SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported) DECEMBER 4, 1998

MARTIN MARIETTA MATERIALS, INC.

(Exact name of registrant as specified in its charter)

NORTH CAROLINA	1-12744	56-1848578
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2710 WYCLIFF ROAD, RALEIGH, NORTH CAROLINA 27607-3033

(Address of principal executive offices)

Registrant's telephone number, including area code (919) 781-4550

NOT APPLICABLE

(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

Pursuant to a Stock Purchase Agreement dated as of October 2, 1998 (the "Stock Purchase Agreement") by and between Martin Marietta Materials, Inc. (the "Registrant") and Redland International Limited ("Redland"), effective at 12:01 a.m. (Eastern Standard Time) on December 4, 1998, the Registrant acquired all of the issued and outstanding shares of capital stock of Redland Stone Products Company (the "Company"), all as more particularly described in the Stock Purchase Agreement.

The purchase consideration was established by negotiation and consisted of $272 million in cash plus normal balance sheet liabilities, subject to certain post-closing adjustments related to working capital, plus approximately $8 million estimated for certain other assumed liabilities and transaction costs. The Registrant did not assume any long-term debt of the Company in the Stock Purchase Agreement. The initial purchase consideration paid at closing was $272 million. Pursuant to the Stock Purchase Agreement, Redland agreed to indemnify the Registrant with regard to certain liabilities of the Company. The Registrant paid the initial purchase consideration from funds obtained from the issuance of United States commercial paper, a portion of which was repaid with the proceeds obtained from a private placement of 5.875% Notes due December 1, 2008 issued in the aggregate principal amount of $200 million.

The Company's operations and business primarily relate to the production, marketing, distribution and sale of construction aggregates products and asphaltic concrete. The Registrant intends to operate the Company as a new division of the Registrant with its headquarters in San Antonio, Texas.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Business Acquired.

The financial statements required by this item are not included in this report and will be filed no later than 60 days from the date this report must be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by this item is not included in this report and will be filed no later than 60 days from the date this report must be filed.

(c) Exhibits.

Exhibit 2	Stock Purchase Agreement dated as of October 2, 1998 by and between Martin Marietta Materials, Inc. and Redland International Limited. Note: The Registrant has not filed the exhibits and schedules to the Stock Purchase Agreement on the basis that these are not material for the purposes of this filing; however, the Registrant agrees to furnish such documents to the Securities and Exchange Commission upon request.

Exhibit 99.1	Press Release dated October 5, 1998
Exhibit 99.2	Press Release dated December 7, 1998
Exhibit 99.3	Revolving Credit Agreement dated as of December 3, 1998 among Martin Marietta Materials, Inc. and Morgan Guaranty Trust Company of New York, as Agent Bank.
Exhibit 99.4	Amendment No. 1 to the Credit Agreement dated as of October 16, 1998 among Martin Marietta Materials, Inc. and Morgan Guaranty Trust Company of New York, as Agent Bank.
Exhibit 99.5	Amendment No. 2 to the Credit Agreement dated as of December 3, 1998 among Martin Marietta Materials, Inc. and Morgan Guaranty Trust Company of New York, as Agent Bank.

SIGNATURES

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

MARTIN MARIETTA MATERIALS, INC.
(Registrant)

By /s/ Bruce A. Deerson

Bruce A. Deerson
Vice President and General Counsel

Date: December 18, 1998

EXHIBIT 2

EXECUTION COPY

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STOCK PURCHASE AGREEMENT

DATED AS OF

OCTOBER 2, 1998

BETWEEN

REDLAND INTERNATIONAL LIMITED

AND

MARTIN MARIETTA MATERIALS, INC.

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STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (this "AGREEMENT") dated as of October 2, 1998, between REDLAND INTERNATIONAL LIMITED, a corporation organized and existing under the laws of England and Wales ("SELLER"), and MARTIN MARIETTA MATERIALS, INC., a North Carolina corporation ("ACQUIROR").

RECITALS:

A. Seller owns 100 shares of the voting common stock (the "STOCK") of Redland Stone Products Company, a Texas corporation (the "COMPANY"), which constitutes all of the issued and outstanding capital stock of the Company.

B. The Company is engaged in the business (the "BUSINESS") of the production and sale of limestone base and aggregate, silica sand, ready mix concrete, asphaltic concrete, caliche base, and other aggregate based construction materials. The Business does not include the business of processing stone to produce and sell lime and lime products.

C. Seller and Acquiror have determined to enter into this Agreement which, among other things, provides for Seller to sell, transfer and convey ("TRANSFER") to Acquiror, and Acquiror to purchase and receive from Seller, all of the Stock.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Acquiror and Seller hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1. Definitions. The following terms used in this Agreement shall have the following meanings:

"ACQUIROR" means Martin Marietta Materials, Inc., a North Carolina corporation.

"ACT" means the Securities Act of 1933, as amended.

"AFFILIATE" means, with respect to any Person, any other Person who is directly or indirectly controlling, controlled by or under the common control with such Person. For the purposes of this definition, the term "control," when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"AGREEMENT" means this Stock Purchase Agreement, together with any Schedules (including Supplemental Schedules) and Exhibits hereto.

"ANTITRUST DIVISION" means the Antitrust Division of the Department of Justice.

"BALANCE SHEET DATE" means December 31, 1997.

"BECKMANN TRACT" means the real property described on Schedule 1.1A hereto and outlined in red and identified as the "Reserve Tract" on the map included in said Schedule.

"BENEFIT ARRANGEMENT" means any employment, severance or similar contract or arrangement (whether or not written) or any plan, policy, fund, program or contract or arrangement (whether or not written) that provides for compensation, bonus, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance coverage (including any self-insured arrangements), health or medical

benefits, disability benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance or other benefits) that is not an Employee Plan.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMPANY BYLAWS" means the bylaws of the Company as in effect on the date hereof.

"COMPANY CHARTER" means the articles of incorporation of the Company as in effect on the date hereof.

"CONFIDENTIALITY AGREEMENT" means the Confidentiality Agreement dated July 6, 1998 between (i) Dresdner Kleinwort Benson North America LLC, as financial advisor to, and on behalf of Lafarge S.A. and Seller and their respective subsidiaries and affiliates and (ii) Acquiror.

"EMPLOYEE PLAN" means any "employee benefit plan," as defined in Section 3(3) of ERISA.

"EMPLOYEES" means the employees of the Company and its Subsidiaries immediately prior to the Closing.

"ENVIRONMENTAL LAWS" means all federal, state, local and foreign laws (as may be applicable) relating to environmental pollution or protection of the environment and any regulation, code, plan, order, decree, judgment or injunction related thereto in effect on or prior to the Closing Date, including without limitation: (i) the Solid Waste Disposal Act, 42 U.S.C. ss. 6901; (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 26 U.S.C. ss. 4611; 42 U.S.C. ss. 9601; (iii) the Superfund Amendments and Reauthorization Act of 1986; (iv) the Clean Air Act, 42 U.S.C. ss. 7401; (v) the Clean Water Act, 33 U.S.C. ss. 1251; (vi) the Safe Drinking Water Act, 72 U.S.C. ss. 300f; (vii) the Toxic Substances Control

Act, 15 U.S.C. ss. 2601; (viii) the Hazardous Materials Transportation Act, 49 U.S.C. ss. 1801 et seq.; (ix) the Endangered Species Act, 16 U.S.C. ss. 1531; (x) the Endangered Species Conservation Act of 1969, 16 U.S.C. ss. 460 et seq.; (xi) applicable state mining laws; (xii) applicable state or local laws governing water including but not limited to laws regulating the use of water, the withdrawal of water or acquifers or reservoir management; and (xiii) any other similar federal, state, local or foreign (as applicable) Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"FINANCIAL STATEMENTS" means the audited consolidated balance sheet of the Company as of the Balance Sheet Date, and the related consolidated statements of operations, stockholders' equity and cash flows for the fiscal year ended on the Balance Sheet Date, copies of which are attached to this Agreement as Schedule 3.13.

"FTC" means the Federal Trade Commission.

"GAAP" means United States generally accepted accounting principles consistently applied.

"GOVERNMENTAL ENTITY" means any United States federal, state, county, local, municipal or foreign government, court, administrative agency or commission or other governmental or other regulatory authority or agency or any arbitration tribunal or other non-governmental authority with, in the case of such arbitration tribunal or non-governmental authority, the ability to issue decisions that are legally binding on the Company or its Subsidiaries.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"HSR FILINGS" means any filings required under the HSR Act.

"LAFARGE S.A." means Lafarge S.A., a company organized and existing under the laws of France, which indirectly owns all of the issued and outstanding capital stock of Seller.

"LAWS" means all applicable statutes, laws, regulations, rules, judgments, ordinances, orders and decrees of Governmental Entities.

"LIEN" means, with respect to any property or asset, any mortgage, deed of trust, lien, pledge, charge, security interest, restriction on voting or transfer, or other encumbrance.

"MATERIAL ADVERSE EFFECT" means, with respect to the Company, such state of facts, event, change or effect as has had, or reasonably could reasonably be expected to have, a material adverse effect (i) on the business, assets, results of operations, prospects or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole, other than events, changes or developments relating to the economy in general or resulting from industry-wide developments affecting Persons in businesses similar to the Business, (ii) on the business, assets (including the limestone reserves), results of operations, prospects or condition (financial or otherwise) of the Beckmann Tract, taken as a whole, or the Rogers Tract, taken as a whole, or (iii) on the ability of Seller to enter into this Agreement or consummate the transactions contemplated by this Agreement.

"PARTNERSHIP TRACT" means the real property owned by Redland Park Development Limited Partnership and described on Schedule 1.1C hereto and outlined in blue on the map included in Schedule 1.1A hereto.

"PERMIT" means any license, franchise, permit, concession, approval, authorization, certification or registration from, of or with or issued by a Governmental Entity, including,

without limitation, all current environmental (including mining) licenses, permits, authorizations, certifications, regulatory plans and compliance schedules.

"PERMITTED LIENS" means (i) Liens listed or described on Schedule 3.15 or 3.16, (ii) easements, covenants, rights-of-way and other encumbrances or restrictions or Liens or restrictions arising as a matter of Law which do not, individually or in the aggregate (A) with respect to all Real Property that is to be used for the purpose of mining, adversely affect the ability of the Company to access, process, exploit or otherwise utilize at a particular quarry the reserves as reported on the Reports (after giving effect to ordinary course mining since the date of the relevant Report) in a commercially reasonable manner, and (B) with respect to all Real Property that is to be used for a purpose other than mining, materially detract from the value or impair the present, continued and intended use or operation (including, without limitation, maintenance) of, or access to, the property subject thereto, or impair the operations of the Company or any of its Subsidiaries, (iii) Liens related to Taxes not yet due or payable or which are being contested in good faith and for which appropriate reserves have been taken and reflected in the Final Working Capital, and (iv) Liens that are created by Acquiror; provided, however, that for the avoidance of doubt the parties hereto agree that zoning laws do not constitute "Permitted Liens".

"PERSON" means an individual, corporation, joint-venture, partnership, limited liability company, association, trust or other entity or organization, including without limitation, a Governmental Entity.

"PRE-CLOSING TAX PERIOD" means any taxable period ending on or before the Closing Date and the portion ending on and including the Closing Date of any Straddle Period.

"ROGERS TRACT" means, collectively, the real property constituting the approximately 440 acre so-called "NW Military Highway Tract" and the approximately 95.5 acre "Triangle Tract" as described on Schedule 1.1B hereto.

"SELLER" means Redland International Limited, a corporation organized and existing under the laws of England and Wales.

"STRADDLE PERIOD" means any taxable period that includes (but does not end on) the Closing Date.

"STRADDLE TAX RETURN" means any Tax Return required to be filed by the Company or any of its Subsidiaries covering a taxable period commencing prior to the Closing Date and ending after the Closing Date.

"SUBSIDIARY" means any of the Company's subsidiaries set forth on Schedule 3.4.

"TAX" means any and all federal, state, local, municipal or foreign fiscal levies, fees, imposts, duties and other fiscal charges of whatever kind, whether imposed on the Company, its Subsidiaries or their respective assets, including, without limitation, taxes imposed on, or measured by, net income, gross income or gross receipts, sales, goods and services, use, ad valorem, value added, transfer, franchise, profits, withholding, payroll, employment, excise, stamp, occupation, real or personal property, severance, customs, capital stock, license, social security, workers' compensation, unemployment compensation, utility, production, premium, windfall profits, transfer and gains taxes, duties and all other types of fiscal levies, together with any interest, penalties or additions to tax imposed or assessed with respect thereto.

"TAX RETURN" means any return, report, statement, information statement or similar document (including any additional or supporting material) filed, or required to be filed, in connection with the calculation, determination, assessment or collection of any Tax and shall

include any amended returns required as a result of examination adjustments made by any Governmental Entity with respect to Taxes.

"WORKING CAPITAL" means the excess of current assets over current liabilities (excluding any liability for Taxes payable by Seller pursuant to Section 9.1(a)) based on the Closing Date Balance Sheet.

1.2. Definitional Cross-References. The definitions of the following terms are set forth in the following provisions of this Agreement:

Defined Term	Reference
"ACCOUNTANTS"	Section 2.4(c)
"ACQUIROR INDEMNITEES"	Section 10.3
"ACQUIROR'S PLAN"	Section 6.1(c)
"BUSINESS"	Recital B
"CLOSING DATE BALANCE SHEET"	Section 2.4(a)
"CLOSING DATE"	Section 2.3
"CLOSING"	Section 2.3
"COMPANY MANAGEMENT"	Section 5.2(a)
"COMPANY"	Recital A
"COMPANY'S BENEFITS"	Section 3.9
"CREDIT UNION"	Section 3.21
"DIRECTING PARTY"	Section 9.1(f)
"FINAL WORKING CAPITAL"	Section 2.5
"FIRPTA STATEMENT"	Section 9.4
"LEASES"	Section 3.15(b)
"LIABILITY SCHEDULES"	Section 10.3(a)
"LIABILITY"	Section 10.3(b)
"LISTED TITLE POLICIES"	Section 3.24
"LOSSES"	Section 10.3
"MULTIEMPLOYER PLAN"	Section 3.9(a)
"NON-CURRENT LIABILITIES SCHEDULE"	Section 10.3(a)
"OBJECTION NOTICE"	Section 2.4(b)
"OBJECTION PERIOD"	Section 2.4(b)
"PLAN SPONSOR"	Section 6.1(c)
"POLICIES"	Section 3.24
"PRE-CLOSING MATTERS"	Section 10.3(b)
"PRE-CLOSING TAXES"	Section 9.1(e)
"PROPERTY TAXES"	Section 9.1(c)
"PURCHASE PRICE"	Section 2.2
"REAL PROPERTY"	Section 3.15

Defined Term	Reference
"RECITAL"	Section 3.24
"REDLAND PENSION PARTICIPANTS"	Section 6.1(c)
"REDLAND PENSION PLAN"	Section 6.1(c)
"REPORTS"	Section 3.16(b)
"SELLER INDEMNITEES"	Section 10.4
"SETTLEMENT PROPOSAL"	Section 10.5(a)
"STOCK"	Recital A
"SUPPLEMENTAL SCHEDULES"	Section 5.2(c)
"THIRD PARTY CLAIM"	Section 10.5(a)
"TITLE COMPANY"	Section 5.11
"TITLE POLICIES"	Section 3.24
"TRANSFER"	Recital C
"TRIANGLE TRACT"	Section 5.13
"VALUATION DATE"	Section 6.1(c)
"WARN"	Section 6.3
"WORKING CAPITAL STATEMENT"	Section 2.4(a)

ARTICLE II.
PURCHASE AND SALE OF THE STOCK

2.1. Sale and Transfer of the Stock. Subject to the conditions to Closing set forth in Article VII of this Agreement, at the Closing Seller will Transfer to Acquiror, and Acquiror will purchase and accept from Seller, all of the Stock.

2.2. Payment. In consideration of the Transfer of the Stock and the other undertakings of Seller under this Agreement, at the Closing Acquiror will pay to Seller $272.0 million (the "PURCHASE PRICE") via wire transfer of immediately available funds to an account designated by Seller.

2.3. Closing. Unless this Agreement has been terminated and the transactions contemplated under this Agreement have been abandoned pursuant to Section 8.1 and subject to the fulfillment or, if permitted, waiver of the conditions set forth in Article VII, the closing of the Transfer of the Stock (the "CLOSING") will take place at the offices of Jones, Day, Reavis & Pogue, Dallas, Texas at 9:00 a.m. on the fifth business day following the fulfillment or, if

permissible, waiver of the conditions set forth in Section 7.1, unless another date or time is agreed to in writing by the parties to this Agreement (the "CLOSING DATE"). The Closing will be effective as of 12:01 a.m. on the Closing Date.

2.4. Working Capital Statement.

(a) As promptly as practicable and in any event within 90 days after the Closing Date, Seller will prepare and deliver to Acquiror a consolidated balance sheet of the Company as of the Closing Date prepared in accordance with GAAP (except that any liability for Taxes which are the responsibility of Seller pursuant to Section 9.1(a) shall be eliminated therefrom) (the "CLOSING DATE BALANCE SHEET"), and a certificate of Seller (the "WORKING CAPITAL STATEMENT") based on the Closing Date Balance Sheet setting forth Seller's calculation of the Working Capital. Seller will afford one or more representatives of Acquiror (including its auditors) the opportunity to review Seller's preparation of the Closing Date Balance Sheet and the Working Capital Statement, including, without limitation, the opportunity to observe any physical inventory count and other accounting procedures. If Acquiror and Seller agree upon the accuracy of the Closing Date Balance Sheet and the calculation of the Working Capital within 90 days after the delivery to Acquiror of the Closing Date Balance Sheet and Working Capital Statement, Sections 2.4(b) and 2.4(c) will not apply; however, if Acquiror and Seller do not so agree, then Sections 2.4(b) and 2.4(c) will apply.

(b) If Acquiror disputes the accuracy of the Closing Date Balance Sheet or otherwise disagrees with Seller's calculation of the Working Capital, Acquiror may, within 90 days (the "OBJECTION PERIOD") after the delivery to Acquiror of the Closing Date Balance Sheet and Working Capital Statement, deliver a notice (the "OBJECTION NOTICE") to Seller disputing the accuracy of the Closing Date Balance Sheet and the calculation of the

Working Capital and setting forth Acquiror's proposed corrections to the Closing Date Balance Sheet and the calculation of the Working Capital. Any Objection Notice shall specify in reasonable detail those items or amounts as to which Acquiror disagrees and the basis for the disagreement. Acquiror shall be deemed to have agreed with all other items and amounts contained in the Closing Date Balance Sheet and the Working Capital Statement to which no specific objection has been made. If Acquiror does not deliver the Objection Notice within the Objection Period, Acquiror shall be deemed to agree in all respects with Seller's preparation of the Closing Date Balance Sheet and calculation of the Working Capital.

(c) If an Objection Notice shall be properly and timely delivered, Acquiror and Seller shall cause KPMG Peat Marwick, LLP (or, if they are unable or unwilling to serve, a firm of independent accountants of nationally recognized standing reasonably satisfactory to Acquiror and Seller (which shall not have any material relationship with Acquiror, Seller or the Company or any of their respective controlled affiliates)) (the "ACCOUNTANTS") to promptly review this Agreement and the disputed items or amounts in the Closing Date Balance Sheet and the Working Capital Statement for the purpose of calculating the Working Capital. In making such calculation, the Accountants shall consider only those items or amounts in the Closing Date Balance Sheet or in Seller's calculation of the Working Capital as to which Acquiror has, in the Objection Notice, disagreed and such other issues as may reasonably be affected by the items as to which Acquiror has disagreed. The Accountants shall deliver to Acquiror and Seller, as promptly as practicable, but no later than sixty (60) days after the Accountants are engaged, a written report setting forth their calculation of the disputed items. Absent manifest error, such report shall be final and binding upon Acquiror and Seller. The cost of such review and report shall be divided equally between Seller and Acquiror.

(d) Each of Acquiror and Seller will cooperate and assist in the preparation of the Closing Date Balance Sheet and the Working Capital Statement and in the conduct of the reviews referred to in this Section 2.4, including, without limitation, Acquiror making available to the extent necessary or helpful books, records, work papers and personnel of the Company and access to the assets of the Company and Seller making available to the extent necessary or helpful books, records, work papers and personnel of Seller.

2.5. Working Capital Adjustment. If the Final Working Capital is calculated to be in excess of $19.6 million, Acquiror shall pay to Seller within five days of such final calculation the amount of such excess. If the Final Working Capital is calculated to be less than $19.6 million, Seller shall pay to Acquiror within five days of such final calculation the amount of such deficiency. "FINAL WORKING CAPITAL" means the amount of the Working Capital as finally determined pursuant to Section 2.4; provided, however, that in no event shall the Final Working Capital be more than Seller's calculation of the Working Capital delivered pursuant to Section 2.4(a) or less than Acquiror's calculation of the Working Capital delivered pursuant to Section 2.4(b). The amount of any payment to be made pursuant to this Section 2.5 will bear interest from the Closing Date to the date of payment at a rate per annum equal to the lesser of (i) the "Prime Rate" published by The Wall Street Journal, in the "Money Rates" section thereof on the first business day following the Closing Date, or (ii) the maximum rate permitted by applicable Law. Such interest shall be compounded daily and shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Acquiror as follows:

3.1. Corporate Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Each of the Subsidiaries has been duly organized and is validly existing as a corporation or as a partnership, as the case may be, and each of the Subsidiaries that is a corporation is in good standing under the laws of its jurisdiction of incorporation. The Company and each of its Subsidiaries that is a corporation is duly qualified as a foreign corporation in each jurisdiction in which the properties owned, leased or operated, or the business conducted, by it require such qualification. The Company and each of its Subsidiaries has the requisite corporate or partnership power, as the case may be, and authority to own and operate its properties and carry on its businesses as it is now being conducted. Seller has heretofore made available to Acquiror true, correct and complete copies of (i) the Company Charter and the Company Bylaws, (ii) the charter and the bylaws of each Subsidiary that is a corporation, (iii) the stock ledgers of the Company and its Subsidiaries that are corporations, (iv) the partnership agreements of the Subsidiaries that are partnerships, (iv) the minutes of the meetings of the boards of directors of the Company and its Subsidiaries that are corporations and any committees thereof and (vi) the minutes of the meetings of the partners of the Subsidiaries that are partnerships.

3.2. Corporate Authority. Seller has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated to be performed hereunder have been duly authorized by all necessary corporate actions. This Agreement is a valid and binding obligation of Seller, enforceable against it in accordance with the terms hereof except as such enforceability may be limited by bankruptcy,

insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally.

3.3. Conflicts and Defaults. Except as set forth on Schedule 3.3, neither the execution and delivery of this Agreement by Seller nor the performance by Seller of the transactions contemplated hereby will violate or constitute an occurrence of default under any provision of, or conflict with, or result in acceleration of any obligation under, or give rise to a right by any party to terminate its obligations under, any contract, sales commitment, purchase order, security agreement, mortgage, conveyance to secure debt, note, deed, loan, Lien, lease, agreement, instrument, order, judgment, decree, or other arrangement to which the Company, any of its Subsidiaries or Seller is a party or is bound. Except as set forth on Schedule 3.3, the Company is not in violation of the Company Charter or the Company Bylaws, the Subsidiaries that are corporations are not in violation of their charter or bylaws and the partnership agreements for the Subsidiaries that are partnerships are in full force and effect and there are no defaults thereunder. The Company and its Subsidiaries are not in breach of, or default under, any contract, sales commitment, purchase order, security agreement, mortgage, conveyance to secure debt, note, deed, loan, Lien, lease, agreement, instrument, order, judgment, decree or other arrangement and there does not exist under any provision thereof any event that, with the giving of notice or the lapse of time or both, would constitute such a breach or default, except for such breaches, defaults and events as to which requisite waivers or consents have been obtained.

3.4. Capital Stock.

(a) The authorized capital stock of the Company consists of one hundred thousand (100,000) shares of voting common stock, of which one hundred (100) shares are issued and outstanding. The Stock constitutes all of the issued and outstanding capital stock of the Company. Seller is the registered and beneficial owner of the Stock free and clear of any Lien. Upon consummation of the transactions contemplated by this Agreement and registration of the Stock in the name of Acquiror in the stock records of the Company, Acquiror will own all of the issued and outstanding capital stock of the Company free and clear of any Lien.

