such Letter of Credit as provided above, the Issuing Bank (through the Administrative Agent) shall be entitled to recover such amount on demand from such Bank together with interest thereon, for each day from the date of such payment until the date such amount is paid to the Issuing Bank, at the rate per annum equal to the Base Rate plus 1%; provided that if such failure is solely the result of an administrative error (which determination shall be made by the Administrative Agent in its sole discretion) or is solely the result of the Bank receiving notice too late in the day to make payment to the Administrative Agent on that day, then the interest rate for the first day of such delay shall be the overnight federal funds rate. Any amount made available by a Bank to the Administrative Agent as such Bank's participation in such Letter of Credit shall constitute a demand loan to the Borrower bearing interest at a rate per annum equal to (i) from the date of any payment made by the Issuing Bank through the date ten days after such payment, the Base Rate, and (ii) thereafter, the Base Rate plus 2%; provided, that if a Bank is prevented from making such demand loans by the provisions of the United States Bankruptcy Code or otherwise, the amount so paid to the Issuing Bank by such Bank shall constitute a funding and purchase by it of a participation in such Letter of Credit disbursement by the Issuing Bank and all obligations of the Borrower with respect thereto, including interest thereon to the extent accruing from the date of such purchase. The Administrative Agent shall promptly pay to the Issuing Bank all funds paid by the Banks to reimburse the Issuing Bank for the payment made by it under the Letter of Credit.

(g) The issuance of any supplement, modification, amendment, renewal, or extension to or of any Letter of Credit shall be treated for the purposes of Article 8 the same as the issuance of a new Letter of Credit.

(h) If, for any reason, a Bank fails to pay its liability on a Letter of Credit in accordance with the provisions of Section 2.7(f), then the Issuing Bank shall be

automatically subrogated to the right of such defaulting Bank to any prepayment, in full, of any loan created by virtue of a drawing on such Letter of Credit, or such defaulting Bank's right to any reimbursement by the Borrower with respect to any drawing, or any other right of such defaulting Bank in connection with or resulting from the drawing on such Letter of Credit, prior to distribution of any payments hereunder to the defaulting Bank.

(i) The obligation of the Borrowers to reimburse the Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit, and the obligations of the Banks under their respective participations under the Letters of Credit, shall be absolute, unconditional, and irrevocable and shall not be affected by any of the following circumstances:

(i) any lack of validity or enforceability of the Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(ii) any amendment or waiver of or any consent to departure from the Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(iii) the existence of any claim, setoff, defense, or other rights which any Borrower may have at any time against any Bank, any beneficiary of the Letter of Credit (or any persons or entities for whom any such beneficiary may be acting) or any other Person, whether in connection with the Letter of Credit, this Agreement, or any other agreement or instrument relating thereto, or any unrelated transactions;

(iv) any demand, statement, or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever so long as any such document appeared to comply with the terms of the Letter of Credit;

(v) the solvency or financial responsibility of any party issuing any documents in connection with a Letter of Credit;

(vi) any failure or delay in notice of shipments or arrival of any property;

(vii) any error in the transmission of any message relating to a Letter of Credit not caused by the Issuing Bank, or any delay or interruption in any such message;

(viii) any error, neglect or default of any correspondent of any Bank in connection with a Letter of Credit;

(ix) any consequence arising from acts of God, war, insurrection, disturbances, labor disputes, emergency conditions or other causes beyond the control of the Issuing Bank;

(x) so long as the Issuing Bank in good faith determines that the draft, contract or document appears to comply with the terms of the Letter of Credit, the form, accuracy, genuineness or legal effect of any contract or document referred to in any document submitted to the Issuing Bank in connection with a Letter of Credit; and

(xi) where the Issuing Bank has acted in good faith and without gross negligence or willful misconduct and observed general banking usage, any other circumstance whatsoever.

(j) the Issuing Bank shall be entitled to the protection accorded to the Administrative Agent pursuant to Section 10.6, mutatis mutandis.

(k) The Issuing Bank may in its sole discretion replace any Bank with respect to such Bank's entire respective Pro Rata Share of the Commitment, if the senior unsecured long-term debt rating of such Bank or any bank controlling such Bank falls below Standard & Poor's Ratings Group "A-" rating or Moody's Investors Service, Inc. "A3" rating with a bank (which may be one or more of the Banks) reasonably acceptable to the Company. Any such replacement shall be accomplished by an assignment by such replaced Bank of its entire respective Pro Rata Share of the Commitment to the replacement Bank pursuant to the provisions of Section 13.9. The Issuing Bank will promptly notify each Bank of any such substitution.

(l) As between the Borrower and the Issuing Bank, the Borrower assumes all risks of the acts and omissions of, or misuse of any Letter of Credit by, the respective beneficiaries of the Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Bank shall not be responsible: (1) for the validity, genuineness or legal effect of any document submitted by any party in connection with the issuance of or any drawing under the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, fraudulent or forged; (2) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid

or ineffective for any reason; (3) for errors in interpretation of technical terms; (4) for the misapplication by the beneficiary of any Letter of Credit of the proceeds of any drawing under such Letter of Credit; provided that none of the events set forth in the foregoing
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clauses (1) through (4) shall have been caused by the gross negligence or wilful misconduct of the Issuing Bank; and (5) for any consequences arising from causes beyond the control of the Issuing Bank. None of the above shall affect, impair, or prevent the vesting of any of the Issuing Bank's rights or powers hereunder. In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by an Issuing Bank under or in connection with the Letters of Credit, if taken or omitted in good faith, without gross negligence or willful misconduct, shall not put the Issuing Bank under any resulting liability to the Borrowers or the Banks.

(m) The Issuing Bank shall have no obligation whatsoever to make any factual or legal determinations as to the correctness of any demand or payment under any Letter of Credit strictly complying with the terms of such Letter of Credit before the Issuing Bank makes any payment under the Letter of Credit. The Borrowers and the Banks hereby waive (A) diligence, presentment, demand, protest or notice of any kind, (B) any requirement that the Issuing Bank exhaust any right or remedy against the Borrowers, the Administrative Agent, any other participant in the credit, or any other Person, and (C) any claim or defense based on any time or other indulgence granted to the Borrower, the Administrative Agent or any other Person and any right of subrogation to any rights or remedies of the Issuing Bank in respect of any of the Letters of Credit or any defense that the Issuing Bank has impaired any such right of subrogation.

(n) In the event that any payment made by or on behalf of the Borrower pursuant to or in connection with any Letter of Credit is rescinded or must otherwise be restored or returned to the Borrower or other relevant party, as applicable, including as a result of any insolvency, bankruptcy or reorganization or similar proceedings in respect of the Borrower, the obligations of the Banks under this Section 2.7(n) in respect of such rescinded, restored or returned
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payment shall be reinstated in full and the Banks shall be liable to indemnify the Issuing Bank hereunder as fully as if such payment had never been made. The provision of this Section 2.7(n) shall survive
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the payment of the obligations of the Borrowers under the Letters of Credit.

(o) All amounts to be paid to the Issuing Bank by the Banks under this Agreement shall be paid by the Banks to the Administrative Agent for the account of the Issuing Bank, without any set-off or counterclaim whatsoever and free and

clear of any without deduction for or on account of any taxes, duties or other charges whatsoever, and without any liability therefor.

2.8 Administrative Agent's Right to Assume Funds Available for Advances. Unless the Administrative Agent shall have been notified by any Bank no later than the Banking Day prior to the funding by the Administrative Agent of any Loan that such Bank does not intend to make available to the Administrative Agent such Bank's Pro Rata Share of the total amount of such Loan, the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent on the date of the Loan and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. Unless the Administrative Agent shall have been notified by the appropriate Bank no later than one hour prior to the funding by the Administrative Agent of any Competitive Advance by the Administrative Agent on behalf of that Bank such Bank does not intend to make available to the Administrative Agent such Bank's Competitive Advance the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent and the Administrative Agent may in reliance upon such assumption, make available to the Borrower a corresponding amount. If the Administrative Agent has made funds available to the Borrower based on such assumptions and such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Bank, which demand shall be made in a reasonably prompt manner. If such Bank does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent promptly shall notify the Borrower and the Borrower shall pay such corresponding amount to the Administrative Agent. The Administrative Agent also shall be entitled to recover from such Bank interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to the actual cost to the Administrative Agent of funding such amount as notified by the Administrative Agent to such Bank. Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its Pro Rata Share of the Commitment or to prejudice any rights that the Administrative Agent or the Borrower may have against any Bank as a result of any default by such Bank hereunder.

2.9 Extension of Maturity Date. In the event that: (a) the Company requests in writing no more than 90 days but no less than 60 days prior to any anniversary of the Closing Date (an "Anniversary Date") prior to the Maturity Date that the Maturity Date be extended for one year; (b) each Bank shall have determined in its sole discretion to consent to such extension; and (c) the Administrative Agent shall have delivered a written

notice of such determination to the Company no less than 15 days prior to such Anniversary Date, then the Maturity Date shall be extended for an additional one-year period. Any Bank that shall not have indicated its determination under this Section 2.9 to the Administrative Agent on or prior to the 15th day prior to such Anniversary Date shall be deemed not to have consented to such extension.

ARTICLE 3
PAYMENTS AND FEES

3.1 Principal and Interest

(a) Interest shall be payable on the outstanding daily unpaid principal amount of each Loan and each Competitive Advance from the date thereof until payment in full is made and shall accrue and be payable at the rates set forth herein before and after default, before and after maturity, before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law, with interest on overdue interest to bear interest at the Default Rate to the fullest extent permitted by applicable Laws.

(b) Interest accrued on each Base Rate Loan shall be payable quarterly in arrears on the last day of each March, June, September and December commencing on the first such date to occur after the Closing Date. Except as otherwise provided in Section 3.9, the unpaid principal amount of any Base Rate Loan shall bear interest at a fluctuating rate per annum equal to the Base Rate. Each change in the interest rate hereunder shall take effect simultaneously with the corresponding change in the Base Rate. Each change in the Base Rate shall be effective as of 12:01 a.m., New York time, on the Banking Day on which the change in the Base Rate is announced, unless otherwise specified in such announcement, in which case the change shall be effective as so specified.

(c) Interest accrued on each Eurodollar Rate Loan the Eurodollar Period for which is three months or less shall be due and payable on the last day of the applicable Eurodollar Period. Interest accrued on each other Eurodollar Rate Loan shall be due and payable on every three month anniversary of the date which is three months after the date such Eurodollar Rate Loan was made, converted or continued pursuant to Section 2.6 and on the last day of the Eurodollar Period. Except as otherwise provided in Section 3.9, the unpaid principal amount of any Eurodollar Rate Loan shall bear interest at a rate per annum equal to the Eurodollar Rate for that Eurodollar Rate Loan plus the Applicable Percentage. Each change in the Applicable Percentage shall be effective as of the date of the public

announcement or publication by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. of a change in the Company's senior unsecured long-term debt ratings. Each Bank claiming a right to payment of a Eurodollar Reserve Percentage in connection with any Eurodollar Rate Loan shall deliver to the Company and the Administrative Agent a statement setting forth in reasonable detail the amount of the Eurodollar Reserve Percentage and the calculation of the increased amount payable by the Company in respect of that Bank's Pro Rata Share of such Eurodollar Rate Loan. The Company shall pay to the Administrative Agent, for the account of such Bank, the amount of the Eurodollar Reserve Percentage set forth in such Bank's statement together with each payment of interest on the applicable Eurodollar Rate Loan.

(d) Interest accrued on each Competitive Advance shall be due and payable on the maturity date of the Competitive Advance. Except as otherwise provided in Section 3.9, the unpaid principal amount of each Competitive Advance shall bear interest at the rate specified in the relevant Competitive Bid.

(e) If not sooner paid, the principal Indebtedness evidenced by the Notes shall be payable as follows:

(i) the principal amount of each Loan shall be payable on the Maturity Date; and

(ii) the principal amount of each Competitive Advance shall be payable on the maturity date of that Competitive Advance.

(f) The Committed Advance Notes may, at any time and from time to time, voluntarily be paid or prepaid in whole or in part without premium or penalty, except that with respect to any voluntary prepayment under this subsection, (i) any partial prepayment shall be in minimum amount of $2,000,000 and multiples of $1,000,000 in excess thereof, (ii) the Administrative Agent shall have received written notice of any prepayment by 11:00 a.m. (New York time) on the date of prepayment (which shall be a Banking Day), in the case of a Base Rate Loan, and by 1:00 p.m. (New York time) three (3) Banking Days before the date of prepayment, in the case of a Eurodollar Rate Loan, which notice shall identify the date and amount of the prepayment and the Loan(s) being prepaid, (iii) each prepayment of principal shall be accompanied by payment of interest accrued through the date of payment on the amount of principal paid and (iv) in any event, any payment or prepayment of all or any part of any Eurodollar Rate Loan on a day other than the last day of the applicable Interest Period shall be subject to Section 3.8(c).

(g) The Competitive Advance Notes may not be voluntarily prepaid in whole or in part without the consent of the holder thereof. In the event of any prepayment of the Competitive Advance Notes in violation of this Section, the Company shall pay to the affected Bank such amounts as are necessary, in the reasonable estimation of that Bank, to compensate that Bank for the effect of such prepayment.

3.2 Commitment Fee. On the last day of each Fiscal Quarter and on the Maturity Date and, if earlier, the date of termination of the Commitment in its entirety, the Company shall pay to the Administrative Agent, for the account of each Bank according to its Pro Rata Share of the Commitment, commitment fees equal to the Applicable Percentage times the average daily Unused Portion of the Commitment during the Fiscal Quarter then ending. Each change in the Applicable Percentage shall be effective on the date of the public announcement or publication by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. of a change in the Company's senior unsecured long-term debt ratings.

3.3 Arranger Fee and Agency Fees. On the date of this Agreement, the Company shall pay to the Arranger a fee in the amounts agreed upon by a letter agreement dated the date hereof between the Company and the Arranger. Such fees are for the sole account of the Arranger and are fully earned upon receipt and non-refundable. On the date of this Agreement and on each anniversary thereof, the Company shall pay to the Administrative Agent, agency fees in the amounts agreed upon by letter agreements dated the date hereof between the Company and the Administrative Agent. The agency fees are for the sole account of the Administrative Agent and are fully earned upon receipt and non-refundable.

3.4 LC Issuance Fee. The Company shall pay, on the last day of each Fiscal Quarter, a LC Issuance Fee to the Administrative Agent for the account of the Issuing Bank, in the amounts agreed upon by letter agreements dated the date hereof between the Company and the Issuing Bank. The LC Issuance Fees are for the sole account of the applicable Issuing Bank and are fully earned upon receipt and non-refundable.

3.5 LC Reimbursement Fee. The Company shall pay, on the last day of each Fiscal Quarter, a LC Reimbursement Fee to the Administrative Agent, for the pro rata benefit of the Banks in accordance with their respective Pro Rata Shares of the Commitment, in an amount equal to the average daily face amount of Letters of Credit outstanding during such Fiscal Quarter times the Applicable Percentage. Each change in the Applicable Percentage shall be effective on the date of the public announcement or publication by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. of a change in the Company's senior unsecured long-term debt ratings.

3.6 LC Drawing Fee. The Company shall pay a drawing fee to the Issuing Bank in the amount of $250 for each drawing under any of its Letters of Credit, payable on the date of such drawing.

3.7 Capital Adequacy. If any Bank (including an Issuing Bank) determines in good faith that compliance with any Law or regulation or with any guideline or request (excluding any published as of the date hereof or currently scheduled to take effect) from any central bank or other Governmental Agency (whether or not having the force of Law), in each case adopted or effective after the date hereof has or would have the effect of reducing the rate of return on the capital of such Bank or any corporation controlling such Bank as a consequence of, or with reference to, such Bank's Pro Rata Share of any portion of the Commitment or its making or maintaining of Advances, or its issuance of any Letter of Credit, below the rate which such Bank or such other corporation could have achieved but for such compliance (taking into account the policies of such Bank or corporation with regard to capital), then the Company shall from time to time, upon demand by such Bank (with a copy of such demand to the Administrative Agent), immediately pay to such Bank additional amounts sufficient to compensate such Bank or other corporation for such reduction. A certificate as to such amounts, setting forth in reasonable detail the basis for such calculations, submitted to the Company and the Administrative Agent by such Bank, shall be conclusive and binding for all purposes, absent manifest error. Each Bank agrees promptly to notify the Company and the Administrative Agent of any circumstances that would cause the Company to pay additional amounts pursuant to this Section 3.7. If any Bank shall have been compensated pursuant to this Section 3.7, the Company shall have the right, upon 30 days prior notice to the Administrative Agent, with the assistance (but not the obligation) of the Administrative Agent, to seek a substitute bank or banks (which may be one or more of the Banks) satisfactory to the Company, the Administrative Agent and the Issuing Bank to assume the Commitment of such Bank and to purchase the Notes of such Bank and all amounts owing to such Bank in respect of Advances and Letters of Credit under this Agreement pursuant to Section 13.9.

3.8 Increased Costs.

(a) If, after the date hereof, by reason of (i) the adoption of any Law by any Governmental Agency, central branch or comparable authority with respect to activities in the Eurodollar Market, or (ii) any change in the interpretation or administration of any existing Law by any Governmental Agency, central bank or comparable authority charged with the interpretation or administration thereof, or (iii) compliance by any Bank or its Eurodollar Lending Office or the Issuing Bank with any request or directive (whether or not having the force of Law) of any such Governmental Agency, central bank or comparable authority,

or (iv) the existence or occurrence of circumstances affecting the Eurodollar Market generally that are beyond the reasonable control of the Banks:

(1)(A) any reserve (including, without limitation, any reserve
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imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirements shall be imposed, modified or deemed applicable against assets of, deposits with or for the account of, or credit extended by, any Bank or its Eurodollar Lending Office or the Issuing Bank; or

(B) any Bank or its Eurodollar Lending Office or the Eurodollar Market or the Issuing Bank shall have imposed on it any other condition affecting any Advance, any of its Notes, its obligation to make Advances or this Agreement, or its obligation to make or maintain Letters of Credit hereunder, or any of the same shall otherwise be adversely affected;

and the result of any of the foregoing, as determined by such Bank, increases the cost to such Bank or its Eurodollar Lending Office of making or maintaining any Advance or in respect of any Advance, any of its Notes or its obligation to make Advances or the issuance of maintenance of any Letter of Credit or reduces the amount of any sum received or receivable by such Bank or its Eurodollar Lending Office with respect to any Advance, any of its Notes or its obligation to make Advances (assuming such Bank's Eurodollar Lending Office had funded 100% of its Eurodollar Rate Advance in the Eurodollar Market) or in respect of Letters of Credit or its participation therein, then, upon demand by such Bank or the Issuing Bank (with a copy to the Administrative Agent), the Company shall pay to such Bank or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Bank or the Issuing Bank, as the case may be, for such increased cost or reduction. A statement of any Bank or the Issuing Bank claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. Each Bank and the Issuing Bank agree to endeavor promptly to notify the Company of any event of which it has actual knowledge (and, in any event, within 90 days from the date on which it obtained such knowledge), occurring after the Closing Date, which will entitle such Bank or the Issuing Bank to compensation pursuant to this Section, and agrees to designate a different Eurodollar Lending Office if such designation will avoid the need for or reduce the amount of such compensation and will not, in the judgment of such Bank or the Issuing Bank, otherwise be disadvantageous to such Bank or the Issuing Bank. If any Bank claims compensation under this Section, the Company may at any time, upon at

least four (4) Banking Days' prior notice to the Administrative Agent and Banks and upon payment in full of the amounts provided for in this Section through the date of such payment plus any fee required by Section 3.8(c), pay in full all Advances or request that all Eurodollar Rate Advances be converted to Base Rate Advances or all Base Rate Advances be converted to Eurodollar Rate Advances. If any Bank shall have been compensated pursuant to this Section 3.8(a), the Company shall have the right, upon 30 days prior notice to the Administrative Agent, with the assistance (but not the obligation) of the Administrative Agent, to seek a substitute bank or banks (which may be one or more of the Banks) satisfactory to the Company, the Administrative Agent and the Issuing Bank to assume the Commitment of such Bank and to purchase the Notes of such Bank and all amounts owing to such Bank in respect of Advances and Letters of Credit under this Agreement pursuant to Section 13.9.