(b) The Stock has been duly authorized and validly issued and is fully paid and non-assessable. There are no (i) securities of Seller or the Company convertible into or exchangeable for shares of capital stock of the Company, (ii) warrants, options or other rights to acquire from Seller or the Company, or other obligations of Seller or the Company to issue, any capital stock or securities convertible into or exchangeable for capital stock of the Company, or (iii) bonds, debentures, notes or other obligations or securities of Seller or the Company the holders of which have the right to vote with the stockholders of the Company on any matter submitted to the vote of the Company's stockholders. Except pursuant to the partnership agreements set forth on Schedule 3.4(b), there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any outstanding capital stock of the Company or any outstanding equity interest of any of its Subsidiaries.

(c) Except as disclosed in Schedule 3.4(c), neither the Company nor any of its Subsidiaries, either directly or indirectly, own of record or beneficially any shares or other equity interests in any corporation, partnership, limited partnership, limited liability company, limited liability partnership, joint venture, trust or other business entity.

(d) Except as set forth on Schedule 3.4(d), the Company is the registered and beneficial owner of all of the issued and outstanding equity interest of the Subsidiaries free and clear of any Lien. Except as set forth on Schedule 3.4(d), no consent is required from any holder of a minority equity interest in any Subsidiary in connection with the execution, delivery or performance by Seller of its obligations under this Agreement.

(e) The outstanding capital stock of the Subsidiaries that are corporations has been duly authorized and validly issued and is fully paid and non-assessable. Neither the Company nor any of its Subsidiaries has any obligation to make a payment to any Subsidiary that is a partnership in respect of any partnership interest therein held by the Company or any of its Subsidiaries. There are no (i) securities of Seller, the Company or any Subsidiary convertible into or exchangeable for shares of capital stock or evidence of any equity interest of any Subsidiary, (ii) warrants, options, or other rights to acquire from Seller, the Company or any Subsidiary, or other obligation of Seller, the Company or any Subsidiary to issue, any capital stock or evidence of any equity interest or securities convertible into or exchangeable for capital stock or evidence of any equity interest of any Subsidiary, or (iii) bonds, debentures, notes or other obligations or securities of Seller, the Company or any Subsidiary the holders of which have the right to vote with the stockholders or partners, as the case may be, of any Subsidiary on any matter submitted to the vote of such Subsidiary's stockholders or partners.

(f) Except pursuant to the partnership agreements set forth on Schedule 3.4(b) or as set forth on Schedule 3.4(f), there are no voting trusts or other agreements or understandings with respect to the voting of the capital stock or other equity interests of the Company or any of its Subsidiaries to which the Company or any of its Subsidiaries is a party.

3.5. Consents and Approvals. Except as set forth on Schedule 3.5, other than the filing of applicable HSR Filings and the expiration and termination of the applicable waiting period thereunder, no consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or Person is required with respect to Seller in connection with the execution, delivery or performance by Seller of its obligations under this Agreement.

3.6. Compliance with Applicable Laws. The Company and its Subsidiaries have conducted their operations in accordance with, and all of the Company's and its Subsidiaries' real property and personal property (regardless of whether the same is owned or leased) are in compliance with, all Laws applicable thereto, and neither the Company, any of its Subsidiaries nor Seller has received any notice of any violation of Laws that remains a violation. Neither the Company, any of its Subsidiaries nor Seller has been charged with, is in receipt of any notice or warning of, or to Seller's knowledge, under investigation with respect to, any failure or alleged failure to comply with any provision of any applicable Laws which notice or warning remains unresolved. Except as set forth on Schedule 3.6, without limiting the foregoing: (i) each of the Company and its Subsidiaries has all Permits required to operate the Business as presently conducted or as presently planned to be conducted at the Beckmann Tract and/or the Rogers Tract through the first anniversary of the date hereof; (ii) all such Permits are in full force and effect; and (iii) each of the Company and its Subsidiaries is in compliance with its Permits.

3.7. Litigation. Except as disclosed in Schedule 3.7 there are no civil, criminal or administrative claims, actions, proceedings or suits or, to Seller's knowledge, investigations pending or threatened against the Company or any of its Subsidiaries. Except as disclosed in Schedule 3.7, there are no judgments, decrees or orders issued by any court, board or

other Governmental Entity presently outstanding and unsatisfied against the Company or any of its Subsidiaries or any of their respective assets.

3.8. Taxes.

(a) The Company is the common parent of an affiliated group of corporations (within the meaning of Section 1504(a) of the Code) eligible to file consolidated federal income Tax Returns. From May 28, 1998 through the Closing Date, the Company has included (or, with respect to the taxable year ending on the Closing Date, will include) each "includible corporation" (within the meaning of Section 1504(b) of the Code) in its consolidated federal income Tax Return as a member of the affiliated group of which the Company is the common parent.

(b) Except as otherwise disclosed in Schedule 3.8, (i) the Company and each of its Subsidiaries have filed (or joined in the filing of) when due all Tax Returns required by applicable law to be filed with respect to the Company and each of its Subsidiaries and all Taxes shown to be due on such Tax Returns have been paid; (ii) all such Tax Returns were true, correct and complete in all material respects as of the time of such filing; (iii) all Taxes relating to periods ending on or before the Closing Date owed by the Company or any of its Subsidiaries (whether or not shown on any Tax Return) at any time on or prior to the Closing Date, if required to have been paid, have been paid (except for Taxes which are being contested in good faith); (iv) there is no action, suit, proceeding, investigation within the knowledge of Seller, audit or claim now pending against, or with respect to, the Company or any of its Subsidiaries in respect of any Tax or assessment, nor is any claim for additional Tax or assessment asserted by any Tax authority; (v) since May 28, 1998, no claim has been made by any Tax authority in a jurisdiction where the Company or any of its Subsidiaries does not currently file a Tax Return that it is or may be subject

to Tax by such jurisdiction, nor to Seller's knowledge is any such assertion threatened; (vi) there is no outstanding request for any extension of time within which to pay any Taxes or file any Tax Returns; (vii) there are no presently effective waivers or extensions of any applicable statute of limitations for the assessment or collection of any Taxes of the Company or any of its Subsidiaries; (viii) no property of the Company or any of its Subsidiaries is "tax-exempt use property" within the meaning of Section 168(h) of the Code; (ix) neither the Company nor any of its Subsidiaries is a party to any lease made pursuant to former Section 168(f)(8) of the Internal Revenue Code of 1954; (x) neither the Company nor any of its Subsidiaries has any deferred gain or loss in excess of $500,000 arising from any particular intercompany transaction, within the meaning of Treasury Regulations ss. 1.1502-13; (xi) neither the Company nor any of its Subsidiaries is a party to any agreement, whether written or unwritten, providing for the payment of Taxes, payment for Tax losses, entitlements to refunds or similar Tax matters; and (xii) the Company and each of its Subsidiaries have withheld and paid all material Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party.

3.9. Employee Plans and Benefit Arrangements. Schedule 3.9 identifies each Employee Plan and Benefit Arrangement that is entered into, maintained, administered or contributed to, as the case may be, by the Company or any of its Subsidiaries or under which any of them has any material liability or obligation (collectively, the "COMPANY'S BENEFITS"). Except as set forth on Schedule 3.9:

(a) None of the Employee Plans is a multiemployer plan, as defined in Section 3(37) of ERISA ("MULTIEMPLOYER PLANS"), and neither the Company nor any Subsidiary has withdrawn in a complete or partial withdrawal from any Multiemployer Plan, nor has any of

them incurred any liability due to the termination or reorganization of a Multiemployer Plan, nor has any of them taken any action which has resulted or could result in any liability with respect to any Multiemployer Plan.

(b) Each Employee Plan that is intended to qualify under Section 401 of the Code and the trust maintained pursuant thereto is exempt from federal income taxation under Section 501 of the Code, and nothing has occurred with respect to the operation of any such Employee Plan that could cause the loss of such qualification or exemption or the imposition of any liability, penalty or tax under ERISA or the Code.

(c) All contributions (including all employer contributions and employee salary reduction contributions) required to have been made under any of the Employee Plans or by Law (without regard to any waivers granted under Section 412 of the Code) to any funds or trust established thereunder or in connection therewith have been made by the due date thereof (including any valid extension). No accumulated funding deficiencies exist in any of the Employee Plans subject to Section 412 of the Code.

(d) Each actuarial report provided to Acquiror pursuant to Section 3.9(h) accurately reflected, as of its date, the funding status of each Employee Plan based on the actuarial assumptions set forth in such report.

(e) Neither the Company nor any Subsidiary has terminated any Employee Plan subject to Title IV, or incurred any outstanding liability under Section 4062 of ERISA to the PBGC or to a trustee appointed under Section 4042 of ERISA. All premiums due the PBGC with respect to the Employee Plans have been paid. Neither the Company nor any Subsidiary has engaged in any transaction described in Section 4069 of ERISA.

(f) There has been no "reportable event" within the meaning of Section 4043 of ERISA with respect to any Employee Plans subject to Title IV of ERISA which would require the giving of notice or any other event requiring disclosure under Section 4041 (c)(3)(C) or 4063(a) of ERISA.

(g) There has been no material violation of ERISA or the Code with respect to the filing of applicable reports, documents and notices regarding the Employee Plans with the Secretary of Labor or the Secretary of the Treasury or the furnishing of required reports, documents or notices to the participants or beneficiaries of the Employee Plans.

(h) True, correct and complete copies of the following documents with respect to each of the Employee Plans have been delivered to Acquiror by the Company: (i) all plans and related trust documents, and amendments thereto; (ii) the most recent Forms 5500, 990 and 1041 filed by the Company or any Subsidiary; (iii) the last IRS determination letter; (iv) summary plan descriptions; (v) the most recent actuarial report relating to the Employee Plans; (vi) written descriptions of all non-written agreements relating to the Employee Plans; and (vii) all third party employee benefits administrative contracts relating to any Employee Plans. (As used in clause (iii), the "last IRS determination letter" means the last IRS determination letter received in response to a determination letter application on Form 5300, a complete copy of such application, and any subsequent determination letters, including complete copies of the applications for such determination letters ("application" includes any and all correspondence relating to the applications between the Internal Revenue Service and applicant or its representatives). The requirement to furnish the last IRS determination letter applies with respect to each Employee Plan and any predecessor thereto. In the case of the Redland Pension Plan, as defined in Section 6.1(c), this requirement shall only apply to the predecessor or predecessors of the Redland

Pension Plan that covered Employees with respect to which benefit liabilities are to be transferred to the Acquiror's Plan as contemplated by Section 6.1(c), and in the case of the Redland Stone 401(k) Plan, this requirement shall only apply to the predecessor or predecessors of the Redland North America 401(k) Plan that covered Employees prior to the adoption of the Redland North America 401(k) Plan.)

(i) There are no pending actions, claims or lawsuits which have been asserted or instituted against the Employee Plans, the assets of any of the trusts under such plans or the plan sponsor or the plan administrator, or, to the knowledge of Seller, against any fiduciary of the Employee Plans with respect to the operation of such plans (other than routine benefit claims), nor does Seller or the Company have knowledge of facts which could form the basis for any such claim or lawsuit.

(j) All amendments and actions required to bring the Employee Plans into conformity in all material respects with all of the applicable provisions of ERISA, the Code and other applicable Law have been made or taken except to the extent that such amendments or actions are not required by Laws to be made or taken until a date after the Closing Date.

(k) Any bond required with respect to the Employee Plans in accordance with applicable provisions of ERISA has been obtained and is in full force and effect.

(l) The Employee Plans have been maintained in accordance with their terms and with all provisions of ERISA and the Code (including rules and regulations thereunder) and other applicable federal and state Laws, and neither the Company, its Subsidiaries, nor, to the knowledge of Seller, any other "party in interest" or "disqualified person" with respect to the Employee Plans has engaged in a "prohibited transaction" within the meaning of Section 406 of ERISA or 4975 of the Code. Neither the Company nor any of its Subsidiaries nor, to the

knowledge of Seller, any other fiduciary has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any Employee Plan.

(m) None of the Employee Plans or Benefit Arrangements provides retiree life, retiree health benefits or any other post-termination benefits except as may be required under Section 4980B of the Code or Section 601 of ERISA and at the expense of the participant or the participant's beneficiary. The Company and the Subsidiaries have at all times complied with the notice and health care continuation requirements of Section 4980B of the Code and Sections 601 through 608 of ERISA.

(n) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment becoming due to any employee (current, former or retired) of the Company or the Subsidiaries, (ii) increase any benefits otherwise payable under any Employee Plan or Benefit Arrangement, (iii) result in the acceleration of the time of payment or vesting of any benefits under any Employee Plan or Benefit Arrangement, (iv) qualify as a "change of control" or similar event under any Employee Plan or Benefit Arrangement or (v) result in any payment becoming due to any employee that may be nondeductible under Section 28OG of the Code.

(o) There has been no "mass layoff" or "plant closing" as defined by WARN or any similar state or local "plant closing" law with respect, to the current or former employees of the Company and its Subsidiaries.

3.10. Labor Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining or union contract. Except as set forth on Schedule 3.10, (a) no union organizing campaign is in progress with respect to the employees of the Company or any of

its Subsidiaries; (b) there is no unfair labor practice charge or complaint against the Company or any of its Subsidiaries pending or, to the knowledge of Seller, threatened before the National Labor Relations Board; and (c) no charges with respect to or relating to the Company or any Subsidiary are pending or, to the knowledge of Seller, threatened before the Equal Employment Opportunity Commission or any other federal or state agency responsible for the prevention of unlawful employment practices.

3.11. Contracts. Schedule 3.11 constitutes a complete and accurate list as of the date of this Agreement of each contract or agreement, whether oral or written, to which the Company or any of its Subsidiaries is a party that (i) requires a remaining payment to or by the Company or any of its Subsidiaries of more than $250,000 in any consecutive twelve-month period, and (ii) is not cancelable without material penalty or other charge by the Company or any of its Subsidiaries on 60 days notice or less.

3.12. Environmental Compliance.

(a) Seller has delivered to Acquiror a true and correct copy of any environmental assessment or audit of the Real Property prepared since January 1, 1993 and in the possession of the Company, any of its Subsidiaries or Seller, other than any environmental assessment or audit commissioned by Acquiror.

(b) Each of the Company and its Subsidiaries has obtained all required permits, kept all required records and made all filings required by applicable Environmental Laws with respect to emissions, past or present, into the environment (including solids, liquids and gases) and the proper disposal of such materials (including solid waste materials), in each case excluding any failure to obtain permits, keep records, or make filings if such failure has been fully remedied (i.e., all required permits, records and filings have now been obtained, maintained or

made, as the case may be, and any fines, penalties and/or other sanctions have been paid or otherwise satisfied in full) by the Company and its Subsidiaries.

(c) Except as described on Schedule 3.12(c), none of the assets owned or used by the Company or any of its Subsidiaries, including the Real Property, have been contaminated since January 1, 1993 (provided that at the time of such contamination the property was owned or operated by the Company or its Subsidiaries) or are contaminated with any pollutant, contaminant, chemical, hazardous wastes, hazardous substances, or other hazardous or toxic materials (as defined in the Environmental Laws) so as to constitute a violation of any of the Environmental Laws or so as to require any corrective or remedial action under any of the Environmental Laws. Except as described on Schedule 3.12(c), there are no transformers, capacitors or other equipment included in or located on the assets owned or used by the Company or any of its Subsidiaries (including the Real Property) which, with respect to such items owned by the Company or its Subsidiaries contain or, with respect to such items owned by others to Seller's knowledge, contain polychlorinated biphenyls in violation of any Law. Except as described in Schedule 3.12(c), no portion of the Real Property is a wetland as defined in 33 C.F.R. ss. 328.3. Except as set forth on Schedule 3.12(c), there are no underground storage tanks located on or under any Real Property.

(d) Except as set forth in Schedule 3.12(d), each of the Company and its Subsidiaries is in compliance with all Environmental Laws and all Permits obtained pursuant thereto. Schedule 3.12(d) describes all citations received by the Company or any of its Subsidiaries on or after January 1, 1993 relating to violations of any Environmental Laws or Permits. There is no pending or, to the knowledge of Seller, threatened civil or criminal litigation, notice of violation or administrative proceeding in which the Company or any of its Subsidiaries is

a party relating in any way to the Environmental Laws, and to the knowledge of Seller, there is no basis for any such litigation, notice or proceeding.

3.13. Financial Statements. The Financial Statements, copies of which are attached to this Agreement as Schedule 3.13(a), present fairly, in conformity with GAAP, the consolidated financial position of the Company as of the dates thereof and its results of operations and cash flows for the fiscal periods then ended. The unaudited consolidated balance sheet of the Company as of June 30, 1998, and the related unaudited consolidated statements of operations, stockholders' equity and cash flows for the six months ended June 30, 1998, copies of which are attached to this Agreement as Schedule 3.13(b), present fairly, in conformity with GAAP (except as set forth therein), the consolidated financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended.

3.14. Absence of Certain Changes or Events. Except as disclosed in Schedule 3.14 or as otherwise contemplated by this Agreement, since the Balance Sheet Date the Company and each of its Subsidiaries has conducted the Business in the ordinary course, consistent with past practices, and except as disclosed in Schedule 3.14, there have not been (a) any events, changes or developments that constitute, individually or in the aggregate, a Material Adverse Effect or (b) any action or inaction that would constitute a breach of the terms of Exhibit A to this Agreement.

3.15. Real Property.

(a) Schedule 3.15 describes all real properties owned or leased by the Company or any of its Subsidiaries (the "REAL PROPERTY"), the nature of the interest of the Company or such Subsidiary in those properties and the approximate acreage of each of these properties. The perimeter descriptions for the Beckmann Tract, the Rogers Tract and the

Partnership Tract attached hereto as Schedules 1.1A, 1.1B and 1.1C accurately describe the property boundaries of the Beckmann Tract, the Rogers Tract and the Partnership Tract, respectively, and there are no strips, gaps or gores within the Real Property outlined in black on the map in Schedule 1.1A. The property boundaries for the Beckmann Tract, the Rogers Tract and the Partnership Tract are accurately depicted on the maps attached hereto as Schedules 1.1A, 1.1B and 1.1C, respectively. There is no real property (other than the Real Property) the use or possession of which by the Company or any of its Subsidiaries is necessary to carry on the Business. Except as described on Schedule 3.15, the Company and each of its Subsidiaries has (i) such title to the Real Property as is legally sufficient for the current use thereof in the Business as presently conducted or as presently planned to be conducted through the second anniversary of the date hereof, (ii) good and indefeasible title in fee simple (except for Permitted Liens) to all Real Property shown in Schedule 3.15 as owned by it and (iii) valid leaseholds (except for Permitted Liens) in all Real Property shown in Schedule 3.15 as leased by it, in each case under valid and enforceable leases. The Real Property is owned or leased by the Company and its Subsidiaries free and clear of all Liens except for Permitted Liens.

(b) None of the leases identified in Schedule 3.15 (collectively, the "LEASES") has been modified or amended in writing, and no notice of termination has been delivered with respect thereto, except as set forth in Schedule 3.15. Except as set forth on Schedule 3.15, (i) neither the Company nor any of its Subsidiaries is in breach of or default under any Lease (and no event has occurred which, with due notice or lapse of time or both, may constitute such a breach or default), and (ii) no party to any Lease has given the Company or any of its Subsidiaries written notice of or made a claim with respect to any breach or default.

(c) The buildings, driveways and all other structures and improvements upon the Real Property are all within the boundary lines of the applicable property or have the benefit of valid easements or other legal rights and there are no encroachments thereon that would affect the use thereof.

3.16. Assets; Reserves.

(a) Except as described on Schedule 3.16(a) the Company and each of its Subsidiaries has title to the assets necessary to carry on the Business free and clear of all Liens, except for Permitted Liens. Schedule 3.16(a) sets forth a copy of the fixed asset ledger maintained by the Company in the ordinary course of business.

(b) Schedule 3.16(b) sets forth a list of all geological reports (the "REPORTS") with respect to the Real Property prepared by or for the Company or any of its Subsidiaries. Seller has furnished a true, correct and complete copy of all such Reports to Acquiror or its representatives. Except where a later dated Report may contradict an earlier dated Report or as set forth on Schedule 3.16(b), neither Seller nor the Company or any of its Subsidiaries have any knowledge that such Reports contain any inaccuracy (including, without limitation, with respect to the extent of the reserves or the ability to exploit such reserves) and Seller, the Company and its Subsidiaries have no reason to believe that such Reports are inaccurate. Except as set forth on Schedule 3.16(b), no Person (i) has commenced or, to the best of Seller's knowledge, threatened to commence, any proceeding seeking to establish, or (ii) has asserted or has any basis to assert any claim, in each case that such Person has any right to the reserves set forth in the Reports (including, without limitation, the right to exploit or utilize the reserves).

3.17. Brokers and Finders. None of Seller or any of its directors, officers or employees has employed any broker or finder or incurred any liability for any brokerage fees, commission or finders fees in connection with the transactions contemplated hereby, except for fees and expenses of Dresdner Kleinwort Benson North America LLC, which shall be paid by Seller.

3.18. Transactions with Affiliates. Except as set forth in Schedule 3.18, no officer, no director, no shareholder and no persons controlled by any officer, director or shareholder of the Company or any of its Subsidiaries or any entity in which any such officer, director or other affiliate or associate, (a) owns any beneficial interest (other than a publicly held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than 1% of the stock of which is beneficially owned by any such person), or has any interest in: (i) any contract, arrangement or understanding with, or relating to, the business or operations of the Company or any of its Subsidiaries (other than a contract, arrangement or understanding relating to any such person's ordinary course of employment with the Company or any of its Subsidiaries); (ii) as of the Closing, any loan, arrangement, understanding, agreement or contract for or relating to indebtedness of the Company or any of its Subsidiaries; or (iii) any property (real, personal or mixed), tangible, or intangible, used or currently intended to be used in, the business or operations of the Company or any of its Subsidiaries, except for minor items of personal property owned and/or used by employees in connection with their employment, or (b) has sold or transferred any property or assets to or purchased or acquired any property or assets from, or otherwise engaged in any other transactions with the Company or any of its Subsidiaries, except that the Company and any of its Subsidiaries may have engaged in any of the foregoing transactions in this clause (b) in the ordinary course of business at prices and on terms and

conditions no less favorable to the Company or such Subsidiary than could have been obtained in an arm's-length basis from unrelated third parties.

3.19. Repayment or Release of Indebtedness or Obligations. As of the Closing Date, all (i) outstanding indebtedness of the Company (on a consolidated basis) owed to Seller or any of Seller's Affiliates and (ii) obligations of the Company (on a consolidated basis) for borrowed money (and all obligations, contingent or otherwise, of the Company or any of its Subsidiaries guaranteeing or having the economic effect of guaranteeing any obligation for borrowed money of any other Person) to any other Person, in each case will have been repaid or released such that the Company (on a consolidated basis) will not have any of such outstanding indebtedness and obligations, as the case may be, as of the Closing.

3.20. Maintenance of Equipment. Since the Balance Sheet Date, the Company and its Subsidiaries have maintained all of their equipment and other personal property in the ordinary course of business consistent with past practice.

3.21. Credit Union. Redland Employees Credit Union (the "CREDIT UNION") is a Texas chartered credit union, validly existing and in good standing under the laws of the State of Texas, and duly organized and in good standing under all laws, rules, and regulations of the State of Texas and the laws of the United States of America applicable to Texas credit unions and is an insured credit union under the National Credit Union Share Insurance Fund. Schedule 3.21, sets forth all agreements, contracts, employee sharing agreement, or other arrangements of any kind or nature, either oral or written, currently existing between the Company and the Credit Union. The Company has no membership or equity interest (direct or indirect) in the Credit Union. Except as set forth on Schedule 3.21, there are no actions or proceedings pending or, to the knowledge of Seller, threatened against the Credit Union by or before any federal or state

regulatory authority, including, without limitation, the Texas Credit Union Department, the National Credit Union Association and the IRS or any other nation, state or subdivision thereof, or any other entity exercising executive, legislative, judicial, regulatory or administrative function of or pertaining to government.

3.22. Insurance. Schedule 3.22 lists the fidelity bonds (other than any of such bonds that have been released or have expired or properly terminated) and the aggregate coverage amount and type and generally applicable deductibles of all policies of title, liability, fire, casualty, business interruption, workers' compensation and other forms of insurance insuring the properties, assets and operations of the business of the Company and its Subsidiaries in effect on the date hereof as well as over the last 5 years. Seller has furnished a true, complete and accurate copy of all such policies and bonds to Acquiror. No action or omission by Seller, the Company or any of its Subsidiaries has caused any of such policies or bonds not to be in full force and effect and not to be sufficient for all applicable requirements of law. Such policies and bonds will not in any way be affected by or terminated or lapsed by reason of the consummation of the transactions contemplated by this Agreement. The Company and its Subsidiaries are not in default under any provisions of any such policy of insurance and have not received notice of cancellation of any such insurance. Except as set forth on Schedule 3.22, there is no claim by the Company or any of its Subsidiaries pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed (other than reservations of rights) by the underwriters of such policies or bonds; provided, however, that there is no reservation of rights with respect to the insurance covering the first two items set forth on Schedule 3.7 as of the date hereof. Between the Balance Sheet Date and the date hereof, except as set forth in Schedule 3.22, neither the Company nor any of its Subsidiaries has received any written notice from or on behalf of any

insurance carrier issuing such policies, that insurance rates will hereafter be substantially increased (except to the extent that insurance rates may be increased for all similarly situated risks), that there will hereafter be a cancellation, or an increase in a deductible (or an increase in premiums in order to maintain an existing deductible) or non-renewal of existing policies, or that alteration of any equipment or any improvements to real estate occupied by or leased to or by the Company or its Subsidiaries, purchase of additional equipment, or modification of any of the methods of doing business of the Company or its Subsidiaries, will be required or suggested.

3.23. Trademarks, Trade Names and Know-How. Schedule 3.23 sets forth a true and complete list of all United States and foreign patents, patent rights, trademarks, service marks, trade names and trade secrets and proprietary know-how previously identified by the Company as being such (either registered, applied for, or common law) owned by, registered in the name of, licensed to, or used in the business of each of the Company and its Subsidiaries (the "INTANGIBLE ASSETS"). Such list includes a summary description of each such item and specifies, where applicable, the date granted or applied for, the expiration date and the current status thereof. Except as set forth on Schedule 3.23, there is no restriction affecting the Company's or its Subsidiaries' use of any of the Intangible Assets, and no license has been granted with respect thereto. None of the Intangible Assets are currently being challenged, or are involved in any pending or, to the knowledge of the Seller, threatened administrative or judicial proceeding. The Company's and its Subsidiaries' respective rights in and to the Intangible Assets are sufficient and adequate in all respects to permit them to carry on the Business, and none of the products or operations of any of the Company or its Subsidiaries involves any infringement of any proprietary right of any other Person.

3.24. Title Insurance. Schedule 3.24 sets forth a true, correct and complete list and a summary description of the policies of title insurance insuring the Company's and its Subsidiaries' interest in the Real Property obtained since January 1, 1993 (collectively, the "LISTED TITLE POLICIES"). Seller has furnished a true, correct and complete copy of all such Listed Title Policies to Acquiror. All policies of title insurance naming the Company's and its Subsidiaries' interest in the Real Property are hereby defined as "TITLE POLICIES". Except as set forth in Schedule 3.24, none of the Title Policies have been terminated by virtue of an act or omission to act of the Seller and any of its Affiliates (including the Company). There is no claim by the Company, any of its Subsidiaries or any other Person pending under any of the Title Policies as to which coverage has been questioned, denied or disputed by the underwriters or issuers of such Title Policies.

3.25. Customers and Suppliers. Schedule 3.25 sets forth a complete and correct list of: (a) all customers whose purchases from the Company or its Subsidiaries exceeded 3% of the consolidated net sales of the Company during the Company's last fiscal year; (b) the 10 largest suppliers by dollar volume of the Company and its Subsidiaries and the aggregate dollar volume of purchases (broken down by principal categories) by the Company or its Subsidiaries from such suppliers during such fiscal year; and (c) all distributors of any products of the Company or its Subsidiaries. Except as set forth in Schedule 3.25 or with respect to termination or changes not attributable to an act or omission of the Company or its Subsidiaries, none of such customers, suppliers or distributors has or, to the best knowledge of Seller, intends to terminate or change significantly its relationship with the Company or its Subsidiaries.

3.26. Non-Conforming Rights. Non-conforming rights have been established under Chapter 35 of the United Development Code of the City of San Antonio with respect to

each of the portions of the Beckmann Tract and the Rogers Tract described on Schedule 3.26(a) such that on and after the Closing Date the Company will be permitted to carry-out mining activities as described on Schedule 3.26(b) on each such tract regardless of the zoning designations, and the Company has the right to construct and operate a tunnel connecting the Rogers Tract to the Beckmann Tract regardless of the zoning designations.

3.27. Dispositions and Acquisitions. Except as set forth in Schedule 3.27, neither the Company nor any of its Subsidiaries has (i) any liability with respect to indemnification payments in excess of $1 million individually or $5 million in the aggregate relating to any disposition of a business by the Company or any of its Subsidiaries or (ii) any liabilities in excess of $1 million individually or $5 million in the aggregate assumed in connection with any acquisition of a business by the Company or any of its Subsidiaries.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF ACQUIROR

Acquiror hereby represents and warrants to Seller as follows:

4.1. Corporate Organization and Qualification. Acquiror is a corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified as a foreign corporation in each jurisdiction in which the properties owned, leased or operated, or the businesses conducted, by it require such qualification.

4.2. Corporate Authority. Acquiror has the requisite corporate power and authority to own and operate its properties and carry on its businesses as they are now being conducted, and to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Acquiror and the consummation by it of the transactions contemplated to be performed hereunder have been duly

authorized by all necessary corporate actions. This Agreement is a valid and binding obligation of Acquiror, enforceable against it in accordance with the terms hereof except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally.

4.3. Conflicts and Defaults. Neither the execution and delivery of this Agreement by Acquiror nor the performance by Acquiror of the transactions contemplated hereby will violate or constitute an occurrence of default under any provision of, or conflict with, or result in acceleration of any obligation under, or give rise to a right by any party to terminate its obligations under, any material contract, sales commitment, purchase order, security agreement, mortgage, conveyance to secure debt, note, deed, loan, Lien, lease, agreement, instrument, order, judgment, decree, or other arrangement to which Acquiror is a party or is bound. The Acquiror is not in violation of any of its organizational documents.

4.4. Consents and Approvals. Other than the filing of applicable HSR Filings and the expiration or termination of the applicable waiting period thereunder, no consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or Person is required with respect to Acquiror in connection with the execution, delivery or performance by Acquiror of its obligations under this Agreement.

4.5. Investment Only. Acquiror is acquiring the Stock solely for the purpose of investment and not with a view to, or for sale or other disposition in connection with, any distribution thereof. Acquiror acknowledges that the Stock is not registered under the Act, or any applicable state securities laws and that the Stock may not be transferred, pledged or sold except pursuant to the registration provisions of the Act and such laws or pursuant to applicable exemptions therefrom. Acquiror has such knowledge, experience and skill in evaluating and

investing in common stocks and other securities, based on actual participation in financial investment and business matters, so that it is capable of evaluating the merits and risks of an investment in the Stock and has such knowledge, experience and skill in financial and business matters that it is capable of evaluating the merits and risks of the investment in the Company and the suitability of the Stock as an investment and can bear the economic risk of an investment in the Stock. No guarantees have been made or can be made with respect to the future value, if any, of the Stock, or the profitability or success of the businesses of the Company.

4.6. Representations and Warranties. Acquiror acknowledges that Seller has made no representation or warranty as to the Company, or its businesses, prospects, assets, results of operations or condition (financial or otherwise), except as expressly set forth in this Agreement.

4.7. Brokers and Finders. None of Acquiror or any of its directors, officers or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders fees in connection with the transactions contemplated hereby.

4.8. Funds for the Acquisition. On or before the Closing Date, Acquiror shall have sufficient unencumbered funds to pay in cash the Purchase Price and all of its fees and expenses relating to this Agreement and the transactions contemplated hereby.

ARTICLE V.
CERTAIN ADDITIONAL COVENANTS OF SELLER AND ACQUIROR

5.1. Conduct of the Company and Seller.

(a) Except as set forth on Schedule 5.1, without the prior written consent of Acquiror, between the date hereof and the Closing Date, Seller shall not permit the Company or any of its Subsidiaries to, except as required or expressly permitted pursuant to the terms hereof:

(i) make any material change in the conduct of the Business of the Company or its Subsidiaries or enter into any transaction other than in the ordinary course of business consistent with past practice;

(ii) make any change in the Company Charter or the Company Bylaws or in the charter or bylaws of any Subsidiary which is a corporation or in the partnership agreement of any Subsidiary that is a partnership; issue any additional shares of capital stock or equity securities or grant any option, warrant or right to acquire any capital stock or equity securities or issue any security convertible into or exchangeable for capital stock or alter in any way any of its outstanding securities or make any change in outstanding shares of capital stock or other ownership interests or the capitalization of the Company or its Subsidiaries, whether by reason of a reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, stock dividend or otherwise;

(iii) make any sale, assignment, transfer, abandonment or other conveyance of the assets, properties or rights (other than cash) of the Company or its Subsidiaries or any part thereof, except transactions pursuant to the existing contracts set forth in the Schedules hereto and dispositions of inventory or of worn-out or obsolete equipment in the ordinary course of business consistent with past practice;

(iv) subject any of the assets, properties or rights of the Company or its Subsidiaries, or any part thereof, to any Lien or suffer such to exist other than such Liens as may arise in the ordinary course of business consistent with past practice by operation of law and that will not, individually or in the aggregate, have a Material Adverse Effect;

(v) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of the capital stock or any evidence of any ownership interest of the Company or its Subsidiaries or declare, set aside or pay any non-cash dividends or other non-cash distribution in respect of such shares or ownership interest;

(vi) acquire or sell any raw materials, other than in the ordinary course of business consistent with past practice;

(vii) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, in each case in this clause (vii) which are material, individually or in the aggregate, to the Company and its Subsidiaries taken as a whole;

(viii) enter into any new (or amend any existing) employee benefit plan, program or arrangement or any new (or amend any existing) employment, severance or consulting agreement, grant any general increase in the compensation of officers or employees (including any such increase pursuant to any bonus, pension, profit-sharing or other plan or commitment) or grant any increase in the compensation payable or to become payable to any employee, except in accordance with pre-existing contractual provisions;

(ix) make or commit to make any capital expenditure in excess of $500,000 individually;

(x) pay, lend or advance any amount to, or sell, transfer or lease any properties or assets to, or enter into any agreement or arrangement with, any of its Affiliates except for the distribution or transfer of cash or the payment of debt;

(xi) fail to keep in full force and effect insurance comparable in amount and scope to coverage maintained on the date hereof or such other insurance as may be required by law;

(xii) take any other action that would cause any of the representations and warranties made by Seller in this Agreement not to remain true and correct;

(xiii) make any change in any method of accounting or accounting principle, method, estimate or practice except for any such change required by reason of a concurrent change in GAAP, or write down the value of any inventory or write off as uncollectible any accounts receivable except in the ordinary course of business consistent with past practice;

(xiv) make, change or revoke any election or method of accounting with respect to Taxes inconsistent with any prior election or method of accounting affecting or relating to the Company or its Subsidiaries, provided that Acquiror's consent to this matter shall not be unreasonably withheld or delayed;

(xv) enter into any closing or other agreement or settlement with respect to Taxes affecting or relating to the Company or its Subsidiaries, provided that Acquiror's consent to this matter shall not be unreasonably withheld or delayed;

(xvi) release or forgive any claim or litigation or, except in the ordinary course of business consistent with past practice, waive any right thereto;

(xvii) make, enter into, modify, amend in any material respect or terminate any contract, bid or expenditure, where such contract, bid or expenditure is for (A) a contract entailing payments in excess of $400,000 or (B) a contract having a term in

excess of 9 months; provided, however, that with respect to this clause (xvii), Acquiror's consent shall not be unreasonably withheld or delayed;

(xviii) pay, discharge, settle or satisfy any claims, litigation, liabilities or obligations (whether absolute, accrued, asserted or unasserted, contingent or otherwise) involving amounts in excess of $50,000 in the aggregate, other than the payment, discharge, settlement or satisfaction of liabilities in the ordinary course of business consistent with past practice and except for any settlement or release that involves only the payment of money by the Company or any of its Subsidiaries;

(xix) make any loans to any third party in excess of $10,000 in the aggregate except in the ordinary course of business; or

(xx) commit to do any of the foregoing.

(b) From and after the date hereof and until the Closing Date, the Seller shall cause the Company and each of its Subsidiaries to:

(i) continue to maintain, in all material respects (1) the assets, properties, rights, and operations of the Company and its Subsidiaries in accordance with normal practice and (2) the Permits of the Company and its Subsidiaries in accordance with normal practice;

(ii) continue to make capital expenditures substantially in accordance with the financial plan for the Company and its Subsidiaries;

(iii) file, when due or required, all Tax Returns and other reports required to be filed and pay when due all Taxes lawfully levied or assessed against them, unless the validity thereof is contested in good faith and by appropriate proceedings diligently conducted;

(iv) continue to conduct the businesses of the Company and its Subsidiaries in the ordinary course consistent with past practice;

(v) keep its books of account, files and records in the ordinary course and in accordance with existing practice; and

(vi) use their commercially reasonable efforts to (1) preserve intact the operations, organization and reputation of the Company and its Subsidiaries, (2) keep available the services of the Company's and its Subsidiaries' present officers and key employees and (3) preserve the goodwill and business relationships of the suppliers and customers of the Company and its Subsidiaries.

5.2. Disclosure Supplements.

(a) Within 5 days after the execution of this Agreement, Seller shall circulate this Agreement and the Schedules to this Agreement to the management of the Company set forth on Schedule 11.9 or their successors ("COMPANY MANAGEMENT") for their review and comment with respect to the accuracy of the representations and warranties and the related Schedules. Seller shall cause the Company Management to promptly report in writing to Bruce Vaio any inaccuracies identified in such review. Seller shall promptly deliver each such written notice and all reports sent by Bruce Vaio to Acquiror as such notices and reports are received by Seller.

(b) No earlier than 10 days and no later than 5 days prior to the Closing, Seller shall circulate this Agreement and the Schedules to this Agreement to the Company Management for their review and comment with respect to the accuracy of the representations and warranties and the related Schedules. Seller shall cause the Company Management to promptly report in writing to Bruce Vaio any inaccuracies identified in such

review. Seller shall promptly deliver each such written notice and all reports sent by Bruce Vaio to Acquiror as such notices and reports are received by Seller but in any event no later than on the third day prior to the Closing.

(c) At least two days prior to the Closing, Seller shall deliver updated Schedules to this Agreement (the "SUPPLEMENTAL Schedules"). The Supplemental Schedules shall reflect only those changes to the Schedules to this Agreement delivered on the date of the execution of this Agreement relating to facts, events or circumstances that occurred during the period after the execution of this Agreement but before the Closing Date.

(d) No written notice delivered pursuant to Section 5.2(a) or 5.2(b) will be deemed to have (i) amended the Schedules delivered on the date hereof, (ii) qualified the representations and warranties contained in Article III made as of the date hereof, or (iii) cured any misrepresentation or breach of warranty as of the date hereof. Acquiror's rights with respect to any breach of warranty or misrepresentation contained in this Agreement as of the date hereof will not be affected by any such notice.

(e) The Supplemental Schedules will be deemed only to qualify the representations and warranties as of the Closing Date.

(f) In addition to the right to seek relief for misrepresentations or breaches of warranty based on the contents of any Supplemental Schedule, Acquiror will be entitled to seek relief, subject to the terms of this Agreement, based on misrepresentations or breaches of warranty as of the date hereof regardless of the content of any Supplemental Schedules or notices or reports.

5.3. Satisfaction of Conditions.

(a) Each party to this Agreement shall use reasonable efforts to satisfy promptly all conditions precedent to the obligations of the other party to consummate the transactions contemplated by this Agreement.

(b) In addition to the obligations set forth in Section 5.3(a), Acquiror and Seller, at each of their respective expenses, will timely and promptly make all filings which are required under the HSR Act. Acquiror and Seller will furnish to each other such necessary information and reasonable assistance as they may reasonably request in connection with the preparation of necessary filings or submissions to any Governmental Entity, including, without limitation, any HSR Filings. Acquiror and Seller will supply each other with copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) between Acquiror or Seller or any of their respective representatives, on the one hand, and the FTC or Antitrust Division or any member of their respective staffs, on the other hand, with respect to this Agreement or the transactions contemplated hereby. Each of Acquiror and Seller, as the case may be, agrees to use its reasonable effort to obtain, as promptly as practicable, the approval of the FTC or the Antitrust Division, as the case may be, of the purchase and the sale of the Stock by Acquiror, including by Acquiror agreeing to divest, hold separate or place in trust pending divestiture or further governmental investigation, such operations of Acquiror's business as may be required, requested or necessary to obtain the approval of the appropriate governmental enforcement agency.

(c) Each of Acquiror and Seller shall use its reasonable efforts and pay all expenses necessary to obtain any licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Entities and parties to contracts as are required for

Acquiror and Seller, as the case may be, to consummate the transactions contemplated hereby, and to effect all necessary registrations and filings, including without limitation, filings under the HSR Act. Subject to the terms and conditions hereof, each of Acquiror and Seller agrees to use its reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement as soon as practicable. Each of Acquiror and Seller shall use its reasonable efforts to defend any lawsuits or other legal proceedings, whether judicial or administrative, whether brought derivatively or on behalf of third parties (including governmental agencies, officials or other Governmental Entities), challenging this Agreement or the consummation of the transactions contemplated hereby.

5.4. Public Announcements. Except as may be required by applicable Law, the rules of any applicable stock exchange or a Governmental Entity, Acquiror and Seller will consult prior to the issuance of any press release or the making of any such public statement relating to the transactions contemplated by this Agreement.

5.5. Further Assurances. From and after the Closing, each of Seller and Acquiror shall execute and deliver, in the name and on behalf of Seller or Acquiror, as appropriate, any assignments or assurances and take and do, in the name and on behalf of Seller or Acquiror, as appropriate, any other actions and things reasonably necessary to carry out the intention of this Agreement.

5.6. Environmental Inspection and Assessment; Special Indemnity.

(a) At Acquiror's expense, Acquiror may cause an environmental consulting firm reasonably acceptable to Seller to conduct an inspection and environmental assessment of the Real Property. The scope of such inspection and assessment would consist of a

so-called "Phase I" preliminary environmental audit of the Real Property. If, with respect to any Real Property, the "Phase I" for such Real Property indicates the existence of any potential environmental problem, Acquiror will have the right to conduct additional reasonable procedures, including without limitation, taking of groundwater samples, soil test borings, effluent or other discharge analyses. Acquiror will coordinate with Seller on the timing of the physical inspection.

(b) Acquiror will indemnify, defend and hold Seller and the Company harmless from and against any and all physical damages that may be suffered or incurred by Seller or the Company as a result of any wrongful act or wrongful omission of Acquiror, the environmental consultant engaged by Acquiror, or their agents, subcontractors or representatives in the implementation of the environmental inspection and assessment. Seller will indemnify, defend and hold Acquiror harmless from and against any and all physical damages that may be suffered or incurred by Acquiror, the environmental consultant engaged by Acquiror, or their agents, subcontractors or representatives in the implementation of the environmental inspection and assessment as a result of any wrongful act or wrongful omission of Seller or the Company.

5.7. Employee Communications. Prior to the Closing, Acquiror shall not communicate with Employees with respect to matters arising in connection with the transactions contemplated by this Agreement without the prior consent of Seller, which consent shall not be unreasonably withheld.

5.8. Access to Books, Records and Personnel.

(a) Prior to the Closing Date, Seller shall, and shall cause the Company and its Subsidiaries and the employees of Seller and the Company and its Subsidiaries to, upon reasonable request, fully cooperate with Acquiror and afford to Acquiror and its counsel, accountants and other authorized representatives, reasonable access during normal business hours

to all books, records, data, facilities, properties and personnel (including the review of any auditors' work papers made available by such auditor it being understood that each of Seller and Acquiror will use their reasonable efforts to cause such auditor to afford access to its work papers) to the extent that such access may be reasonably requested by Acquiror (including, without limitation, with respect to the disposition and operation of the business of processing stone to produce lime and lime products); provided that no review of such materials or contact with personnel by Acquiror shall disrupt the operations of the Company or its Subsidiaries.

(b) Following the Closing, each of Seller and Acquiror shall, and each of Seller and Acquiror shall cause its Affiliates and its employees and the employees of its Affiliates to, upon reasonable request, fully cooperate with Seller or Acquiror, as the case may be, and afford to Seller or Acquiror and their counsel, accountants and other authorized representatives reasonable access during normal business hours to all books, records, data, facilities, properties and personnel (including the review of any auditors' work papers of Seller, or with respect to period prior to the Closing the Company, made available by such auditor it being understood that each of Seller and Acquiror will use their reasonable efforts to cause such auditor to afford access to its work papers) and permit Seller or Acquiror and their respective counsel, accountants and other authorized representatives to reasonably make copies of such books, records and other data, to the extent that such access may be reasonably requested by Seller or Acquiror; provided, however, that no review of such materials or contact with personnel by Seller or Acquiror shall disrupt the operations of the Company; and provided, further, that this Section (i) shall not apply in the context of any dispute or proceeding between Acquiror (and after the Closing Date, the Company), on the one hand, and Seller, on the other hand, and (ii) is independent from the provision set forth in Section 2.4.

5.9. Repayment or Release of Indebtedness or Obligations. On or before the Closing Date, Seller shall cause all (i) outstanding indebtedness of the Company (on a consolidated basis), owed to Seller or any of Seller's Affiliates and (ii) obligations of the Company (on a consolidated basis) for borrowed money (and all obligations, contingent or otherwise, of the Company or any of its Subsidiaries guaranteeing or having the economic effect of guaranteeing any obligation for borrowed money of any other Person) to any other Person, in each case to be repaid or released such that the Company (on a consolidated basis) will have no such outstanding indebtedness and obligations, as the case may be, as of the Closing Date.

5.10. Resignations. Prior to the Closing, Seller shall cause to be delivered to Acquiror the written resignations of the directors and officers of the Company and its Subsidiaries (such resignations being resignations of their positions as such) specified in writing by Acquiror at least 5 days prior to the Closing; provided, however, that if any such resignation triggers the payment of any amount by the Company to any such Person under a contract or under any Employee Plan disclosed on Schedule 3.11 or 3.9, as the case may be, Acquiror shall bear the cost of such payment.

5.11. Title Commitments. Seller shall, promptly (and in no event more than five (5) days) after the date hereof, order from a title company reasonably acceptable to Acquiror (the "TITLE COMPANY") a title insurance commitment or commitments with respect to (i) all Real Property that is used or intended to be used for the purpose of mining and (ii) the "Bender" site in Humble, Texas. Seller shall use its reasonable efforts to cause the Title Company to issue such title commitments as promptly as feasible and, immediately upon receipt thereof, shall deliver the same to Acquiror and, at Acquiror's request, to the surveyor or engineer that has been engaged by Acquiror to prepare surveys of the Real Property. To the extent Acquiror reasonably objects to

any matter(s) reflected therein or requests additional information with respect thereto, Seller shall use its reasonable efforts to cause the Title Company to modify and/or supplement the commitments accordingly.

5.12. Obligations and Liabilities. The parties hereby agree that on and after the Closing Date, the Company will continue to discharge its obligations and liabilities in the ordinary course of business, and Seller shall not be derivatively liable for such obligations and liabilities except to the extent expressly provided in this Agreement.

5.13. Undertaking to Deliver Real Property Descriptions. Within 21 days of the date hereof, Seller shall deliver to Acquiror (i) a boundary description which accurately describes the collective perimeter boundary(ies) of the parcel(s) which comprise the Beckmann Tract, the Partnership Tract and the 95+/- acrE "TRIANGLE TRACt" and (ii) a map which accurately depicts the property boundary(ies) described in clause (i), identifies all of the courses and distances for such boundary(ies) and each strip, gap or gore within the Real Property outlined in black on the map included in Schedule 1.1A. The items delivered to Acquiror by Seller pursuant to this Section 5.13 shall be substituted for the corresponding items attached to this Agreement concurrently with the execution hereof as Schedules 1.1A, 1.1B and 1.1C.