(2) If any Bank shall have reasonably determined that it shall be unlawful for such Bank or its Eurodollar Lending Office to make, maintain or fund its portion of any Eurodollar Rate Loan, or the authority of such Bank to purchase or sell, or to take deposits of, dollars in the Eurodollar Market, or to determine or charge interest rates based upon the Eurodollar Rate has become unlawful, then such Bank shall so notify the Administrative Agent and the other Banks, and such Bank's obligation to make Eurodollar Rate Advances shall be suspended for the duration of such illegality and the Administrative Agent forthwith shall give notice thereof to the Company and such Bank shall make a Base Rate Advance as part of any successive Eurodollar Rate Loan. Upon receipt of such notice, the outstanding principal amount of all Eurodollar Rate Advances made by such Bank, together with accrued interest thereon, automatically shall be converted to Base Rate Advances with Interest Periods corresponding to the Eurodollar Loans of which such Eurodollar Rate Advances were a part on either (A) the last day of the Eurodollar Period(s) applicable to such Eurodollar Rate Advances if the affected Bank may lawfully continue to maintain and fund such Eurodollar Rate Advances to such day(s) or (B) immediately if the affected Bank may not lawfully continue to fund and maintain such Eurodollar Rate Advances to such day(s), provided that in such event the conversion shall not be subject to payment of a fee under Section 3.8(c).

(b) If, with respect to any proposed Eurodollar Rate Loan:

(i) the Reference Banks reasonably determine that, by reason of circumstances affecting the Eurodollar Market generally that are beyond the reasonable control of the Banks, deposits in dollars (in the applicable amounts) are not being offered to

each of the Banks in the Eurodollar Market for the applicable Eurodollar Period; or

(ii) the Reference Banks advise the Administrative Agent that the Eurodollar Rate as determined by the Administrative Agent (1) does not represent the effective pricing to such Banks for deposits in dollars in the Eurodollar Market in the relevant amount for the applicable Eurodollar Period, or (2) will not adequately and fairly reflect the cost to such Banks of making the applicable Eurodollar Rate Advances;

then the Administrative Agent forthwith shall give notice thereof to the Company and the Banks, whereupon until the Administrative Agent notifies the Company that the circumstances giving rise to such suspension no longer exist, the obligation of the Banks to make any future Eurodollar Rate Advances shall be suspended. If at the time of such notice there is then pending a Request for Loan that specifies a Eurodollar Rate Loan, such Request for Loan shall be deemed to specify a Base Rate Loan.

(c) The Company shall compensate each Bank for any loss sustained by that Bank in connection with the liquidation or re-employment of funds, excluding any loss of margin, and, without duplication, all actual out-of-pocket expenses (excluding allocations of any expense internal to such Bank) reasonably attributable thereto that such Bank may sustain: (i) if for any reason (other than a default by that Bank) a borrowing of any Eurodollar Rate Loan does not occur on a date or in the amount specified therefor in a Request for Loan or a telephonic request for loan or a Conversion to or continuation of any Eurodollar Rate Loan does not occur on a date specified therefor in a Notice of Conversion/Continuation or a telephone request for Conversion or continuation; (ii) if any prepayment or other principal payment or any conversion (other than as a result of a conversion required under Section 3.8(a)(2)) of any of its Eurodollar Rate Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan, or (iii) if any prepayment of any of its Eurodollar Rate Loans is not made on any date specified in a notice of prepayment given by the Company. Each Bank's determination of any amount payable under this Section 3.8(c) shall be conclusive in the absence of manifest error. Each Bank shall submit an invoice to the Administrative Agent of the amount payable by the Company under this Section 3.8(c) setting forth in reasonable detail the basis for such amount and the Administrative Agent shall notify the Company of such amount. The Company shall pay such amount to the Administrative Agent for the account of the relevant Bank, and the Administrative Agent shall promptly pay each relevant Bank the portion of the amount owed to it.

(d) Anything in this Agreement to the contrary notwithstanding, to the extent any notice under Section 3.7, 3.8 or 3.12 is given by any Bank more than 180 days after such Bank has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Section 3.7, 3.8 or 3.12, as the case may be, such Bank shall not be entitled to compensation under such Section for any such amounts incurred or accruing prior to the giving of such notice.

3.9 Late Payments. If any installment of principal or interest or any fee or cost or other amount payable (other than those amounts covered under Section 13.3) under any Loan Document to the Administrative Agent, Issuing Bank or any Bank is not paid when due, it shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the sum of the Base Rate plus 2% per annum, to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including, without limitation, interest on past due interest) shall be compounded daily and shall be payable on demand, to the fullest extent permitted by applicable Laws.

3.10 Computation of Interest and Fees. Computation of interest on Base Rate Loans shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. Computation of all fees and interest on Eurodollar Rate Loans and Competitive Advances shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. Any Advance that is repaid on the same day on which it is made shall bear interest for one day.

3.11 Non-Banking Days. If any payment to be made by a Borrower or any other party under any Loan Document shall come due on a day other than a Banking Day, payment shall instead be considered due on the next succeeding Banking Day and the extension of time shall be reflected in computing the amount of such payment.

3.12 Manner and Treatment of Payments.

(a) Each payment hereunder or on the Notes or under any other Loan Document shall be made to the Administrative Agent, at the Administrative Agent's Office, for the account of each of the appropriate Banks or the Issuing Bank, as the case may be, in immediately available funds not later than 2:00 p.m., New York time, on the day of payment (which must be a Banking Day). All payments received after 2:00 p.m., New York time, on any particular Banking Day, shall be deemed received on the next succeeding Banking Day. The amount of all payments received by the Administrative Agent for the account of each Bank or Issuing Bank shall be promptly paid by the Administrative Agent to the applicable Bank or the Issuing Bank, as the case may be, in immediately

available funds. All payments shall be made in lawful money of the United States of America.

(b) Prior to the occurrence of any Event of Default, each payment or prepayment received by the Administrative Agent on account of any Loan or Competitive Advance shall be applied:

(i) To the Notes, pro rata in accordance with the aggregate principal Indebtedness owed to each Bank under the Notes,

(ii) Notwithstanding clause (i) above, any payment by a Borrower which is designated as a prepayment of a Competitive Advance Note shall be applied to such Competitive Advance Note, provided that (A) -------- the consent of the affected Bank to such prepayment has been obtained and (B) the payment of all amounts due with respect to the Loan Documents on the date of such prepayment shall have been provided for to the satisfaction of the Administrative Agent,

(iii) Any mandatory prepayment of Loans shall be applied first to Base Rate Loans to the full extent thereof before application to Eurodollar Rate Loans as determined by Administrative Agent, in each case in a manner which minimizes the amount of any payments required to be made by Company pursuant to Section 3.8(c).

(c) Each Bank shall use its best efforts to keep a record of Advances made by it and payments received by it with respect to its Notes and, subject to Section 10.6(g), such record shall be presumptive evidence of --------------- the amounts owing. Notwithstanding the foregoing sentence, no Bank shall be liable to any party for any failure to keep such a record.

(d) (i) Each payment of any amount payable by any Borrower to or for the account of any Bank under this Agreement or any other Loan Document and by the Company acting in its capacity as guarantor under Article 11 shall be made free and clear of, and without reduction by reason of, any Taxes or Other Taxes. To the extent that a Borrower or the Company acting in its capacity as guarantor under Article 11 is obligated by applicable Laws to make any deduction or withholding on account of Taxes or Other Taxes, from any amount payable to any Bank under this Agreement, such Borrower shall (i) make such deduction or withholding and pay the same to the relevant Governmental Agency and (ii) pay such additional amount as is necessary to result in Bank's receiving, after all required deductions (including deductions applicable to

additional sums payable under this Section 3.12(d)) an amount equal to the amount to which that Bank would have been entitled under this Agreement or other Loan Document absent such deduction.

(ii) If and when receipt of a payment under this Section 3.12(d) results in an excess payment or credit to that Bank on account of the relevant Taxes or Other Taxes, that Bank shall refund such excess to such Borrower.

(iii) Each Bank organized under the laws of a jurisdiction outside the United States, on or prior to the Closing Date in the case of each Bank listed on the signature pages hereof and on or prior to the date on which it becomes a Bank in the case of each other Bank, but in no event less than ten (10) Banking Days prior to the next succeeding Interest Payment Date, and from time to time thereafter if requested in writing by any Borrower, shall provide any Borrower and the Administrative Agent with Internal Revenue Service Form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Bank is entitled to benefits under an income tax treaty to which the United States is a party which exempts the Bank from withholding tax or reduces the rate of withholding tax in payments of interest for the account of such Bank or certifying that the income receivable pursuant to this Agreement and the other Loan Documents is effectively connected with the conduct of a trade or business in the United States; provided, however that
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should a Bank, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, each Borrower shall take such steps as such Bank shall reasonably request to assist such Bank to recover such Taxes.

(iv) For any period with respect to which a Bank has failed to provide the Borrower or the Administrative Agent with the appropriate form pursuant to Section 3.12(d)(iii) (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided), such Bank shall not be entitled to indemnification under Section 3.12(d)(i) with respect to Taxes imposed by the United States.

(v) If a Borrower or the Company acting in its capacity as guarantor under Article 11 is required to pay additional amounts to or for the account of any Bank pursuant to this Section 3.12, then such Bank will change the jurisdiction of its applicable lending

office if, in the judgment of such Bank, such change (i) will eliminate or reduce any such additional payment that may thereafter accrue and (ii) is not otherwise disadvantageous to such Bank.

3.13 Funding Sources. Nothing in this Agreement shall be deemed to obligate any Bank to obtain the funds for any Loan or Advance in any particular place or manner or to constitute a representation by any Bank that it has obtained or will obtain the funds for any Loan or Advance in any particular place or manner. Each of the Borrowers agree that, for purposes of any determination to be made under Section 3.8 or the definition of Eurodollar Reserve Percentage, each Bank shall be deemed to have funded its Eurodollar Rate Advances with dollar deposits in the London interbank market.

3.14 Failure to Charge Not Subsequent Waiver. Any decision by any Bank not to require payment of any interest (including interest arising under Section 3.9), fee, cost or other amount payable under any Loan Document, or to calculate any amount payable by a particular method, on any occasion shall in no way limit or be deemed a waiver of such Bank's right to require full payment of any interest (including interest arising under Section 3.9), fee, cost or other amount payable under any Loan Document, or to calculate an amount payable by another method, on any other or subsequent occasion.

3.15 Administrative Agent's Right to Assume Payments Will be Made by Borrower. Unless the Administrative Agent shall have been notified by a Borrower prior to the date on which any payment to be made by that Borrower hereunder is due that such Borrower does not intend to remit such payment, the Administrative Agent may, in its discretion, assume that such Borrower has remitted such payment when so due and the Administrative Agent may, in its discretion and in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If a Borrower has not in fact remitted such payment to the Administrative Agent, each Bank shall forthwith on demand repay to the Administrative Agent the amount of such assumed payment made available to such Bank, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Bank to the date such amount is repaid to the Administrative Agent at a rate per annum equal to the actual cost to the Administrative Agent of funding such amount as notified by the Administrative Agent to such Bank.

3.16 Fee Determination Detail. The Administrative Agent, the Issuing Bank and any Bank, shall provide reasonable detail to the Company regarding the manner in which the amount of any payment to the Banks, or that Bank, under Article 3 has been determined.

3.17 Survivability. All of the Company's obligations under Sections 3.7 and 3.8 shall survive for thirty (30) days following the termination of this Agreement; provided, however, that such obligations shall not, from and after the termination of this Agreement, be deemed Obligations for any purpose under the Loan Documents.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Banks and each other Borrower represents and warrants to the Banks (with respect to itself only) that:

4.1 Existence and Qualification; Power; Compliance With Laws. Each of such Borrower and its Subsidiaries is a corporation duly formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Each of such Borrower and its Subsidiaries is duly qualified to transact business, and is in good standing, in any jurisdiction in which the conduct of its business or the ownership or leasing of its Properties makes such qualification or registration necessary, except where the failure so to qualify or register and to be in good standing would not constitute a Material Adverse Effect. Each of such Borrower and its Subsidiaries has all requisite corporate power and authority to conduct its business and to own and lease its Properties. Each Borrower has all requisite corporate power and authority to execute and deliver each Loan Document to which it is a party and to perform its Obligations. All outstanding shares of capital stock of each Borrower are duly authorized, validly issued, fully paid, nonassessable and issued in compliance with all applicable state and federal securities and other Laws. Each of such Borrower and its Subsidiaries has obtained all authorizations, consents, approvals, orders, licenses and permits from, and has accomplished all filings, registrations and qualifications with, or obtained exemptions from any of the foregoing from, any Governmental Agency that are necessary for the transaction of its business, except where the failure so to comply, file, register, qualify or obtain exemptions does not constitute a Material Adverse Effect.

4.2 Authority; Compliance With Other Agreements and Instruments and Government Regulations. The execution, delivery and performance of the Loan Documents by such Borrower have been duly authorized by all necessary corporate action, and do not:

(a) Require any consent or approval not heretofore obtained of any partner, director, stockholder, security holder or creditor of such Borrower;

(b) Result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or leased or hereafter acquired by such Borrower;

(c) Violate, to the best knowledge of such Borrower, any Requirement of Law applicable to such Borrower;

(d) Result (or, with the giving of notice or passage of time or both, would result) in a breach of or default under, or cause or permit the acceleration of any obligation owed under any Contractual Obligation to which such Borrower is a party or by which such Borrower or any of its Property is bound or affected;

except where failure to receive such consent or approval or creation of such Lien or violation of, or default under, any such Requirement of Law or Contractual Obligation would not constitute a Material Adverse Effect.

4.3 No Governmental Approvals Required. Subject to the representations of the Banks contained in Section 13.9, no authorization, consent, approval, order, license or permit from, or filing, registration or qualification with, any Governmental Agency is required to authorize or permit under applicable Laws the execution, delivery and performance of the Loan Documents by such Borrower.

4.4 Subsidiaries. Schedule 4.4 hereto correctly sets forth as of the Closing Date (i) the names, the form of legal entity, number of shares of capital stock issued and outstanding, jurisdictions of organization and chief executive offices of all Subsidiaries of such Borrower and (ii) the names, the form of legal entity, equity percentage ownership, and jurisdictions of organization of each partnership and joint venture that is excluded from the definition of the term "Subsidiary" but as to which the Company or a Subsidiary owns 50% or more of the ownership interests.

4.5 Financial Statements. The Company has furnished to the Banks the audited consolidated financial statements of the Company and its Consolidated Subsidiaries as at December 31, 1997 and for the twelve months then ended and unaudited consolidated financial statements of the Company and its Subsidiaries as at March 31, 1998 and for the three months then ended. Such financial statements fairly present the financial condition and the results of operations of the Company and its Subsidiaries as at such dates and for such periods in accordance with Generally Accepted Accounting Principles.

4.6 No Other Liabilities; No Material Adverse Effect. As of the Closing Date, the Company and its Consolidated Subsidiaries do not have any material liability or material contingent liability not reflected or disclosed in the balance sheet or notes thereto described in Section 4.5, other than liabilities and contingent liabilities arising in the ordinary course of business subsequent to December 31, 1997. There has been no event or circumstance that constitutes a Material Adverse

Effect with respect to the Company and its Subsidiaries since December 31, 1997.

4.7 Governmental Regulation. No Borrower is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, the Investment Company Act of 1940 or to any other Law limiting or regulating its ability to incur Indebtedness for money borrowed.

4.8 Litigation. Except for (a) any matter fully covered (subject to applicable deductibles and retentions) by insurance for which the insurance carrier has assumed full responsibility, (b) matters described in public documents filed with Governmental Agencies and delivered to the Banks prior to the Closing Date, and (c) matters disclosed on Schedule 4.8 hereto, there are no actions, suits, proceedings or investigations pending as to which the Company or any of its Subsidiaries have been served or have received notice or, to the best knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries or any Property of any of them before any Governmental Agency which could reasonably be expected to constitute a Material Adverse Effect.

4.9 Binding Obligations. Each of the Loan Documents will, when executed and delivered by such Borrower, constitute the legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforcement may be limited by Debtor Relief Laws or equitable principles relating to the granting of specific performance and other equitable remedies as a matter of judicial discretion.

4.10 No Default. No event has occurred and is continuing that is a Default or Event of Default.

4.11 Employee Benefit Plans.

(a) The Company and each of its ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, except where the failure to be in such compliance or to perform such obligation would not constitute a Material Adverse Effect.

(b) No ERISA Event that would constitute a Material Adverse Effect has occurred or is reasonably expected to occur.

(c) Except to the extent required under Section 4980B of the Code, no Employee Benefit Plan maintained by the Company or any of its Current ERISA Affiliates provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employees of the Company or any of its Current ERISA Affiliates.

(d) As of the most recent valuation date for any Pension Plan with respect to which the Company or a Subsidiary has any financial liability (including potential joint and several liability) in the event any such Pension Plan were to terminate, the amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities), does not exceed $30,000,000.

4.12 Regulation U. No part of the proceeds of any Advance hereunder will be used to purchase or carry, or to extend credit to others for the purpose of purchasing or carrying, any "margin stock" (as such term is defined in Regulation U) in violation of Regulation U. Neither the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any such "margin stock."

4.13 Disclosure. All written information heretofore supplied by the Company to the Administrative Agent for the purposes of this Agreement is true and accurate in all material respects on the date as of which such information is stated. The Company has disclosed to the Administrative Agent all facts which materially and adversely may, in the good faith opinion of the Company, affect (to the extent the Company can reasonably foresee) the financial condition of the Company and its Subsidiaries, taken as a whole, or the ability of the Company to perform its obligations under this Agreement.

4.14 Tax Liability. Each of the Company and its Subsidiaries has filed or caused to be filed all tax returns which are required to have been filed by it, and has paid or caused to be paid, or made provision for the payment of, all taxes with respect to the periods, Property or transactions covered by said returns, or pursuant to any assessment received by the Company or any of its Subsidiaries, except (a) taxes for which the Company has been fully indemnified, (b) such taxes, if any, as are being contested in good faith by appropriate proceedings and as to which adequate reserves have been established and maintained and (c) where the failure to so file or pay would be immaterial to the financial condition, business or prospects of the Company.

4.15 Environmental Matters. As of the Closing Date, except as set forth in the Company's annual report on Form 10-K for the year ended December 31, 1997 to the Securities and Exchange Commission, or as disclosed in Schedule 4.15 annexed hereto, (a) the Company and each Subsidiary have complied with all Environmental Laws, except to the extent that the failure to so comply would not be reasonably likely to result in a Material Adverse Effect, (b) the Company's and its Subsidiaries' facilities do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances or toxic

pollutants in any manner that would result in a violation of any Environmental Law, except for violations that would not be reasonably likely to result in a Material Adverse Effect and (c) the Company is aware of no events, conditions or circumstances involving environmental pollution or contamination or public or employee health or safety, in each case applicable to it or its Subsidiaries, that has resulted or would be reasonably likely to result in a Material Adverse Effect.

ARTICLE 5
AFFIRMATIVE COVENANTS
(OTHER THAN INFORMATION AND REPORTING REQUIREMENTS)

So long as any Advance remains unpaid, or any other Obligation remains unpaid or unperformed, or any portion of the Commitment remains in force, each Borrower shall, and shall cause each of its Subsidiaries to, unless the Administrative Agent (acting on the direction of the Majority Banks) otherwise consents in writing:

5.1 Payment of Taxes and Other Potential Liens. Pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon any of them, upon their respective Property or any part thereof, or upon their respective income or profits or any part thereof, except that the Company and its Subsidiaries shall not be required to pay or cause to be paid any tax, assessment, charge or levy that is not yet past due, or is being contested in good faith by appropriate proceedings, so long as the relevant entity has established and maintains adequate reserves for the payment of the same and by reason of such nonpayment and contest no material item or portion of Property of the Company and its Subsidiaries, taken as a whole, is in jeopardy of being seized, levied upon or forfeited.

5.2 Preservation of Existence. Preserve and maintain their respective existences in the jurisdiction of their formation and all authorizations, rights, franchises, privileges, consents, approvals, orders, licenses, permits, or registrations from any Governmental Agency that are necessary for the transaction of their respective business, and qualify and remain qualified to transact business in each jurisdiction in which such qualification is necessary in view of their respective business or the ownership or leasing of their respective Properties except where the failure to maintain such preservation or maintenance of existence, authorizations, rights, franchises, privileges, consents, approvals, orders, licenses, permits or registration or to do so qualify would not constitute a Material Adverse Effect and; provided that a merger permitted under Section 6.2 shall not constitute a violation of this covenant. Nothing herein contained shall prevent the termination of the business or corporate existence of any Subsidiary (other than a Borrower) that, in the judgment of the Company, is no longer necessary or

desirable, as long as immediately after giving effect to any such transaction, no Default shall have occurred and be continuing.

5.3 Maintenance of Properties. Maintain, preserve and protect all of their respective depreciable Properties in good order and condition, subject to wear and tear in the ordinary course of business, and not permit any waste of their respective Properties, except that any failure to so maintain, preserve or protect such Properties that does not constitute a Material Adverse Effect shall not constitute a violation of this covenant.

5.4 Maintenance of Insurance. Maintain liability, casualty and other insurance (subject to customary deductibles and retentions), with responsible insurance companies in such amounts and against such risks as is carried by responsible companies engaged in similar businesses and owning similar assets in the general areas in which the Company and its Subsidiaries operate; provided that, notwithstanding the foregoing, the Company may self-insure for earthquake risk.

5.5 Compliance With Laws. Comply with all Requirements of Law noncompliance with which constitutes a Material Adverse Effect, except that the Company and its Subsidiaries need not comply with a Requirement of Law then being contested by any of them in good faith by appropriate proceedings.

5.6 Visitation. Upon reasonable notice permit the Administrative Agent or representatives of any Bank at the Administrative Agent's or such Bank's expense to visit any of its major properties and to discuss its affairs and finances with its officers and independent public accountants, all at such reasonable times and as often as may reasonably be requested.

5.7 Keeping of Records and Books of Account. Keep adequate records and books of account reflecting all financial transactions in conformity with Generally Accepted Accounting Principles, and in material conformity with all applicable requirements of any Governmental Agency having regulatory jurisdiction over the Company or any of its Subsidiaries.

5.8 Use of Proceeds. Use the proceeds of Advances only for general corporate purposes of the Borrowers; provided that proceeds of Advances shall not be used for any Hostile Acquisition. Use the Letters of Credit only for trade, commercial and standby letters of credit in the ordinary course of business.

ARTICLE 6
NEGATIVE COVENANTS

So long as any Advance remains unpaid, or any other Obligation remains unpaid or unperformed, or any portion of the

Commitment remains in force, the Company shall not, and shall not permit any of its Subsidiaries to, unless the Administrative Agent (acting on the direction of the Majority Banks) otherwise consents in writing:

6.1 Change in Nature of Business. Make any material change in the nature of the business of the Company and its Subsidiaries, taken as a whole, as at present conducted.

6.2 Mergers. Merge, consolidate or amalgamate with or into any Person, or convey substantially all of its Properties and assets to another Person, unless each of the following conditions are met:

(a) no Default or Event of Default exists or would exist immediately following the consummation of such merger, consolidation, amalgamation or conveyance;

(b) in a merger, consolidation or amalgamation of the Company with another Person or Persons, the Company is the surviving entity;

(c) in the case of a conveyance of Properties and assets, the Properties and assets conveyed do not consist of substantially all of the Properties and assets of the Company and its Subsidiaries taken as a whole; and

(d) the Company and any Borrowers surviving the merger, consolidation or amalgamation continue in compliance with all the terms and conditions set forth in this Agreement.

6.3 Acquisitions of Securities of the Company. Make any Investment in or acquisition of Securities of the Company so long as an Event of Default is continuing other than repurchases of Securities of the Company from terminated employees or consultants.

6.4 Distributions. Make any Distribution, whether from capital, income or otherwise, and whether in Cash or other Property, except:

(a) Distributions by Subsidiaries of the Company to the Company or to a wholly owned Subsidiary of the Company;

(b) repurchases of Securities of the Company from terminated employees or consultants; and

(c) any other Distribution if, after the making of such Distribution, there shall not exist an Event of Default or a breach by any Borrower of any covenant contained in Article 6.

6.5 Liens; Negative Pledges; Sales and Leasebacks. Create, incur, assume or suffer to exist any Lien of any nature upon or with respect to any of their respective Properties, whether now owned or hereafter acquired, or engage in any sale and leaseback transaction with respect to its Property, except:

(a) Permitted Encumbrances;

(b) Liens in favor of the Administrative Agent or the Banks under the Loan Documents;

(c) Liens existing on the date hereof and listed on Schedule 6.5 and Liens on the same Property which secure Indebtedness which replaces or refinances the Indebtedness originally secured by those Liens; provided that the obligations secured thereby are not increased;

(d) pre-existing Liens on assets acquired by the Company or any of its Subsidiaries after the Closing Date; and

(e) Liens securing Indebtedness or obligations (including sale and leaseback transactions to which the Company or any Subsidiary is a party as vendor and lessee) incurred after the date hereof the outstanding amount of which Indebtedness or obligation does not in the aggregate exceed 35% of consolidated total assets of the Company (measured as of the last day of the most recently ended Fiscal Quarter).

6.6 Transactions with Affiliates. Enter into any transaction of any kind which is material to the Company and its Subsidiaries taken as a whole with any Affiliate of the Company other than (a) transactions between or among the Company and its Subsidiaries or between or among its Subsidiaries, (b) transactions on terms at least as favorable to the Company or its Subsidiaries as would be the case in an arm's-length transaction between unrelated parties of equal bargaining power, and (c) transactions approved by a majority of the disinterested members of the Board of Directors of Company or the applicable Subsidiary.

6.7 Interest Charge Coverage Ratio. Permit the Interest Charge Coverage Ratio, as of the last day of each Fiscal Quarter, to be less than 3.00 to 1.00.

6.8 Tangible Net Worth. Permit Tangible Net Worth, as of the last day of each Fiscal Quarter, to be less than $1,500,000,000 plus the sum of the following amounts calculated separately for each Fiscal Quarter in the Calculation Period and aggregated for all Fiscal Quarters in the Calculation Period: (a) 25% of the net cash proceeds of any issuance by the Company of equity securities during each such Fiscal Quarter plus (b) 25% of Net Income (but not less than $0) for each such Fiscal Quarter

minus (c) 25% of any funds used by the Company to repurchase the Company's equity securities during each such Fiscal Quarter. The term "Calculation Period" means the period commencing January 1, 1998 and ending as of the last day of the Fiscal Quarter for which the calculation is being made.

ARTICLE 7
INFORMATION AND REPORTING REQUIREMENTS

7.1 Financial and Business Information. So long as any Advance remains unpaid, or any other Obligation remains unpaid or unperformed, or any portion of the Commitment remains in force, the Company shall, unless the Administrative Agent (with the approval of the Majority Banks) otherwise consents in writing, deliver to the Banks and the Administrative Agent, at the Company's sole expense:

(a) As soon as practicable, and in any event within 45 days after the end of each Fiscal Quarter (other than the fourth Fiscal Quarter in any Fiscal Year), (i) the consolidated balance sheets of the Company and its Subsidiaries as at the end of such Fiscal Quarter, (ii) consolidated statements of income and (iii) consolidated statements of cash flow, in each case described in clauses (ii) and (iii) of the Company and its Subsidiaries for such Fiscal Quarter and for the portion of the Fiscal Year ended with such Fiscal Quarter, all in reasonable detail. Such financial statements shall be certified by a Senior Officer of the Company as fairly presenting the financial condition, results of operations and changes in financial position of the Company and its Subsidiaries in accordance with Generally Accepted Accounting Principles (other than any requirement for footnote disclosures), as at such date and for such periods, subject only to normal year-end accruals and audit adjustments;

(b) As soon as practicable, and in any event within 90 days after the end of each Fiscal Year, (i) the consolidated balance sheets of the Company and its Subsidiaries as at the end of such Fiscal Year, (ii) consolidated statements of income of the Company and its Subsidiaries for such Fiscal Year and (iii) consolidated statements of cash flow of the Company and its Subsidiaries for such Fiscal Year, all in reasonable detail. Such financial statements shall be prepared in accordance with Generally Accepted Accounting Principles, and such consolidated balance sheet and consolidated statements shall be accompanied by a report and opinion of Ernst & Young or other independent public accountants of recognized national standing selected by the Company, which report and opinion shall be prepared in accordance with generally accepted auditing standards as at such date;

(c) Promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the shareholders of the Company, and copies of all annual, regular, periodic and special reports and registration statements which the Company or a Subsidiary of the Company may file or be required to file under Sections 13 or 15(d) of the Securities Exchange Act of 1934;

(d) As soon as practicable, and in any event within five (5) Banking Days after a Senior Officer of the Company obtains actual knowledge of the existence of any condition or event which constitutes a Default or Event of Default, written notice specifying the nature and period of existence thereof and specifying what action the Company or any of its Subsidiaries is taking or proposes to take with respect thereto;

(e) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event defined in clauses (i) through (vii) or (xi) of the definition thereof involving Title IV or ERISA that could reasonably be expected to result in material liability to the Company or its Subsidiaries or any ERISA Event that could reasonably be expected to result in a Material Adverse Effect, a written notice specifying the nature thereof, what action the Company or any of its ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto;

(f) With reasonable promptness, copies of (a) each Schedule B (Actuarial Information) to the annual report, if any (Form 5500 Series), filed by the Company or any of its Current ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (b) all notices received by the Company or any of its Current ERISA Affiliates from the sponsor of a Multiemployer Plan to which a Current ERISA Affiliate contributes concerning an ERISA Event defined in clauses (i) through (vii) or (xi) of the definition thereof; and (c) such other documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request; and

(g) Such other material information directly related to any Borrower's ability to meet its Obligations hereunder as from time to time may be reasonably requested by the Administrative Agent or the Majority Banks.

7.2 Compliance Certificates. So long as any Advance remains unpaid, or any other Obligation remains unpaid or unperformed, or any portion of the Commitment remains outstanding, the Company shall, unless the Majority Banks

otherwise consent, deliver to the Administrative Agent, at the Company's sole expense, concurrently with the financial statements required pursuant to Sections 7.1(a) and 7.1(b), a Compliance Certificate signed by a Senior Officer of the Company, including calculations as set forth therein.

ARTICLE 8
CONDITIONS

8.1 Conditions to Effectiveness. The Credit Agreement and the Commitments of the Banks hereunder shall be effective on the date on which each of the following conditions precedent, (unless the Administrative Agent, acting at the direction of the Majority Banks, otherwise consents in writing) shall have been satisfied:

(a) The Administrative Agent shall have received all of the following, each of which shall be originals unless otherwise specified, each in form and substance satisfactory to the Administrative Agent, the Issuing Bank and the Banks:

(1) executed counterparts of this Agreement, sufficient in number for distribution to the Banks and the Borrowers;

(2) the Committed Advance Notes dated the Closing Date and executed by each Borrower in favor of each Bank, each in a principal amount equal to that Bank's Pro Rata Share of the Commitment;

(3) the Competitive Advance Notes dated the Closing Date and executed by each Borrower in favor of each Bank, each in the principal amount of $150,000,000;

(4) A certified copy of the Certificate of Incorporation of each Borrower, together with a good standing certificate from the Secretary of State of the State of incorporation of each Borrower and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar taxes from the appropriate taxing authority of each of such states, each dated a recent date prior to the Closing Date;

(5) Copies of each Borrower's Bylaws, certified as of the Closing Date by the corporate secretary or an assistant secretary of each such Borrower;

(6) Resolutions of the Board of Directors of each Borrower approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which each such Borrower is a

party, certified as of the Closing Date by the corporate secretary or an assistant secretary of each such Borrower as being in full force and effect without modification or amendment;

(7) Signature and incumbency certificates of the officers of each Borrower executing this Agreement and the other Loan Documents;

(8) the favorable written opinion of George A. Vandeman, Esq., General Counsel to the Company, substantially in the form of Exhibit G-1, together with copies of any officer's certificate or opinion of another counsel or law firm specifically identified and expressly relied upon by such counsel in its opinion;

(9) the favorable written opinion of O'Melveny & Myers LLP, counsel to the Administrative Agent, substantially in the form of Exhibit G-2;

(10) a Certificate of a Senior Officer of the Company certifying that the conditions specified in Sections 8.1(b), 8.1(c), and 8.1(d) have been satisfied; and

(11) such other assurances, certificates, documents, consents or opinions as the Administrative Agent reasonably may require.

(b) The representations and warranties of the Borrowers contained in Article 4 shall be true and correct.

(c) Each Borrower shall be in compliance with all the terms and provisions of the Loan Documents.

(d) The Company shall have repaid in full the indebtedness to the lenders under the Existing Loan Documents, as well as all interest, costs, fees and expenses associated therewith, and the commitment to lend under the Existing Loan Documents shall have been terminated.

(e) The Company shall have paid to the Arranger and the Administrative Agent the fees payable on the date of this Agreement referred to in Section 3.3.

8.2 Any Advance and Any Letter of Credit. The obligation of each Bank to make any Competitive Advance (including the initial Advance), after acceptance of a Competitive Bid of such Bank in accordance with Section 2.4, or to make any Committed Advance, and the obligation of the Issuing Bank to issue any Letter of Credit (including the initial Letter of Credit), is subject to the following conditions precedent (unless the Administrative Agent, acting at the direction of the Majority Banks, otherwise consents in writing):

(a) except as disclosed by the Company and approved in writing by the Administrative Agent, acting at the direction of the Majority Banks, the representations and warranties contained in Article 4, other than Sections 4.4 and 4.8, and the first sentence of Section 4.6, shall be true and correct in all material respects on and as of the date of the Advance or the issuance of the Letter of Credit, as the case may be, as though made on that date (except to the extent such representations and warranties specifically relate to an earlier date in which case they shall be true and correct in all material respects as of such earlier date);

(b) except for (a) any matter fully covered (subject to applicable deductibles and retentions) by insurance for which the insurance carrier has assumed full responsibility, and (b) matters described in clauses (b) or (c) of Section 4.8 on the Closing Date, there shall be no actions, suits, proceedings or investigations pending as to which the Company or any of its Subsidiaries have been served or have received notice or, to the best knowledge of the Company, threatened against the Company or any of its Subsidiaries or any Property of any of them before any Governmental Agency which could reasonably be expected to constitute a Material Adverse Effect; and

(c) the Administrative Agent shall have timely received a Request for Loan in compliance with Article 2 (or telephonic request for loan referred to in the second sentence of Section 2.1(b), if applicable) or Request for Letter of Credit in compliance with Article 2, if applicable.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES UPON EVENT OF DEFAULT

9.1 Events of Default. The existence or occurrence of any one or more of the following events, whatever the reason therefor and under any circumstances whatsoever, shall constitute an "Event of Default":

(a) Any Borrower fails to pay any principal on any of the Notes, or any portion thereof, on the date when due; or

(b) Any Borrower (i) fails to pay any interest on any of the Notes, or any portion thereof, or (ii) fails to pay any other fee or amount payable to the Administrative Agent, the Banks or the Issuing Bank under any Loan Document, or any portion thereof, in each case within five (5) Banking Days after demand therefor; or

(c) Any failure to comply with Section 7.1(d) that is materially adverse to the interests of the Administrative Agent or the Banks; or

(d) Any Borrower fails to perform or observe any other covenant or agreement contained in any Loan Document on its part to be performed or observed within thirty (30) days after the giving of notice by the Administrative Agent or the Majority Banks of such Default; provided, however, that any failure to observe any of the covenants contained in Sections 6.2 and 6.4, shall constitute an immediate Event of Default hereunder; provided, further, that any failure to observe any of the covenants contained in Section 6.5 shall constitute an Event of Default upon notice from the Administrative Agent (acting on the direction of the Majority Banks) to the Company; and provided further that any failure to observe any of the covenants contained in Sections 6.7 and 6.8 shall constitute an Event of Default five (5) Banking Days after knowledge by the Company of such Default (other than as a result of the giving of notice by the Administrative Agent or the Majority Banks as hereinafter provided) or, if earlier, the giving of notice by the Administrative Agent or the Majority Banks of such Default; or

(e) Any representation or warranty made in this Agreement, any Notes, any Request for Loan, any Agreement to Participate, any Request for Letter of Credit or any Competitive Bid Request was, based on the facts and circumstances reasonably known to the Borrower at the time such representation and warranty was made, incorrect when made or reaffirmed in any respect that is materially adverse to the interests of the Banks; or

(f) The Company or any of its Subsidiaries (i) fails to pay the principal, or any principal installment, or any interest or fees or any other amount of any present or future indebtedness (other than under the Notes) for borrowed money in an amount in excess of the Cross-Default Amount, or any guaranty of present or future indebtedness for borrowed money in an aggregate amount in excess of the Cross-Default Amount, on its part to be paid, when due (or within any stated grace period), whether at the stated maturity, upon acceleration, by reason of required prepayment or otherwise or (ii) fails to perform or observe any other material term, covenant or agreement on its part to be performed or observed, or suffers any event to occur, and such failure or event continues after the applicable grace period, if any, and is not waived, in connection with any present or future indebtedness for borrowed money in an amount in excess of the Cross-Default Amount, or of any guaranty of present or future indebtedness for borrowed money in excess of the Cross-Default Amount, if as a result of such failure or sufferance any holder or holders thereof (or an agent or trustee on its or their behalf) has the right to declare such indebtedness due before the date on which it otherwise would become due; or

(g) Any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of the Banks or satisfaction in full of all the Obligations, ceases to be in full force and effect or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any respect which, in any such event in the reasonable opinion of the Majority Banks, is materially adverse to the interests of the Banks; or any Borrower denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind same; or

(h) A judgment against the Company or any of its Subsidiaries is entered for the payment of money in excess of $50,000,000 and, absent procurement of a stay of execution, such judgment remains unstayed, unbonded or unsatisfied for sixty (60) calendar days after the date of entry of judgment; or

(i) The Company, any Borrower or any other Subsidiary of the Company the Shareholder's Equity of which, as shown on the most recent consolidated balance sheet, equals or exceeds 10% of the Shareholder's Equity of the Company and its Consolidated Subsidiaries as shown on such consolidated balance sheet, institutes or consents to any proceeding under a Debtor Relief Law relating to it or to all or any part of its Property, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any part of its Property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of that Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under a Debtor Relief Law relating to any such Person or to all or any part of its Property is instituted without the consent of that Person and continues undismissed or unstayed for sixty (60) calendar days; or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against all or any material part of the Property of any such Person and is not released, vacated or fully bonded within sixty (60) calendar days after its issue or levy; or any order for relief shall be entered in respect of the Company or any Borrower or any such Subsidiary; or

(j) (i) Any Person or two or more Persons acting in concert shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) directly or indirectly, of securities of the Company (or other securities convertible into such securities)

representing 30% or more of the combined voting power of all securities of the Company entitled to vote in the election of directors, other than securities having such power only by reason of the happening of a contingency; or (ii) during any period of up to 12 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 12-month period were directors of the Company, or whose nomination for election to the Board of Directors of the Company was recommended or approved by a vote of at least a majority of the directors then still in office who were directors of the Company on the first day of such period, shall cease for any reason to constitute a majority of the Board of Directors of the Company; (iii) or any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement which upon consummation will result in its or their acquisition of, control over securities of the Company (or other securities convertible into such securities) representing 30% or more of the combined voting power of all securities of the Company entitled to vote in the election of directors, other than securities having such power only by reason of the happening of a contingency; provided, however, that there shall not be an Event of Default pursuant to subsections (i) or (iii) above with respect to any Persons who on the date hereof meet the requirements set forth in said subsections (i) or (iii); or

(k) there shall occur one or more ERISA Events which individually or in the aggregate results in or might reasonably be expected to result in liability of the Company, a Subsidiary or any of their Current ERISA Affiliates in excess of $50,000,000 during the term of this Agreement; or there shall exist an amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans with respect to which the Company or a Subsidiary has any financial liability, including potential joint and several liability in the event any such Pension Plan were to terminate (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities), which exceeds $50,000,000.