ARTICLE VI.
EMPLOYEE BENEFITS

6.1. Maintenance of Benefits.

(a) For a period of 12 months following the Closing Date, Acquiror shall cause the Company to provide Employees with the same base pay levels and comparable long-term and short-term incentive compensation bonus opportunities as were in place immediately prior to the Closing Date; provided, however, that the Company shall not be required to maintain base pay levels or long-term and short-term incentive compensation bonus opportunities at levels greater than those provided for similarly situated employees of Acquiror and its subsidiaries. Except as provided in the preceding sentence, Acquiror shall for a period of 12 months following the Closing Date, cause the Company to provide Employees with compensation and benefits comparable to the Company's Benefits. Notwithstanding any other provision of this Agreement (i) nothing in this Agreement will confer third-party beneficiary rights on any individual Employee or group of Employees, and (ii) nothing in this Agreement will prohibit Acquiror from permitting the Company during the 12-month period following the Closing Date to substitute any compensation or benefit plan, program, arrangement or structure for Employees so long as such Employees are treated on substantially the same basis as similarly situated employees of Acquiror and its Affiliates. Nothing in this Section 6.1(a) will limit Acquiror's right to permit the Company to terminate the employment of any Employee as of or following the Closing Date.

(b) From and after the Closing Date, Acquiror will cause the Company to perform when due all obligations (i) under the Redland Aggregates North America Long-Term Incentive Program to Employees and (ii) under each severance or employment agreement to

which the Company is a party in accordance with the terms and conditions of such Program and each such agreement as in effect on the Closing Date; provided, that nothing in this sentence shall be construed as prohibiting the Acquiror or the Company from amending or terminating such Program or any such agreement to the extent permitted by the terms of such Program or any such agreement. From and after the Closing Date, Acquiror will cause the Company to give Employees preacquisition service credit for purposes of eligibility, vesting and benefit accrual under Employee Plans or Benefit Arrangements adopted by the Company or otherwise made available by Acquiror to Employees at or after the Closing Date. "Preacquisition service credit" means service with the Company (or a predecessor or Affiliate of the Company) prior to the Closing Date to the extent such service was recognized for such purposes by the Company under similar plans and arrangements prior to the Closing Date, provided that the preacquisition service credit for benefit accrual purposes under a defined benefit pension plan shall be granted only if the benefit liability under an Employee Benefit Plan that is related to such service is transferred to such defined benefit pension plan, and provided further that preacquisition service credit shall not be granted for the purpose of retiree medical coverage. From and after the Closing Date, Employee Plans and Benefit Arrangements relating to Employees adopted by the Company or otherwise made available by Acquiror to Employees at or after the Closing Date shall (A) waive all pre-existing condition exclusions for each Employee to the extent that the Employee Plan or Benefit Arrangement replaces a similar Employee Plan or Benefit Arrangement maintained by the Company prior to the Closing Date and such condition was not excluded at the time of such replacement with respect to such Employee by such similar Employee Plan or Benefit Arrangement of the Company, and (B) credit each such Employee for purposes of deductible

limits and copayment requirements during the remainder of the calendar year in which an Employee Plan or Benefit Arrangement replaces a similar Employee Plan or Benefit Arrangement of the Company with amounts so credited under such similar Employee Plan or Benefit Arrangement of the Company for such calendar year.

(c) As soon as reasonably practicable after the Closing Date, Seller will cause the plan sponsor ("PLAN SPONSOR") of the Redland North America Retirement Plan or its successor (the "REDLAND PENSION PLAN") to transfer the vested and nonvested accrued benefits of participants in the Redland Pension Plan employed by the Company as of December 31, 1998 or the Closing Date, if earlier ("REDLAND PENSION PARTICIPANTS") and assets (cash or cash equivalents) equal to the present value of such benefits or, if less, such amount as may be permitted pursuant to Section 414(l) of the Code, to be transferred in a manner that satisfies Section 414(l) of the Code to a defined benefit pension plan or plans maintained or established by Acquiror which is qualified within the meaning of Section 401(a) of the Code ("ACQUIROR'S PLAN"). No transfer will occur until the Plan Sponsor and Seller agree as to the amounts to be transferred and have received such assurances as may be reasonable that the applicable provisions of the Code have been satisfied; provided, however, that Seller will not agree to any such amounts or assurances without the prior consent of Acquiror. The present value of vested and nonvested accrued benefits of Redland Pension Participants under the Redland Pension Plan will be determined by the Plan Sponsor's actuary as of December 31, 1998 (the "VALUATION DATE") on the basis of the mortality table prescribed by and an interest rate or rates permitted by Part 4044 of the Pension Benefit Guaranty Corporation regulations effective as of the Valuation Date, and such other actuarial assumptions and methods agreed to by both the Plan Sponsor's actuary and an actuary designated by Acquiror. On the date of the actual transfer from the Redland Pension

Plan to Acquiror's Plan, the amount so determined will be increased at the initial interest rate effective as of the Valuation Date as set forth for Annuity Valuations in Table I of Appendix B to Part 4044 of the Pension Benefit Guaranty Corporation regulations, unless the actual transfer occurs more than 180 days after the Valuation Date, in which case the initial interest rate shall be adjusted for each month following the Valuation Date to reflect the rate in effect for that month under Table I of Appendix B, and reduced by the amount of any benefit payments made to Redland Pension Participants for the period between the Valuation Date and the date of transfer. Acquiror will take such action as may be necessary to cause Acquiror's Plan to provide each Redland Pension Participant participating in Acquiror's Plan after the transfer with an accrued benefit that is not less than the accrued benefit transferred from the Redland Pension Plan and to provide all benefits protected by law, including optional forms of benefit. Acquiror's Plan will provide for benefit accrual for Redland Pension Participants effective as of the earlier of January 1, 1999 and the date that Redland Pension Participants cease benefit accruals under the Redland Pension Plan. Seller shall take such action as may be necessary to cause the Company to withdraw as a participating employer from the Redland Pension Plan effective as of the Closing Date. Seller agrees to cooperate with Acquiror and the Company after the Closing Date and to provide any information which Seller has or can reasonably obtain and any other assistance to the extent reasonably necessary in order for Acquiror and the Company to fulfill their reporting and disclosure obligations, to file determination letter applications or other applications for recognition of tax exemption, and to fulfill their obligations to protect accrued benefits with respect to Acquiror's Plan and the Company's Benefits.

6.2. Vacation and Sick Leave. For a period of 12 months following the Closing Date, Acquiror will cause the Company to maintain vacation and sick leave policies for

Employees no less favorable than those maintained by the Company immediately prior to the Closing Date, and to credit all service earned by Employees prior to the Closing Date and to accept all vacation and sick leave days accrued by Employees as of the Closing Date.

6.3. WARN. Acquiror shall not, at any time prior to 180 days after the Closing Date, effectuate a "plant closing" or "mass layoff" as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988, as amended ("WARN") affecting in whole or in part any facility, site of employment, operating unit or employee of the Company without complying fully with the requirements of WARN.

ARTICLE VII.
CONDITIONS TO THE TRANSFER

7.1. Conditions to the Obligations of Each Party. The obligations of each of Seller and Acquiror to consummate the Transfer of the Stock are subject to the satisfaction of the following conditions:

(a) the waiting period, if any, under the HSR Act relating to the transactions contemplated under this Agreement shall have expired or been terminated; and

(b) no provision of any applicable Law and no judgment, injunction, order or decree shall prohibit the consummation of the Transfer of the Stock or the transactions contemplated under this Agreement.

7.2. Conditions to the Obligations of Seller. The obligation of Seller to consummate the Transfer of the Stock is subject to the satisfaction (or written waiver by Seller) of each of the following further conditions:

(a) Acquiror shall have performed and complied with in all material respects all obligations and covenants required to be performed or complied with by it under this

Agreement at or prior to the Closing Date and Seller shall have received a certificate signed by an executive officer of Acquiror on behalf of Acquiror to the foregoing effect;

(b) the representations and warranties of Acquiror contained in this Agreement and in any certificate or other writing delivered by Acquiror pursuant to this Agreement shall be true in all material respects at and as of the Closing Date as if made at and as of such time and Seller shall have received a certificate signed by an executive officer of Acquiror to the foregoing effect; and

(c) the Purchase Price shall have been paid by Acquiror via wire transfer of immediately available funds to an account designated by Seller.

7.3. Conditions to the Obligations of Acquiror. The obligation of Acquiror to consummate the Transfer of the Stock is subject to the satisfaction (or written waiver by Acquiror) of each of the following further conditions:

(a) Seller shall have performed and complied with in all material respects all obligations and covenants, required to be performed or complied with by it under this Agreement at or prior to the Closing Date and Acquiror shall have received a certificate signed by an executive officer of Seller to the foregoing effect;

(b) the representations and warranties of Seller contained in this Agreement and in any certificate or other writing delivered by Seller, the Company or any of its Subsidiaries, pursuant to this Agreement shall be true at and as of the Closing Date as if made at and as of such time (other than inaccuracies that in the aggregate do not constitute a Material Adverse Effect) and Acquiror shall have received a certificate signed by an executive officer of Seller to the foregoing effect; provided, however, that for the avoidance of doubt the parties expressly agree that the filing of any civil, criminal or administrative claim, action, proceeding or

suit against Acquiror, Seller, the Company or any of their respective Subsidiaries after the date hereof could give rise to the non-satisfaction of this condition if, in the aggregate, such claims, actions, proceedings or suits constitute a Material Adverse Effect;

(c) Seller shall have delivered to Acquiror at Closing the Stock free and clear of all Liens and encumbrances with the certificate or certificates evidencing the Stock duly endorsed;

(d) (i) Seller shall have delivered to Acquiror title insurance commitments in accordance with the provisions of Section 5.11 hereof; and (ii) Acquiror shall have received current surveys of the Beckmann Tract, the Rogers Tract, the Partnership Tract, the "Hunter Tract" in New Braunfels, Texas, and the "Bender Tract" in Humble, Texas prepared by a surveyor or engineer licensed in the State of Texas (each such survey shall be prepared in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys adopted by the American Land Title Association and the American Congress on Surveying & Mapping in 1997, certified to Acquiror's title insurance company (if any), Acquiror, any mortgagee of Acquiror and such other parties as Acquiror may designate), which surveys do not disclose any matters relating to the Company's (or the applicable Subsidiary's) title to the subject real property which make any of the representations or warranties contained herein inaccurate in a manner that constitutes a Material Adverse Effect; provided, however, that the conditions set forth in this Section 7.3(d) shall be of no further force or effect if, on or before November 30, 1998, (y) Acquiror fails to obtain a survey of the Beckmann Tract, the Rogers Tract, the Partnership Tract, the Hunter Tract or the Bender Tract or (z) Acquiror fails to notify Seller of any such inaccuracy;

(e) Seller shall have delivered to Acquiror all consents, authorizations, orders and approvals set forth on Schedule 3.5;

(f) Seller shall have delivered to Acquiror an opinion of counsel to Seller covering the matters set forth in Exhibit B hereto;.

(g) Lafarge S.A. shall have duly executed and delivered to Seller a guaranty in the form attached to this Agreement as Exhibit C;

(h) the Company shall have the ability in a commercially reasonable manner and in a manner consistent with its present plan to access, process, exploit or otherwise utilize the reserves as reported on the Reports (after giving effect to ordinary course mining since the date of the relevant Report) with respect to the Beckmann Tract and the Rogers Tract and no fact, event or circumstance shall exist with respect to the Beckmann Tract or the Rogers Tract that would affect the Company's ability to access, process, exploit or otherwise utilize the reserves located at each such tract (other than inabilities or facts, events or circumstances that in the aggregate do not constitute a Material Adverse Effect).

ARTICLE VIII.
TERMINATION

8.1. Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

(i) by mutual written consent of Seller and Acquiror;

(ii) by Seller, so long as Seller is not then in material breach of this Agreement, (A) after February 28, 1999 if the Closing shall not have occurred on or before such date or (B) at any time in the event Acquiror is in material breach of any of its

obligations under this Agreement and such breach has continued uncured for a period of more than 10 days after receipt of a written notice from Seller;

(iii) by Acquiror, so long as Acquiror is not then in material breach of this Agreement, (A) after February 28, 1999 if the Closing shall not have occurred on or before such date or (B) at any time in the event Seller is in material breach of any of its obligations under this Agreement and such breach has continued uncured for a period of more than 10 days after receipt of a written notice from Acquiror; and

(iv) by Acquiror, provided it is not in breach of any of its obligations under this Agreement, if any disclosure provided by Seller pursuant to Section 5.2 would result in a Material Adverse Effect and Acquiror exercises this right within ten days of its receipt of the relevant disclosure or of the Supplemental Disclosures.

8.2. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.1 hereof, this Agreement, except for the provisions of Sections 5.4, 5.6(b), 5.7, 11.4, 11.10 and 11.11, shall forthwith become null and void and have no effect, without any liability on the part of either party or their respective directors, officers or stockholders. Nothing in this Article VIII shall, however, relieve either party to this Agreement of liability for breach of this Agreement occurring prior to such termination, or for breach of any provision of this Agreement which specifically survives termination hereunder.

ARTICLE IX.
TAX MATTERS

9.1. Preparation of Tax Returns; Responsibility for Taxes.

(a) Seller shall prepare and timely file (or cause to be prepared and timely filed) a consolidated United States federal income Tax Return for the Company and its

affiliated Subsidiaries, and all other separate, consolidated, combined or unitary income Tax Returns in which the Company or any of its Subsidiaries is required to be included, for each taxable year or period of the Company and any such Subsidiary which ends on or before the Closing Date; provided, however, that Seller shall allow Acquiror to review and reasonably approve without undue delay any such Tax Return with respect to any taxable period which ends on or before the Closing Date at any time during the forty-five (45) day period immediately preceding the filing of such Tax Return; and provided, further, that Acquiror shall have no right to object to any tax elections reflected on such Tax Returns to the extent such elections are otherwise permitted under the terms of this Agreement, unless Acquiror agrees to bear any increase in Taxes attributable to the failure to make such elections. Seller shall be responsible for the timely payment (and entitled to any refund) of all Taxes due with respect to the taxable years or periods covered by such Tax Returns. Seller and Acquiror agree that, to the extent that the relevant Tax Authority permits, but does not require, the Company or any of its Subsidiaries to file a Tax Return for the taxable period that includes the Closing Date as ending on the Closing Date, Seller shall file (or cause to be filed) such Tax Return as if the taxable period ended as of the close of business on the Closing Date. Any Tax Return described in the preceding sentence shall not constitute a Straddle Tax Return.

(b) Except as provided in Section 9.1(a), Acquiror shall prepare and timely file (or cause to be prepared and timely filed) all Tax Returns relating to the Company and its Subsidiaries and their respective operations or assets that are required to be filed (taking into account applicable extensions) after the Closing Date.

(c) The Company shall pay (or cause to be paid) the Taxes shown to be due on all Straddle Tax Returns, provided that Seller shall promptly reimburse the Company for

the portion of such Tax that relates to a Pre-Closing Tax Period, except to the extent accrued on the Working Capital Statement. Seller will furnish to Acquiror all information and records in the possession of Seller reasonably requested by Acquiror for use in preparation of any Straddle Tax Returns. Acquiror shall allow Seller to review, comment upon and reasonably approve without undue delay any Straddle Tax Return at any time during the forty-five (45) day period immediately preceding the filing of such Tax Return. Acquiror and Seller agree that Acquiror will cause the Company to file all Tax Returns for any Straddle Period on the basis that the relevant taxable period ended as of the close of business on the Closing Date, unless the relevant Tax authority will not accept a Tax Return filed on that basis. In the case of any Straddle Period, (i) real, personal and intangible property Taxes ("PROPERTY TAXES") of the Company and its Subsidiaries for the Pre-Closing Tax Period shall be equal to the amount of such property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the Straddle Period; and (ii) the Taxes of the Company and its Subsidiaries (other than property Taxes) for the portion of the Straddle Period that constitutes a Pre-Closing Tax Period shall be computed as if such taxable period ended as of the close of business on the Closing Date.

(d) Any Tax Returns to be prepared pursuant to the provisions of Section 9.1(a) and any Straddle Tax Return shall be prepared in a manner consistent with practices followed in prior years with respect to similar Tax Returns, except for changes required by changes in Law or fact.

(e) Seller shall indemnify Acquiror, the Company, its Affiliates and each of their respective officers, directors and employees and hold them harmless from all Losses

attributable to Pre-Closing Taxes. For purposes of this Agreement, "PRE-CLOSING TAXES" shall mean, except to the extent accrued on the Working Capital Statement: (a) all liability for Taxes of the Company and its Subsidiaries for Pre-Closing Tax Periods; (b) all liability resulting by reason of the several liability of the Company or any of its Subsidiaries pursuant to Treasury Regulations ss. 1.1502-6 or any analogous state, local or foreign law or regulation or by reason of having been a member of any consolidated, combined or unitary group on or prior to the Closing Date; (c) all liability for Taxes resulting by reason of events or transactions (other than any intercompany transaction under Treasury Regulations ss. 1.1502-13) occurring or performed in a Pre-Closing Tax Period; (d) any liability for Taxes attributable to the failure of Acquiror to withhold any portion of the Purchase Price under Section 9.4 of this Agreement; and (e) all liability for Taxes of any other Person pursuant to any contractual agreement entered into by the Seller, the Company or any of its Subsidiaries on or before the Closing Date.

(f) Seller and Acquiror will, and Acquiror will cause the Company and its Subsidiaries to, in all reasonable respects cooperate with each other in the conduct of any Tax audit or similar proceedings involving or otherwise relating to the Company or any of its Subsidiaries (or the income therefrom or assets thereof) with respect to any Tax and each will execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 9.1(f). In the event of any Tax audit or similar proceedings involving (in whole or in part) Taxes subject to Section 9.1(c), if Seller and its Affiliates are not the primary parties to such proceedings, (i) Acquiror will, and will cause the Company to, promptly notify Seller of the pendency of such audit or proceeding; (ii) if Seller so elects, Seller or its designated accountants or counsel will be permitted at its own cost and expense to participate in such audit or proceedings and all appeals therefrom; (iii) Acquiror and its Affiliates will direct and control

such audit or proceedings except for audits and proceedings where the majority of the potential liability relating to such Tax Returns is the responsibility of Seller, which audits and proceedings Seller shall have the right to direct and control, subject in each case to the right of the non-controlling party to approve any settlements or decisions to appeal, which approval shall not be unreasonably withheld. In any event, the party conducting or directing such audit or other proceedings (the "DIRECTING PARTY") will consult in good faith with the other party on all decisions relating to such audit and proceedings, and will provide such party with copies of all documents received or submitted during such audit and proceedings (redacted as appropriate to preserve the confidentiality of the Affiliates of the Directing Party).

(g) Seller will cause any Tax sharing agreement or similar arrangement between the Company and Seller or its Affiliates to be terminated, effective as of the Closing, to the extent that any such agreement relates to the Company or any of its Subsidiaries, and after the Closing neither the Company nor any of its Subsidiaries shall have any obligation under any such agreement or arrangement for any past, present or future period.

9.2. Access to Information.

(a) From and after the Closing, Seller shall grant to Acquiror (or its designee) access at all reasonable times after reasonable advance notice to all of the information, books and records, relating to the Company or any of its Subsidiaries within the possession of Seller (including work papers and correspondence with Tax authorities) and shall afford Acquiror (or its designee) the right (at Acquiror's expense) to take extracts therefrom and make copies thereof, to the extent reasonably necessary to permit Acquiror (or its designee) to prepare Tax Returns and to respond to any audit, inquiry, proceeding or other action with respect to such Tax Returns.

(b) From and after the Closing, Acquiror shall grant to Seller (or its designee) access at all reasonable times after reasonable advance notice to all of the information, books and records, relating to the Company or any of its Subsidiaries within the possession of Acquiror, the Company or any such Subsidiary (including work papers and correspondence with Tax authorities) and shall afford Seller (or its designee) the right (at Seller's expense) to take extracts therefrom and make copies thereof, to the extent reasonably necessary to permit Seller (or its designee) to prepare Tax Returns and to respond to any audit, inquiry, proceeding or other action with respect to such Tax Returns. In addition, and without limiting the generality of the foregoing, to permit Seller to comply with its obligations under Section 9.1(a), Acquiror will prepare (or cause the Company to prepare in accordance with prior practices) and deliver to Seller, as soon as reasonably practical after receipt of a request therefor from Seller, the standard income tax data reporting package and audit working paper files traditionally provided by the Company and any of its Subsidiaries to Seller and all other data regarding the Company reasonably requested by Seller for the preparation of any Tax Return under Section 9.1(a).

9.3. Transfer Taxes. Acquiror shall be responsible for the payment of all foreign, state, local, provincial and municipal transfer, sales, use or other similar Taxes (and all recording or filing fees) resulting from the transactions contemplated by this Agreement, excluding any U.S. or foreign income, franchise or similar Taxes.

9.4. FIRPTA Matters. Seller shall, on the Closing Date, cause the Company to (i) deliver to Acquiror a written statement which, in form and substance, satisfies the requirements of section 1.897-2(h)(1) of the Income Tax Regulations certifying that, as of the Closing Date, the Company has determined that it is not and, at all times during the five year period preceding the date of such written statement, has not been a United States real property

holding corporation within the meaning of Section 897(c)(2) of the Code, and that the stock does not constitute a United States real property interest within the meaning of Section 897(c)(1)(A) of the Code (the "FIRPTA STATEMENT"), and (ii) deliver to the Internal Revenue Service a written notification which, in form and substance, satisfies the requirements of section 1.897-2(h)(2) of the Income Tax Regulations with respect to the determinations referred to in clause (i) above, together with any of the supplemental statements specified in section 1.897-2(h)(5) of the Income Tax Regulations which the Company is required to submit to the Internal Revenue Service in connection therewith. Acquiror shall rely on the FIRPTA Statement for purposes of availing itself of the exception to withholding set forth in Section 1445(b)(3) of the Code, and the Purchase Price shall be paid by the Acquiror to Seller without any reduction therefrom for the withholding tax imposed by Section 1445(a) of the Code.

ARTICLE X.
SURVIVAL; INDEMNIFICATION

10.1. Limitation of Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, (A) THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, WITH RESPECT TO SELLER OR THE COMPANY OR ITS BUSINESSES, ASSETS, RESULTS OF OPERATIONS, OR FINANCIAL CONDITION AND (B) SELLER AND THE COMPANY MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO (i) ANY PROJECTIONS, ESTIMATES OR BUDGETS DELIVERED TO OR MADE AVAILABLE TO ACQUIROR OF FUTURE REVENUES, FUTURE RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), FUTURE CASH FLOWS OR FUTURE FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE COMPANY, OR

(ii) ANY OTHER INFORMATION OR DOCUMENTS MADE AVAILABLE TO ACQUIROR OR ITS COUNSEL, ACCOUNTANTS OR ADVISORS WITH RESPECT TO THE COMPANY, OR (iii) THE CONDITION OF ANY ASSETS OWNED, USED OR HELD FOR USE BY THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY.

10.2. Survival of Representations and Warranties. The representations and warranties of Acquiror and Seller contained in this Agreement shall survive the Closing; provided, however, that (a) no claim, lawsuit, or other proceeding based upon the breach of any representation or warranty contained in this Agreement (other than Sections 3.4, 3.8 and 3.12) may be made by any Indemnitee unless notice of such claim, lawsuit or other proceeding, is given to the Indemnitor in accordance with Section 10.5 prior to the second anniversary of the Closing Date, (b) no claim, lawsuit, or other proceeding based upon the breach of the representations and warranties contained in Section 3.8 may be made by any Acquiror Indemnitee unless notice of such claim, lawsuit or other proceeding, is given to the Indemnitor in accordance with Section 10.5 prior to 180 days after the later of the expiration of (i) the statute of limitations for the applicable Tax and (ii) any extension of the statute of limitations for the applicable Tax, (c) no claim, lawsuit, or other proceeding based upon the breach of the representations and warranties contained in Section 3.12 may be made by any Acquiror Indemnitee unless notice of such claim, lawsuit or other proceeding, is given to the Indemnitor in accordance with Section 10.5 prior to the tenth anniversary of the Closing Date and (d) claims, lawsuits, or other proceedings based upon the representations and warranties contained in Section 3.4 with respect to the capital stock of the Company may be made at any time upon notice of such claim, lawsuit or other proceeding, being given to the Indemnitor in accordance with Section 10.5.