9.2 Remedies Upon Event of Default. Without limiting any other rights or remedies of the Administrative Agent, the Issuing Bank or the Banks provided for elsewhere in this Agreement, or the Loan Documents, or by applicable Law, or in equity, or otherwise:

(a) Upon the occurrence, and during the continuance, of any Event of Default other than an Event of Default described in Section 9.1(i):

(1) the commitment to make Advances, issue Letters of Credit and all other obligations of the Administrative Agent, the Banks or the Issuing Bank and all rights of the Borrowers and any other Parties under the Loan Documents shall be suspended without notice to or demand upon any Borrower, which are expressly waived by the Borrowers, except that the Majority Banks (or all of the Banks, in the case of an Event of Default described in Sections 9.1(a) or 9.1(b)) may waive the Event of Default or, without waiving, determine, upon terms and conditions satisfactory to the Majority Banks (or all of the Banks, as the case may be), to reinstate the Commitment and make further Advances and issue additional Letters of Credit, which waiver or determination shall apply equally to, and shall be binding upon, all the Banks and the Issuing Bank; and

(2) the Majority Banks may request the Issuing Bank to, and the Issuing Bank thereupon shall, demand immediate deposit by the Borrowers into an account designated by the applicable Issuing Bank of Cash in an amount equal to the aggregate effective face amount of all outstanding Letters of Credit issued by it; and

(3) the Majority Banks may request the Administrative Agent to, and the Administrative Agent thereupon shall, terminate the Commitment and declare all or any part of the unpaid principal of all Notes, all interest accrued and unpaid thereon and all other amounts payable under the Loan Documents to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are expressly waived by the Borrowers.

(b) Upon the occurrence of any Event of Default described in Section 9.1(i):

(1) the commitment to make Advances, issue Letters of Credit and all other obligations of the Administrative Agent or the Banks and all rights of the Borrowers and any other Parties under the Loan Documents shall terminate without notice to or demand upon any Borrower, which are expressly waived by the Borrowers; and

(2) an amount equal to the aggregate effective face amount of all outstanding Letters of Credit shall be forthwith due and payable to the Issuing Bank, without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are waived by the Borrowers; and

(3) the unpaid principal of all Notes, all interest accrued and unpaid thereon and all other amounts payable under the Loan Documents shall be forthwith due and payable, without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are expressly waived by the Borrowers.

(c) Upon the occurrence of any Event of Default, the Banks and the Administrative Agent, or any of them, without notice to or demand upon any Borrower, which are expressly waived by the Borrowers, may proceed to protect, exercise and enforce their rights and remedies under the Loan Documents against the Borrowers and any other party and such other rights and remedies as are provided by Law or equity.

(d) The order and manner in which the Banks' rights and remedies are to be exercised shall be determined by the Majority Banks in their sole discretion, and all payments received by the Administrative Agent and the Banks, or any of them, shall be applied first to the costs and expenses (including attorneys' fees and disbursements) of the Administrative Agent, acting as Administrative Agent, and of the Banks, and thereafter paid pro rata to the Banks in the same proportions that the aggregate Obligations owed to each Bank under the Loan Documents bear to the aggregate Obligations owed under the Loan Documents to all the Banks, without priority or preference among the Banks. Regardless of how each Bank may treat payments for the purpose of its own accounting, for the purpose of computing the Borrowers' Obligations hereunder and under the Notes, payments shall be applied first, to the costs and expenses of the
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Administrative Agent, acting as Administrative Agent, and the Banks, as set forth above, second, to the payment of accrued and unpaid interest due
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under any Loan Documents to and including the date of such application (ratably, and without duplication, according to the accrued and unpaid interest due under each of the Loan Documents), and third, to the payment
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of all other amounts (including principal and fees) then owing to the Administrative Agent or the Banks under the Loan Documents. No application of payments will cure any Event of Default, or prevent acceleration, or continued acceleration, of amounts payable under the Loan Documents, or prevent the exercise, or continued exercise, of rights or remedies of the Banks hereunder or thereunder or at law or in equity.

(e) Upon the occurrence of an Event of Default resulting from or resulting in the default by the Company in the repayment of its Eurodollar Rate Loans when required by the terms of this Agreement, the Company shall compensate each Bank in accordance with Section 3.8(c).

ARTICLE 10
THE ADMINISTRATIVE AGENT

10.1 Appointment and Authorization. Each Bank and the Issuing Bank hereby irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof or are reasonably incidental, as determined by it, thereto. This appointment and authorization is intended solely for the purpose of facilitating the servicing of the Advances and does not constitute appointment of the Administrative Agent as trustee for any Bank or the Issuing Bank or as representative of any Bank or the Issuing Bank for any other purpose and, except as specifically set forth in the Loan Documents to the contrary, the Administrative Agent shall take such action and exercise such powers only in an administrative and ministerial capacity. The Administrative Agent is the agent of the Banks and the Issuing Bank only and does not assume any agency relationship with any Borrower, express or implied.

10.2 Administrative Agent and Affiliates. The Administrative Agent and its Affiliates (and each successor Administrative Agent) have the same rights and powers under the Loan Documents as any other Bank and may exercise the same as though it were not the Administrative Agent to the extent either the Administrative Agent or an Affiliate has executed this Agreement as a Bank or has executed an Assignment Agreement as Assignee. The Administrative Agent and its Affiliates (and each successor Administrative Agent) may accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with any Borrower, any subsidiary thereof, or any Affiliate of the Company or any Subsidiary thereof, without any duty to account therefor to the Banks. CUSA (and each successor Administrative Agent) need not account to any Bank for any monies received by it for reimbursement of its costs and expenses as Administrative Agent hereunder, or for any monies received by it or any Affiliate in its capacity as a Bank hereunder. The Administrative Agent shall not be deemed to hold a fiduciary relationship with any Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

10.3 Proportionate Interest of the Banks in any Collateral. The Administrative Agent, on behalf of all the Banks, shall hold in accordance with the Loan Documents all items of any collateral or interests therein received or held by the Administrative Agent. Subject to the Administrative Agent's and the Banks' rights to reimbursement for their costs and expenses hereunder (including attorneys' fees and disbursements and other professional services) and subject to the application of payments in accordance with Section 9.2(d), each Bank shall have an interest in any collateral or interests therein in the same

proportions that the aggregate Obligations owed such Bank under the Loan Documents bear to the aggregate Obligations owed under the Loan Documents to all the Banks, without priority or preference among the Banks.

10.4 Banks' Credit Decisions. Each Bank agrees that it has, independently and without reliance upon either Arranger, the Administrative Agent, any other Bank or the directors, officers, agents, employees or attorneys of either Arranger or the Administrative Agent or of any other Bank, and instead in reliance upon information supplied to it by or on behalf of the Borrowers and upon such other information as it has deemed appropriate, made its own independent credit analysis and decision to enter into this Agreement. Each Bank also agrees that it shall, independently and without reliance upon either Arranger or the Administrative Agent, any other Bank or the directors, officers, agents, employees or attorneys of either Arranger or the Administrative Agent or of any other Bank, continue to make its own independent credit analyses and decisions in acting or not acting under the Loan Documents.

10.5 Action by the Administrative Agent.

(a) The Administrative Agent may assume that no Default has occurred and is continuing, unless the Administrative Agent has failed to receive any payment due from any Borrower hereunder within the time required under subsection 9.1(a) or subsection 9.1(b), or the Administrative Agent has received notice from the Company stating the nature of the Default or has received notice from a Bank stating the nature of the Default and that such Bank considers the Default to have occurred and to be continuing.

(b) The Administrative Agent has only those obligations under the Loan Documents as are expressly set forth therein.

(c) Except for any obligation expressly set forth in the Loan Documents and as long as the Administrative Agent may assume that no Event of Default has occurred and is continuing, the Administrative Agent may, but shall not be required to, exercise its discretion to act or not act, except that the Administrative Agent shall be required to act or not act upon the instructions of the Majority Banks (or of all the Banks, to the extent required by Section 13.2) and those instructions shall be binding upon the Administrative Agent and all the Banks, provided that the Administrative Agent shall not be required to act or not act if to do so would be contrary to any Loan Document or to applicable Law or would result, in the reasonable judgment of the Administrative Agent, in substantial risk of liability to the Administrative Agent.

(d) If the Administrative Agent has received a notice specified in clause (a), the Administrative Agent shall give notice thereof to the Banks and shall act or not act upon the instructions of the Majority Banks (or of all the Banks, to the extent required by Section 13.2), provided that the Administrative Agent shall not be required to act or not act if to do so would be contrary to any Loan Document or to applicable Law or would result, in the reasonable judgment of the Administrative Agent, in substantial risk of liability to the Administrative Agent, and except that if the Majority Banks (or all the Banks, if required under Section 13.2) fail, for five (5) Banking Days after the receipt of notice from the Administrative Agent, to instruct the Administrative Agent, then the Administrative Agent, in its sole discretion, may act or not act as it deems advisable for the protection of the interests of the Banks.

(e) The Administrative Agent shall have no liability to any Bank for acting, or not acting, as instructed by the Majority Banks (or all the Banks, if required under Section 13.2), notwithstanding any other provision hereof.

10.6 Liability of the Administrative Agent. Neither the Administrative Agent, nor any of its directors, officers, agents, employees or attorneys shall be liable for any action taken or not taken by them under or in connection with the Loan Documents, except for their own gross negligence or willful misconduct. Without limitation on the foregoing, the Administrative Agent and its directors, officers, agents, employees and attorneys:

(a) May treat the payee of any Note as the holder thereof until the Administrative Agent receives notice of the assignment or transfer thereof, in form satisfactory to the Administrative Agent, signed by the payee, and may treat each Bank as the owner of that Bank's interest in the Obligations for all purposes of this Agreement until the Administrative Agent receives notice of the assignment or transfer thereof, in form satisfactory to the Administrative Agent, signed by that Bank.

(b) May consult with legal counsel (including in-house legal counsel), accountants (including in-house accountants) and other professionals or experts selected by it, or with legal counsel, accountants or other professionals or experts for the Company and/or its subsidiaries or the Banks, and shall not be liable for any action taken or not taken by it in good faith in accordance with any advice of such legal counsel, accountants or other professionals or experts.

(c) Shall not be responsible to any Bank for any statement, warranty or representation made in any of the Loan Documents or in any notice, certificate, report,

request or other statement (written or oral) given or made in connection with any of the Loan Documents.

(d) Shall have no duty to ask or inquire as to the performance or observance by the Company or its Subsidiaries of any of the terms, conditions or covenants of any of the Loan Documents or to inspect any collateral or the Property, books or records of the Company or its Subsidiaries.

(e) Will not be responsible to any Bank for the due execution, legality, validity, enforceability, genuineness, effectiveness, sufficiency or value of any Loan Document, any other instrument or writing furnished pursuant thereto or in connection therewith, or any collateral.

(f) Will not incur any liability by acting or not acting in reliance upon any Loan Document, notice, consent, certificate, statement, request or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties.

(g) Will not incur any liability for any arithmetical error in computing any amount paid or payable by the Company or any Subsidiary or Affiliate thereof or paid or payable to or received or receivable from any Bank under any Loan Document, including, without limitation, principal, interest, commitment fees, Advances and other amounts; provided that, promptly upon discovery of such an error in computation, the Administrative Agent, the Banks and (to the extent applicable) the Company and/or its Subsidiaries or Affiliates shall make such adjustments as are necessary to correct such error and to restore the parties to the position that they would have occupied had the error not occurred; provided further that, the obligations of Borrowers under this Section 10.6(g) shall survive for sixty (60) days following the termination of this Agreement and such obligations shall not, from and after the termination of this Agreement, be deemed Obligations for any purpose under the Loan Documents.

10.7 Indemnification. Each Bank shall, ratably in accordance with its Pro Rata Share of the Commitment, indemnify and hold the Administrative Agent, the Arranger and their directors, officers, agents, employees and attorneys harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, attorneys' fees and disbursements) that may be imposed on, incurred by or asserted against them in any way relating to or arising out of the Loan Documents (other than losses incurred by reason of the failure of the Borrowers to pay the indebtedness represented by the Notes and interest thereon) or any action taken or not taken by them as Administrative Agent or Arranger thereunder, except such as result from its own gross

negligence or willful misconduct. Without limitation on the foregoing, each Bank shall reimburse the Administrative Agent and each Arranger upon demand for that Bank's ratable share of any cost or expense incurred by the Administrative Agent and such Arranger in connection with the negotiation, preparation, execution, delivery, amendment, waiver, restructuring, reorganization (including a bankruptcy reorganization), enforcement or attempted enforcement of the Loan Documents, to the extent that the Company or any other party is required by Section 13.3 to pay that cost or expense but fails to do so upon demand. Nothing in this Section shall entitle the Administrative Agent and the Arranger to recover any amount from the Banks if and to the extent that such amount has theretofore been recovered from the Company or any of its Subsidiaries.

10.8 Successor Administrative Agent. The Administrative Agent may resign as such at any time upon prior written notice to the Company and the Banks, to be effective upon a successor's acceptance of appointment as Administrative Agent. The Majority Banks at any time may remove the Administrative Agent by written notice to that effect to be effective on such date as the Majority Banks designate. In either event: (a) the Majority Banks, with the written consent of the Company (such consent not to be unreasonably withheld), shall appoint a successor Administrative Agent, who must be from among the Banks, provided that any resigning Administrative Agent shall be entitled to appoint a successor Administrative Agent from among the Banks, subject to acceptance of appointment by that successor Administrative Agent, if the Majority Banks have not appointed a successor Administrative Agent within thirty (30) days after the date the resigning Administrative Agent gave notice of resignation; (b) upon a successor acceptance of appointment as Administrative Agent, the successor will thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent or the removed Administrative Agent; and (c) upon the effectiveness of any resignation or removal, the resigning Administrative Agent or the removed Administrative Agent thereupon will be discharged from its duties and obligations thereafter arising under the Loan Documents other than obligations arising as a result of any action or inaction of the resigning Administrative Agent or the removed Administrative Agent prior to the effectiveness of such resignation or removal. Notwithstanding the foregoing, no consent of the Company shall be required under this Section 10.8 in connection with any change in the Administrative Agent at any time when an Event of Default has occurred and is continuing under this Agreement.

10.9 No Obligations of Borrowers. Nothing contained in this Article 10 shall be deemed to impose upon the Borrowers any obligation in respect of the due and punctual performance by the Administrative Agent of its obligations to the Banks under any provision of this Agreement, and the Borrowers shall have no liability to the Administrative Agent or any of the Banks in

respect of any failure by the Administrative Agent or any Bank to perform any of its obligations to the Administrative Agent or the Banks under this Agreement. Without limiting the generality of the foregoing, where any provision of this Agreement relating to the payment of any amounts due and owing under the Loan Documents provides that such payments shall be made by a Borrower to the Administrative Agent for the account of the Banks, such Borrower's obligations to the Banks in respect of such payments shall be deemed to be satisfied upon the making of such payments to the Administrative Agent in the manner provided by this Agreement.

10.10 Arranger. The Arranger shall have no duties or obligations under the Loan Documents or otherwise in connection with the Loans.

ARTICLE 11
COMPANY GUARANTY

11.1 The Guaranty. The Company hereby unconditionally guaranties the due and punctual payment of all obligations (including, without limitation, the obligation to pay the principal amount of and interest on each Advance) of each Borrowing Subsidiary arising under this Agreement when due, whether by required prepayment, declaration, demand or otherwise (including amounts which would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. (S) 362(a)) (the "Borrowing Subsidiary Obligations"), and agrees to pay any and all costs and expenses (including fees and disbursements of counsel and allocated costs of internal counsel) incurred by the Administrative Agent and the Banks in enforcing any rights under this Article 11. The obligations of the Company under this Article 11, as they may be amended, modified or supplemented from time to time, are sometimes referred to in this Article 11 as this "Guaranty".

The Company agrees that this Guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be had by the Administrative Agent or any Bank to any security held for payment of the Borrowing Subsidiary Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any Bank in favor of the Company or any Borrowing Subsidiary or any other Person.

The Company agrees, in furtherance of the foregoing and not in limitation of any other right which the Administrative Agent or any Bank may have at law or in equity against the Company by virtue hereof, upon the failure of any Borrowing Subsidiary to pay any of its Borrowing Subsidiary Obligations when and as the same shall become due, whether by required prepayment, declaration, demand or otherwise (including amounts which would become due but for the operation of the automatic

stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. (S) 362(a)), the Company will forthwith pay, or cause to be paid, in cash, to the Administrative Agent for the ratable benefit of the Banks an amount equal to the sum of the unpaid principal amount of such Borrowing Subsidiary Obligations then due as aforesaid, accrued and unpaid interest on such Borrowing Subsidiary Obligations (including, without limitation, interest which, but for the filing of a petition in bankruptcy with respect to such Borrowing Subsidiary (including without limitation, the Company), would accrue on such Borrowing Subsidiary Obligations).

11.2 Guaranty Unconditional. The obligations of the Company under this Guaranty shall be 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 any Borrowing Subsidiary under this Agreement, by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Agreement;

(c) any release, non-perfection or invalidity of any direct or indirect security for any obligation of any Borrowing Subsidiary under this Agreement;

(d) the failure of the Administrative Agent or any Bank to assert any claim or demand or to enforce any right or remedy against any Borrowing Subsidiary, the Company or any other Person under the provisions of this Agreement or any other agreement or otherwise;

(e) any change in the corporate existence, structure or ownership of any Borrowing Subsidiary or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Borrowing Subsidiary or its assets or any resulting release or discharge of any obligation of any Borrowing Subsidiary contained in this Agreement;

(f) the existence of any claim, set-off or other rights which the Company may have at any time against any other Borrower, the Administrative Agent, any Bank or any other Person, whether in connection herewith or any unrelated transactions;

(g) the invalidity or unenforceability relating to or against any Borrowing Subsidiary for any reason of this Agreement, or any provision of applicable law or regulation purporting to prohibit the payment by any Borrowing Subsidiary of the principal of or interest on any Advance or any other amount payable by any Borrowing Subsidiary under

this Agreement, or the termination of any Borrowing Subsidiary's status as a Borrowing Subsidiary hereunder;

(h) the termination of a Borrowing Subsidiary's status hereunder as a "Borrower" pursuant to Section 12.2;

(i) any other act or omission to act or delay of any kind by any Borrowing Subsidiary, the Administrative Agent, any Bank or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of the Company hereunder.

The obligations of the Company under this Guaranty shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise of any of the Borrowing Subsidiary Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Borrowing Subsidiary Obligations, discharge of any Borrowing Subsidiary from any of the Borrowing Subsidiary Obligations in a bankruptcy or similar proceeding, or otherwise. Without limiting the generality of the foregoing, the obligations of the Company under this Guaranty shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any Bank to assert any claim or demand or to enforce any remedy under this Agreement or any document or instrument executed by any Borrowing Subsidiary in connection herewith, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Borrowing Subsidiary Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Company or which would otherwise operate as a discharge of the Company as a matter of law or equity.

11.3 Discharge Only Upon Payment in Full; Reinstatement in Certain
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Circumstances. The obligations of the Company under this Article 11 shall
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remain in full force and effect until the Commitments shall have terminated, all Letters of Credit have expired and the principal of and interest on the Advances and all other amounts payable by the Borrowers under this Agreement shall have been paid in full. If at any time any payment of the principal of or interest on any Advance or any other amount payable by the Borrowers under this Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of any Borrower or otherwise, the obligations of the Company under this Article 11 shall be reinstated as though such payment had
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been due but not made at such time.

11.4 Waivers by the Company. With respect to this Article 11, the Company hereby waives for the benefit of the Administrative Agent and the Banks:

(a) any right to require the Administrative Agent or any Bank, as a condition of payment or performance by the Company under this Guaranty to (i) proceed against any Borrowing Subsidiary, any other guarantor of the obligations of any Borrowing Subsidiary under any other agreement or guaranty or any other Person, (ii) proceed against or exhaust any security held from any Borrowing Subsidiary, any other guarantor or any other Person, or (iii) pursue any other remedy in the power of the Administrative Agent or any Bank whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Borrowing Subsidiary including, without limitation, any defense based on or arising out of the lack of validity or unenforceability of the Borrowing Subsidiary Obligations or any agreement or instrument relating thereto or by reason of the cessation from any cause of the liability of any Borrowing Subsidiary other than indefeasible payment in full of the Borrowing Subsidiary Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal, or based upon the Administrative Agent's or any Bank's errors or omissions in the administration of the Borrowing Subsidiary Obligations, except behavior which amounts to bad faith;

(d) any (i) principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty, any legal or equitable discharge of its obligations hereunder and the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof, (ii) rights to set-offs, recoupments and counterclaims, (iii) rights to deferral or modification of the Company's obligations hereunder by reason of any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, (iv) promptness, diligence and any requirement that the Administrative Agent or any Bank protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against any Borrowing Subsidiary or any other Person or any collateral;

(e) notice, demand, presentment, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default under this Agreement or any agreement or instrument related thereto, notice of any renewal, extension or

modification of the Borrowing Subsidiary Obligations or any agreement related thereto, notice of any other extension of credit to any Borrowing Subsidiary; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerates guarantors or sureties, or which may conflict with the terms of this Guaranty including, without limitation, the provisions of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2846, 2847, 2848, 2849, 2850, 2899 and 3433.

11.5 Subrogation, Etc. Upon payment by the Company of any sum to the Administrative Agent for the ratable benefit of any Bank as provided above, so long as any of the Borrowing Subsidiary Obligations of a Borrowing Subsidiary shall remain outstanding hereunder, all rights of the Company against such Borrowing Subsidiary arising as a result thereof, by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all the Borrowing Subsidiary Obligations of that Borrowing Subsidiary to the Administrative Agent and the Banks. In furtherance of the foregoing, and not in limitation thereof, the Company agrees that until the Borrowing Subsidiary Obligations of a Borrowing Subsidiary shall have been paid in full, the Commitment has terminated and all Letters of Credit issued for the account of such Borrowing Subsidiary have expired, the Company shall withhold exercise of any right of subrogation, or any right to enforce any remedy which the Administrative Agent or any Bank may have against that Borrowing Subsidiary. If any amount shall be paid to the Company on account of such subrogation rights at any time prior to the date when the Borrowing Subsidiary Obligations of such Borrowing Subsidiary have been paid in full, the Commitment has terminated and all Letters of Credit issued for the account of such Borrowing Subsidiary have expired, such amount shall be held in trust for the benefit of the Banks and shall be paid to the Administrative Agent for the benefit of the Banks to be credited and applied upon the Borrowing Subsidiary Obligations of such Borrowing Subsidiary, whether matured or unmatured, in accordance with the terms of the Credit Agreement or to be held by the Administrative Agent for the benefit of the Banks as collateral security for any Obligations thereafter existing.

ARTICLE 12
ADDITIONAL BORROWERS; TERMINATION OF BORROWERS

12.1 Agreement to Participate. Any Eligible Subsidiary may become a party to this Agreement and become a "Borrower" for all purposes hereof on any date after the date hereof upon the satisfaction of the following conditions:

(a) receipt by the Administrative Agent on or before such date of an Agreement to Participate executed by such Eligible Subsidiary and acknowledged and consented to by the Administrative Agent and the Company;

(b) receipt by the Administrative Agent of a certificate dated such date from the senior financial officer of such Eligible Subsidiary to the effect that (i) no Default has occurred and is continuing on such date, (ii) the representations and warranties of such Eligible Subsidiary and its Subsidiaries contained in the Agreement to Participate executed by such Eligible Subsidiary are true, correct and complete on and as of such date, and (iii) such Eligible Subsidiary is a wholly-owned Subsidiary set forth in Schedule 1.2 have been satisfied;

(c) receipt by the Administrative Agent on or before such date of such additional documents it may reasonably request relating to the existence of such Eligible Subsidiary, the corporate power and authority of such Eligible Subsidiary, the validity of such Eligible Subsidiary's obligations under the Agreement to Participate executed by such Eligible Subsidiary and under this Agreement, and other matters relevant thereto and hereto, all in form and substance satisfactory to the Administrative Agent; and

(d) receipt by the Administrative Agent on or before such date of the Committed Advance Notes dated such date and executed by such Eligible Subsidiary, one Note in favor of each Bank in a principal amount equal to that Bank's Pro Rata Share of the Commitment, and the Competitive Advance Notes dated such date and executed by such Eligible Subsidiary in favor of each Bank, each in the principal amount of Commitment.

Each Bank hereby authorizes the Administrative Agent to sign on such Bank's behalf an Agreement to Participate delivered pursuant to clause (a) above, and the Company and each Bank hereby agree that, upon satisfaction by any Eligible Subsidiary of the conditions set forth in the preceding clauses (a), (b) and (c), such Eligible Subsidiary shall become a "Borrower" hereunder for all purposes hereof. The Administrative Agent shall promptly notify the Banks of whenever an Eligible Subsidiary becomes a Borrower.

12.2 Notice of Termination. Any Borrower, other than the Company, that
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has no Advances outstanding to any Bank and is not the account party on any Letter of Credit, may cease to be a "Borrower" for the purposes of this Agreement (and all commitments as to such Borrower shall thereupon terminate) upon notice, in form and substance satisfactory to the Administrative Agent, by such Borrower to the Administrative Agent; provided that such notice shall not
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affect any obligation of such Borrower

theretofore incurred. The Administrative Agent shall send prompt written notice to each Bank of any Borrower ceasing, pursuant to this subsection, to be a Borrower.

ARTICLE 13
MISCELLANEOUS

13.1 Cumulative Remedies; No Waiver. The rights, powers, privileges and remedies of the Administrative Agent, the Issuing Bank and the Banks provided herein or in any Note or other Loan Document are cumulative and not exclusive of any right, power, privilege or remedy provided by Law or equity. No failure or delay on the part of the Administrative Agent, the Issuing Bank or any Bank in exercising any right, power, privilege or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise of the same or any other right, power, privilege or remedy. The terms and conditions of Article 8 hereof are inserted for the sole benefit of the Administrative Agent, the Issuing Bank and the Banks; the same may be waived in whole or in part, with or without terms or conditions, in respect of any Loan, Competitive Advance or Letter of Credit without prejudicing the Administrative Agent's, either Issuing Bank's or the Banks' rights to assert them in whole or in part in respect of any other Loan, Competitive Advance or Letter of Credit.

13.2 Amendments; Consents. No amendment, modification, supplement, extension, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, and no consent to any departure by any Borrower or any other party therefrom, may in any event be effective unless the same shall be in writing and signed by the Majority Banks (or signed by the Administrative Agent at the direction of the Majority Banks) (and, in the case of amendments, modifications or supplements of or to any Loan Document to which a Borrower is a party, the approval in writing of such Borrower), and then only in the specific instance and for the specific purpose given; and, without the approval in writing of all the Banks, no amendment, modification, supplement, termination, waiver or consent may be effective:

(a) To extend the final maturity of any Loan or Note beyond the Maturity Date, or reduce the rate of interest (other than any waiver of any increase in the interest rate applicable to any of the Loans pursuant to Section 3.9) or fees in respect of the Commitment, the Loans or the Letters of Credit, or extend the time of payment of interest or fees in respect thereof, or reduce the principal amount of the Obligations;

(b) To amend or modify the provisions of the definitions of "Commitment", "Maturity Date", or "Majority Banks"; or this Section;

(c) To release any guarantor; or

(d) To amend or modify any provision of this Agreement that expressly requires the consent or approval of all the Banks.

In addition, no amendment, modification, supplement, termination, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Banks required above to take such action, affect the rights or duties of the Administrative Agent acting in such capacity under this Agreement or any Note. No amendment, modification, supplement, termination, waiver or consent shall, unless in writing and signed by the Issuing Bank, affect any provisions hereof relating to the Letters of Credit. Any amendment, modification, supplement, termination, waiver or consent pursuant to this Section shall apply equally to, and shall be binding upon, all the Banks, the Issuing Bank, the Administrative Agent and each Borrower. Copies of all amendments, modifications, supplements, terminations, waivers and consents shall be distributed to the Administrative Agent, each Bank, the Issuing Bank and each Borrower.

13.3 Costs, Expenses and Taxes. The Company shall pay on demand the reasonable costs and expenses (a) of the Arranger and the Administrative Agent in connection with the negotiation, preparation, execution and delivery of the Loan Documents (including, without limitation, the reasonable legal fees and out-of-pocket expenses of O'Melveny & Myers LLP), and, (b) if a Borrower requests the amendment, waiver, supplement or modification the Loan Documents, of the Administrative Agent and the Issuing Bank in connection with any such amendment, waiver, supplement or modification, and (c) if any Default has occurred, of the Administrative Agent, the Issuing Bank and the Banks in connection with any workout, restructuring, reorganization (including a bankruptcy reorganization) and in any event enforcement or attempted enforcement of the Loan Documents, and any matter related thereto, including, without limitation, out-of-pocket expenses and the reasonable fees and out-of-pocket expenses of any legal counsel, independent public accountants and other outside experts retained by the Administrative Agent, the Issuing Bank or any Bank, and including, without limitation, any costs, expenses or fees incurred or suffered by the Administrative Agent, the Issuing Bank or any Bank in connection with or during the course of any bankruptcy or insolvency proceedings of the Company or any Subsidiary thereof. The Company shall pay any and all documentary and other taxes (other than income or gross receipts taxes generally applicable to banks) and all costs, expenses, fees and charges payable or determined to be payable in connection with the filing or

recording of this Agreement, any other Loan Document or any other instrument or writing to be delivered hereunder or thereunder, or in connection with any transaction pursuant hereto or thereto, and shall reimburse, hold harmless and indemnify the Arranger, the Administrative Agent, the Issuing Bank and the Banks from and against any and all loss, liability or legal or other expense with respect to or resulting from any delay in paying or failure to pay any tax, cost, expense, fee or charge or that any of them may suffer or incur by reason of the failure of any party (other than the Arranger, the Administrative Agent, the Issuing Bank or any Bank) to perform any of its Obligations.

13.4 Obligation to Make Payments in Dollars. The obligation of the Borrowers to make payments in dollars of the principal and interest becoming due and payable on each Loan and each Competitive Advance, and to pay all other Obligations hereunder, (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any currency other than dollars, except to the extent that such tender or recovery shall result in the actual receipt by the Administrative Agent, the Banks and the Issuing Bank of the full amount of dollars expressed to be payable in respect of the principal and interest of each Loan and each Competitive Advance and in respect of each other Obligation, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in dollars the amount, if any, by which such actual receipt shall fall short of the full amount of dollars so expressed to be payable and (c) shall not be affected by judgment being obtained for any other sum due under this Agreement.

13.5 Nature of Banks' Obligations. The obligations of the Banks hereunder are several and not joint or joint and several. Nothing contained in this Agreement or any other Loan Document and no action taken by the Administrative Agent, the Issuing Bank or the Banks or any of them pursuant hereto or thereto may, or may be deemed to, make the Banks a partnership, an association, a joint venture or other entity, either among themselves or with the Company or any Affiliate of the Company. Each Bank's obligation to make any Advance pursuant hereto is several and not joint or joint and several, and is not conditioned upon the performance by all other Banks of their obligations to make Advances. If any Bank defaults in its obligation to make any Advance to a Borrower after the fulfillment of all conditions precedent to that Advance, then the Company may terminate this Agreement with respect to that Bank upon fulfillment of each of the following conditions:

(i) the Borrower shall have paid to the affected Bank the principal amount of all outstanding Advances made by that Bank, together with all accrued but unpaid interest, costs, fees and expenses related thereto; and

(ii) the Company shall have notified the Administrative Agent and each of the Banks of the termination.

A default by any Bank will not increase the amount of the Commitment attributable to any other Bank, and any Bank not in default may, if it desires, assume in such proportion as the nondefaulting Banks agree the obligations of any Bank in default, but is not obligated to do so. Should the Company elect, as aforesaid, to terminate this Agreement with respect to any Bank, then the Commitment shall automatically be reduced by a percentage equal to the Pro Rata Share of the Commitment of the affected Bank, and the remaining Bank or Banks shall have that Pro Rata Share in the reduced Commitment which is allocable to their Advances.

13.6 Survival. All representations and warranties contained herein or in any other Loan Document, or in any certificate or other writing delivered by or on behalf of any one or more of the Parties to any Loan Document, will survive the making of the Advances hereunder and the execution and delivery of the Notes, and have been or will be relied upon by the Administrative Agent, the Issuing Bank and each Bank, notwithstanding any investigation made by the Administrative Agent, the Issuing Bank or any Bank or on their behalf. The obligations of the Company under Sections 3.7 and 3.8 shall survive for thirty (30) days following the termination of this Agreement and the repayment of the Notes.

13.7 Notices. All notices, requests, demands, directions and other communications to the Issuing Bank provided for hereunder or under any other Loan Document must be in writing and must be mailed, telegraphed, telecopied or delivered to: John Williams, Citibank, N.A., Two Penns Way, Suite 200, New Castle, DE 19720 with a copy to Deborah Ironson, Citicorp Securities, Inc., 787 West Fifth Street, 29th Floor, Los Angeles, CA 90071. All notices, requests, demands, and other communications to the Administration Agent provided for hereunder or under any other Loan Document must be mailed, telegraphed, telecopied or delivered to: Citibank, N.A., 399 Park Avenue, New York, New York 10043 with a copy to Deborah Ironson, Citibank Securities, Inc., 787 West Fifth Street, 29th Floor, Los Angeles, CA 90071. Except as otherwise expressly provided in the Loan Documents, all notices, requests, demands, directions and other communications provided for hereunder or under any other Loan Document must be in writing and must be mailed, telegraphed, telecopied or delivered to the appropriate party at the address set forth on the signature pages of this Agreement or other applicable Loan Document or, as to any party to any Loan Document, at any other address as may be designated by it in a written notice sent to all other parties to such Loan Document in accordance with this Section. Except as otherwise expressly provided in any Loan Document, if any notice, request, demand, direction or other communication required or permitted by any Loan Document is given by mail it will be effective on the earlier of receipt or the

fifth calendar day after deposit in the United States mail with first class or airmail postage prepaid; if given by telegraph or cable, when delivered to the telegraph company with charges prepaid; if given by telecopier, when sent; or if given by personal delivery, when delivered.

13.8 Execution of Loan Documents. Unless the Administrative Agent otherwise specifies with respect to any Loan Document, this Agreement and any other Loan Document may be executed in any number of counterparts and any party hereto or thereto may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts of this Agreement or any other Loan Document, as the case may be, when taken together will be deemed to be but one and the same instrument. The execution of this Agreement or any other Loan Document by any party hereto or thereto will not become effective until counterparts hereof or thereof, as the case may be, have been executed by all the parties hereto or thereto.

13.9 Binding Effect; Assignment. This Agreement and the other Loan Documents shall be binding upon and shall inure to the benefit of the parties hereto and thereto and their respective successors and assigns, except that a Borrower and/or its Affiliates may not assign their rights hereunder or thereunder or any interest herein or therein without the prior written consent of all the Banks. Each Bank shall have the right in accordance with this Section to sell, assign, pledge or transfer all or any portion of its rights hereunder or under the Note of that Bank and to grant any participation or other interest herein or therein; provided that no such sale, assignment, pledge, transfer or participation grant shall make any assignment which would have the effect of result in requiring registration under the Securities Act of 1933, as amended, or qualification under any state securities laws. Each Bank represents that it is not acquiring the Notes with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (subject to any requirement that disposition of the Notes must be within the control of such Bank). Any Bank may assign, from time to time, any or all of its rights and obligations hereunder and all or any portion of its share of the Commitments to an Affiliate of that Bank or, with the approval of the Company (which approval will not be unreasonably withheld), to any other financial institution acceptable to the Administrative Agent, subject to the assumption by the assignee of the share of the Commitments so assigned. Any assignment shall also require the consent of the Issuing Bank, such consent not to be unreasonably withheld. Any such assignment shall be evidenced by an Assignment Agreement substantially in the form of Exhibit J, executed by each of the parties and a copy of which shall be delivered to the Administrative Agent. Upon such execution and delivery, from and after the effective date specified in each Assignment Agreement (y) the assignee thereunder shall be a party hereto and, to the extent that rights

and obligations hereunder have been assigned to it pursuant to such Assignment Agreement, have the rights and obligations of a Bank hereunder and (z) the Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). The Pro Rata Share of each Bank of the Commitments hereunder shall be modified to reflect the Pro Rata Share of the Commitment of such assignee and, if any such assignment occurs while any Loan is outstanding new Notes shall, upon surrender of the assigning Bank's Notes, be issued to such assignee and to the assigning Bank as necessary to reflect the new Pro Rata Share of the Commitments of the Bank and of assignee. Notwithstanding any other provision set forth in this Agreement, any Bank may assign or pledge, as collateral or otherwise, all or any portion of its rights under this Agreement (including without limitation, rights to payments of principal and/or interest under the Notes held by it), but not its obligations, to any Federal Reserve Bank or any Affiliate in order that such Affiliate may assign or pledge such rights to any Federal Reserve Bank, in each case, without notice to or consent from any Borrower or the Administrative Agent; provided, however, that such
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Federal Reserve Bank or Affiliate shall not, by reason of such assignment, become a "Bank" hereunder for any purpose whatsoever and any such Bank shall not be released from any of its obligations hereunder as a result of such assignment or pledge. Any Bank may grant, from time to time, a participation interest in the rights of that Bank under its Note and this Agreement to any financial institution, without notice to or the approval of the Administrative Agent or the Borrowers. The grant of such a participation interest shall be on such terms as the granting Bank determines are appropriate, provided only that (a) such Bank's rights and obligations under this Agreement (including, without limitation, its Commitment) shall remain unchanged, (b) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (c) such Bank shall remain the holder of any such Note for all purposes of the Agreement, (d) the Borrowers, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, (e) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest (other than increased interest following default pursuant to Section 3.9) on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone the Maturity Date, or date fixed for payment of interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or release the

Company from its Obligations under Article 11 hereof, and (f) no Borrower shall be subject to any increased liability to any Bank pursuant to this Agreement by virtue of such participation. No participant shall constitute a "Bank" under this Agreement or any Loan Document, and the Borrowers shall continue to deal solely and directly with the Administrative Agent and the Banks.

13.10 Setoff Rights. If an Event of Default has occurred and is continuing, the Administrative Agent, the Issuing Bank and each Bank (but only with the consent of the Majority Banks) is hereby authorized to the fullest extent permitted by law to setoff and apply any funds in any deposit account maintained with it by any Borrower and/or any Property of any Borrower in its possession against the Obligations.