10.3. Indemnification by Seller. Notwithstanding the Closing and regardless of any investigation at any time made by or on behalf of Acquiror or of any knowledge or information that Acquiror may have, from and after the Closing and in addition to the indemnification obligation of Seller set forth in Section 9.1(e) Seller shall indemnify and fully defend, save and hold Acquiror, any Affiliate of Acquiror, and their respective stockholders, directors, officers, agents, employees and representatives, including after Closing the Company and its Subsidiaries (the "ACQUIROR INDEMNITEES"), harmless if any Acquiror Indemnitee shall at any time or from time to time suffer any damage, liability, loss, cost, expense (including all reasonable attorneys' fees and expenses), deficiency, interest, penalty, impositions, assessments or fines but less any insurance proceeds (collectively, "LOSSES") to the extent not included in the Final Working Capital arising out of or resulting from, or shall pay or become obligated to pay any sum on account of, one or more of the following:

(a) any untruth or inaccuracy in any representation or certification of Seller, the Company or any of its Subsidiaries or the breach of any warranty of Seller contained in this Agreement or in any certificate delivered by Seller, the Company or any of its Subsidiaries to the Acquiror in connection with the Closing to the extent the amount of the Losses resulting from such untruth, inaccuracy or breach have not been specifically set forth on Schedule 10.3 (the "NON-CURRENT LIABILITIES SCHEDULE") as a liability included in the June 30, 1998 Balance Sheet, without regard to (i) any limitation or qualification as to materiality, Material Adverse Effect or material adverse change or (ii) the information set forth in Schedules 3.3, 3.6, 3.7, 3.8, 3.9 (except with respect to clause (h) of the related representation), 3.10 (with respect to clause (b) of the related representation), 3.10 (with respect to clause (c) of the related representation), 3.12 (with respect to clause (c) of the related representation), 3.12 (with respect to clause (d) of the

related representation), 3.14, 3.15 (with respect to the second sentence of clause (b) of the related representation) , 3.16(b) (with respect to the last sentence of clause (b) of the related representation), 3.21 (with respect to the fourth sentence of the related representation); 3.24 (with respect to the fourth sentence of the related representation) and 3.27, except to the extent marked on any of such Schedules with an asterisk (the "LIABILITY SCHEDULES") (it being the intent of the parties that for purposes of this Section 10.3(a) such Liability Schedules shall be deemed to be blank); or

(b) any liability (including, without limitation, the portion of the Loss set forth in clause (h) below not paid by Seller), penalty, assessment or fine ("LIABILITY") and any Loss (but only if such Loss arises out of or relates to a Liability) to the extent arising out of or relating to facts, circumstances, events or occurrence existing at or prior to the Closing (collectively, "PRE-CLOSING MATTERS") if, had all of the facts relating to such Pre-Closing Matters been known and the amount of such Liability or Loss been established as of the Closing (provided that the amount of such Liability or Loss which would have been established as of the Closing Date shall not be determinative of the amount of such Liability or Loss), an accrual or reserve for such Pre-Closing Matters would have been included in a consolidated balance sheet for the Company prepared as of the Closing in accordance with GAAP (ignoring for these purposes, principles of probability, materiality and ability to quantify); provided, however, that the foregoing shall apply only so long as notice of such fact, circumstance, event or occurrence is given to the Indemnitor in accordance with Section 10.5 prior to the tenth anniversary of the Closing Date; and, provided, further, that the foregoing shall not apply to the extent of the amount of such Liability or Loss included in the Non-current Liabilities Schedule; or

(c) any failure of the Seller duly to perform or observe any term, provision, covenant, agreement or condition contained in this Agreement on the part of Seller to be performed or observed (except each of the covenant set forth in Section 5.1(xii) and Section 5.2(c) which for purposes of this Article X shall be deemed covered by Sections 10.3(a) and/or 10.3(b)); or

(d) any Loss arising out of or relating to (i) the business of processing stone to produce lime and lime products (including, without limitation, the disposition or operation of such business on or prior to the Closing Date) conducted by the Company or any of its Subsidiaries before May 28, 1998 or such former business as conducted by any other Person after May 28, 1998; or

(e) any Loss on account of any act or failure to act on the part of any member of the Company's affiliated group (excepting the Company or any Subsidiary of the Company) or of any other person (excepting the Company or any Subsidiary of the Company) arising out of or relating to: (i) a violation of ERISA or any other law or regulation relating to an employee benefit plan as defined in Section 3(3) of ERISA or any other employee benefit or compensation arrangement sponsored, maintained, participated in or contributed to by a member of the Company's affiliated group (all referred to hereinafter as "plan"), or (ii) a failure to comply with the terms of a plan or to make a required contribution to a plan; provided, however, that the purpose of this Section 10.3(e), the "Company's affiliated group" means (A) the Company and any trade or business (whether or not incorporated) which is or has ever been under common control with or treated as a single employer with the Company under Section 414(b), (c), (m) or (o) of the Code, (B) any trade or business (whether or not incorporated) which has maintained, sponsored, participated in, contributed to or been required to contribute to any plan which the

Company or any of its Subsidiaries has maintained, sponsored, participated in, contributed to or been required to contribute to, and (C) any trade or business (whether or not incorporated) which is or has ever been under common control with or treated as a single employer with any trade or business described in clause (B) (immediately preceding) under Section 414(b), (c), (m) or (o) of the Code; or

(f) any Loss relating to the assets transferred from the Redland Pension Plan to the Acquiror's Plan under Section 6.1(c) being less than the guaranteed transfer amount (provided that the amount of such Loss shall be determined as follows. If the amount of assets transferred is less than the present value of the Redland Pension Participants' vested and nonvested benefits as determined under Section 6.1(c), the Loss is the guaranteed transfer amount minus the amount of such transferred assets. The guaranteed transfer amount is the same percentage of the total assets of the Redland Pension Plan at the transfer date as the present value of the Redland Pension Participants' vested and nonvested benefits as determined under Section 6.1(c) is as a percentage of the present value of all participants' vested and nonvested benefits determined under Section 6.1(c) at the date of the transfer. For example, if the total value of the Redland Pension Plan assets at the transfer date is $75,000,000, the present value of the Redland Pension Participants' vested and nonvested benefits as determined under Section 6.1(c) is $6,000,000 and the present value of all other vested and nonvested benefits of the Redland Pension Plan is $71,000,000, then the guaranteed transfer amount would be $5,844,150. If the amount of assets transferred is $5,700,000, the Loss would be $144,150); or

(g) any Loss with respect to contributions required to be made to the Redland Pension Plan with respect to benefit liabilities of the Redland Pension Plan other than benefit liabilities transferred to Acquiror's Plan under Section 6.1(c); or

(h) any Loss set forth on Schedule 10.3(h);

provided, however, that Seller shall have no obligation to make any payment under Section 10.3(a) or 10.3(b) unless the aggregate amount to which all Acquiror Indemnitees are entitled by reason of all such claims under Sections 10.3(a) and 10.3(b) exceeds $25 million, and then only for the amount by which such total claims for Losses exceed such amount but such amount to be paid by Seller shall not, in any event, exceed $200 million, it being understood that such amount shall be payable by Seller upon a valid indemnity claim made by Acquiror.

10.4. Indemnification by Acquiror. Notwithstanding the Closing and regardless of any investigation at any time made by or on behalf of Seller or of any knowledge or information that Seller may have, from and after the Closing Acquiror shall indemnify and agree to fully defend, save and hold Seller, any Affiliate of Seller, and their respective stockholders, directors, officers, agents, employees and representatives (the "SELLER INDEMNITEES") harmless if Seller shall at any time or from time to time suffer any Losses arising out of or resulting from, or shall pay or become obligated to pay any sum on account of any one or more of the following:

(a) any untruth or inaccuracy in any representation or certification of the Acquiror or the breach of any warranty of Acquiror contained in this Agreement or in any certificate delivered to Seller in connection with the Closing; or

(b) any failure of Acquiror duly to perform or observe any term, provision, covenant, agreement or condition contained in this Agreement on the part of Acquiror to be performed or observed;

provided, however, that Acquiror shall have no obligation to make any payment under Section 10.4(a) with respect to any representation or warranty unless the aggregate amount to which

Seller is entitled by reason of all such claims exceeds $25 million, and then only for the amount by which such total claims for Losses exceed such amount but such amount to be paid by Acquiror shall not, in any event, exceed $200 million, it being understood that such amount shall be payable by Acquiror upon a valid indemnity claim made by Seller.

10.5. Procedures for Indemnification.

(a)(i) If any Acquiror Indemnitee or Seller Indemnitee (an "INDEMNIFIED PARTY") receives notice of the assertion of any claim, the commencement of any suit, action or proceeding, or the imposition of any penalty or assessment by a third party in respect of which indemnity may be sought hereunder (a "THIRD PARTY CLAIM"), and the indemnified party intends to seek indemnity hereunder, the indemnified party will promptly provide the other party (an "INDEMNIFYING PARTY") with written notice of the Third Party Claim, but in any event such notice shall be provided not later than 30 calendar days after receipt of such notice of Third Party Claim. The failure by an indemnified party to so notify an indemnifying party of a Third Party Claim will not relieve the indemnifying party of any indemnification responsibility under this Article X, except to the extent, if any, that such failure materially prejudices the ability of the indemnifying party to defend such Third Party Claim. For clarification, it is agreed that Seller will not be an indemnifying party for claims pursuant to Section 10.3(a) or 10.3(b) for amounts below the $25 million amount referred to in the last proviso of Section 10.3.

(ii) The indemnifying party will have the right to control the defense, compromise or settlement of the Third Party Claim with its own counsel (reasonably satisfactory to the indemnified party); provided, however, that the indemnifying party shall not settle any such Third Party Claim without the consent of the indemnified party (which

consent shall not be unreasonably withheld); and provided, further, that if the indemnifying party presents to the indemnified party a bona fide settlement proposal that the indemnifying party desires to accept that is not patently unreasonable on its face (the "SETTLEMENT PROPOSAL") and such Settlement Proposal is not consented to by the indemnified party, the indemnifying party's responsibility under this Agreement shall not extend beyond the amount set forth in the Settlement Proposal. The indemnified party will cooperate in the defense of any Third Party Claim. The indemnified party will be entitled (at the indemnified party's expense) to participate in the defense by the indemnifying party of any Third Party Claim with its own counsel. In the event that a Settlement Proposal is not consented to by the indemnified party, the indemnified party may, at its option, assume the defense of such Third Party Claim and the indemnifying party shall cooperate with the defense of such claim.

(iii) In the event that the indemnifying party does not undertake the defense, compromise or settlement of a Third Party Claim in accordance with subsection (ii) of this Section 10.5, the indemnified party will have the right to control the defense, compromise or settlement of such Third Party Claim with counsel of its choosing; provided, however, that the indemnified party will not settle or compromise any Third Party Claim without the indemnifying party's prior written consent, (A) the indemnifying party has failed to acknowledge its obligation to indemnify the indemnified party with respect to said Third Party Claim in accordance with this Article X, in which case the indemnified party may settle or compromise without such consent or (B) the indemnifying party has acknowledged its obligation but refuses to consent to said settlement or compromise, in which case the indemnified party may settle or compromise without such

consent, so long as said settlement or compromise is at a cost which is reasonable. The indemnifying party will be entitled (at the indemnifying party's expense) to participate in the defense of any Third Party Claim with its own counsel.

(iv) Any indemnifiable claim hereunder that is not a Third Party Claim will be asserted by the indemnified party by promptly delivering notice thereof to the indemnifying party. Such notice must set forth with specificity the facts and circumstances on which the claim for indemnity is based, identify the specific provision or provisions of this Agreement upon which the claim is based, set forth the amount of the claim or a reasonable estimate thereof if the amount is not liquidated and, in the case of a claim by an Acquiror Indemnitee pursuant to Section 10.3(b), such notice shall state the basis for the claimant's conclusion that the matter giving rise to the claim would have been required to have been included in the consolidated closing balance sheet as contemplated in Section 10.3(b). In the case of an Acquiror Indemnitee claim pursuant to Section 10.3(a) or Section 10.3(b), such notice must also include substantiation that the amount of all prior claims to which Acquiror Indemnitees would have been entitled to indemnification (but for time limits and amounts considerations) has exceeded $25 million.

(b) Notwithstanding anything contained in this Agreement to the contrary, in the event that a claim or demand for indemnification by Acquiror or Seller may be made under more than one provision of this Agreement, Acquiror or Seller, as applicable, shall have the right to recover Losses under any provision of this Agreement and may make such claim or demand without regard to whether such claim or demand would be precluded by any other provision of this Agreement; provided, however, that neither Acquiror nor Seller shall be entitled to recover more than once for the same Loss.

10.6. Exclusive Remedy. Except as otherwise provided under Sections 5.6(b) and 9.1(e), the parties hereto hereby acknowledge and agree that the indemnification rights under this Article X constitute the exclusive remedy after the Closing for any party for any claim of a breach of or inaccuracy in any representation or warranty herein and any breach or non-fulfillment of any covenant or agreement herein, except for equitable relief; provided, that nothing contained herein shall limit the right of any party to exercise or enforce (i) any right of contribution available under any law, rule or regulation from any other party or (ii) any rights under the Lafarge Guaranty or any other agreement entered into on or prior to the Closing Date.

ARTICLE XI.
MISCELLANEOUS

11.1. Entire Agreement. This Agreement, including the Schedules to this Agreement and the Confidentiality Agreement constitute the entire agreement of the parties to this Agreement with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

11.2. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

if to Seller, to:

Redland International Limited
c/o Lafarge S.A.
61, rue des Belles Feuilles
B.P.40
75782 Paris, cedex 16
France
Attention: Directeur des Affaires Juridiques
Telecopy: (33-1) 44-34-11-48

with a copy to:

Jones Day Reavis & Pogue
3500 SunTrust Plaza
303 Peachtree Street, N.E.
Atlanta, Georgia 30308
Facsimile: (404) 581-8330
Attention: William S. Paddock

if to Acquiror to:

Martin Marietta Materials, Inc.
2710 Wycliff Road
Raleigh, North Carolina 27607
Facsimile: (919) 783-4695
Attention: Chairman

with a copy to:

Martin Marietta Materials, Inc.
2710 Wycliff Road
Raleigh, North Carolina 27607
Facsimile: (919) 783-4535
Attention: Vice President and General Counsel

and

Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019-6099
Facsimile: (212) 728-8111
Attention: John S. D'Alimonte

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 11.2 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 11.2.

11.3. Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived prior to the Closing Date if, and only if, such amendment or waiver is in writing and signed, in the case

of an amendment, by Seller and Acquiror or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.4. Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

11.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns, provided that, no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party to this Agreement and provided further that Acquiror may assign its rights, but not its obligations, under this Agreement to any of its Subsidiaries. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties to this Agreement or their respective successors and permitted assigns, any rights, remedies obligations or liabilities under or by reason of this Agreement.

11.6. Certain Interpretive Matters.

(a) Unless the context otherwise requires, (i) all references in this Agreement to Sections, Articles or Schedules are to Sections, Articles or Schedules of or to this Agreement, (ii) each term defined in this Agreement has the meaning ascribed to it, (iii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in

accordance with GAAP and (iv) words in the singular include the plural and vice versa. All references to "$" or dollar amounts will be to lawful currency of the United States of America.

(b) Titles and headings to Sections in this Agreement are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. No provision of this Agreement will be interpreted in favor of, or against, any of the parties to this Agreement by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

(c) Unless otherwise indicated in a particular schedule, disclosure of any matter, fact or circumstance in a Schedule to this Agreement shall not be deemed to be disclosure thereof for purposes of any other Schedule hereto.

11.7. Governing Law. This Agreement shall be construed in accordance with and governed by the internal substantive law of the State of Texas regardless of the laws that might otherwise govern under principles of conflict of laws applicable thereto.

11.8. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and to this Agreement were upon the same instrument. This Agreement shall become effective when each party to this Agreement shall have received counterparts hereof signed by the other party to this Agreement.

11.9. Knowledge. For purposes of this Agreement, "to the knowledge of Seller" shall mean actual knowledge, based on reasonable inquiry, of the persons identified on Schedule 11.9.

11.10. Consent to Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the State or Federal Courts in the State of New York. The parties to this Agreement consent to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waive, to the fullest extent permitted by Law, any objection which they may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, the parties to this Agreement agree that service of process on such party may be made upon the designated person at the address provided in Section 11.2 hereof and shall be deemed to be effective service of process on such party.

11.11. Confidentiality. Each of Seller and Acquiror agrees to maintain in strict confidence any and all information each party learns or discovers about the other or its respective Affiliates during the course of the negotiation, execution and delivery of this Agreement and agrees to abide by the terms and conditions set forth in the Confidentiality Agreement. This Section 11.11 shall not apply to any information that is, or could reasonably be, learned or discovered through any independent source that is not obligated to maintain such information as confidential.

11.12. Severability. If any term, provision, covenant or restriction of this Agreement is determined by a Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement will remain in full force and effect and will in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed by their respective authorized officers a day and year first above written.

REDLAND INTERNATIONAL LIMITED

By: /s/ D.G. Hooreman

Name: D.G. Hooreman
Title: Director

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Janice K. Henry

Name: Janice K. Henry
Title: Vice President,
Chief Financial Officer and
Treasurer

EXHIBIT 99.1

[MARTIN MARIETTA MATERIALS letterhead]

NEWS RELEASE

P.O. Box 30013
Raleigh, North Carolina 27622
Telephone: (919) 781-4550

FOR IMMEDIATE RELEASE

Contact: Janice K. Henry
Vice President, Chief Financial
Officer and Treasurer
(919) 783-4658

MARTIN MARIETTA MATERIALS, INC. AGREES TO ACQUIRE REDLAND STONE PRODUCTS COMPANY FOR $272 MILLION

RALEIGH, North Carolina (October 5, 1998) - Martin Marietta Materials, Inc., (NYSE: MLM) today announced that it has signed a contract with an affiliate of Lafarge SA to acquire the common stock of Redland Stone Products Company for $272 million. The purchase price is subject to certain post-closing adjustments related to working capital. Redland Stone is the leading producer of aggregates and asphaltic concrete in the state of Texas, and has mineral reserves which exceed 1 billion tons. The company serves the San Antonio, Houston and South Texas areas. Aggregates production in 1998 is expected to be about 14 million tons, asphaltic concrete production is expected to be about 3 million tons, and revenue is expected to be approximately $140 million. Redland Stone will be operated as a new division of Martin Marietta Materials, with its headquarters in San Antonio. The transaction is scheduled for closing prior to year end, subject to satisfaction of conditions typical for such a transaction.

Commenting on the transaction, Stephen P. Zelnak, Jr., Chairman and CEO of Martin Marietta Materials, stated, "The acquisition of Redland Stone is a major step in positioning our Company for further expansion in the western United States. We believe this transaction will be neutral to earnings in 1999 and offers an excellent opportunity to grow the sales and earnings of our Company in 2000 and beyond.

"Redland Stone is the leading supplier of aggregates and asphaltic concrete in both Houston and San Antonio. The company is well-positioned for growth in both Texas and surrounding areas. Texas is scheduled to receive a 61 percent increase in transportation funding from the new Transportation Equity Act of the 21st Century (TEA-21). This should generate strong demand for materials used in highway and bridge construction for the foreseeable future. When coupled with the above-average population growth expected for Texas, the market for aggregates and asphalt should experience solid growth."

Martin Marietta Materials is the nation's second largest producer of construction aggregates and a leading producer of magnesia-based chemical and refractory products used in a wide variety of industries.

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Investors are cautioned that statements in this press release which relate to the future are, by their nature, uncertain and dependent upon numerous contingencies - including political, economic, regulatory, climatic, competitive, and technological - any of which could cause actual results and events to differ materially from those indicated in such forward-looking statements. Additional information regarding these and other risk factors and uncertainties may be found in the Corporation's filings with the Securities and Exchange Commission.

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- END -

EXHIBIT 99.2

[MARTIN MARIETTA MATERIALS letterhead]

NEWS RELEASE

P.O. Box 30013
Raleigh, North Carolina 27622
Telephone: (919) 781-4550

FOR IMMEDIATE RELEASE

Contact: Janice K. Henry
Senior Vice President, Chief
Financial Officer and Treasurer
(919) 783-4658
http:\\www.martinmarietta.com

MARTIN MARIETTA MATERIALS, INC. COMPLETES ACQUISITION OF REDLAND STONE PRODUCTS COMPANY

RALEIGH, North Carolina (December 7, 1998) - Martin Marietta Materials, Inc. (NYSE:MLM) today announced that it has completed the purchase of all the common stock of Redland Stone Products Company from an affiliate of Lafarge SA for $272 million in cash. The purchase price is subject to certain post-closing adjustments related to working capital plus approximately $8 million in certain other assumed liabilities and transaction costs. The Corporation did not assume any longterm debt in the transaction.

Redland Stone is the leading producer of aggregates and asphaltic concrete in the state of Texas, with mineral reserves that exceed 1 billion tons. Redland Stone serves the San Antonio, Houston and South Texas areas. The company will be operated as the Southwest Division of Martin Marietta Materials, with its headquarters remaining in San Antonio. Redland Stone is expected to produce approximately 14 million tons of aggregates and 3 million tons of asphaltic concrete during 1998, which is expected to generate $140 million in revenue.

Commenting on the transaction, Stephen P. Zelnak, Jr., Chairman and Chief Executive Officer of Martin Marietta Materials, stated, "The purchase of Redland Stone is a major component of our expansion into the western United States. This acquisition provides a strong platform for continued growth in Texas and the surrounding region. When coupled with our recent investment in Meridian Aggregates, which provides the opportunity to purchase the remaining interest in that

-MORE-

company within five years, Martin Marietta Materials has become a leading aggregates producer in both the southwest and western half of the United States.

"Texas is scheduled to receive a 61 percent increase in transportation funding from the new Transportation Equity Act of the 21st Century (TEA-21). This should generate strong demand for materials used in highway and bridge construction for the foreseeable future. When coupled with the above-average population growth expected for Texas, we believe the market for aggregates and asphaltic concrete should experience strong growth.

"Redland Stone's position as the leading producer of aggregates and asphaltic concrete in both Houston and San Antonio, along with Meridian's growing presence in Dallas and Northeast Texas, enables Materials to take advantage of the growth expected in the state."

Martin Marietta Materials, Inc., is in the process of completing the private placement of $200,000,000 in 5-7/8% Notes due December 2008. The proceeds of this offering will be applied to repay a portion of the commercial paper that was used to finance the acquisition. The Notes are being issued in an exempt transaction under the Securities Act of 1933 and may not be offered or resold in the United States absent registration or applicable exemption.

Martin Marietta Materials is the nation's second largest producer of construction aggregates and a leading producer of magnesia-based chemical and refractory products used in a wide variety of industries.

Investors are cautioned that statements in this press release which relate to the future are, by their nature, uncertain and dependent upon numerous contingencies - including political, economic, regulatory, climatic, competitive, and technological - any of which could cause actual results and events to differ materially from those indicated in such forward-looking statements. Additional information regarding these and other risk factors and uncertainties may be found in the Corporation's filings with the Securities and Exchange Commission.

- END -

EXHIBIT 99.3

[EXECUTION COPY]

$300,000,000

REVOLVING CREDIT AGREEMENT
dated as of
December 3, 1998

among

MARTIN MARIETTA MATERIALS, INC.,
The BANKS Listed Herein,
and
MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
as Agent,

J.P. MORGAN SECURITIES, INC
Lead Arranger

FIRST UNION NATIONAL BANK OF NORTH CAROLINA,
Co-Agent,

WACHOVIA BANK OF NORTH CAROLINA, N.A.,
Co-Agent

NATIONSBANK, N.A.
Managing Agent

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REVOLVING CREDIT AGREEMENT

AGREEMENT dated as of December 3, 1998 among MARTIN MARIETTA MATERIALS, INC., the BANKS listed on the signature pages hereof and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent.

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. The following terms, as used herein and in any Exhibit or Schedule hereto, have the following meanings:

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

"Additional Bank" has the meaning set forth in Section 2.16(b).

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Agent and submitted to the Agent with a copy to the Borrower duly completed by such Bank.

"Affiliate" means (i) any Person that directly, or indirectly through one or more intermediaries, controls the Borrower (a "Controlling Person") or (ii) any Person (other than the Borrower or a Subsidiary) which is controlled by or is under common control with a Controlling Person. As used herein, the term "control" means possession, directly or indirectly, of the power to vote 10% or more of any class of voting securities of a Person or to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" means Morgan Guaranty Trust Company of New York in its capacity as administrative agent for the Banks hereunder, and its successor or successors in such capacity.

"Agreement" means this Revolving Credit Agreement as it may be amended from time to time.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Base Rate Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Assignee" has the meaning set forth in Section 9.08(c).

"Assignment and Assumption Agreement" means an agreement, substantially in the form of Exhibit G hereto, under which an interest of a Bank hereunder is transferred to an Assignee pursuant to Section 9.08(c) hereof.