13.11 Sharing of Setoffs. Each Bank severally agrees that if it, through the exercise of any right of setoff, banker's lien or counterclaim against any Borrower, or otherwise, receives payment, through any means, of the Obligations held by it that is in excess of that Bank's proportionate share of the Total Outstandings as applied to such payment, then: (a) The Bank exercising the right of setoff, banker's lien or counterclaim or otherwise receiving such payment shall purchase, and shall be deemed to have simultaneously purchased, from the other Bank a participation in the Obligations held by the other Bank and shall pay to the other Bank a purchase price in an amount so that the share of the Obligations held by each Bank after the exercise of the right of setoff, banker's lien or counterclaim or receipt of payment shall be in the same proportion that existed prior to the exercise of the right of setoff, banker's lien or counterclaim or receipt of payment; and (b) such other adjustments and purchases of participations shall be made from time to time as shall be equitable to ensure that all of the Banks share any payment obtained in respect of the Obligations ratably in accordance with each Bank's share of the Obligations immediately prior to, and without taking into account, the payment; provided that, if all or any portion of a disproportionate payment obtained as a result of the exercise of the right of setoff, banker's lien, counterclaim or otherwise is thereafter recovered from the purchasing Bank by any Borrower or any Person claiming through or succeeding to the rights of any Borrower, the purchase of a participation shall be rescinded and the purchase price thereof shall be restored to the extent of the recovery, but without interest. Each Bank that purchases a participation in the Obligations pursuant to this Section shall from and after the purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Bank were the original owner of the Obligations purchased. Each Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in an Obligation so purchased may exercise any and all rights of setoff, banker's lien or counterclaim with respect to the participation as fully as if the Bank were the original

owner of the Obligation purchased; provided, however, that each Bank agrees that it shall not exercise any right of set off, banker's lien or counterclaim without first obtaining the consent of the Majority Banks.

13.12 Indemnity by the Company. The Company agrees to indemnify, save and hold harmless each Arranger, the Issuing Bank, the Administrative Agent and each Bank and their Affiliates, directors, officers, agents, attorneys, advisors and employees (collectively the "Indemnitees") from and against: (a) any and all claims, demands, actions or causes of action if the claim, demand, action or cause of action arises out of or relates to the Commitment, the use or contemplated use of proceeds of any Advance, any drawing under any Letter of Credit, any transaction contemplated by this Agreement, or any relationship or relationship alleged to exist by any Borrower, its Affiliates or any other third party of any Indemnitee to any Borrower related to this Agreement; (b) any administrative or investigative proceeding by any Governmental Agency arising out of or related to a claim, demand, action or cause of action described in clause (a) above; and (c) any and all liabilities, losses, costs or expenses (including attorneys' fees and disbursements and other professional services) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action or cause of action; provided that no Indemnitee shall be entitled to indemnification for any loss caused by its own gross negligence or willful misconduct. If any claim, demand, action or cause of action is asserted against any Indemnitee, such Indemnitee shall promptly notify the Company, but the failure to so promptly notify the Company shall not affect the Company's obligations under this Section unless such failure materially prejudices the Company's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by the Company in writing, such Indemnitee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit the Company to participate in such contest. Any Indemnitee that proposes to settle or compromise any claim or proceeding for which the Company may be liable for payment of indemnity hereunder shall give the Company written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain the Company's prior consent. In connection with any claim, demand, action or cause of action covered by this Section against more than one Indemnitee, all such Indemnitees shall be represented by the same legal counsel selected by the Indemnitees and reasonably acceptable to the Company; provided that, if such legal counsel determines in good faith that representing all such Indemnitees would or could result in a conflict of interest under Laws or ethical principles applicable to such legal counsel or that a defense or counterclaim is available to an Indemnitee that is not available to all such Indemnitees, then to the extent reasonably necessary to avoid such a conflict of interest or to permit unqualified assertion of such a defense or counterclaim,

each Indemnitee shall be entitled to separate representation by legal counsel selected by that Indemnitee and reasonably acceptable to the Company, with all such legal counsel using reasonable efforts to avoid unnecessary duplication of effort by counsel for all Indemnitees; provided further that the amount of the legal fees to be reimbursed by the Company shall be limited to an amount reasonably determined following consultation among the Company, the Administrative Agent, the Banks and their respective legal counsel, to be equal to the amount that would have been expended if the Indemnitees have been represented by one counsel. Any obligation or liability of the Company to any Indemnitee under this Section shall survive the expiration or termination of this Agreement and the repayment of all Advances and the payment and performance of all other Obligations owed to the Banks.

13.13 No Third Parties Benefited. This Agreement is made for the purpose of defining and setting forth certain obligations, rights and duties of the Borrowers, the Administrative Agent, the Issuing Bank and the Banks in connection with the Loans, Advances and Letters of Credit, and is made for the sole benefit of the Borrowers, the Administrative Agent, the Issuing Bank and the Banks, and the Administrative Agent's, the Issuing Bank's and the Banks' successors and assigns. Except as provided in Sections 13.8 and 13.11, no other Person shall have any rights of any nature hereunder or by reason hereof.

13.14 Confidentiality. Each of the Administrative Agent, the Issuing Bank and each Bank agrees to hold any confidential information that it may receive from any Borrower pursuant to this Agreement in confidence: except for disclosure: (a) to other Banks; (b) to legal counsel, accountants and other professional advisors to any Borrower or the Administrative Agent, the Issuing Bank or any Bank; (c) to regulatory officials having jurisdiction over the Administrative Agent, the Issuing Bank or a Bank; (d) as required by Law or legal process or in connection with any legal proceeding to which the Administrative Agent, the Issuing Bank or a Bank and that Borrower are adverse parties; (e) to Affiliates of the Administrative Agent by the Administrative Agent and (f) to Affiliates of a Bank or to another financial institution, in each case, in connection with a disposition or proposed disposition to that financial institution of all or part of that Bank's interests hereunder or a participation interest in its Note, provided that such disclosure is made subject to an appropriate confidentiality agreement on terms substantially similar to this Section. For purposes of the foregoing, "confidential information" shall mean any information respecting the Company or its Subsidiaries reasonably considered by the Company to be confidential, other than (i) information previously filed with any Governmental Agency and available to the public, (ii) information previously published in any public medium from a source other than, directly or indirectly, that Bank, and (iii) information previously disclosed by a Borrower to

any Person not associated with that Borrower without a written confidentiality agreement substantially similar to this Section. Nothing in this Section shall be construed to create or give rise to any fiduciary duty on the part of the Administrative Agent, the Issuing Bank or the Banks to the Borrowers.

13.15 Further Assurances. The Company and its Subsidiaries shall, at their expense and without expense to the Banks, the Issuing Bank or the Administrative Agent, do, execute and deliver such further acts and documents as any Bank, the Issuing Bank or the Administrative Agent from time to time reasonably requires for the assuring and confirming unto the Banks, the Issuing Bank or the Administrative Agent of the rights hereby created or intended now or hereafter so to be, or for carrying out the intention or facilitating the performance of the terms of any Loan Document.

13.16 Removal of Bank. As of the date any Bank is removed at the request of the Company, whether pursuant to Section 3.7, Section 3.8 or otherwise, (i) all obligations of such Bank under this Agreement shall be released and terminated and (ii) such Bank's Pro Rata Share of the Commitment shall be terminated, including such Bank's participation in any Letter of Credit. The removal of any such Bank shall be subject to the satisfaction of the following conditions:

(a) The Company shall compensate any such Bank so replaced for (i) any breakage costs incurred due to the removal of such Bank, as determined by such Bank in good faith, and (ii) all accrued interest and fees owing to such Bank pursuant to this Agreement as of the date such Bank is so replaced; and

(b) Such Bank shall receive payment of principal of all Advances made to any Borrower hereunder.

13.17 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and supersedes all prior agreements, written or oral, on the subject matter hereof. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control and govern; provided that the inclusion of supplemental rights or remedies in favor of the Administrative Agent, the Issuing Bank or the Banks in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

13.18 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable or invalid as to any party or in any jurisdiction shall, as to

that party or jurisdiction, be inoperative, unenforceable or invalid without affecting the remaining provisions or the operation, enforceability or validity of that provision as to any other party or in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

13.19 Independent Covenants. Each covenant in Articles 5, 6 and 7 is independent of the other covenants in those Articles; the breach of any such covenant shall not be excused by the fact that the circumstances underlying such breach would be permitted by another such covenant.

13.20 Headings. Article and Section headings in this Agreement and the other Loan Documents are included for convenience of reference only and are not part of this Agreement or the other Loan Documents for any other purpose.

13.21 Time of the Essence. Time is of the essence of the Loan Documents.

13.22 Applicable Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA (INCLUDING SECTION 1646.5 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA) WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

13.23 Consent to Jurisdiction and Service of Process. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE BORROWERS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY OBLIGATIONS THEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF CALIFORNIA, COUNTY AND CITY OF LOS ANGELES, BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH BORROWER, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY

(I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;

(II) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;

(III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE COMPANY AND ITS ADDRESS PROVIDED IN ACCORDANCE WITH SUBSECTION 13.6;

(IV) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER SUCH BORROWER IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT;

(V) AGREES THAT THE ADMINISTRATIVE AGENT, THE BANKS, AND THE ISSUING BANK RETAIN THE RIGHT TO SERVE

PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST SUCH BORROWER IN THE COURTS OF ANY OTHER JURISDICTION; AND

(VI) AGREES THAT THE PROVISIONS OF THIS SUBSECTION 13.24 RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 410.40.

13.24 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it 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 (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SUBSECTION 13.25 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

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

THE COMPANY:

AMGEN INC.

By: /s/ Kathryn E. Falberg

Kathryn E. Falberg

Title: Vice President, Finance,
Chief Financial Officer and
Chief Accounting Officer

Address:

Amgen Inc.
One Amgen Center Drive
Thousand Oaks, California 91320-1789

Attn: Treasurer
cc: Secretary

Telecopier: (805) 499-8011
Telephone: (805) 447-1000

BORROWING SUBSIDIARIES:

AMGEN PUERTO RICO, INC.

By: /s/ Kathryn E. Falberg

Kathryn E. Falberg

Title: Chief Financial Officer and
Treasurer

Address:

Amgen Inc.
One Amgen Center Drive
Thousand Oaks, California 91320-1789

Attn: Treasurer
cc: Secretary

Telecopier: (805) 499-8011
Telephone: (805) 447-1000

THE ADMINISTRATIVE AGENT:
CITICORP USA, INC.

By: /s/ Deborah Ironson

Title: Attorney-In-Fact

By:

Title:

THE ISSUING BANK:

CITIBANK, N.A.

By: /s/ Marjorie Futornick

Marjorie Futornick

Title: Vice President

By:

Title:

THE BANKS:

CITICORP USA, INC.

By: /s/ Deborah Ironson

Title: Attorney-In-Fact

Address:

787 West Fifth Street
29th Floor
Los Angeles, California 90071

Attn: Deborah Ironson/Banker

Telecopier: (213) 623-3592
Telephone: (213) 239-1424

BANCA COMMERCIALE
ITALIANA, LOS ANGELES
FOREIGN BRANCH

By: /s/ E. Bombieri /s/ J. Wityak

E. Bombieri J. Wityak
Title: V.P. & MANAGER V.P.

Address:

555 South Flower
43rd Floor
Los Angeles, California 90071

Attn: Jack Wityak

ABN AMRO BANK N.V.

By: /s/ Heather F. Brandt

Title: Heather F. Brandt

Vice President

By: /s/ Ellen M. Coleman

Title: Ellen M. Coleman

Vice President/Director

Address:

300 South Grand Avenue
Suite 2650
Los Angeles, California 90071

Attn: Ellen Coleman

SANWA BANK, LIMITED
LOS ANGELES BRANCH

By: /s/ Toshiko Boyd

Title: Vice President

Address:

601 South Figueroa Street
W5-4
Los Angeles, California 90017

Attn: Toshiko Boyd

BANK OF AMERICA NT & SA

By: /s/ Therese A. Fontaine

Title: Vice President

Address:

555 South Flower
11th Floor-5413
Los Angeles, California 90071

Attn: Gigi Johnson

EXHIBIT A

EXHIBIT A

[FORM OF AGREEMENT TO PARTICIPATE]

AGREEMENT TO PARTICIPATE

_____, ____

CITICORP USA, INC.

as Administrative Agent (the "Administrative Agent") for the Banks referred to in the Credit Agreement dated as of May __, 1998, among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A. as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent (the "Credit Agreement")

Ladies and Gentlemen:

The terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the meaning provided therein.

1. [name of Eligible Subsidiary], a [jurisdiction of incorporation] corporation ("Participant"), hereby elects to become a Borrower for all purposes of the Credit Agreement, effective on the date hereof.

2. Participant hereby agrees to perform all obligations of a Borrower under, and to be bound in all respects by the terms of, the Credit Agreement and agrees that the Banks and the Administrative Agent shall be entitled to the benefits of, and shall have all of the rights and remedies against Participant described in, the Credit Agreement, as if Participant were named as a Borrower therein and were a signatory party thereto.

3. Participant represents and warrants that:

a. Participant is a corporation duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation, is an Eligible Subsidiary and has all requisite corporate power and authority to enter into and perform its obligations hereunder and under the Loan Documents.

b. The execution and delivery by Participant of this Agreement to Participate and the Notes, and the performance by it of this Agreement to Participate and the Loan Documents, have been duly authorized by all necessary corporate action, and do not (i) require any consent or approval not heretofore obtained of any partner, director, stockholder, security holder or creditor of Participant; (ii) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or leased or hereafter acquired by Participant; (iii) violate, to the best knowledge of Participant, any Requirement of Law applicable to Participant; or (iv) result (or, with the giving of notice or passage of time or both, would result) in a breach of or default under, or cause or permit the acceleration of any obligation owed under any Contractual Obligation to which Participant is a party or by which Participant or any of its Property is bound or affected; except, in each case, where violation of, or default under, any such Requirement of Law or Contractual Obligation would not constitute a Material Adverse Effect.

c. Subject to the representations of the Banks contained in Section 13.9 of the Credit Agreement, no authorization, consent, approval, order, license or permit from, or filing, registration or qualification with, any Governmental Agency is required to authorize or permit under applicable Laws the execution, delivery and performance by Participant of this Agreement to Participate or for the performance by Participant of the Loan Documents.

4. This Agreement to Participate shall be governed by and construed in accordance with the Laws of the state of California applicable to contracts made and performed in such state. Participant agrees that each of the provisions of the Credit Agreement shall apply to it and to this Agreement to Participate as if it were an original Borrowing Subsidiary signatory thereto and the Agreement to Participate were referenced therein.

5. This Agreement to Participate may be signed in any number of counterparts, each of which shall constitute an

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

[NAME OF ELIGIBLE SUBSIDIARY]

By:_____
Title:_____

CITICORP USA, INC.,
as Administrative Agent

By:_____
Title:_____

This Agreement is hereby acknowledged and consented to on and as of the date set forth above.

AMGEN INC.

By:_____
Title:_____

EXHIBIT B

[FORM OF COMMITTED ADVANCE NOTE]

COMMITTED ADVANCE NOTE

$_____ May__, 1998
Thousand Oaks, California

FOR VALUE RECEIVED, the undersigned promises to pay to the order of _____ (the "Bank"), the principal amount of _____ Dollars ($_____), or such lesser aggregate amount of Committed Advances as may be made pursuant to the Bank's Pro Rata Share of the Commitment under the Credit Agreement hereinafter described, payable as hereinafter set forth. The undersigned promises to pay interest on the principal amount of each Committed Advance made hereunder and remaining unpaid from time to time from the date of each such Committed Advance until the date of payment in full, payable as hereinafter set forth.

Reference is made to the Credit Agreement dated as of May __, 1998 (as amended from time to time, the "Credit Agreement"), among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings defined for those terms in the Credit Agreement. This is one of the Committed Advance Notes ("Note") referred to in the Credit Agreement, and any holder hereof is entitled to all of the rights, remedies, benefits and privileges provided for in the Credit Agreement as originally executed or as it may from time to time be supplemented, modified, amended, renewed, extended or supplanted. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events upon the terms and conditions therein specified.

The principal indebtedness evidenced by this Note shall be payable as provided in the Credit Agreement and in any event on the Maturity Date.

Interest shall be payable on the outstanding daily unpaid principal amount of each Committed Advance hereunder from the date thereof until payment in full and shall accrue and be payable at the rates and on the dates set forth in the Credit Agreement both before and after default, before and after maturity and judgment, and before and after the commencement of any proceeding under any Debtor Relief Law with interest on overdue interest to bear interest at the rate set forth in

Section 3.9 of the Credit Agreement, to the extent permitted by applicable Laws.

The undersigned shall have the right to prepay any amounts outstanding under this Note in accordance with Section 3.1(f) of the Credit Agreement.

The amount of each payment hereunder shall be made to the Administrative Agent at the Administrative Agent's Office, for the account of the Bank, in lawful money of the United States of America and in immediately available funds not later than 2:00 p.m., New York City time, on the day of payment (which must be a Banking Day). All payments received after 2:00 p.m., New York City time, on any particular Banking Day shall be deemed received on the next succeeding Banking Day.

The Bank shall use its best efforts to keep a record of Committed Advances made by it and payments received by it with respect to this Note and, subject to Section 10.6(g) of the Credit Agreement, such record shall be presumptive evidence of the principal amount owing under this Note.

As set forth in Section 13.3 of the Credit Agreement, the undersigned hereby promises to pay the reasonable out-of-pocket costs and expenses of any holder hereof incurred in collecting the undersigned's obligations hereunder or in enforcing any holder's rights hereunder, including attorneys' fees and disbursements.

The undersigned hereby waives presentation, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other notice of formality, to the fullest extent permitted by applicable Laws.

THIS NOTE SHALL BE DEEMED DELIVERED TO AND ACCEPTED BY THE ADMINISTRATIVE AGENT ON BEHALF OF THE BANK IN THE STATE OF CALIFORNIA, AND SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE.

[BORROWER]

By_____

Its_____

COMMITTED ADVANCES AND PAYMENTS OF PRINCIPAL
UNDER COMMITMENT

Date	Type of Advance	Amount of Committed Advance	Amount of Principal Paid	Unpaid Principal Balance	Notation Made By

EXHIBIT C

[FORM OF COMPETITIVE ADVANCE NOTE]

COMPETITIVE ADVANCE NOTE

$150,000,000 May __, 1998
Thousand Oaks, California

FOR VALUE RECEIVED, the undersigned promises to pay to the order of _____ (the "Bank"), the principal amount of One Hundred and Fifty Million Dollars ($150,000,000), or such lesser aggregate amount of Competitive Advances as may be made pursuant to Section 2.4 of the Credit Agreement hereinafter described, payable as hereinafter set forth. The undersigned promises to pay interest on the principal amount of each Competitive Advance made hereunder and remaining unpaid from time to time from the date of each such Competitive Advance until the date of payment in full, payable as hereinafter set forth.

Reference is made to the Credit Agreement dated as of May __, 1998 (as amended from time to time, the "Credit Agreement"), among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc. as Administrative Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings defined for those terms in the Credit Agreement. This is one of the Competitive Advance Notes ("Note") referred to in the Credit Agreement, and any holder hereof is entitled to all of the rights, remedies, benefits and privileges provided for in the Credit Agreement as originally executed or as it may from time to time be supplemented, modified, amended, renewed, extended or supplanted. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events upon the terms and conditions therein specified.

The principal indebtedness evidenced by this Note shall be payable in accordance with each Competitive Bid of the Bank as provided in the Credit Agreement and in any event on the Maturity Date.

Interest shall be payable on the outstanding daily unpaid principal amount of each Competitive Advance hereunder from the date thereof until payment in full and shall accrue and be payable in accordance with each Competitive Bid of the Bank as provided in the Credit Agreement both before and after default, before and after maturity and judgment, and before and after the commencement of any proceeding under any Debtor Relief Law with interest on overdue interest to bear interest at the rate set

forth in Section 3.9 of the Credit Agreement, to the extent permitted by applicable Laws.

The undersigned may not prepay the amounts outstanding under this Note without the consent of the holder hereof, in accordance with Section 3.1(g) of the Credit Agreement.

The amount of each payment hereunder shall be made to the Administrative Agent at the Administrative Agent's Office, for the account of the Bank, in lawful money of the United States of America and in immediately available funds not later than 2:00 p.m., New York City time, on the day of payment (which must be a Banking Day). All payments received after 2:00 p.m., New York City time, on any particular Banking Day shall be deemed received on the next succeeding Banking Day.

The Bank shall use its best efforts to keep a record of Competitive Advances made by it and payments of principal with respect to this Note and, subject to Section 10.6(g) of the Credit Agreement, such record shall be presumptive evidence of the principal amount owing under this Note.

As set forth in Section 13.3 of the Credit Agreement, the undersigned hereby promises to pay the reasonable out-of-pocket costs and expenses of any holder hereof incurred in collecting the undersigned's obligations hereunder or in enforcing any holder's rights hereunder, including reasonable attorneys' fees and disbursements.

The undersigned hereby waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other notice or formality, to the fullest extent permitted by applicable Laws.

THIS NOTE SHALL BE DEEMED DELIVERED TO AND ACCEPTED BY THE ADMINISTRATIVE AGENT ON BEHALF OF THE BANK IN THE STATE OF CALIFORNIA, AND SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE.

[Borrower]

By_____

Its_____

COMPETITIVE ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Stated Fixed Interest Rate	Maturity Date	Amount of Competitive Advance	Amount of Principal Paid	Unpaid Principal Balance	Principal Balance	Notation Made By

EXHIBIT D

[FORM OF COMPETITIVE BID]

COMPETITIVE BID

(Date)

[BORROWER]
_____
_____
_____
Attention: _____

Ladies and Gentlemen:

The undersigned _____ ("Bank"), refers to the Credit Agreement dated as of May __, 1998 (the "Agreement"), among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.4(f) of the Agreement, in response to the Competitive Bid Request made by _____ (the "Borrower") on _____, 19__, for a Competitive Advance in the amount of_____ to bear interest at a fixed interest rate of _____% per annum to be made on 19__, with a maturity date of _____, 19__.

The undersigned hereby confirms that it is prepared to extend credit to the Borrower in accordance with Section 2.4(i) of the Agreement upon acceptance by the Borrower of this bid in accordance with Section 2.4(h) of the Agreement.

Very truly yours,

[NAME OF BANK]

By_____

Its_____

By_____

Its_____

EXHIBIT E

[FORM OF COMPETITIVE BID REQUEST]

COMPETITIVE BID REQUEST

To: Each of the Banks party to the Credit Agreement referenced below

Citicorp USA, Inc.
Penns Way, Suite 200
New Castle, DE 19720
Attn: John Williams
Phone: (302) 894-6013
Fax: (302) 894-6120

Ladies and Gentlemen:

The undersigned, _____ (the "Borrower"), refers to the Credit Agreement dated as of May __, 1998 (the "Credit Agreement"), among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. The Borrower hereby requests pursuant to Section 2.4(b) of the Credit Agreement that the Banks submit Competitive Bids for a Competitive Advance on the following terms:

(a) Date of Competitive Advance: _____, 19__

(b) Amount of Competitive Advance: $_____

(c) Maturity Date: _____

In connection with the Competitive Advance requested herein, upon acceptance of any Competitive Bid offered by the Bank in response to this Competitive Bid Request pursuant to Section 2.4(b) of the Credit Agreement, the Borrower shall be deemed to have represented and warranted that the conditions to lending in Section 8.2 of the Credit Agreement have been satisfied.

Very truly yours,

[BORROWER]

By_____

Its_____

EXHIBIT F

[FORM OF COMPLIANCE CERTIFICATE]

COMPLIANCE CERTIFICATE

1. This Compliance Certificate ("Compliance Certificate") is executed and delivered by AMGEN INC., a Delaware corporation (the "Company"), to CITICORP USA, INC. (the "Administrative Agent") pursuant to Section 7.2 of the Credit Agreement (the "Credit Agreement") dated as of May __, 1998 among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. Any terms used herein and not defined herein shall have the meanings defined in the Credit Agreement. This Compliance Certificate covers the Company's:

Fiscal Quarter ended _____, ____

Fiscal Year ended December 31, _____

2. The following paragraphs set forth calculations showing whether the Company is in compliance with its obligations pursuant to Sections 6.5, 6.7 and 6.8 of the Credit Agreement, as of the end of the fiscal period set forth in paragraph 1 hereof. The calculations also determine the Cross-Default Amount referred to in Section 9.1(f) of the Credit Agreement. Each calculation set forth below identified as "Actual" is derived from the books and records of the Company in accordance with the relevant definitions of financial terms set forth in Section 1.1 of the Credit Agreement, and correctly reflects whether the Company is in compliance with the obligations contained in the applicable Sections of the Credit Agreement parenthetically noted, which obligations are set forth below identified under the column marked "Required/Permitted".

			Actual	Required/Permitted
I.	Liens (Section 6.5(e)):			
(a)	Indebtedness of the Company and its Subsidiaries incurred after the date of the Credit Agreement secured by Liens		$_____	
(b)	Total assets of the Company		$_____	
	(a) / (b)	=	$_____	Not greater than 35% In compliance ___ (Y or N)
II.	Interest Charge Coverage Ratio (Section 6.7):			
(a)	Adjusted Net Income for the four immediately preceding Fiscal Quarters			
	(i) Net Income		$_____	
	(ii) Extraordinary Losses		$_____	
	(iii) Extraordinary Gains		$_____	
	(i) + (ii) - (iii) =		$_____	
(b)	Interest Charges during the four immediately preceding Fiscal Quarters			
	(i) Interest, fees, charges and related expenses paid or payable (without duplication) to lenders in connection with money borrowed or the deferred purchase price of assets that is treated as interest in accordance with Generally Accepted Accounting Principles excluding interest paid or payable (without duplication) for that fiscal period on any intercompany loans		$_____	
	(ii) Portion of rent paid or payable (without duplication) under Capital Leases that should be treated as interest in accordance with Generally Accepted Accounting Principles		$_____	
	(i) + (ii)	=	$_____	
(c)	Depreciation expense during the four immediately preceding Fiscal Quarters		$_____	
(d)	Amortization expense during the four immediately preceding Fiscal Quarters		$_____	

			Actual	Required/Permitted
(e)	Provisions for taxes based on income during the four immediately preceding Fiscal Quarters		$_____	
	(a) + (b) + (c) + (d) + (e) / (b)	=	____:1.00	Not less than 3.00:1.00 In compliance ___ (Y or N)

III. Tangible Net Worth (Section 6.8):

Items (a), (b) and (c) are to be aggregated for all Fiscal Quarters in the Calculation Period, which commences January 1, 1998 and ends on the last day of the Fiscal Quarter for which the calculation is being made.

(a)	25% of net proceeds of issuance of equity securities during all Fiscal Quarters in the Calculation Period		$_____	
(b)	25% of Net Income for all Fiscal Quarters in the Calculation Period		$_____	
(c)	25% of funds used by the Company to repurchase the Company's equity securities during all Fiscal Quarters in the Calculation Period		$_____	
(d)	Tangible Net Worth:			
	(i) Shareholders' Equity of the Company and its Consolidated Subsidiaries		$_____	
	(ii) Book value of Intangible Assets of the Company and its Consolidated Subsidiaries		$_____	
	(i) - (ii)	=	$_____	Not less than $1,500,000,000 + (a) + (b) - (c) = $_____. In compliance ___ (Y or N)

IV. Cross-Default Amount (Section 9.1(f)):

(a)	Tangible Net Worth (from Paragraph III(d)) x 5%	=	$_____	
(b)	$50,000,000			
	Cross-Default Amount = the lesser of (a) or (b)	=	$_____	

3. To the best knowledge of the undersigned, during the fiscal period covered by this Compliance Certificate, no Default or Event of Default has occurred and is continuing, with the exceptions set forth below in response to which the Company has taken or proposes to take the following actions (if none, so state):

- ---
- ---
- ---
- ---
- ---

4. This Compliance Certificate is executed on _____, ____, by a Senior Officer of the Company. The undersigned hereby certifies that each and every matter contained herein is derived from the Company's books and records and is, to the best knowledge of the undersigned, true and correct.

AMGEN INC.

By_____

Its_____

EXHIBIT G-1

[see attached]

May 28, 1998

(213) 669-6000 155,076-025

Citicorp USA, Inc.
as Administrative Agent
725 Figueroa Street
Los Angeles, California 90017

and

The Banks and Issuing Bank Named On the List
Attached Hereto as Exhibit A

Re: Credit Agreement, dated as of May 28, 1998, among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent

Ladies and Gentlemen:

We have acted as counsel to Citicorp USA, Inc., as Administrative Agent (in such capacity, the "Administrative Agent"), in connection with the preparation and delivery of a Credit Agreement dated as of May 28, 1998 (the "Credit Agreement") among Amgen Inc., a Delaware corporation (the "Company"), the Borrowing Subsidiaries therein named, the Banks named therein, Citibank, N.A., as Issuing Bank and the Administrative Agent and in connection with the preparation and delivery of certain related documents. Unless otherwise indicated, capitalized terms used herein but not otherwise defined herein have the respective meanings set forth in the Credit Agreement.

We have participated in various conferences with representatives of the Company and the Administrative Agent during which the Credit Agreement and related matters have been discussed. We have reviewed the forms of the Credit Agreement and the exhibits thereto, including the form of the promissory notes annexed thereto (the "Notes") and the opinion of Thomas E. Workman, Jr. ("Opinion") and the officers' certificates and other documents delivered on the date hereof. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals or copies and the due authority of all persons executing the same, and we have relied as to factual matters on the documents that we have reviewed.

On the basis of the foregoing, we are of the opinion that the Credit Agreement constitutes the legally valid and binding obligation of the Borrowers, and each Note constitutes the legally valid and binding obligation of the Borrower that has executed such Note, enforceable against the applicable Borrower in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws) and by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

In giving the foregoing opinion, we have assumed, without independent investigation, that the Credit Agreement and the Notes have been duly authorized by all necessary corporate action on the part of each of the Borrowers and have been duly executed and delivered by each of the Borrowers party thereto and that each of the Borrowers is a corporation duly organized, validly existing and in good standing under the jurisdiction of its incorporation. We understand that you are relying on the opinion of Thomas E. Workman, Jr., general counsel of the Company, with respect to such matters.

Our opinion as to the enforceability of the Agreement is subject to:

(i) public policy considerations, statutes or court decisions that may limit the rights of a party to obtain indemnification against its own negligence of willful misconduct; and

(ii) the unenforceability under certain circumstances of broadly or vaguely stated waivers or waivers of rights granted by law where the waivers are against public policy or prohibited by law.

In addition, we

(i) express no opinion as to the effect of non-compliance by you with any state or federal laws or regulations applicable to the transactions contemplated by the Credit Agreement because of the nature of your business;

(ii) advise you that Section 13.24 of the Credit Agreement which provides for non-exclusive jurisdiction of the courts of the State of California and federal courts sitting in that State, may not be binding on the federal courts sitting in California;

(iii) express no opinion with respect to your ability to collect attorneys' fees and costs in an action involving the Credit Agreement if you are not the prevailing party in that action (we call your attention to the effect of Section 1717 of the California Civil Code, which provides that where a contract permits one party thereto to recover attorneys' fees, the prevailing party in any action to enforce any provision of the contract shall be entitled to recover its reasonable attorneys' fees).

(iv) express no opinion as to any provision of the Credit Agreement requiring written amendments or waivers of the Credit Agreement insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply; and

(v) advise you of California statutory provisions and case law to the effect that, in certain circumstances, a guarantor may be exonerated if the creditor, without the consent of the guarantor, materially alters the original obligation of the principal, elects remedies for default that impair the subrogation or reimbursement rights of the guarantor against the principal, or otherwise takes action that materially prejudices the guarantor. There is also authority (including California Civil Code Section 2856, which has not yet been the subject to judicial interpretation) to the effect that a guarantor may effectively waive statutory suretyship defenses if express waivers of such defenses are set forth in the guaranty. We express no opinion as to the effectiveness, under California law, of the waivers set forth in Article 11 of the Credit Agreement, although we believe that a California court should hold that the explicit language contained in Article 11 of the Credit Agreement waiving such defenses is enforceable. We express no opinion as to the effect on Article 11 of the Credit Agreement of: (i) any modification to or amendment of a Borrower's obligations that materially increases those obligations, or (ii) any other action by the Administrative Agent or any Bank that materially

prejudices the Company acting in its capacity as guarantor, if in any such instance, such modification, amendment or action occurs without notice to and the consent of the Company acting in its capacity as guarantor.

The law covered by this opinion is limited to present federal law and the present law of the State of California. We express no opinion as to the laws of the any other jurisdiction and no opinion regarding the statutes, administrative decisions, rules, regulation or requirements or any country, municipality, subdivision or local authority or any jurisdiction.

This opinion is furnished by us as special counsel for the Administrative Agent and may be relied upon by you only in connection with the Credit Agreement. It may not be used or relied upon by you for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent other than to attorneys for and auditors of the Banks, the Issuing Bank and the Administrative Agent, to governmental officials with regulatory authority with respect to the business of the Banks, the Issuing Bank and the Administrative Agent and to bona fide prospective purchasers of assignments of or participations in the debt arising under the Loan Documents.

Respectfully submitted,

EXHIBIT H

[REQUEST FOR LETTER OF CREDIT]

REQUEST FOR LETTER OF CREDIT

1. This Request for Letter of Credit is executed and delivered by _____ (the "Borrower") to Citibank, N.A. (the "Issuing Bank") pursuant to that certain Credit Agreement (the "Credit Agreement") dated as of May __, 1998, entered into among Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank and Citicorp USA, Inc., as Administrative Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

2. Borrower hereby requests that the Issuing Bank issue a Letter of Credit as follows:

(a) Amount of Letter of Credit: $_____.

(b) Date of Issuance: _____, ____.

(c) Beneficiary under Letter of Credit:

Name:
_____

Address: _____
_____
_____

(d) Expiry Date: _____, _____

(e) Purpose of Letter of Credit:

_____
_____
_____

(f) Additional Information/Terms:

_____
_____
_____

3. The requested Letter of Credit is (check one box only):

[ ] a new Letter of Credit in addition to Letters of Credit already outstanding.

[ ] a supplement, modification, amendment, renewal, or extension to or of the following outstanding Letter(s) of Credit:
(Identify)
---

4. In connection with the issuance of the Letter of Credit requested herein, Borrower hereby represents, warrants, and certifies to the Banks that:

(a) As of the date of issuance of the Letter of Credit requested herein, each of the representations and warranties made by Borrower in Article 4 of the Credit Agreement, other than Sections 4.4 and 4.8 and the first sentence of Section 4.6, is true and correct in all material respects as though such representations and warranties were made on and as of the date of the issuance of the requested Letter of Credit (except to the extent such representations and warranties specifically relate to an earlier date in which case they are true and correct in all material respects as of such earlier date);

(b) Except for (a) any matter fully covered (subject to applicable deductibles and retentions) by insurance for which the insurance carrier has assumed full responsibility and (b) matters described in clauses (b) or (c) of Section 4.8 of the Credit Agreement on the Closing Date, there is no action, suit, proceeding or investigation pending as to which the Company or any of its Subsidiaries have been served or have received notice or, to the best knowledge of the Company, threatened against or affecting the Company or its Subsidiaries or any Property of any of them before any Governmental Agency that constitutes a Material Adverse Effect; and

(c) Following the issuance of the Letter of Credit requested herein (i) the aggregate face amount of all outstanding Letters of Credit will not exceed $25,000,000 (ii) the sum of all Committed Advances then outstanding plus the sum of all Competitive Advances then outstanding plus the face amount of all Letters of Credit then outstanding plus the sum of all unreimbursed drawings under Letters of Credit shall not exceed the Commitment, and (iii) the Total Outstandings will not exceed the Commitment.

5. Attached hereto is an Application for the Letter of Credit on the form provided to Borrower by the Issuing Bank.

6. This Request for Letter of Credit is executed on _____, ____, by a Responsible Official of Borrower, on behalf of Borrower. The undersigned, in such capacity, hereby certifies each and every matter contained herein to be true and correct.

[BORROWER]

By_____

Its_____

EXHIBIT I

[REQUEST FOR LOAN]

REQUEST FOR LOAN

1. This Request for Loan is by _____ (the "Borrower") to Citicorp USA, Inc. (the "Administrative Agent") pursuant to that certain Credit Agreement (the "Credit Agreement) dated as of May __, 1998 between Amgen Inc., the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings defined in the Credit Agreement.

2. Borrower hereby requests that Bank make a Loan for the account of Borrower pursuant to the Credit Agreement as follows:

(a) DATE OF LOAN: _____

(b) TYPE OF LOAN (Check one box only):

[ ] BASE RATE LOAN

[ ] EURODOLLAR LOAN WITH A
___ --MONTH EURODOLLAR PERIOD

(c) AMOUNT OF REQUESTED LOAN: $_____

(d) INTEREST PERIOD OF LOAN ENDS: _____

3. In connection with each request pursuant to Section 2 above, Borrower certifies that:

(a) The aggregate outstanding balance of Competitive Advances is $_____.

(b) As of the date of the requested Loan, (i) each representation and warranty made by Borrower in Article 4 of the Credit Agreement, other than Sections 4.4 and 4.8 and the first sentence of Section 4.6, will be true and correct, both immediately before and after giving effect to such Loan, as though such representations and warranties were made on and as of that date (except to the extent such representations

and warranties specifically relate to an earlier date in which case they shall be true and correct in all material respects as of such earlier date), (ii) except for (a) any matter fully covered (subject to applicable deductibles and retentions) by insurance for which the insurance carrier has assumed full responsibility and (b) matters described in clauses (b) or (c) of Section 4.8 of the Credit Agreement
----
on the Closing Date, there is no action, suit, proceeding or investigation pending as to which the Company or any of its Subsidiaries have been served or have received notice or, to the best knowledge of the Company, threatened against or affecting Company or any of its Subsidiaries or any Property of any of them before any Governmental Agency that constitutes a Material Adverse Effect, and (iii) after giving effect to the requested Loan, the Total Outstandings will not exceed the Commitment.

4. This Request for Loan is executed on _____, ____ by a Responsible Official of Borrower on behalf of Borrower. The undersigned, in such capacity, hereby certifies each and every matter contained herein to be true and correct except as previously disclosed by Borrower in writing to the
------
Banks and waived by the Majority Banks or all Banks, as applicable.

[BORROWER]

By _____

Its _____

EXHIBIT J

[FORM OF ASSIGNMENT AGREEMENT]

ASSIGNMENT AGREEMENT

Reference is made to the Credit Agreement dated as of May __, 1998 (as it may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Amgen Inc. (the "Company"), the Borrowing Subsidiaries therein named, the Banks therein named, Citibank, N.A. as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

_____ ("Assignor") and _____ ("Assignee") agree as follows:

1. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, a __% interest in and to all Assignor's rights and obligations under the Credit Agreement as of the Effective Date (as defined in Paragraph 4 below) (including, without limitation, such percentage interest in the Pro Rata Share of the Commitment of Assignor on the Effective Date and such percentage interest in the Loans owing to the Assignor outstanding on the Effective Date, together with such percentage interest in all unpaid interest and fees accrued to the Effective Date).

2. Assignor (i) represents that as of the date hereof, its Pro Rata Share of the Commitment (without giving effect to assignments thereof which have not yet become effective) is $_____, and the outstanding balance of its Loans (not reduced by any assignments thereof which have not yet become effective) is $_____; (ii) represents that this Assignment Agreement is entered into in accordance with the provisions of subsection 13.9 of the Credit Agreement; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; and (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition

of the Company or its Subsidiaries or the performance or observance by the Company or any of its Subsidiaries of any of its or their obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment Agreement; (ii) confirms that it has received a copy of the financial statements delivered pursuant to subsections 4.5 and 7.1 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (iii) agrees that it will, independently and without reliance upon the Administrative Agent, the Co-Arrangers, Assignor or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank; and (vi) agrees that it will keep confidential all information with respect to the Company furnished to it by the Company or Assignor (other than information generally available to the public or otherwise available to Assignor on a nonconfidential basis).