"Bank" means (i) each bank listed on the signature pages hereof, (ii) each Additional Bank or Assignee that becomes a Bank pursuant to either Section 2.16 or Section 9.08(c), and (iii) their respective successors.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day or (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day, each change in the Base Rate to become effective on the day on which such change occurs.

"Base Rate Loan" means a Committed Loan which bears interest at the Base Rate pursuant to the applicable Notice of Committed Borrowing or Notice of Interest Rate Election or the provisions of Article 8.

"Borrower" means Martin Marietta Materials, Inc., a North Carolina corporation.

"Borrower's Latest Form 10-Q" means the Borrower's quarterly report on Form 10-Q for the quarter ended September 30, 1998, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Change in Law" means, for purposes of Section 8.01 and Section 8.03, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency.

"Closing Date" means the date on or after the Effective Date on which the Agent shall have received the documents specified in or pursuant to Section 3.01.

"Commitment" means (i) with respect to each Bank listed on the Commitment Schedule, the amount set forth opposite the name of such Bank on the Commitment Schedule and (ii) with respect to each Additional Bank or Assignee which becomes a Bank pursuant to Section 2.16 or 9.08(c), the amount of the Commitment thereby assumed by it, in each case as such amount may be changed from time to time pursuant to Section 2.09, 2.16 or 9.08(c).

"Committed Loan" means a loan made by a Bank pursuant to Section 2.01; provided that, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term Committed Loan shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"Committed Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A-1 hereto, evidencing the obligation of the Borrower to repay the Committed Loans, and "Committed Note" means any one of such promissory notes issued hereunder.

"Consolidated Debt" means at any date the Debt of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Net Worth" means at any date the consolidated shareholders' equity of the Borrower and its Consolidated Subsidiaries which would be reported on the consolidated balance sheet of the Borrower as total shareholders' equity, determined as of such date.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (v) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit, banker's acceptance, bank guarantee or similar instrument which remain unpaid for two Business Days, (vi) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is otherwise an obligation of such Person provided that the amount of such Debt which is not otherwise an

obligation of such Person shall be deemed to be the fair market value of such asset and (vii) all Debt of others guaranteed by such Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Derivatives Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Dollars" or "$" means lawful currency of the United States.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Agent.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 9.13.

"Eligible Institution" means any commercial bank having total assets in excess of $3,000,000,000 (or the equivalent amount in the local currency of such bank) as determined by the Agent based on the most recent publicly available financial statements of such bank.

"Environmental Laws" means any and all applicable federal, state and local statutes, regulations, ordinances, rules, administrative orders, consent decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, hazardous substances, or hazardous wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing,

distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances, or hazardous wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that, together with the Borrower, are treated as a single employer under Section 4001(a)(14) of ERISA.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Loan" means any Committed Loan in respect of which interest is to be computed on the basis of a Euro-Dollar Rate.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Agent.

"Euro-Dollar Margin" means the percentage determined in accordance with the Pricing Schedule.

"Euro-Dollar Rate" means a rate of interest determined pursuant to Section 2.07(b) on the basis of an London Interbank Offered Rate.

"Event of Default" has the meaning set forth in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Credit Facility" means the Revolving Credit Agreement dated as of May 27, 1997, and amended and restated as of May 26, 1998, among the Borrower, the banks party thereto and Morgan Guaranty Trust Company of New York, as agent for such banks.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by

the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as determined by the Agent.

"Fixed Rate Loans" means Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.03) or both.

"Group of Loans" means at any time a group of Loans consisting of (i) all Committed Loans which are Base Rate Loans at such time or (ii) all Euro-Dollar Loans having the same Interest Period at such time, provided that, if a Committed Loan of any particular Bank is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been in if it had not been so converted or made.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Interest Period" means:

(1) with respect to each Euro-Dollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or on the date specified in the applicable Notice of Interest Rate Election and ending one, two, three or six months thereafter, as the Borrower may elect in the applicable notice; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(2) with respect to each Money Market LIBOR Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing and ending such whole number of months thereafter as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(3) with respect to each Money Market Absolute Rate Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing and ending such number of days thereafter (but not less than seven days) as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, guarantee, time deposit or otherwise (but not including any demand deposit).

"Invitation for Money Market Quotes" means the notice substantially in the form of Exhibit C hereto to the Banks in connection with the solicitation by the Borrower of Money Market Quotes.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth the Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" and "Loans" mean and include each and every loan made by a Bank under this Agreement.

"London Interbank Offered Rate" has the meaning set forth in Section 2.07(b).

"Material Adverse Effect" means a material adverse effect on (a) the ability of the Borrower to perform its obligations under this Agreement or any of the Notes, (b) the validity or enforceability of this Agreement or any of the Notes, (c) the rights and remedies of any Bank or the Agent under this Agreement or any of the Notes, or (d) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith.

"Material Debt" means Debt (other than the Notes) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal or face amount exceeding $35,000,000.

"Material Financial Obligations" means a principal or face amount of Debt and/or payment or collateralization obligations in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, exceeding in the aggregate $35,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $35,000,000.

"Money Market Absolute Rate" has the meaning set forth in Section 2.03(d).

"Money Market Absolute Rate Loan" means a loan to be made by a Bank pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Agent; provided that any Bank may from time to time by notice to the Borrower and the Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.03).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.03(d)(ii)(C).

"Money Market Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A-2 hereto, evidencing the obligation of the Borrower to repay the Money Market Loans, and "Money Market Note" means any one of such promissory notes issued hereunder.

"Money Market Quote" means an offer by a Bank, in substantially the form of Exhibit D hereto, to make a Money Market Loan in accordance with Section 2.03.

"Money Market Quote Request" means the notice, in substantially the form of Exhibit B hereto, to be delivered by the Borrower in accordance with Section 2.03 in requesting Money Market Quotes.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibits A-1 or A-2 hereto, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Committed Borrowing (as defined in Section 2.02) or a Notice of Money Market Borrowing (as defined in Section 2.03(f)).

"Notice of Interest Rate Election" has the meaning set forth in Section 2.13.

"Officer's Certificate" means a certificate signed by an officer of the Borrower.

"Other Taxes" has the meaning set forth in Section 8.04.

"Parent" means, with respect to any Bank, any Person controlling such Bank.

"Participant" has the meaning set forth in Section 9.08(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means any individual, firm, company, corporation, joint venture, joint-stock company, limited liability company or partnership, trust, unincorporated organization, government or state entity, or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its Prime Rate.

"Principal Property" means, at any time, any manufacturing facility that is located in the United States, is owned by the Borrower or any of its Subsidiaries, and has a book value, net of any depreciation or amortization, pursuant to the then most recently delivered financial statements, in excess of 2.5% of the consolidated total assets of the Borrower and its Consolidated Subsidiaries, taken as a whole.

"Quarterly Date" means the last day of March, June, September and December in each year, commencing December 31, 1998.

"Reference Banks" means the principal London offices of First Union National Bank, Wachovia Bank, N.A. and Morgan Guaranty Trust Company of New York. "Reference Bank" means any one of such Reference Banks.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means at any time and for any specific purpose the Bank or Banks having, in the aggregate, more than 50% of the Total Commitments, or, if the Commitments have terminated, more than 50% of the Loans.

"Restricted Subsidiary" means (x) any Significant Subsidiary, (y) any Subsidiary that has substantially all of its property located in the United States and that owns a Principal Property and (z) other Subsidiaries from time to time designated, by the Borrower by notice to the Agent, as Restricted Subsidiaries as necessary such that at all times, based on the most recent financial statements delivered pursuant hereto, at the end of any fiscal quarter the book value of the aggregate total assets, net of depreciation and amortization and after intercompany eliminations, of the Borrower and all of its Restricted Subsidiaries is not less than 85% of the consolidated total assets, net of depreciation and amortization and after intercompany eliminations, of the Borrower and its Consolidated Subsidiaries, taken as a whole.

"Revolving Credit Period" means the period from and including the Effective Date to but not including the Termination Date.

"Retiring Bank" has the meaning set forth in Section 9.01(a).

"Significant Subsidiary" means a Subsidiary with a book value of total assets, net of depreciation and amortization and after intercompany eliminations, equal to or greater than 5% of the consolidated total assets of the Borrower and its Consolidated Subsidiaries, taken as a whole.

"Subsidiary" means, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Taxes" has the meaning set forth in Section 8.04.

"Temporary Cash Investment" means any Investment in (i) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, (ii) commercial paper rated at least A-1 by Standard & Poor's Rating Group and P-1 by Moody's Investors Service, Inc., (iii) time deposits with, including certificates of deposit issued by, any office located in the United States of any bank or trust company which is organized under the laws of the United States or any state thereof and has capital, surplus and undivided profits aggregating at least $1,000,000,000 or (iv) repurchase agreements with respect to securities described in clause (i) above entered into with an office of a bank or trust company meeting the criteria specified in clause (iii) above, provided in each case that such Investment matures within one year from the date of acquisition thereof by the Borrower or a Subsidiary.

"Termination Date" means December 2, 1999, or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

"Total Capital" means, at any date, the sum of (x) Consolidated Debt plus (y) Consolidated Net Worth.

"Total Commitments" means, at the time for any determination thereof, the aggregate of the Commitments of the Banks.

"Transferee" has the meaning set forth in Section 9.08(e).

"United States" means the United States of America, including the States and the District of Columbia, but excluding the Commonwealths, territories and possessions of the United States.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or an appointed trustee under Title IV of ERISA.

SECTION 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Banks; provided that, if the Borrower notifies the Agent that the Borrower wishes to amend any covenant contained in Article 5 to eliminate the effect of any change after the date hereof in generally accepted accounting principles (which, for purposes of this proviso shall include the generally accepted application or interpretation thereof) on the operation of such covenant (or if the Agent notifies the Borrower that the Required Banks wish to amend any such covenant for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles is adopted by the Borrower, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Banks.

SECTION 1.03. Types of Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article 2 on the same date, all of which Loans are of the same type (subject to Article 8) and, except in the case of Base Rate Loans, have the same initial Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (e.g., a "Fixed Rate Borrowing" is a Euro-Dollar Borrowing or a Money Market Borrowing (excluding any such Borrowing consisting of Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.03), and a "Euro-Dollar Borrowing" is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article 2 under which participation therein is determined (i.e., a "Committed Borrowing" is a Borrowing under Section 2.01 in which all Banks participate in proportion to their Commitments, while a "Money Market Borrowing" is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith).

ARTICLE 2

THE LOANS

SECTION 2.01. Commitments to Lend. During the Revolving Credit Period, each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the aggregate principal amount of Committed Loans by such Bank at any one time outstanding shall not exceed the amount of its Commitment. Each Borrowing under this Section shall be in an aggregate principal amount of $5,000,000 or any larger multiple of $1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.02) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, prepay Loans to the extent permitted by Section 2.09 and reborrow at any time during the Revolving Credit Period under this Section.

SECTION 2.02. Notice of Committed Borrowing. The Borrower shall give the Agent notice (a "Notice of Committed Borrowing") not later than 12:00 Noon (New York City time) on (x) the date of each Base Rate Borrowing and (y) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

(i) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing;

(ii) the aggregate amount of such Borrowing;

(iii) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or a Euro-Dollar Rate; and

(iv) in the case of a Euro-Dollar Borrowing, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

SECTION 2.03. Money Market Borrowings. (a) The Money Market Option. In addition to Committed Borrowings pursuant to Section 2.01, the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit B hereto so as to be received not later than 12:00 Noon (New York City time) on (x) the fifth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be $5,000,000 or a larger multiple of $1,000,000,

(iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt of a Money Market Quote Request, the Agent shall send to the Banks by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this Section 2.03(d) and must be submitted to the Agent by telex or facsimile transmission at its offices specified in or pursuant to Section 9.02 not later than (x) 2:00 P.M. (New

York City time) on the fourth Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Agent (or any affiliate of the Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Auction or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Rate Auction. Subject to Articles 3 and 6, any Money Market Quote so made shall be irrevocable except with the written consent of the Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be $5,000,000 or a larger multiple of $1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit D hereto or does not specify all of the information required by subsection (d)(ii) above;

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to Borrower. The Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:30 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection

(e). In the case of acceptance, such notice (a "Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request;

(ii) the principal amount of each Money Market Borrowing must be $5,000,000 or a larger multiple of $1,000,000;

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be; and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Agent. If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Agent among such Banks as nearly as possible (in multiples of $1,000,000, as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.04. Notice to Banks; Funding of Loans. (a) Upon receipt of a Notice of Borrowing, the Agent shall give each Bank prompt notice of the contents thereof and of such Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by Borrower.

(b) Not later than 2:00 P.M. (New York City time) on the date of each Borrowing, each Bank participating therein shall make available its share of such Borrowing in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.02. Unless the Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Agent will make the funds so received from the Banks available to the Borrower at the Agent's aforesaid address.

(c) Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's share of such Borrowing, the Agent may assume that such Bank has made such share available to the Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Agent, such Bank and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at the Federal Funds Rate. If such Bank shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

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

SECTION 2.05. Loan Accounts and Notes. (a) Except as provided in subsection (b) below, the Committed Loans and Money Market Loans of each Bank shall be evidenced by a loan account in the Borrower's name maintained by such Bank and the Agent in the ordinary course of business. Such loan account maintained by the Agent shall be prima facie evidence absent manifest error of the amount of the Loan made by such Bank to the Borrower, the interest accrued and payable thereon and all interest and principal payments made thereon. Any failure so to record or any error in doing so shall in no way limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans.

(b) Upon written request made to the Agent by a Bank, the Borrower shall deliver to the Agent for such Bank a single Committed Note and a single Money Market Note, if applicable, evidencing the Committed Loans and the Money Market Loans, respectively, of such requesting Bank, payable to the order of each such Bank for the account of its Applicable Lending Office. Each such Note shall be in substantially the form of Exhibit A-1 or A-2 hereto, as appropriate. Each reference in this Agreement to the "Note" or "Notes" of such Bank shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt from the Borrower of the requesting Bank's Note, the Agent shall forward such Note to such Bank. Such Bank shall record the date and amount of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank that has requested a Note to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Note. Each Bank that receives a Note from the Borrower is hereby irrevocably authorized by the Borrower to so endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.06. Maturity of Loans. (a) Each Committed Loan shall mature, and the principal amount thereof shall be due and payable, on the Termination Date.

(b) Each Money Market Loan included in any Money Market Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing.

SECTION 2.07. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest, including with respect to the principal amount of any Base Rate Loan converted to a Euro-Dollar Loan, shall be payable at maturity, quarterly in arrears on each Quarterly Date prior to maturity. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin for such day plus the London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

The "London Interbank Offered Rate" applicable to any Interest Period means the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the respective rates per annum at which deposits in dollars are offered by each of the Reference Banks in the London interbank market at approximately 11:00

A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of such Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

(c) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the higher of (i) the sum of 2% plus the Euro-Dollar Margin for such day plus the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the respective rates per annum at which one day (or, if such amount due remains unpaid more than three Euro-Dollar Business Days, then for such other period of time not longer than three months as the Agent may select) deposits in dollars in an amount approximately equal to such overdue payment due to each of the Reference Banks are offered by such Reference Bank in the London interbank market for the applicable period determined as provided above and (ii) the sum of 2% plus the Euro-Dollar Margin for such day plus the London Interbank Offered Rate applicable to such Loan at the date such payment was due.

(d) Subject to Section 8.01, each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07(b) as if the related Money Market LIBOR Borrowing were a Committed Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Base Rate for such day.

(e) The Agent shall determine each interest rate applicable to the Loans hereunder. The Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(f) Each Reference Bank agrees to use its best efforts to furnish quotations to the Agent as contemplated by this Section. If any Reference Bank does not furnish a timely quotation, the Agent shall determine the relevant interest

rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

SECTION 2.08. Mandatory Termination of Commitments. The Commitments shall terminate on the Termination Date and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

SECTION 2.09. Optional Prepayments. (a) Subject in the case of any Euro-Dollar Borrowing to Section 2.14, the Borrower may, upon notice to the Agent not later than 11:30 A.M. (New York City time) on the date of such prepayment, prepay any Group of Base Rate Loans (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01) or upon at least three Euro-Dollar Business Days' notice to the Agent, prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating $5,000,000 or any larger multiple of $1,000,000 by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Group (or Borrowing).

(b) Except as provided in subsection (a) above the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

SECTION 2.10. General Provisions as to Payments. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 2:00 P.M. (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.02. If a Fed-Wire reference or tracer number has been received, from the Borrower or otherwise, by the Agent by that time the Borrower will not be penalized for a payment received after 2:00 P.M. (New York City time). The Agent will promptly distribute to each Bank its ratable share of each such payment received by the Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any

payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

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

SECTION 2.11. Fees. (a) Facility Fees. The Borrower shall pay to the Agent for the account of the Banks ratably a facility fee at the Facility Fee Rate (determined daily in accordance with the Pricing Schedule). Such facility fee shall accrue (i) from and including the Effective Date to but excluding the date of termination of the Commitments in their entirety, on the daily aggregate amount of the Commitments (whether used or unused) and (ii) from and including such date of termination to but excluding the date the Loans shall be repaid in their entirety, on the daily aggregate outstanding principal amount of the Loans. Accrued facility fees shall be payable quarterly in arrears on each Quarterly Date and on the date of termination of the Commitments in their entirety (and, if later, the date the Loans shall be repaid in their entirety).

(b) Participation Fees. On the Closing Date, the Borrower shall pay to the Agent for the account of each Bank a participation fee in the amount heretofore mutually agreed.

SECTION 2.12. Reduction or Termination of Commitments. During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days' notice to the Agent, (i) terminate the Commitments at any time, if no Loans are outstanding at such time or (ii) ratably reduce from time to time by

an aggregate amount of $5,000,000 or a larger multiple of $1,000,000, the aggregate amount of the Commitments in excess of the aggregate outstanding principal amount of the Loans.

SECTION 2.13. Method of Electing Interest Rates. (a) The Loans included in each Committed Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Committed Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection(a)), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day and

(ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans or elect to continue such Loans as Euro-Dollar Loans for an additional Interest Period, subject to Section 2.14 in the case of any such conversion or continuation effective on any day other than the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "Notice of Interest Rate Election") to the Agent not later than 12:00 noon. (New York City time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; provided that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such Notice applies, and the remaining portion to which it does not apply, are each $5,000,000 or any larger multiple of $1,000,000. If no such notice is timely received prior to the end of an Interest Period, the Borrower shall be deemed to have elected that all Loans having such Interest Period be converted to Base Rate Loans at the end of such Interest Period.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection (a) above;

(iii) if the Loans comprising such Group are to be converted, the new type of Loans and, if the Loans being converted are to be Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Upon receipt of a Notice of Interest Rate Election from the Borrower pursuant to subsection (a) above, the Agent shall promptly notify each Bank of the contents thereof and such notice shall not thereafter be revocable by the Borrower.

(d) An election by the Borrower to change or continue the rate of interest applicable to any Group of Loans pursuant to this Section shall not constitute a "Borrowing" subject to the provisions of Section 3.02.

SECTION 2.14. Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan or any Fixed Rate Loan is converted (pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of an Interest Period applicable thereto, or the last day of an applicable period fixed pursuant to Section 2.07(c), or if the Borrower fails to borrow, prepay, convert or continue any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.04(a), 2.09 or 2.13 the Borrower shall reimburse each Bank within 30 days after demand for any resulting loss or expense incurred by it, including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue, provided that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.15. Computation of Interest and Fees. The facility fee paid pursuant to Section 2.11 and interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.16. Increased Commitments; Additional Banks. (a) Subsequent to the Effective Date, the Borrower may, upon at least 30 days' notice to the Agent (which shall promptly provide a copy of such notice to the Banks), propose to increase the aggregate amount of the Commitments by an amount not to exceed $75,000,000 (the amount of any such increase, the "Increased Commitments"). Each Bank party to this Agreement at such time shall have the right (but no obligation), for a period of 15 days following receipt of such notice, to elect by notice to the Borrower and the Agent to increase its Commitment by a principal amount which bears the same ratio to the Increased Commitments as its then Commitment bears to the aggregate Commitments then existing.

(b) If any Bank party to this Agreement shall not elect to increase its Commitment pursuant to subsection (a) of this Section, the Borrower may designate another bank or other banks (which may be, but need not be, one or more of the existing Banks) which at the time agree to (i) in the case of any such bank that is an existing Bank, increase its Commitment and (ii) in the case of any other such bank (an "Additional Bank"), become a party to this Agreement. The sum of the increases in the Commitments of the existing Banks pursuant to this subsection (b) plus the Commitments of the Additional Banks shall not in the aggregate exceed the unsubscribed amount of the Increased Commitments.

(c) An increase in the aggregate amount of the Commitments pursuant to this Section 2.16 shall become effective upon the receipt by the Agent of an agreement in form and substance satisfactory to the Agent signed by the Borrower, by each Additional Bank and by each other Bank whose Commitment is to be increased, setting forth the new Commitments of such Banks and setting forth the agreement of each Additional Bank to become a party to this Agreement and to be bound by all the terms and provisions hereof, together with such evidence of appropriate corporate authorization on the part of the Borrower with respect to the Increased Commitments and such opinions of counsel for the Borrower with respect to the Increased Commitments as the Agent may reasonably request.

ARTICLE 3

CONDITIONS

SECTION 3.01. Closing. The closing hereunder shall occur upon receipt by the Agent of the following documents, each dated the Closing Date unless otherwise indicated:

(a) an opinion of Willkie Farr & Gallagher, counsel for the Borrower, substantially in the form of Exhibit E-1 hereto and an opinion of Robinson Bradshaw & Hinson, North Carolina counsel for the Borrower, substantially in the form of Exhibit E-2 hereto; the Borrower hereby expressly instructs each such counsel to prepare such opinion for the benefit of the Agent and the Banks;

(b) an opinion of Davis Polk & Wardwell, special counsel for the Agent, substantially in the form of Exhibit F hereto;

(c) all documents the Agent may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance reasonably satisfactory to the Agent; and

(d) evidence satisfactory to the Agent that all principal of and interest on any loans outstanding under, and all accrued fees under, the Existing Credit Facility shall have been paid in full.

The Agent shall promptly notify the Borrower and the Banks of the Closing Date, and such notice shall be conclusive and binding on all parties hereto. The Banks which are parties to the Existing Credit Facility, constituting the "Required Banks" under the Existing Credit Facility, and the Borrower agree that the Commitments under the Existing Credit Agreement shall terminate automatically on the Closing Date without need for further action by any party to the Existing Credit Agreement.

SECTION 3.02. Borrowings. The obligation of any Bank to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) the fact that the Closing Date shall have occurred on or prior to December 22, 1998;

(b) receipt by the Agent of a Notice of Borrowing as required by Section 2.02 or Section 2.03, as the case may be;

(c) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

(d) the fact that, immediately before and after such Borrowing, no Default shall have occurred and be continuing; and

(e) the fact that, except as otherwise described by the Borrower in a writing to the Agent and waived by the Required Banks, the representations and warranties of the Borrower contained in this Agreement (except, in the case of any Borrowing subsequent to the Closing Date, the representations and warranties set forth in Section 4.04(c), 4.05, 4.06, 4.08, 4.13 and 4.14) shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (c), (d) and (e) of this Section.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Corporate Existence and Power. Each of the Borrower and its Restricted Subsidiaries is a corporation duly organized and validly existing under the laws of the state of its incorporation without limitation on the duration of its existence, is in good standing therein, and is duly qualified to transact business in all jurisdictions where such qualification is necessary, except for such jurisdictions where the failure to be so qualified or licensed will not be reasonably likely to have a Material Adverse Effect; the Borrower has corporate power to enter into and perform this Agreement; and the Borrower has the corporate power to borrow and issue Notes as contemplated by this Agreement.

SECTION 4.02. Corporate Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the corporate powers of the Borrower, have been duly authorized by all necessary corporate action and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries which would be reasonably likely to have a Material Adverse Effect.

SECTION 4.03. Binding Effect. This Agreement and any Notes constitute valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws of general application relating to or affecting the enforcement of creditors' rights or by general equitable principles.

SECTION 4.04. Financial Information. (a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 1997 and the related consolidated statements of earnings and cash flows for the fiscal year then ended, reported on by Ernst & Young LLP and set forth in the Borrower's 1997 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of September 30, 1998 and the related unaudited consolidated statements of income and cash flows for the nine months then ended, set forth in the Borrower's Latest Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles ("GAAP"), the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and its consolidated results of operations and cash flows for such nine month period (subject to year-end audit adjustments).

(c) Since September 30, 1998, there has been no change in the consolidated financial condition of the Borrower and its Consolidated Subsidiaries which would be reasonably likely to have a Material Adverse Effect.

SECTION 4.05. Litigation. There are no suits, actions or proceedings pending, or to the knowledge of any member of the Borrower's legal department threatened or against the Borrower or any Subsidiary, the adverse determination of which is reasonably likely to occur, and if so adversely determined would be reasonably likely to have a Material Adverse Effect.

SECTION 4.06. Taxes. The Borrower and each Subsidiary have filed all material tax returns which to the knowledge of any member of the Borrower's tax department were required to be filed and have paid or have adequately provided for all taxes shown thereon to be due, including interest and penalties, except for (i) those not yet delinquent, (ii) those the nonpayment of which would not be

reasonably likely to have a Material Adverse Effect and (iii) those being contested in good faith.

SECTION 4.07. Margin Regulations. No part of the proceeds of any Loan will be used in a manner which would violate, or result in a violation of, Regulation U.

SECTION 4.08. Compliance with Laws. The Borrower and its Restricted Subsidiaries are in compliance in all material respects with all applicable laws, rules and regulations, other than such laws, rules and regulations (i) the validity or applicability or which the Borrower or such Subsidiary is contesting in good faith or (ii) failure to comply with which would not be reasonably likely to have a Material Adverse Effect.

SECTION 4.09. Governmental Approvals. No consent, approval, authorization, permit or license from, or registration or filing with, any Governmental Authority is required in connection with the making of this Agreement, with the exception of routine periodic filings made under the Exchange Act.

SECTION 4.10. Pari Passu Obligations. Under applicable United States laws (including state and local laws) in force at the date hereof, the claims and rights of the Banks and the Agent against the Borrower under this Agreement and the Notes will not be subordinate to, and will rank at least pari passu with, the claims and rights of any other unsecured creditors of the Borrower (except to the extent provided by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights and by general principles of equity).

SECTION 4.11. No Defaults. The payment obligations of the Borrower and its Subsidiaries in respect of any Material Debt are not overdue.

SECTION 4.12. Full Disclosure. All information furnished to the Banks in writing prior to the date hereof in connection with the transactions contemplated hereby (including, without limitation, the Information Memorandum, but subject to the qualifications and limitations set forth in the Information Memorandum (including, without limitation, in the pro forma and forecasted financial information)) does not, collectively, contain any misstatement of a material fact or omit to state a fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect on and as of the date hereof.

SECTION 4.13. ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in substantial compliance in all material respects with the presently applicable material provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or made any amendment to any Plan which, in either case has resulted or could result in the imposition of a material Lien or the posting of a material bond or other material security under ERISA or the Internal Revenue Code or (iii) incurred any material liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.14. Environmental Matters. The Financial Statements described in Section 4.04 provide certain information regarding environmental matters related to properties currently owned by the Borrower or its Restricted Subsidiaries, previously owned properties, and other properties. Since December 31, 1997, environmental matters have not caused any material adverse change in the consolidated financial condition of the Borrower and the Consolidated Subsidiaries from that shown by such Financial Statement.

In the ordinary course of business, the ongoing operations of the Borrower and its Restricted Subsidiaries are reviewed from time to time to determine compliance with applicable Environmental Laws. Based on these reviews, to the knowledge of the Borrower, ongoing operations at the Principal Properties are currently being conducted in substantial compliance with applicable Environmental Laws except to the extent that noncompliance would not be reasonably likely to have a Material Adverse Effect.

SECTION 4.15. Regulatory Restrictions on Borrowing. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or otherwise subject to any regulatory scheme which restricts its ability to incur debt.

ARTICLE 5

COVENANTS

From the Closing Date and so long as any Commitments of the Banks shall be outstanding and until the payment in full of all Loans outstanding under this Agreement and the performance of all other obligations of the Borrower under this Agreement, the Borrower agrees that, unless the Required Banks shall otherwise consent in writing:

SECTION 5.01. Information. The Borrower will deliver to the Agent which will deliver to each of the Banks:

(a) as soon as available and in any event within 60 days after the end of each of its first three quarterly accounting periods in each fiscal year, consolidated statements of earnings and cash flows of the Borrower and the Consolidated Subsidiaries for the period from the beginning of such fiscal year to the end of such fiscal period and the related consolidated balance sheet of the Borrower and the Consolidated Subsidiaries as at the end of such fiscal period, all in reasonable detail (it being understood that delivery of such statements as filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this subsection) and accompanied by a certificate in the form attached hereto as Exhibit H signed by a financial officer of the Borrower stating that such consolidated financial statements fairly present the consolidated financial condition and results of operations of the Borrower and the Consolidated Subsidiaries as of the end of such period and for the period involved, subject, however, to year-end audit adjustments, and that such officer has no knowledge, except as specifically stated, of any Default;

(b) as soon as available and in any event within 120 days after the end of each fiscal year, consolidated statements of earnings and cash flows of the Borrower and the Consolidated Subsidiaries for such year and the related consolidated balance sheets of the Borrower and the Consolidated Subsidiaries as at the end of such year, all in reasonable detail and accompanied by (i) an opinion of independent public accountants of recognized standing selected by the Borrower as to such consolidated financial statements (it being understood that delivery of such statements as filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this subsection), and (ii) a certificate in the form attached hereto as Exhibit H signed by a financial officer of the Borrower stating that such consolidated financial statements fairly present

the consolidated financial condition and results of operations of the Borrower and the Consolidated Subsidiaries as of the end of such year and for the year involved and that such officer has no knowledge, except as specifically stated, of any Default;

(c) promptly after their becoming available:

(i) copies of all financial statements, stockholder reports and proxy statements that the Borrower shall have sent to its stockholders generally; and

(ii) copies of all registration statements filed by the Borrower under the Securities Act of 1933, as amended (other than registration statements on Form S-8 or any registration statement filed in connection with a dividend reinvestment plan), and regular and periodic reports, if any, which the Borrower shall have filed with the Securities and Exchange Commission (or any governmental agency or agencies substituted therefor) under Section 13 or Section 15(d) of the Exchange Act, or with any national or international securities exchange (other than those on Form 11-K or any successor form);

(d) from time to time, with reasonable promptness, such further information regarding the business and financial condition of the Borrower and its Subsidiaries as any Bank may reasonably request through the Agent;

(e) prompt notice of the occurrence of any Default; and

(f) prompt notice of all litigation and of all proceedings before any governmental or regulatory agency pending (or, to the knowledge of the General Counsel of the Borrower, threatened) and affecting the Borrower or any Restricted Subsidiary, except litigation or proceedings which, if adversely determined, would not be reasonably likely to have a Material Adverse Effect.

Each set of financial statements delivered pursuant to Section 5.01(a) or 5.01(b) shall be accompanied by or include the computations showing, in the form attached hereto as Exhibit H, whether the Borrower was, at the end of the relevant fiscal period, in compliance with the provisions of Section 5.09.

SECTION 5.02. Payment of Obligations. The Borrower will pay and discharge, and will cause each Restricted Subsidiary to pay and discharge, all

material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any property belonging to it, prior to the date on which penalties attach thereto, and all lawful material claims which, if unpaid, might become a Lien upon the property of the Borrower or such Restricted Subsidiary; provided that neither the Borrower nor any such Restricted Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim (i) the payment of which is being contested in good faith and by proper proceedings, (ii) not yet delinquent or (iii) the non-payment of which, if taken in the aggregate, would not be reasonably likely to have a Material Adverse Effect.

SECTION 5.03. Insurance. The Borrower will maintain, and will cause each Restricted Subsidiary to maintain, insurance from responsible companies in such amounts and against such risks as is reasonable, taking into consideration the practices of businesses in the same line of business or of similar size as the Borrower or such Restricted Subsidiary, or, to a reasonable extent, self-insurance.

SECTION 5.04. Maintenance of Existence. The Borrower will preserve and maintain, and will cause each Restricted Subsidiary to preserve and maintain, its corporate existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business, and conduct its business in an orderly, efficient and regular manner. Nothing herein contained shall prevent the termination of the business or corporate existence of any Restricted Subsidiary which in the judgment of the Borrower is no longer necessary or desirable, a merger or consolidation of a Restricted Subsidiary into or with the Borrower (if the Borrower is the surviving corporation) or another Subsidiary or any merger, consolidation or transfer of assets permitted by Section 5.07, as long as immediately after giving effect to any such transaction, no Default shall have occurred and be continuing.

SECTION 5.05. Maintenance of Properties. The Borrower will keep, and will cause each Restricted Subsidiary to keep, all of its properties necessary, in the judgment of the Borrower, in its business in good working order and condition, ordinary wear and tear excepted. Nothing in this Section 5.05 shall prevent the Borrower or any Restricted Subsidiary from discontinuing the operation or maintenance, or both the operation and maintenance, of any properties of the Borrower or any such Restricted Subsidiary if such discontinuance is, in the judgment of the Borrower (or such Restricted Subsidiary), desirable in the conduct of its business.

SECTION 5.06. Compliance with Laws. The Borrower will comply, and will cause each Restricted Subsidiary to comply, with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority (including Environmental Laws and ERISA), a breach of which would be

reasonably likely to have a Material Adverse Effect, except where contested in good faith and by proper proceedings.

SECTION 5.07. Mergers, Consolidations and Sales of Assets. (a) The Borrower will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the Borrower or a Consolidated Subsidiary that is incorporated under the laws of the United States, any state thereof or the District of Columbia is the surviving corporation of any such consolidation or merger or is the Person that acquires by conveyance or transfer the properties and assets of the Borrower substantially as an entirety;

(ii) if a Consolidated Subsidiary is the surviving corporation or is the Person that acquires the property and assets of the Borrower substantially as an entirety, it shall expressly assume the performance of every covenant of this Agreement and of the Notes on the part of the Borrower to be performed or observed;

(iii) immediately after giving effect to such transaction, no Default shall have occurred and be continuing; and

(iv) if the Borrower is not the surviving corporation, the Borrower has delivered to the Agent an Officer's Certificate and a legal opinion of its General Counsel, Associate General Counsel or Assistant General Counsel, upon the express instruction of the Borrower for the benefit of the Agent and the Banks, each stating that such transaction complies with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) Upon any consolidation by the Borrower with, or merger by the Borrower into, a Consolidated Subsidiary or any conveyance or transfer of the properties and assets of the Borrower substantially as an entirety to a Consolidated Subsidiary, the Consolidated Subsidiary into which the Borrower is merged or consolidated or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower, as the case may be, under this Agreement with the same effect as if such Consolidated Subsidiary had been named as the Borrower, as the case may be, herein, and thereafter, in the case of a transfer or conveyance permitted by Section 5.07(a), the Borrower shall be relieved of all obligations and covenants under this Agreement and the Notes.

SECTION 5.08. Negative Pledge. Neither the Borrower nor any Restricted Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) Liens existing on the date of this Agreement;

(b) Liens securing Debt of a Restricted Subsidiary owing to the Borrower or to another Restricted Subsidiary;

(c) any Lien existing on any asset of any person at the time such person becomes a Subsidiary and not created in contemplation of such event;

(d) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset (and/or, in the case of the acquisition of a business, any Lien on the equity and/or assets of the acquired entity), provided that such Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;

(e) any Lien on any asset of any person existing at the time such person is merged or consolidated with or into the Borrower or a Restricted Subsidiary and not created in contemplation of such event;

(f) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(g) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(h) Liens in favor of any customer (including any Governmental Authority) to secure partial, progress, advance or other payments or performance pursuant to any contract or statute or to secure any related indebtedness or to secure Debt guaranteed by a Governmental Authority;

(i) materialmen's, suppliers', tax or other similar Liens arising in the ordinary course of business securing obligations which are not overdue or are being contested in good faith by appropriate proceedings; Liens arising by operation of law in favor of any lender to the Borrower or any Restricted Subsidiary in the ordinary course of business constituting a

banker's lien or right of offset in moneys of the Borrower or a Restricted Subsidiary deposited with such lender in the ordinary course of business; and appeal bonds in respect of appeals being prosecuted in good faith;

(j) Liens on cash and cash equivalents securing Derivatives Obligations, provided that the aggregate amount of cash and cash equivalents subject to such Liens may at no time exceed $50,000,000;

(k) Liens securing Debt equally and ratably securing the Loans and such Debt; provided that the Required Banks may, in their sole discretion, refuse to take any Lien on any asset (which refusal will not limit the Borrower's or any Restricted Subsidiary's ability to incur a Lien otherwise permitted by this Section 5.08(k)); such Lien may equally and ratably secure the Loans and any other obligation of the Borrower or any of its Subsidiaries, other than an obligation that is subordinated to the Loans;

(l) Liens securing contingent obligations in an aggregate principal amount not to exceed $15,000,000; and

(m) Liens not otherwise permitted by the foregoing clauses of this Section securing obligations in an aggregate principal or face amount at any date not to exceed at the time of incurrence the greater of 12.5% of Consolidated Net Worth or $75,000,000.

For the avoidance of doubt, the creation of a security interest arising solely as a result of, or the filing of UCC financing statements in connection with, any sale by the Borrower or any of its Subsidiaries of accounts receivable not prohibited by Section 5.07 shall not constitute a Lien prohibited by this covenant.

SECTION 5.09. Leverage Ratio. The ratio of Consolidated Debt to Total Capital shall not exceed (i) 55% at any time prior to June 30, 1999 or (ii) 50% at any time at or after June 30, 1999.

SECTION 5.10. Use of Loans. The Borrower will use the proceeds of the Loans for any lawful corporate purposes.

SECTION 5.11. Investments. Neither the Borrower nor any Subsidiary will hold, make or acquire any Investment in any Person other than:

(a) Investments in Temporary Cash Investments and other Investments in cash or cash equivalents from time to time approved by the Board of Directors of the Borrower;

(b) Investments comprised of debt consideration received in connection with the sale of assets (including any extensions, renewals and modifications thereof);

(c) Investments existing on the date of this Agreement or which the Borrower or any Restricted Subsidiary has, as of the date of this Agreement, committed to make and which are set forth on Schedule 5.11(c) (including any extensions, renewals and modifications thereof);

(d) Investments in any Subsidiary or guaranties of obligations of any Subsidiary whose principal business on the date of the making of such Investment or after giving effect to such Investment is either (i) the same line or lines of business as the Borrower or (ii) in the judgment of the Borrower related to such line or lines of business (it being understood that Schedule 5.11(d) contains a nonexhaustive list of certain related businesses);

(e) Investments by any Subsidiary in the Borrower; and

(f) Additional Investments not otherwise included in the foregoing clauses of this Section 5.11 if, after giving effect to such Investment, the outstanding amount (computed by taking the difference of (x) the original cash purchase price of all such Investments less (y) the sum of (i) all payments (including interest and dividends) and repayments of principal or capital plus (ii) all proceeds from the sale of such Investment) of all Investments permitted by this clause (f) does not exceed $150,000,000.

SECTION 5.12. Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly, pay any funds to or for the account of, make any investment (whether by acquisition of stock or indebtedness, by loan, advance, transfer of property, guarantee or other agreement to pay, purchase or service, directly or indirectly, any Debt, or otherwise) in, lease, sell, transfer or otherwise dispose of any assets, tangible or intangible, to, or participate in, or effect, any transaction with, any Affiliate except (i) transactions on an arms-length basis on terms at least as favorable to the Borrower or such Subsidiary Affiliate than could have been obtained from a third party who was not an Affiliate, and (ii) transactions described in this Section 5.12 that would not be reasonably likely to have a Material Adverse Effect.

ARTICLE 6

DEFAULTS

SECTION 6.01. Event of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay the principal of any Loan when due;

(b) the Borrower shall fail to pay within 5 days of the due date thereof (i) any facility fee or (ii) interest on any Loan;

(c) the Borrower shall fail to pay within 30 days after a request for payment by any Bank acting through the Agent any other amount payable under this Agreement;

(d) the Borrower shall fail to observe or perform any agreement contained in Sections 5.07 through 5.11 (and, with respect to Sections 5.10 and 5.11, such failure shall have continued for 10 days after notice thereof has been given to the Borrower by the Agent at the request of the Required Banks);

(e) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clauses (a) through (d) above) for 30 days after notice thereof has been given to the Borrower by the Agent at the request of the Required Banks;

(f) any representation, warranty or certification made by the Borrower in this Agreement or in any certificate, or writing delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made and such deficiency shall remain unremedied for five days after notice thereof shall have been given to the Borrower by the Agent at the request of the Required Banks;

(g) any Material Financial Obligations shall become due before stated maturity by the acceleration of the maturity thereof by reason of default, or any Material Financial Obligations shall become due by its terms and shall not be paid and, in any case aforesaid in this clause (g), corrective action satisfactory to the Required Banks shall not have been taken within 5 days after written notice of the situation shall have been given to the Borrower by the Agent at the request of the Required Banks;

(h) the Borrower or any Restricted Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(i) an involuntary case or other proceeding shall be commenced against the Borrower or any Restricted Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against the Borrower or any Restricted Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(j) a final judgment for the payment of money in excess of $35,000,000 shall have been entered against the Borrower or any Restricted Subsidiary, and the Borrower or such Subsidiary shall not have satisfied the same within 60 days, or caused execution thereon to be stayed within 60 days, and such failure to satisfy or stay such judgment shall remain unremedied for 5 days after notice thereof shall have been given to the Borrower by the Agent at the request of the Required Banks;

(k) a final judgment either (1) requiring termination or imposing liability (other than for premiums under Section 4007 of ERISA) under Title IV of ERISA in respect of, or requiring a trustee to be appointed under Title IV of ERISA to administer, any Plan or Plans having aggregate Unfunded Liabilities in excess of $35,000,000 or (2) in an action relating to a Multiemployer Plan involving a current payment obligation in excess of $35,000,000, which judgment, in either case, has not been satisfied or stayed within 60 days and such failure to satisfy or stay is unremedied for 5 days after notice thereof shall have been given to the Company by the Documentation Agent at the request of the Required Banks; or

(l) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of the Borrower; or during any two-year period, individuals who at the beginning of such period constituted the Borrower's Board of Directors (together with any new director whose election by the Board of Directors or whose nomination for election by the shareholders of the Borrower was approved by a vote of at least two-thirds of the directors then in office who either were directors as the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office;

then, and in every such event, the Agent shall, if requested by the Required Banks, (i) by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) by notice to the Borrower declare the Loans, interest accrued thereon and all other amounts payable hereunder to be, and the same shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the event of (A) the filing by the Borrower of a petition, or (B) an actual or deemed entry of an order for relief with respect to the Borrower, under the federal bankruptcy laws as now or hereafter in effect, without any notice to the Borrower or any other act by the Agent or the Banks, the Commitments shall thereupon terminate and the Loans, interest accrued thereon and all other amounts payable hereunder shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE 7

THE AGENT

SECTION 7.01. Appointment and Authorization. Each Bank irrevocably appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to such Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto; provided, however, that the Agent shall not commence any legal action or proceeding before a court of law on behalf of any Bank without such Bank's prior written consent.

SECTION 7.02. Agent and Affiliates. Morgan Guaranty Trust Company of New York shall have the same rights and powers under this Agreement as any other Bank and may exercise or refrain from exercising the same as though it were not the Agent, and Morgan Guaranty Trust Company of New York and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not the Agent. The term "Bank" or "Banks" shall, unless expressly indicated, include Morgan Guaranty Trust Company of New York (and any successor acting as Agent) in its capacity as a Bank.

SECTION 7.03. Action by Agent. The obligations of the Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 6.

SECTION 7.04. Consultation with Experts. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable to any Bank for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05. Liability of Agent. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex, facsimile transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in accordance with its Commitment, indemnify the Agent, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements),

claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by such indemnitees hereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent 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 any action under this Agreement.

SECTION 7.08. Successor Agents. The Agent may resign at any time by giving notice thereof to the Banks and the Borrower. Upon any such resignation, the Borrower shall, with the consent of the Required Banks, have the right to appoint a successor Agent. If no successor Agent shall have been so appointed, and shall have accepted such appointment, within 60 days after the retiring Agent gives notice of resignation, the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of its appointment as an Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder as Agent. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

SECTION 7.09. Agent's Fees. The Borrower shall pay to the Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Agent.

ARTICLE 8

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Increased Cost and Reduced Return; Capital Adequacy . (a) If after the date hereof, in the case of any Committed Loan, or the date of the related Money Market Quote, in the case of any Money Market Loan, a Change in

Law shall impose, modify or deem applicable any reserve, special deposit, assessment or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System pursuant to Regulation D or otherwise, as herein provided) against assets of, deposits with or for the account of, or credit extended by, any Bank or shall impose on any Bank or the London interbank market any other condition affecting such Bank's Fixed Rate Loans, or its Notes; and the result of any of the foregoing is to increase the cost to such Bank of making or maintaining any such Fixed Rate Loans, or to reduce the amount of any sum received or receivable by such Bank under this Agreement or under its Note, by an amount deemed by such Bank to be material, then, within 15 days after written demand therefor made through the Agent, in the form of the certificate referred to in Section 8.01(c), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction; provided that the Borrower shall not be required to pay any such compensation with respect to any period prior to the 30th day before the date of any such demand.

(b) Without limiting the effect of Section 8.01(a) (but without duplication), if any Bank determines at any time after the date on which this Agreement becomes effective that a Change in Law will have the effect of increasing the amount of capital required to be maintained by such Bank (or its Parent) based on the existence of such Bank's Loans, Commitment and/or other obligations hereunder, then the Borrower shall pay to such Bank, within 15 days after its written demand therefor made through the Agent in the form of the certificate referred to in Section 8.01(c), such additional amounts as shall be required to compensate such Bank for any reduction in the rate of return on capital of such Bank (or its Parent) as a result of such increased capital requirement; provided that the Borrower shall not be required to pay any such compensation with respect to any period prior to the 30th day before the date of any such demand; provided further, however, that to the extent (i) a Bank shall increase its level of capital above the level maintained by such Bank on the date of this Agreement and there has not been a Change in Law or (ii) there has been a Change in Law and a Bank shall increase its level of capital by an amount greater than the increase attributable (taking into consideration the same variables taken into consideration in determining the level of capital maintained by such Bank on the date of this Agreement) to such Change in Law, the Borrower shall not be required to pay any amount or amounts under this Agreement with respect to any such increase in capital. Thus, for example, a Bank which is "adequately capitalized" (as such term or any similar term is used by any applicable bank regulatory agency having authority with respect to such Bank) may not require the Borrower to make payments in respect of increases in such Bank's level of capital made under the circumstances described in clause (i) or (ii) above which improve its capital position from "adequately capitalized" to "well capitalized" (as such

term or any similar term is used by any applicable bank regulatory agency having authority with respect to such Bank).

(c) Each Bank will promptly notify the Borrower, through the Agent, of any event of which it has knowledge, occurring after the date on which this Agreement becomes effective, which will entitle such Bank to compensation pursuant to this Section 8.01 and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section 8.01 and setting forth the additional amount or amounts to be paid to it hereunder and setting forth the basis for the determination thereof shall be conclusive in the absence of manifest error. In determining such amount, such Bank shall act reasonably and in good faith, and may use any reasonable averaging and attribution methods.

SECTION 8.02. Substitute Rate. Anything herein to the contrary notwithstanding, if within two Euro-Dollar Business Days, in the case of Euro-Dollar Loans or Money Market LIBOR Loans, prior to the first day of an Interest Period none of the Reference Banks is, for any reason whatsoever, being offered Dollars for deposit in the relevant market for a period and amount relevant to the computation of the rate of interest on a Fixed Rate Loan for such Interest Period, the Agent shall give the Borrower and each Bank prompt notice thereof and on what would otherwise be the first day of such Interest Period such Loans shall be made as Base Rate Loans.

SECTION 8.03. Illegality. (a) Notwithstanding any other provision herein, if, after the date on which this Agreement becomes effective, a Change in Law shall make it unlawful or impossible for any Bank to (i) honor any Commitment it may have hereunder to make any Euro-Dollar Loan, then such Commitment shall be suspended, or (ii) maintain any Euro-Dollar Loan or any Money Market LIBOR Loan, then all Euro-Dollar Loans and Money Market LIBOR loans of such Bank then outstanding shall be converted into Base Rate Loans as provided in Section 8.03(b), and any remaining Commitment of such Bank hereunder to make Euro-Dollar Loans (but not other Loans) shall be immediately suspended, in either case until such Bank may again make and/or maintain Euro-Dollar Loans (as the case may be), and borrowings from such Bank, at a time when borrowings from the other Banks are to be of Euro-Dollar Loans, shall be made, simultaneously with such borrowings from the other Banks, by way of Base Rate Loans. Upon the occurrence of any such change, such Bank shall promptly notify the Borrower thereof (with a copy to the Agent), and shall furnish to the Borrower in writing evidence thereof certified by such Bank. Before giving any notice pursuant to this Section 8.03, such Bank shall designate a different Applicable

Lending Office if such designation will avoid the need for giving such notice and will not, in the sole reasonable judgment of such Bank, be otherwise disadvantageous to such Bank.