4. The effective date (the "Effective Date") for this Assignment Agreement shall be the date of execution by the Administrative Agent and the Company of this Assignment Agreement.

5. From and after the Effective Date, (i) Assignee shall be a party to the Credit Agreement, and to the extent provided in this Assignment Agreement, have the rights and obligations of a Bank, and (ii) Assignor shall, to the extent provided in this Assignment Agreement, relinquish its rights and be released from its obligations under the Credit Agreement.

6. From and after the Effective Date, the Administrative Agent shall make all payments in respect of any interest assigned hereby (including payments of principal, interest, fees and other amounts) to

Assignee. Assignor and Assignee shall make all appropriate adjustments for payments for periods prior to the Effective Date by the Administrative Agent and with respect to the making of this assignment directly between themselves.

7. This Assignment Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the state of California applicable to contracts made and performed in such state.

[NAME OF ASSIGNOR]

By:_____
Title:_____

[NAME OF ASSIGNEE]

By:_____
Title:_____

Accepted this _____ day of
_____, 199_

CITICORP USA, INC.
as Administrative Agent

By:_____
Title:_____

AMGEN INC.

By:_____
Title:_____

SCHEDULE 1.1

BORROWING SUBSIDIARIES

1. AMGEN PUERTO RICO, INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of State Road 31, Kilometer 24.6, Juncos, Puerto Rico 00777-4060.

SCHEDULE 1.2

WHOLLY OWNED SUBSIDIARIES

SUBSIDIARIES OF AMGEN INC.

1. AMGEN BOULDER DEVELOPMENT CORPORATION, a Colorado corporation having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546.

2. AMGEN BOULDER PRODUCTION CORPORATION, a Colorado corporation, having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546.

3. AMGEN CAMBRIDGE REAL ESTATE HOLDINGS INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California, 91320-1789.

4. AMGEN HOLDING, INC., a California corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California, 91320-1789.

5. AMGEN INTERNATIONAL INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California, 91320-1789.

6. AMGEN KABUSHIKI KAISHA, a Japanese corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of Hamacho Center Building, 13F, 2-31-1 Nihonbashi Hamacho, Chuo-ku, Tokyo 103, Japan.

7. AMGEN PUERTO RICO, INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of State Road 31, Kilometer 24.6, Juncos, Puerto Rico 00777-4060.

8. AMGEN SALES CORPORATION, a Barbados corporation and a foreign sales corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of c/o Corporate Services Limited, Collymore Rock, St. Michael, Barbados, West Indies.

9. SYNERGEN EUROPE INC., a Colorado corporation, having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546.

SUBSIDIARIES OF SYNERGEN EUROPE INC.

1. SYNERGEN B.V., a Dutch corporation, having a principal business address of Koningennegracht 61-62, 2414 AE The Hague, The Netherlands.

2. SYNERGEN S.P.A., an Italian corporation, having a principal business address of Amgen Inc., One Amgen Center Drive, Thousand Oaks, California 91320-1789.

SUBSIDIARIES OF AMGEN INTERNATIONAL INC.

1. AMGEN AB, a Swedish corporation, having a principal business address of Ralambsvagen 17, P.O. Box 34107, 100-26 Stockholm, Sweden.

2. AMGEN B.V., a Dutch corporation, is a wholly owned subsidiary of Amgen International Inc.; having a principal business address of Elleboog 56, P.O. Box 3345, 4800 DH Breda, The Netherlands.

3. AMGEN CARIBE CORPORATION, a Puerto Rican corporation, is a wholly owned subsidiary of Amgen International Inc., having a principal business address of State Road 31, Kilometer 24.6, Juncos, Puerto Rico 00777-4060.

SCHEDULE 2.1

Bank Commitments

Banks	Commitment	Pro Rata Share
ABN AMRO Bank N.V.	$ 30,000,000.00	20%
Banca Commerciale Italiana, Los Angeles Foreign Branch	$ 25,000,000.00	16.66666667%
Bank of America NT&SA	$ 30,000,000.00	20%
Sanwa Bank, Limited, Los Angeles Branch	$ 15,000,000.00	10%
Citicorp USA, Inc.	$ 50,000,000.00	33.33333333%
TOTAL	$150,000,000.00	100%

Commitments and Pro Rata Shares for
Letters of Credit Issued by
Citicorp USA, Inc.

Banks	Commitment	Pro Rata Share
ABN AMRO Bank N.V.	$ 30,000,000.00	20%
Banca Commerciale Italiana, Los Angeles Foreign Branch	$ 25,000,000.00	16.66666667%
Bank of America NT&SA	$ 30,000,000.00	20%
Sanwa Bank, Limited, Los Angeles Branch	$ 15,000,000.00	10%
Citicorp USA, Inc.	$ 50,000,000.00	33.33333333%
TOTAL	$150,000,000.00	100%

SCHEDULE 4.4

Subsidiaries

Subsidiaries of Amgen Inc.

1. AMGEN BOULDER DEVELOPMENT CORPORATION, a Colorado corporation having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546, is a wholly owned subsidiary of Amgen Inc.; has 1,000 shares of capital stock issued and outstanding.

2. AMGEN BOULDER PRODUCTION CORPORATION, a Colorado corporation, having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546, is a wholly owned subsidiary of Amgen Inc.; has 1,000 shares of capital stock issued and outstanding.

3. AMGEN CAMBRIDGE REAL ESTATE HOLDINGS INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California 91320-1789; has 100 shares of capital stock issued and outstanding.

4. AMGEN HOLDING, INC., a California corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California 91320-1789; and is currently an inactive corporation; has 100 shares of capital stock issued and outstanding.

5. AMGEN INTERNATIONAL INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of One Amgen Center Drive, Thousand Oaks, California 91320-1789; has 100 shares of capital stock issued and outstanding.

6. AMGEN KABUSHIKI KAISHA, a Japanese corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of Hamacho Center Building, 13F, 2-31-1 Nihonbashi Hamacho, Chuo-ku, Tokyo 103, Japan; has 9,500 shares of capital stock issued and outstanding.

7. AMGEN PUERTO RICO, INC., a Delaware corporation, is a wholly owned subsidiary of Amgen Inc.; has a principal business address of State Road 31, Kilometer 24.6, Juncos, Puerto Rico 00777-4060; has 100 shares of capital stock issued and outstanding.

8. AMGEN SALES CORPORATION, a Barbados corporation and a foreign sales corporation, is a wholly owned subsidiary of Amgen, Inc.; has a principal business address of c/o Corporate Services Limited, Collymore Rock, St. Michael, Barbados, West Indies; has 1,000 shares of capital stock issued and outstanding.

9. SYNERGEN EUROPE INC., a Colorado corporation, having a principal business address of 3200 Walnut Street, Boulder, Colorado 80301-2546, is a wholly owned subsidiary of Amgen Inc.; has 1,000 shares of capital stock issued and outstanding.

SUBSIDIARIES OF SYNERGEN EUROPE INC.

1. SYNERGEN B.V., a Dutch corporation, having a principal business address of Koningennegracht 61-62, 2414 AE The Hague, The Netherlands, is a wholly owned subsidiary of Synergen Europe, Inc.; has no shares of capital stock issued and outstanding.

2. SYNERGEN S.P.A., an Italian corporation, having a principal business address of Amgen Inc., One Amgen Center Drive, Thousand Oaks, California 91320-1789.

SUBSIDIARIES OF AMGEN INTERNATIONAL INC.

1. AMGEN AB, a Swedish corporation, wholly owned by Amgen International Inc.; having a principal business address of Ralambsvagen 17, P.O. Box 34107, 100-26 Stockholm, Sweden; has 3,000 shares of capital stock issued and outstanding.

2. AMGEN AUSTRALIA PTY LIMITED, an Australian corporation, is owned 96% by Amgen International Inc. and 4% by Amgen Inc. with respect to the issued and outstanding common stock; is owned 100% by Amgen International Inc. with respect to the issued and outstanding preferred stock; has a principal business address of Level 3, 65 Epping Road, P.O. Box 410, North Ryde, Sydney NSW 2113, Australia; has 250 shares of common stock and 210 shares of preferred stock issued and outstanding.

3. AMGEN - BIO-FARMACEUTICA, LDA., a Portuguese corporation, is owned 90% by Amgen International Inc. and 10% by Amgen (Europe) AG; has a principal business address of Av dos Combatentes, 43 A, 1 Esq., 1600 Lisbon, Portugal; has 10,000,000 shares of capital stock issued and outstanding.

4. AMGEN B.V., a Dutch corporation, is a wholly owned subsidiary of Amgen International Inc.; has a principal business address of Elleboog 56, P.O. Box 3345, 4800 DH Breda, The Netherlands; has 490 shares of capital stock issued and outstanding.

5. AMGEN CANADA INC., a Canadian corporation, is owned 99% by Amgen International Inc. and 1% by Amgen Inc.; has a principal business address of 6733 Mississauga Road, Suite 303, Mississauga, L5N 6J5, Canada; has 100 shares of capital stock and 7,000,000 preference shares issued and outstanding.

6. AMGEN CARIBE CORPORATION, a Puerto Rico corporation, is wholly owned by Amgen International Inc., has a principal business address of State Road 31, Kilometer 24-6, Juncos, Puerto Rico, 00777-4060; has 1,000 shares of capital stock issued and outstanding.

7. AMGEN (EUROPE) AG, a Swiss corporation, is owned 99.85% by Amgen International Inc.; has a principal address of Alpenquai 30, P.O. Box 2065, 6002 Lucerne, Switzerland; has 2,000 shares of capital stock issued and outstanding.

8. AMGEN EUROPE B.V., a Dutch corporation, is a wholly owned subsidiary of Amgen International Inc.; has a principal business address of European Logistics Center, Minervum 1150, 4817 ZG Breda, The Netherlands; has 300 shares of capital stock issued and outstanding.

9. AMGEN GMBH (AUSTRIA), an Austrian corporation, is owned 99.96% by Amgen International Inc.; has a principal business address of Handelskai 388, Top 652, A-1020 Vienna Austria; has 2,450 shares of capital stock issued and outstanding.

10. AMGEN GMBH, a German corporation, has no shares of capital stock issued and outstanding; has a principal business address of Riesstrasse 25, 80992 Munich, Germany.

11. AMGEN GREATER CHINA, LTD., a Hong Kong corporation, is owned 99.99% by Amgen International Inc. and less than 1% by Amgen Inc.; has a principal business address of Rm 1501-4, 15/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong; has 5,360,000 shares of capital stock issued and outstanding.

12. AMGEN LIMITED, a United Kingdom corporation, is owned 99.99% by Amgen International Inc.; has a principal business address of 240 Cambridge Science Park, Milton Road, Cambridge CB4 4WD, United Kingdom; has 2,900,000 shares of capital stock issued and outstanding.

13. AMGEN N.V., a Belgian corporation, is owned 99.99% by Amgen International Inc.; has a principal business address of 5 Avenue Ariane, B-1200 Brussels, Belgium; has 7,000 shares of capital stock issued and outstanding.

14. AMGEN S.A., a French corporation, is owned 99.97% by Amgen International Inc. and less than 1% by each of Amgen Inc., Amgen (Europe) AG, Amgen B.V., Amgen GmbH and Amgen Limited; has a principal business address of 192 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France; has 20,500 shares of capital stock issued and outstanding.

15. AMGEN S.A., a Spanish corporation, is owned 99.99% by Amgen International Inc.; has a principal business address of Avda. Diagonal, 429, 4 degrees, 08036 Barcelona, Spain; has 54,000 shares of capital stock issued and outstanding.

16. AMGEN S.P.A., an Italian corporation, is owned 98% by Amgen International Inc. and 2% by Amgen (Europe) AG; has a principal business address of Via Vitruvio, 38, 20124 Milano, Italy; has 499,000 shares of capital stock issued and outstanding.

JOINT VENTURES
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1. KIRIN-AMGEN, INC., a Delaware corporation, is owned 50% by Amgen Inc. and 50% by Kirin Brewery Company, Ltd.; has a principal business address of c/o Amgen (Europe) AG, Alpenquai 30, P.O. Box 2065, 6002 Lucerne, Switzerland; has 1,000 shares of capital stock issued and outstanding.

2. AMGEN-REGENERON PARTNERS, a Delaware general partnership, is owned 50% by Amgen Inc. and 50% by Regeneron Pharmaceuticals Inc. and has a principal business address of One Amgen Center Drive, Thousand Oaks, California 91320-1789.

SCHEDULE 4.8

LITIGATION

None.

SCHEDULE 4.15

ENVIRONMENTAL MATTERS

None.

SCHEDULE 6.5

LIENS AND RIGHTS OF OTHERS

None.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE COMPANY'S QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL INFORMATION.

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6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
158
863
307
16
113
1,568
1,897
547
3,287
867
223
0
0
0
2,197
3,287
1,178
1,262
163
163
556
0
6
577
173
0
0
0
0
404
1.58
1.53

AMGEN INC.

FACTORS THAT MAY AFFECT THE COMPANY

Factors That May Affect the Company

Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. The following discussion highlights some of these risks and others are discussed elsewhere herein.

Product development

The Company intends to continue an aggressive product development program. Successful product development in the biotechnology industry is highly uncertain, and only a small minority of research and development programs ultimately result in the commercialization of a product. Of the candidates that are selected for product development, all will not be successfully commercialized. Product candidates that appear promising in the early phases of development may fail to reach the market for numerous reasons, including, without limitation, results indicating lack of effectiveness or harmful side effects in clinical or preclinical testing, failure to receive necessary regulatory approvals, uneconomical manufacturing costs, the existence of third party proprietary rights, failure to be cost effective in light of existing therapeutics, or other factors. There can be no assurance that the Company will be able to produce future products that have commercial potential. Additionally, success in preclinical and early clinical trials does not ensure that large scale clinical trials will be successful. For example, the Company has previously announced product development failures in connection with BDNF (for subcutaneous injection for ALS), a product candidate that did not produce acceptable clinical results in a specific indication with a specific route of administration after a Phase III trial; although this product candidate had demonstrated acceptable preclinical and earlier clinical trial results sufficient to warrant advancement to a later stage clinical trial. Further, clinical results are frequently susceptible to varying interpretations which may delay, limit or prevent further clinical development or regulatory approvals. The length of time necessary to complete clinical trials and receive approval for product marketing by regulatory authorities varies significantly by product and indication and is often difficult to predict. See "- Regulatory approvals".

Regulatory approvals

The Company's research and development, preclinical testing, clinical trials, facilities, manufacturing, pricing, and sales and marketing of its products are subject to extensive regulation by numerous state and federal governmental authorities in the U.S., such as the FDA, HCFA, as well as by foreign countries, including the EU. The success of the Company's current products and future product candidates will depend in part upon obtaining and maintaining regulatory approval to market products in approved indications. The regulatory approval process can be both a long and complex process,

both in the U.S. and in foreign countries, including countries in the EU. Even if regulatory approval is obtained, a marketed product and its manufacturer are subject to continued review. Later discovery of previously unknown problems with a product or manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Failure to obtain necessary approvals, or the restriction, suspension or revocation of any approvals or the failure to comply with regulatory requirements could have a material adverse effect on the Company.

Reimbursement; Third party payors

In both domestic and foreign markets, sales of the Company's products are dependent in part on the availability of reimbursement from third party payors such as state and federal governments (for example, under Medicare and Medicaid programs in the United States) and private insurance plans. In certain foreign markets, pricing and profitability of prescription pharmaceuticals are subject to government controls. In the United States, there have been, and the Company expects there to continue to be, a number of state and federal proposals to implement price controls. In addition, an increasing emphasis on managed care in the United States has and will continue to increase the pressure on pharmaceutical pricing and usage. Further, significant uncertainties exist as to the reimbursement status of newly approved therapeutic products and current reimbursement policies for existing products may change. Changes in reimbursement or failure to obtain reimbursement may reduce the demand for, or the price of, the Company's products which could have a material adverse effect on the Company including results of operations. For example, patients in the U.S. receiving EPOGEN(R) in connection with treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may be affected by future changes in reimbursement rates or the basis for reimbursement by the federal government. As the Company previously announced, in early 1997, HCFA instituted a reimbursement change for EPOGEN(R) which has adversely affected the Company's EPOGEN(R) sales. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Product Sales - EPOGEN(R) (Epoetin alfa)".

Guidelines

In addition to government agencies that promulgate regulations and guidelines directly applicable to the Company and its products, professional societies, practice management groups, private health/science foundations and organizations involved in various diseases may also publish, from time to time, guidelines or recommendations to the health care and patient communities. These organizations may make recommendations that affect the usage of certain therapies, drugs or procedures, including the Company's products. Such recommendations may relate to such matters as usage, dosage, route of administration and use of concomitant therapies. Recommendations or guidelines that are followed by patients and health care providers and that result in, among other things, decreased use of the Company's products could have a material adverse effect on the Company's results of operations. In addition, the perception that such recommendations

or guidelines will be followed could adversely affect prevailing market prices for the Company's common stock.

Intellectual property and legal matters

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and often involve complex legal, scientific and factual questions. To date, there has emerged no consistent policy regarding breadth of claims allowed in such companies' patents. Accordingly, there can be no assurance that patents and patent applications relating to the Company's products and technologies will not be challenged, invalidated or circumvented or will afford protection against competitors with similar products or technology. Patent disputes are frequent and can preclude commercialization of products. The Company currently is, and may in the future be, involved in patent litigation. Such litigation, if decided adversely, could subject the Company to competition and/or significant liabilities, could require the Company to enter into third party licenses or could cause the Company to cease using the technology or product in dispute. In addition, there can be no assurance that such licenses will be available on terms acceptable to the Company, or at all.

The Company is currently involved in arbitration proceedings with Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), relating to a license granted by the Company to Johnson & Johnson for sales of Epoetin alfa in the United States for all human uses except dialysis and diagnostics. See Note 4 to the Consolidated Financial Statements, "Contingencies - Johnson & Johnson arbitrations".

Competition

Amgen operates in a highly competitive environment. The Company competes with pharmaceutical and biotechnology companies, some of which may have technical or competitive advantages for, among other things, the development of technologies and processes and the acquisition of technology from academic institutions, government agencies and other private and public research organizations. There can be no assurance that the Company will be able to produce or acquire rights to products that have commercial potential. Even if the Company achieves product commercialization, there can be no assurance that one or more of the Company's competitors will not achieve product commercialization earlier than the Company, receive patent protection that dominates or adversely affects the Company's activities, or have significantly greater marketing capabilities.

Fluctuations in operating results

The Company's operating results may fluctuate from period to period for a number of reasons. Historically the Company has planned its operating expenses, many of which are relatively fixed in the short term, on the basis that revenues will continue to grow. Accordingly, even a relatively small revenue shortfall may cause a period's results to be below Company expectations. Such a revenue shortfall could arise from any number of factors, including, without limitation, lower than expected demand, changes in wholesaler buying patterns, changes in product pricing strategies, increased competition from new and existing

products, fluctuations in foreign currency exchange rates, changes in government or private reimbursement, transit interruptions, overall economic conditions or natural disasters (including earthquakes).

Rapid growth

The Company has adopted an aggressive growth plan that includes substantial and increased investments in research and development and investments in facilities that will be required to support significant growth. This plan carries with it a number of risks, including a higher level of operating expenses and the complexities associated with managing a larger and faster growing organization.

Stock price volatility

The Company's stock price, like that of other biotechnology companies, is subject to significant volatility. The stock price may be affected by, among other things, clinical trial results and other product development related announcements by Amgen or its competitors, regulatory matters, announcements in the scientific and research community, intellectual property and legal matters, changes in reimbursement policies or medical practices or broader industry and market trends unrelated to the Company's performance. In addition, if revenues or earnings in any period fail to meet the investment community's expectations, there could be an immediate adverse impact on the Company's stock price.