(b) Any conversion of any outstanding Euro-Dollar Loan or an outstanding Money Market Loan which is required under this Section 8.03 shall be effected immediately (or, if permitted by applicable law, on the last day of the Interest Period therefor).

SECTION 8.04. Taxes on Payments. (a) All payments in respect of the Loans shall be made free and clear of and without any deduction or withholding for or on account of any present and future taxes, assessments or governmental charges imposed by the United States, or any political subdivision or taxing authority thereof or therein, excluding taxes imposed on its net income, branch profit taxes and franchise taxes (all such non-excluded taxes being hereinafter called "Taxes"), except as expressly provided in this Section 8.04. If any Taxes are imposed and required by law to be deducted or withheld from any amount payable to any Bank, then the Borrower shall (i) increase the amount of such payment so that such Bank will receive a net amount (after deduction of all Taxes) equal to the amount due hereunder, (ii) pay such Taxes to the appropriate taxing authority for the account of such Bank, and (iii) as promptly as possible thereafter, send such Bank evidence of original or certified receipt showing payment thereof, together with such additional documentary evidence as such Bank may from time to time require. If the Borrower fails to perform its obligations under (ii) or (iii) above, the Borrower shall indemnify such Bank for any incremental taxes, interest or penalties that may become payable as a result of any such failure; provided, however, that the Borrower will not be required to make any payment to any Bank under this Section 8.04 if withholding is required in respect of such Bank by reason of such Bank's inability or failure to furnish under subsection (c) an extension or renewal of a Form 1001 or Form 4224 (or successor form), as applicable, unless such inability results from an amendment to or a change in any applicable law or regulation or in the interpretation thereof by any regulatory authority (including without limitation any change in an applicable tax treaty), which amendment or change becomes effective after the date hereof.

(b) The Borrower shall indemnify the Agent and each Bank against any present or future transfer taxes, stamp or documentary taxes, excise or property taxes, assessments or charges made by any Governmental Authority by reason of the execution, delivery, registration or enforcement of this Agreement or any Notes (hereinafter referred to as "Other Taxes").

(c) Subject to subsection (d) below, each Bank that is a foreign person (i.e. a person who is not a United States person for United States federal income

tax purposes) agrees that it shall deliver to the Borrower (with a copy to the Agent) (i) within twenty Domestic Business Days after the date on which this Agreement becomes effective, two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, as appropriate, indicating that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, or is entitled to a reduced rate of United States withholding taxes under an applicable income tax treaty, (ii) from time to time, such extensions or renewals of such forms (or successor forms) as may reasonably be requested by the Borrower but only to the extent such Bank determines that it may properly effect such extensions or renewals under applicable tax treaties, laws, regulations and directives and (iii) in the event of a transfer of any Loan to a subsidiary or affiliate of such Bank, a new Internal Revenue Service Form 1001 or 4224 (or any successor form), as the case may be, for such subsidiary or affiliate indicating that such subsidiary or affiliate is, on the date of delivery thereof, entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes or is entitled to a reduced rate of United States withholding tax under an applicable income tax treaty. The Borrower and the Agent shall each be entitled to rely on such forms in its possession until receipt of any revised or successor form pursuant to the preceding sentence.

(d) If a Bank at the time it first becomes a party to this Agreement (or because of a change in an Applicable Lending Office) is subject to a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes. For any period with respect to which a Bank has failed to provide the Borrower with the appropriate form pursuant to Section 8.04(c) (unless such failure is due to a change in treaty, law or regulation, or in the interpretation thereof by any regulatory authority, occurring subsequent to the date on which a form originally was required to be provided), such Bank shall not be entitled to additional payments under Section 8.04(a) with respect to Taxes imposed by the United States; provided, however, that 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, the Borrower shall take such steps as such Bank shall reasonably request to assist such Bank to recover such Taxes.

(e) If the Borrower is required to pay additional amounts to or for the account of any Bank pursuant to this Section 8.04, then such Bank will change the jurisdiction of one or more Applicable Lending Offices so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the judgment of such Bank, is not otherwise disadvantageous to such Bank.

(f) If any Bank is able to apply for any credit, deduction or other reduction in Taxes or Other Taxes in an amount which is reasonably determined by such Bank to be material, which arises by reason of any payment made by the Borrower pursuant to this Section 8.04, such Bank will use reasonable efforts, excluding the institution of any judicial proceeding, to obtain such credit, deduction or other reduction and, upon receipt thereof, will pay to the Borrower an amount, not exceeding the amount of such payment by the Borrower, equal to the net after-tax value to such Bank, in its good faith determination, of such part of such credit, deduction or other reduction as it determines to be allocable to such payment by the Borrower, having regard to all of its dealings giving rise to similar credits, deductions or other reductions during the same tax period and to the cost of obtaining the same; provided, however, that (i) such Bank shall not be obligated to disclose to the Borrower any information regarding its tax affairs or computations and (ii) nothing contained in this Section 8.04(f) shall be construed so as to interfere with the right of such Bank to arrange its tax affairs as it deems appropriate.

ARTICLE 9

MISCELLANEOUS

SECTION 9.01. Termination of Commitment of a Bank; New Banks. (a) (1) Upon receipt of notice from any Bank for compensation or indemnification pursuant to Section 8.01(c) or Section 8.04 or (2) upon receipt of notice that the Commitment of a Bank to make Euro-Dollar Loans has been suspended, the Borrower shall have the right to terminate the Commitment in full of the Bank providing such notice (a "Retiring Bank"). The termination of the Commitment of a Retiring Bank pursuant to this Section 9.01(a) shall be effective on the tenth Domestic Business Day following the date of a notice of such termination to the Retiring Bank through the Agent, subject to the satisfaction of the following conditions:

(i) in the event that on such effective date there shall be any Loans outstanding hereunder, the Borrower shall have prepaid on such date the aggregate principal amount of such Loans held by the Retiring Bank only; and

(ii) in addition to the payment of the principal of the Loans held by the Retiring Bank pursuant to clause (i) above, the Borrower shall have paid such Retiring Bank all accrued interest thereon, and facility fee and any other amounts then payable to it hereunder, including, without

limitation, all amounts payable by the Borrower to such Bank under Section 2.14 by reason of the prepayment of Loans pursuant to clause (i) with respect to the period ending on such effective date; provided that the provisions of Section 8.01, Section 8.04 and Section 9.04 shall survive for the benefit of any Retiring Bank.

Upon satisfaction of the conditions set forth in clauses (i) and (ii) above, such Bank shall cease to be a Bank hereunder.

(b) In lieu of the termination of a Bank's Commitment pursuant to Section 9.01(a), the Borrower may notify the Agent that the Borrower desires to replace such Retiring Bank with a new bank or banks (which may be one or more of the Banks), which will purchase the Loans and assume the Commitment of the Retiring Bank. Upon the Borrower's selection of a bank to replace a Retiring Bank, such bank's agreement thereto and the fulfillment of the conditions to assignment and assumption set forth in Section 9.08(c)(iii) such bank shall become a Bank hereunder for all purposes in accordance with Section 9.08(c)(iii).

SECTION 9.02. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (a) in the case of the Borrower or the Agent, at its address, facsimile number or telex number set forth on the signature pages hereof, (b) in the case of any Bank, at its address, facsimile number or telex number set forth in its Administrative Questionnaire or (c) in the case of any party, such other address, facsimile number or telex number as such party may hereafter specify for the purpose by notice to the Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received or (iii) if given by any other means, when delivered at the address specified in this Section.

SECTION 9.03. No Waivers. No failure or delay by either Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.04. Expenses; Indemnification. (a) The Borrower shall pay (i) reasonable out-of-pocket expenses, including the reasonable fees and expenses of special counsel for the Agent in connection with the preparation of this

Agreement and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Agent and the Banks, including reasonable fees and expenses of counsel, in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) The Borrower agrees to indemnify the Agent and each Bank, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs and reasonable expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, incurred by such Indemnitee in response to or in defense of any investigative, administrative or judicial proceeding brought or threatened against the Agent or any Bank relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans; provided that no Indemnitee shall have the right to be indemnified hereunder (i) to the extent such indemnification relates to relationships between or among each of, or any of, the Agent, the Banks or any Assignee or Participant or (ii) for such Indemnitee's own gross negligence or willful misconduct.

SECTION 9.05. Pro Rata Treatment. Except as expressly provided in this Agreement with respect to Money Market Loans or otherwise, (a) each borrowing from, and change in the Commitments of, the Banks shall be made pro rata according to their respective Commitments, and (b) each payment and prepayment on the Loans shall be made to all the Banks, pro rata in accordance with the unpaid principal amount of the Loans held by each of them.

SECTION 9.06. Sharing of Set-Offs. Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest then due with respect to the Loans held by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest then due with respect to the Loans held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Banks, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans held by the Banks shall be shared by the Banks pro rata; provided that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower, other than its indebtedness hereunder.

SECTION 9.07. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such

amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of the Agent are affected thereby, by the Agent so affected); provided that no such amendment or waiver shall, unless signed by all the Banks, (i) subject any Bank to any additional obligation, (ii) reduce the principal of or rate of interest on any Loan or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or for termination of any Commitment, (iv) change Section 4.10 or 9.05 or (v) change the percentage of Loans or Total Commitments that shall be required for the Banks or any of them to take any action under this Section 9.07 or any other provision of this Agreement.

SECTION 9.08. Successors and Assigns; Participations; Novation. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that, except in accordance with Sections 5.04 and 5.07, the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the consent of all Banks.

(b) Any Bank may, without the consent of the Borrower, but upon prior written notification to the Borrower, at any time sell to one or more banks or other financial institutions (each a "Participant") participating interests in any Loan owing to such Bank, any Note held by such Bank, the Commitment of such Bank hereunder, and any other interest of such Bank hereunder; provided that no prior notification to the Borrower is required in connection with the sale of a participating interest in a Money Market Loan. In the event of any such sale by a Bank of a participating interest to a Participant, such Bank's obligations under this Agreement shall remain unchanged, such Bank shall remain solely responsible for the performance thereof, such Bank shall remain the holder of its Note or Notes, if any, for all purposes under this Agreement and the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which a Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii) or (iii) of Section 9.07 affecting such Participant without the consent of the Participant; provided further that such Participant shall be bound by any waiver, amendment or other decision that all Banks shall be required to abide by pursuant to a vote by Required Banks. Subject to the provisions of Section 9.08(d), the Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article 8 with respect to its participating interest. An assignment or other transfer which is not permitted by

subsection (c) or (g) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) (i) Any Bank may at any time sell to one or more Eligible Institutions (each an "Assignee") all or a portion of its rights and obligations under this Agreement and the Notes. Each Assignee shall assume all such rights and obligations pursuant to an Assignment and Assumption Agreement executed by such Assignee, such transferor Bank and the Borrower. In no event shall (A) any Commitment of a transferor Bank (together with the Commitment of any affiliate of such Bank), after giving effect to any sale pursuant to this subsection (c), be less than $5,000,000, (B) any Commitment of an Assignee (together with the Commitment of any affiliate of such Assignee), after giving effect to any sale pursuant to this subsection (c), be less than $5,000,000, except in each case as may result upon the transfer by a Bank of its Commitment in its entirety or (C) any sale pursuant to this subsection (c) result in the transferee Bank (together with its affiliates) holding more than 35% of the aggregate Commitments, except to the extent that the Borrower and the Required Banks consent to such sale.

(ii) No interest may be sold by a Bank pursuant to this subsection (c), except to an affiliate of such Bank, provided that such affiliate is an Eligible Institution, without the prior written consent of the Borrower and the Agent, which consent shall not be unreasonably withheld. The withholding of consent by the Borrower shall not be deemed unreasonable if based solely upon the Borrower's desire to (A) balance relative loan exposures to such Eligible Institution among all credit facilities of the Borrower or (B) avoid payment of any additional amounts payable to such Eligible Institution under Article 8 which would arise from such assignment.

(iii) Upon (A) execution of an Assignment and Assumption Agreement, (B) delivery by the transferor Bank of an executed copy thereof, together with notice that the payment referred to in clause (C) below shall have been made, to the Borrower and the Agent, (C) payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee and (D) if the Assignee is organized under the laws of any jurisdiction other than the United States or any state thereof, evidence satisfactory to the Agent and the Borrower of compliance with the provisions of Section 9.08(f), such Assignee shall for all purposes be a Bank party to this Agreement and shall have all the rights and obligations of a Bank under this Agreement to the same extent as if it were an original party hereto with a Commitment as set forth in such Assignment and

Assumption Agreement, and the transferor Bank shall be released from its obligations hereunder to a correspondent extent, and no further consent or action by the Borrower, the Banks or the Agents shall be required to effectuate such transfer. Each Assignee shall be bound by any waiver, amendment or other decision that all Banks shall be required to abide by pursuant to a vote by Required Banks.

(iv) Upon the consummation of any transfer to an Assignee pursuant to this subsection (c), the transferor Bank, the Agent and the Borrower shall make appropriate arrangements so that, if requested by the transferor Bank or the Assignee, a new Note or Notes shall be delivered from the Borrower to the transferor Bank and/or such Assignee. In connection with any such assignment, the Assignee or the transferor Bank shall pay to the Agent an administrative fee for processing such assignment in the amount of $3,000.

(d) No Assignee, Participant or other transferee (including any successor Applicable Lending Office) of any Bank's rights shall be entitled to receive any greater payment under Section 8.01 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.01 or Section 8.03 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

(e) Each Bank may, upon the written consent of the Borrower, which consent shall not be unreasonably withheld, disclose to any Participant or Assignee (each a "Transferee") and any prospective Transferee any and all financial information in such Bank's possession concerning the Borrower that has been delivered to such Bank by the Borrower pursuant to this Agreement or that has been delivered to such Bank by the Borrower in connection with such Bank's credit evaluation prior to entering into this Agreement, subject in all cases to agreement by such Transferee or prospective Transferee to comply with the provisions of Section 9.15.

(f) If pursuant to subsection (c) of this Section 9.08, any interest in this Agreement or any Note is transferred to any Assignee that is organized under the laws of any jurisdiction other than the United States or any state thereof, the transferor Bank shall cause such Assignee, concurrently with the effectiveness of such transfer, (i) to represent to the transferor Bank (for the benefit of the transferor Bank, the Agents and the Borrower) that under applicable law and treaties no taxes or only a reduced rate of withholding taxes (excluded from the definition of Taxes under Section 8.04(d)) will be required to be withheld by the

Agent, the Borrower or the transferor Bank with respect to any payments to be made to such Assignee in respect of the Loans and (ii) to furnish to each of the transferor Bank, the Agent and the Borrower two duly completed copies of the forms required by Section 8.04(c)(i).

(g) Notwithstanding any provision of this Section 9.08 to the contrary, any Bank may assign or pledge any of its rights and interests in the Loans to a Federal Reserve Bank without the consent of the Borrower.

SECTION 9.09. Visitation. Subject to restrictions imposed by applicable security clearance regulations, the Borrower will upon reasonable notice permit representatives of any Bank at such Bank's expense to visit any of its major properties.

SECTION 9.10. Collateral. Each of the Banks represents to the Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.11. Reference Banks. If any Reference Bank assigns its rights and obligations hereunder to an unaffiliated institution, the Borrower shall, in consultation with the Agent, appoint another Bank to act as a Reference Bank hereunder. If the Commitment of any Bank which is also a Reference Bank is terminated pursuant to the terms of this Agreement, the Borrower may, in consultation with the Agent, appoint a replacement Reference Bank.

SECTION 9.12. Governing Law; Submission to Jurisdiction. This Agreement and each Note shall be governed by and construed in accordance with the internal laws of the State of New York. Each of the Borrower, the Agent and the Banks hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State Court sitting in New York for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Borrower, the Agent and the Banks irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.13. Effectiveness; Counterparts; Integration. This Agreement shall become effective upon receipt by the Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Agent in form

satisfactory to it of telegraphic, telex, facsimile or other written confirmation from such party of execution of a counterpart hereof by such party). This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.14. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 9.15. Confidentiality. Each Bank agrees, with respect to any information delivered or made available by the Borrower to it that is clearly indicated to be confidential information or private data, to use all reasonable efforts to protect such confidential information from unauthorized use or disclosure and to restrict disclosure to only those Persons employed or retained by such Bank who are or are expected to become engaged in evaluating, approving, structuring or administering this Agreement and the transactions contemplated hereby. Nothing herein shall prevent any Bank from disclosing such information (i) to any other Bank, (ii) to its affiliates, officers, directors, employees, agents, attorneys and accountants who have a need to know such information in accordance with customary banking practices and who receive such information having been made aware of and having agreed to the restrictions set forth in this Section, (iii) upon the order of any court or administrative agency, (iv) upon the request or demand of any regulatory agency or authority having jurisdiction over such Bank, (v) which has been publicly disclosed, (vi) to the extent reasonably required in connection with any litigation to which either Agent, any Bank, the Borrower or their respective affiliates may be a party, (vii) to the extent reasonably required in connection with the exercise of any remedy hereunder and (viii) with the prior written consent of the Borrower; provided however, that before any disclosure is permitted under (iii) or (vi) of this Section 9.15, each Bank shall, if not legally prohibited, notify and consult with the Borrower, promptly and in a timely manner, concerning the information it proposes to disclose, to enable the Borrower to take such action as may be appropriate under the circumstances to protect the confidentiality of the information in question, and provided further that any disclosure under the foregoing proviso be limited to only that information discussed with the Borrower. The use of the term "confidential" in this Section 9.15 is not intended to refer to data classified by the government of the United States under laws and regulations relating to the

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handling of data, but is intended to refer to information and other data regarded by the Borrower as private.

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

MARTIN MARIETTA MATERIALS, INC.

By:_____
Name:
Title:
Address: 2710 Wycliff Road
Raleigh, NC 27607
Facsimile: 919-510-4700

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:_____
Name:
Title:
Address:

Facsimile:

FIRST UNION NATIONAL BANK

By:_____
Name:
Title:

WACHOVIA BANK, N.A.

By:_____
Name:
Title:

NATIONSBANK, N.A.

By:_____
Name:
Title:

BANQUE NATIONALE DE PARIS,
HOUSTON AGENCY

By:_____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY

By:_____
Name:
Title:

CENTURA BANK

By:_____
Name:
Title:

BANK OF MONTREAL

By:_____
Name:
Title:

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH

By:_____
Name:
Title:

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Agent

By:_____
Name:
Title:
Address: 60 Wall Street
New York, NY 10260
Facsimile:

COMMITMENT SCHEDULE

Bank	Commitment
Morgan Guaranty Trust Company of New York	$53,750,000.00
First Union National Bank	$53,750,000.00
Wachovia Bank, N.A.	$53,750,000.00
NationsBank, N.A.	$53,750,000.00
Banque Nationale De Paris, Houston Agency	$35,000,000.00
State Street Bank and Trust	$25,000,000.00
Centura Bank	$25,000,000.00
Bank of Montreal	$ 0.00
The Sumitomo Bank, Limited, New York Branch	$ 0.00

PRICING SCHEDULE

Each of "Facility Fee Rate" and "Euro-Dollar Margin" means, for any day, the rate set forth below (in basis points per annum) in the row opposite such term and in the column corresponding to the Pricing Level that apply for such day:

Pricing Level	Level I	Level II	Level III
Facility Fee Rate	7.0	8.0	11.0
Euro-Dollar Margin			
if Utilization < 25%	18.0	24.5	34.0
if Utilization => 25%	38.0	42.0	64.0

For purposes of this Schedule, the following terms have the following meanings, subject to the further provisions of this Schedule:

"Level I Pricing" applies at any date if, at such date, the Borrower's long-term debt is rated A or higher by S&P and no lower than A3 by Moody's or A2 or higher by Moody's and no lower than A- by S&P.

"Level II Pricing" applies at any date if, at such date, (i) the Borrower's long-term debt is rated A- or higher by S&P and no lower than Baa1 by Moody's or A3 or higher by Moody's and no lower than BBB+ by S&P and (ii) Level I Pricing does not apply.

"Level III Pricing" applies at any date if, at such date, neither Level I Pricing nor Level II Pricing applies.

"Moody's" means Moody's Investors Service, Inc.

"Pricing Level" refers to the determination of which of Level I, Level II or Level III applies at any date.

"S&P" means Standard & Poor's Ratings Group.

"Utilization" means, at any date, the percentage equivalent of a fraction the numerator of which is the aggregate outstanding principal amount of the Loans at such date and the denominator of which is the aggregate amount of the Commitments at such date. If for any reason any Loans remain outstanding

following termination of the Commitments, Utilization shall be deemed to be in excess of 25%.

The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement, and any rating assigned to any other debt security of the Borrower shall be disregarded. The ratings in effect for any day are those in effect at the close of business on such day. The ratings in effect for any day are those in effect at the close of business on such day, and the Euro-Dollar Margin and Facility Fee Rate may change from time to time during any Interest Period as a result of changes in the Pricing Level during such Interest Period.

EXHIBIT 99.4

[EXECUTION COPY]

AMENDMENT NO. 1 TO CREDIT AGREEMENT

AMENDMENT dated as of October 16, 1998 to the Revolving Credit Agreement dated as of January 29, 1997 (the "Credit Agreement") among MARTIN MARIETTA MATERIALS, INC. (the "Borrower"), the BANKS party thereto (the "Banks") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

WITNESSETH:

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Defined Terms; References. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

SECTION 2. Amendment. Section 5.09 is amended to read in its entirety as follows:

> SECTION 5.09. Leverage Ratio. The ratio of Consolidated Debt to Total Capital shall not exceed (i) 55% at any time prior to June 30, 1999 or (ii) 50% at any time at or after June 30, 1999.

SECTION 3. Representations of Borrower. The Borrower represents and warrants that (i) the representations and warranties of the Borrower set forth in Article 4 of the Credit Agreement will be true on and as of the Amendment Effective Date and (ii) no Default will have occurred and be continuing on such date.

SECTION 4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 5. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 6. Effectiveness. This Amendment shall become effective as of the date hereof on the date (the "AMENDMENT EFFECTIVE DATE") when the Agent shall have received from each of the Borrower and the Required Banks a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Agent) that such party has signed a counterpart hereof.

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

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Janice K. Henry

Title: CFO & Treasurer

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:

Title:

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

By:

Title:

WACHOVIA BANK OF NORTH CAROLINA, N.A.

By:

    Title:

BANK OF MONTREAL

By:

    Title:

NATIONSBANK, N.A.

By:

    Title:

THE SUMITOMO BANK, LIMITED

By:

    Title:

EXHIBIT 99.5

EXECUTION COPY

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT dated as of December 3, 1998 to the Revolving Credit Agreement dated as of January 29, 1997 (as amended as of October 16, 1998, the "CREDIT AGREEMENT") among MARTIN MARIETTA MATERIALS, INC. (the "BORROWER"), the BANKS party thereto (the "BANKS") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "AGENT").

WITNESSETH:

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions; References. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

SECTION 2. Amendment. The figure of "$100,000,000" in Section 5.11(f)(ii) is changed to "$150,000,000".

SECTION 3. Representations of Borrower. The Borrower hereby represents and warrants that (i) the representations and warranties of the Borrower set forth in Article 4 of the Credit Agreement will be true on and as of the Amendment Effective Date and (ii) no Default will have occurred and be continuing on such date.

SECTION 4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 5. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION, 6. Effectiveness. This Amendment shall become effective as of the date hereof on the date (the "AMENDMENT EFFECTIVE DATE") when the Agent shall have received from each of the Borrower and the Required Banks a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Agent) that such party has signed a counterpart hereof.

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

MARTIN MARIETTA MATERIALS, INC.

By:

Name:
Title:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:

Name:
Title:

FIRST UNION NATIONAL BANK

By:

Name:
Title:

WACHOVIA BANK, N.A.

By:

Name:
Title:

BANK OF MONTREAL

By:

    Name:
    Title:

NATIONSBANK, N.A.

By:

    Name:
    Title:

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH

By:

    Name:
    Title: