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

April 28, 1995
(Date of earliest event reported)

LABORATORY CORPORATION OF AMERICA HOLDINGS
(Exact name of registrant as specified in its charter)

Delaware	1-11353	13-375370
(State or other jurisdiction of organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

358 South Main Street
Burlington , North Carolina 27215

(Address of principal executive offices) (zip code)

(800) 222-7566
(Registrant's telephone number, including area code)

NATIONAL HEALTH LABORATORIES HOLDINGS INC.
4225 Executive Square, Suite 805
La Jolla, California 92037
(Former Name or Former Address, if Changed Since Last Report)

Item 2. ACQUISITION OR DISPOSITION OF ASSETS

On April 28, 1995, at a special meeting of stockholders (the "Special Meeting") of National Health Laboratories Holdings Inc. (the "Company"), stockholders holding at least a majority of the outstanding shares of the common stock, par value $0.01 per share, of the Company (the "Common Stock") voted to approve and adopt the Agreement and Plan of Merger (the "Merger Agreement") dated as of December 13, 1994 among the Company, HLR Holdings Inc. ("HLR"), Roche Biomedical Laboratories, Inc. ("RBL") and (for the purposes stated therein) Hoffmann-La Roche Inc. ("Roche"), providing for, among other things, the merger of RBL with and into the Company, with the Company being the surviving corporation (the "Merger").

At the Special Meeting, stockholders holding at least a majority of the outstanding shares of the Common Stock also voted in favor of an amendment to the Company's Certificate of Incorporation to change the name of the Company from National Health Laboratories Holdings Inc. to Laboratory Corporation of America Holdings.

Following the Special Meeting on April 28, 1995 (the "Effective Date") a certificate of merger was filed with each of the Secretary of State of the State of Delaware and the Secretary of the State of the State of New Jersey, and the Merger was consummated. The Company announced the consummation of the Merger to the public in a press release, which also contained a summary of the results of the Company for the quarter ended March 31, 1995, immediately following the consummation of the Merger. A copy of such press release is attached as an exhibit hereto and is incorporated herein by reference.

Pursuant to the Merger Agreement, in the Merger each outstanding share of Common Stock (other than shares of Common Stock owned by RBL or HLR, certain shares of Common Stock owned by stockholders properly exercising their appraisal rights under the General Corporation Law of the State of Delaware and shares of Common Stock issued upon cancellation of employee stock options as described below), was converted (the "Share Conversion") into (A) 0.72 of a share of Common Stock, and (B) the right to receive $5.60 in cash, without interest (the "Cash Consideration"). The aggregate number of shares of Common Stock issued and outstanding following the Share Conversion was approximately 61,041,138 (including fractional shares which, pursuant to the Merger Agreement, are to be aggregated and sold for the benefit of such stockholders, as described below, but not including shares issued or issuable to HLR (or its designee) in the Merger, as described below). In addition, pursuant to the Merger Agreement, in the Merger all shares of common stock, no par value, of RBL outstanding immediately prior to the Effective Date (other than treasury shares, which were canceled) were to be converted into and become, that number of newly issued shares of Common

Stock as would, in the aggregate and after giving effect to the Merger and the Common Stock owned by HLR and RBL and their subsidiaries immediately prior to the Merger, equal 49.9% of the total number of shares of Common Stock outstanding immediately after the Merger (after giving effect to the issuance of Common Stock in respect of the cancellation of certain Company employee stock options in connection with the Merger, as described below). On the date of the Merger an aggregate of 61,329,256 shares of Common Stock were issued to HLR and its designee, Roche Holdings, Inc., which amount was based upon the Company's estimate of the total outstanding shares immediately after the Merger. In accordance with the Merger Agreement, the number of shares of Common Stock issued to HLR will be adjusted as necessary to result in HLR having been issued shares of Common Stock equal to 49.9% of the outstanding shares of Common Stock of the Company immediately after the Merger (calculated in accordance with the Merger Agreement).

Pursuant to the Merger Agreement, 3,004,000 employee stock options, which were held by certain optionees who consented to cancelation of such options, were canceled and terminated in connection with the Merger in exchange for the issuance in aggregate of 538,307 shares of Common Stock and the payment of an amount in cash equal in aggregate to $5,538,036 (including cash paid in lieu of fractional shares of Common Stock otherwise payable to such optionees). Those employee stock options not canceled in connection with the Merger were converted into adjusted options to purchase Common Stock of the Company pursuant to a conversion formula set forth in the Merger Agreement.

Pursuant to the Merger Agreement and in accordance with an exchange agent agreement dated as of April 28, 1995 (the "Exchange Agent Agreement"), between the Company and American Stock Transfer & Trust Company (the "Exchange Agent"), the Company has caused the Exchange Agent to mail to each stockholder of record of Common Stock entitled to participate in the Share Conversion a letter of transmittal and instructions thereto for use by such stockholders to effect the surrender of the certificates of Common Stock they held on the Effective Date in exchange for certificates representing Common Stock and the Cash Consideration pursuant to the Share Conversion. In lieu of any fractional shares of Common Stock that would be issuable in the Merger, the Exchange Agent will also distribute to each such stockholder the pro-rata cash proceeds from sales of such fractional shares by the Exchange Agent on the New York Stock Exchange, Inc. ("NYSE"). The Exchange Agent Agreement is attached as an exhibit hereto and is incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Exchange Agent Agreement.

As previously disclosed, the terms and conditions of the Merger Agreement were determined through negotiation among the parties thereto as described under the heading "The Merger -- Background to the Merger" in the Proxy Statement/Prospectus (as defined below).

The Merger and the principal terms of the Merger Agreement are described under the headings "The Merger" and "The Merger Agreement" in the Proxy Statement/Prospectus dated March 31, 1995 (the "Proxy Statement/Prospectus") included in the Registration Statement on Forms S-4/S-3 (Registration No. 33-58307) (the "Registration Statement") filed with the Commission by the Company on March 31, 1995, which description is hereby incorporated herein by reference. The Merger Agreement is included as an exhibit to the Registration Statement and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Merger Agreement.

In connection with the Merger, the Company made a distribution (the "Warrant Distribution") to stockholders of record of shares of Common Stock as of April 21, 1995, consisting of 0.16308 of a warrant per outstanding share of Common Stock, each such warrant (a "Warrant" and, together with the Roche Warrants, as defined below, the "Warrants") representing the right to purchase one newly issued share of Common Stock for $22.00 (subject to adjustments) on April 28, 2000 (the "Expiration Date"). Approximately 13,826,308 Warrants have been issued to stockholders entitled to receive Warrants in the Warrant Distribution (including fractional Warrants, which were not distributed, but were liquidated in sales on the NYSE and the proceeds thereof distributed to such stockholders). In addition, pursuant to the Merger Agreement, on April 28, 1995, Roche purchased from the Company for an aggregate purchase price of $51,048,900 (the "Roche Warrant Consideration") 8,325,000 Warrants (the "Roche Warrants"). The terms of the Warrants (including the Roche Warrants) are set forth in the Warrant Agreement (the "Warrant Agreement") dated as of April 10, 1995, between the Company and American Stock Transfer & Trust Company (the "Warrant Agent"). Pursuant to the Warrant Agreement, the Company has the right, exercisable by notice at least 60 but not more than 90 days prior to the Expiration Date, to redeem the Warrants on the Expiration Date for a cash redemption price per Warrant equal to the average closing price of the shares of the Common Stock over a specified period prior to the Expiration Date minus the exercise price of $22.00 per share (subject to adjustments as provided in the Warrant Agreement). The Warrant Agreement is attached as an exhibit hereto and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Warrant Agreement.

Prior to the Merger, as previously disclosed, RBL was a wholly-owned subsidiary of HLR, which in turn is a direct wholly-owned subsidiary of Roche, which in turn is an indirect wholly-owned subsidiary of Roche Holding Ltd, a Swiss corporation ("Roche Holding"). Prior to the Merger, RBL was the fourth largest independent clinical laboratory in the United States (in terms of revenues for the year ended December 31, 1994). RBL provided clinical laboratory testing services to hospitals, laboratories and physicians and offered a comprehensive line of over 1,600 test and procedures, all of which were performed in RBL's facilities, with a majority that were performed in RBL's 17 former major testing centers located primarily in the

midwestern, eastern and southern United States. For a description of the business of RBL prior to the Merger, see the description set forth under the headings "The Clinical Laboratory Testing Industry" and "RBL" in the Proxy Statement/Prospectus, which description is hereby incorporated herein by reference.

The aggregate Cash Consideration of $474.8 million estimated to be payable to stockholders of the Company was financed from three sources: (i) a cash contribution by the Company of approximately $288.1 million (the "Company Cash Contribution") out of the proceeds of the Company's borrowings under a credit facility with Credit Suisse (New York Branch) and other lenders (as described below, the "Bank Facility"), (ii) a cash contribution by HLR to the Company in the amount of $135,651,100 (the "HLR Cash Contribution") and (iii) the Roche Warrant Consideration.

The Bank Facility was made available to the Company pursuant to a Credit Agreement dated as of April 28, 1995 (the "Credit Agreement"), among the Company, the banks named therein (the "Banks"), and Credit Suisse (New York Branch), as Administrative Agent (the "Bank Agent"), which provides for (i) a senior term loan facility of $800 million (the "Term Loan Facility") and (ii) a revolving credit facility of $450 million (the "Revolving Credit Facility"). The Bank Facility provided funds for the Company Cash Contribution, for the refinancing of certain existing debt of the Company and its subsidiaries and of RBL, to pay related fees and expenses of the Merger and for general corporate purposes of the Company and its subsidiaries, subject, in each case, to the terms and conditions set forth in the Credit Agreement.

In connection with the Credit Agreement the Company paid the Banks and the Bank Agent customary syndication, closing and participation fees. In addition, pursuant to the Credit Agreement the Company will pay a facility fee based on the total Revolving Credit Facility commitment (regardless of usage) of 0.125% per annum. Availability of funds under the Bank Facility is conditioned on certain customary conditions, and the Credit Agreement contains customary representations, warranties, covenants and events of default.

The Revolving Credit Facility matures in April 2000. The Term Facility matures in December 2001, with repayments in each quarter prior to maturity based on a specified amortization schedule. For as long as the ownership interest of HLR and its affiliates (excluding the Company and its subsidiaries) (collectively, the "Investor") of the Common Stock (the "Investor Group Interest") remains at least 25%, the Revolving Credit Facility bears interest, at the option of the Company, at (i) Credit Suisse's Base Rate (as defined in the Credit Agreement) or (ii) the Eurodollar Rate (as defined in the Credit Agreement) plus a margin of 0.25% and the Term Loan Facility bears interest, at the option of the Company, at (i) Credit Suisse's Base Rate or (ii) the Eurodollar Rate plus a margin of 0.375%. In the event there is a reduction in the Investor Group Interest to below 25%, applicable interest margins will not be determined as set forth above, but instead will be determined based upon the Company's financial performance as described in the Credit Agreement.

The Bank Facility is unconditionally and irrevocably guaranteed by certain of the Company's subsidiaries.

On April 28, 1995, the Company borrowed $800 million under the Term Loan Facility and $184 million available under the Revolving Credit Facility to (i) pay the Company Cash contribution, (ii) repay in full the existing revolving credit and term loan facilities of a wholly-owned subsidiary of the Company of approximately $640 million including interest and fees; (iii) repay certain existing indebtedness of RBL of approximately $50 million and (iv) for other costs in connection with the Merger and for working capital and general corporate purposes of the Company and its subsidiaries.

The principal terms of the Credit Agreement are described under the heading "Plan of Financing -- Description of the Bank Facility" included as part of the Proxy Statement/Prospectus, which description is hereby incorporated by reference herein, except that certain terms of the Credit Agreement described therein were subsequently revised prior to the execution of the Credit Agreement. The Credit Agreement as executed includes as an event of default the disposition by the Company of certain material subsidiaries of the Company and provides that the Credit Agreement may not be amended, among other things, to release a Subsidiary Guarantor (as defined in the Credit Agreement) from its obligations or postpone any date fixed for any payment of principal of or interest on debt outstanding under the Term Loan Facility or the Revolving Credit Facility, without the written agreement of all the Banks. The Credit Agreement is attached as an exhibit hereto and is incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Credit Agreement.

In connection with the Merger, the Company, HLR, Roche and Roche Holdings, Inc. ("Holdings") entered into a stockholder agreement dated as of April 28, 1995 (the "Stockholder Agreement") which sets forth, among other things, certain agreements and understandings regarding the governance of the Company following the Merger, including but not limited to the composition of the Board of Directors. The Stockholder Agreement also contains certain provisions relating to the issuance, sale and transfer of the Company's Equity Securities (as defined in the Stockholder Agreement) by the Company, HLR and Holdings, the acquisition of additional Equity Securities of the Company by the Investor and the registration rights granted by the Company to the Investor with respect to the Company's Equity Securities.

The principal terms of the Stockholder Agreement are described in the Proxy Statement/Prospectus under the heading "The Stockholder

Agreement", which description is hereby incorporated herein by reference, and the Stockholder Agreement is attached as an exhibit hereto, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Stockholder Agreement.

In connection with the Merger and as previously disclosed, HLR, Mafco Holdings Inc. ("Mafco"), National Health Care Group, Inc. ("NHCG") and (for the purposes set forth therein) the Company entered into the Sharing and Call Option Agreement dated as of December 13, 1994 (the "Sharing and Call Option Agreement"), which among other things, sets forth certain agreements among the parties thereto with respect to the securities of the Company. The principal terms of the Sharing and Call Option Agreement are described under the heading "The Sharing and Call Option Agreement in the Proxy Statement/Prospectus which description is hereby incorporated herein by reference. The Sharing and Call Option Agreement was filed with the Commission as an exhibit to the annual report of the Company on Form 10-K for the year ended December 31, 1994 and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to the Sharing and Call Option Agreement.

In accordance with the Stockholder Agreement, prior to the Merger, Ronald O. Perelman, Dr. Saul J. Farber, Howard Gittis, David J. Mahoney, Dr. Paul A. Marks and Dr. Samuel O. Thier resigned from the Board of Directors of the Company and the remaining directors, James R. Maher and Linda Gosden Robinson, took action by written consent to provide for the Board of Directors to consist of seven members and to appoint Jean-Luc Belingard (the Director General, Diagnostics Division and Executive Committee Member of F. Hoffmann-La Roche Ltd, a subsidiary of Roche Holding), Thomas P. Mac Mahon (a Senior Vice President of Roche and the President of Roche Diagnostics Group), Dr. James B. Powell (former President of RBL), Dr. David Bernt Skinner and Dr. Andrew G. Wallace as directors of the Company, such appointment to be effective upon consummation of the Merger, each to hold office for a term expiring at the next annual meeting of stockholders and until each such director's successor shall be duly elected and qualified or until the earlier of death, resignation or removal by the Board of Directors of such Director.

Item 5. OTHER EVENTS

The description set forth in Item 2 above is incorporated in this Item 5 by reference.

Following the Merger, the Board of Directors took various actions, including actions to implement certain of the agreements set forth in the Stockholder Agreement, and certain of such actions are described below.

Following the Merger, the Board of Directors elected James R. Maher to serve as Chairman of the Board of Directors and Thomas P. Mac Mahon to serve as Vice Chairman of the Board of Directors.

Following the Merger, the Board of Directors dissolved the Executive Committee of the Board and appointed members of the Board of Directors to serve on the remaining committees of the Board of Directors. The Board appointed Thomas P. Mac Mahon (Chairman of the Committee), Dr. Andrew G. Wallace and Linda Gosden Robinson to serve on the Nominating Committee; Jean-Luc Belingard (Chairman of the Committee), Linda Gosden Robinson and Dr. David Bernt Skinner to serve on the Employee Benefits Committee; Dr. David Bernt Skinner and Dr. Andrew G. Wallace to serve on the Audit Committee; and Dr. James B. Powell (Chairman of the Committee), James R. Maher, Dr. Andrew G. Wallace and Dr. David Bernt Skinner to serve on the Ethics and Quality Assurance Committee.

In connection with the Merger and in accordance with the Stockholder Agreement, the Company established the Management Committee of the Corporation whose membership consists of Dr. James B. Powell (Chairman of the Committee), David C. Flaugh, David C. Weavil, Haywood D. Cochrane, Bradford T. Smith, Timothy J. Brodnik, Robert E. Whalen, James R. Maher and Thomas P. Mac Mahon.

In addition, the Board approved changes to the compensation paid to the Company's directors. Members of the Board of Directors (other than Dr. James B. Powell, who is an employee of the Company) will receive an annual retainer of $30,000, fifty percent of which is payable in cash and, subject to approval and adoption by the stockholders of the Company of the "1995 Non-Employee Director Stock Plan" (which was approved by the Board), fifty percent will be payable in Common Stock. Directors will also receive a payment of $1,000 in cash for each meeting of the Board of Directors or of any Committee of the Board of Directors attended by such member, whether in person or by telephone, and reimbursement of reasonable expenses incurred in connection with such member's attendance at meetings of the Board of Directors and Committees thereof.

In connection with the Merger, the Board of Directors elected the following persons as the officers of the Company:

Name	Office
James B. Powell, M.D.	President and Chief Executive Officer
David C. Flaugh	Executive Vice President, Chief Operating Officer
Bradford T. Smith	Executive Vice President, General Counsel and Secretary
Timothy J. Brodnik	Executive Vice President, Sales and Marketing
Haywood D. Cochrane, Jr.	Executive Vice President, Chief Financial Officer

John F. Markus	Executive Vice President, Corporate Compliance
Ronald B. Sturgill	Executive Vice President, Information Systems/ Operations
David C. Weavil	Executive Vice President, Chief Administrative Officer
Robert E. Whalen	Executive Vice President, Human Resources
Larry L. Leonard	Executive Vice President
Wesley R. Elingburg	Senior Vice President, Finance
Alvin Ezrin	Vice President, Law
David W. Gee	Assistant Secretary
John R. Erwin	Assistant Secretary

In connection with the Merger, it is anticipated that the employment agreements of James R. Richmond and W. David Slaunwhite will be terminated. The Company will honor its obligations set forth in the respective agreements, which agreements have been previously disclosed. In addition, in connection with the Merger, as anticipated and previously disclosed, James R. Maher's employment agreement as President and Chief Executive Officer of the Company was terminated. A severance payment and a special bonus (net taxes) were paid to Mr. Maher in this connection.

In connection with the Merger, the Board of Directors determined the base annual salaries of certain of the executive officers of the Company, which amounts have not previously been disclosed, including Dr. Powell's base annual salary which was set at $525,000. In addition, in connection with the Merger, the Board of Directors granted non-qualified options to purchase shares of Common Stock, pursuant to the National Health Laboratories Incorporated 1994 Stock Option Plan (the "1994 Stock Option Plan"), to certain executive officers of the Company, totalling options to purchase an aggregate of 475,000 shares of Common Stock. The exercise price of the options is $13.00 per share (the closing sales price of a share of Common Stock on May 8, 1995 on the NYSE) and the options vest ratably on each of May 8, 1995, May 8, 1996 and May 8, 1997, and expire on May 8, 2005. In addition, the Board of Directors approved the grant of options to purchase of up to an aggregate of 1 million shares of Common Stock to employees of the Company who are not subject to the provisions of Section 16 of the Securities Act of 1934.

On the Effective Date, NHL Intermediate Holdings Corp. II, a Delaware corporation and a direct wholly-owned subsidiary of NHL Intermediate Holdings Corp. I, a Delaware corporation ("NHL Holdings I"), was merged with and into NHL Holdings I and, immediately thereafter, the surviving corporation, NHL Holdings I, a direct wholly-owned subsidiary of the Company, was merged with and into the Company. In addition, on the Effective Date the name of National Health Laboratories Incorporated, a wholly-owned subsidiary of the Company, was changed to Laboratory Corporation of America, and the name of Roche CompuChem Laboratories, Inc., a wholly-owned subsidiary of the Company (formerly a subsidiary of RBL), was changed to CompuChem Laboratories, Inc.

The Board of Directors also approved the designation of the Company's offices in Burlington, North Carolina as the Company headquarters. It is expected that certain management functions will continue to be based in the Company's offices in La Jolla, California.

On the Effective Date, pursuant to the Certificate of Merger filed on that date, the Company amended its Certificate of Incorporation to reflect the approval by the stockholders of the change of the name of the Company to Laboratory Corporation of America Holdings. In addition, pursuant to the Merger Agreement and the Stockholder Agreement the Company adopted the Amended and Restated By-Laws of the Company, effective as of the consummation of the Merger, in the form filed with the Commission as an exhibit herewith and hereby incorporated herein by reference. The By-laws were amended to provide that any action of the Board of Directors shall require approval by a majority of the entire Board of Directors and to make certain other changes, including with respect to the authority of the Chairman and Vice Chairman of the Board.

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

a. Financial Statements of RBL.

For the financial statements of RBL, the business acquired in the Merger, see the Consolidated Financial Statements of RBL included as part of the Proxy Statement/Prospectus under "Index to Consolidated Financial Statements of RBL" and hereby incorporated herein by reference.

b. Pro Forma Financial Information.

For the pro forma financial information with respect to the Merger, see the pro forma information included in the Proxy Statement/Prospectus under "Pro Forma Condensed Combined Consolidated Financial Information" and hereby incorporated herein by reference.

c. Exhibits.

2 Agreement and Plan of Merger dated as of December 13, 1994 among the Company, HLR Holdings, Inc., Roche Biomedical Laboratories, Inc. and Hoffmann-La Roche Inc. (incorporated herein by reference to the Registration Statement on Forms S-4/5-3 (Registration No. 33-58307) (the "Registration Statement")

3.1 Certificate of Incorporation of the Company (amended pursuant to a Certificate of Merger filed on April 28, 1995)

3.2 Amended and Restated By-Laws of the Company

4.1 Warrant Agreement dated as of April 10, 1995 between the Company and American Stock Transfer & Trust Company

4.2 Specimen of the Registrant's Warrant Certificate (included in the exhibit to the Warrant Agreement included as Exhibit 4.1 hereto)

4.3 Specimen of the Registrant's Common Stock Certificate

10.1 Stockholder Agreement dated as of April 28, 1995 among the Company, HLR Holdings Inc., Hoffmann-La Roche Inc. and Roche Holdings, Inc.

10.2 Exchange Agent Agreement dated as of April 28, 1995 between the Company and American Stock Transfer & Trust Company

10.3 Credit Agreement dated as of April 28, 1995, among the Company, the banks named therein, and Credit Suisse (New York Branch), as Administrative Agent

10.4 Sharing and Call Option Agreement dated as of December 13, 1995, among HLR, Mafco, NHCG and the Company (incorporated herein by reference from the annual report of the Company on Form 10-K for the year ended December 31, 1994)

10.5 Amendment dated as of April 28, 1995 to the Employment Agreement dated as of January 1, 1991, as amended on April 1, 1991, June 6, 1991, January 1, 1993 and April 1, 1994, between La Jolla Management Corp., a Delaware corporation and a wholly-owned subsidiary of the Company, and David C. Flaugh

21 Subsidiaries of the Registrant

22 Press Release dated April 28, 1995 issued by the Registrant

23.1 Consent of Price Waterhouse LLP

23.2 Consent of David Bernt Skinner, M.D.

23.3 Consent of Andrew G. Wallace, M.D.

99 Consolidated Financial Statements of Roche Biomedical Laboratories, Inc. included under the Heading "Index to Consolidated Financial Statements of RBL" in the Proxy Statement/Prospectus (incorporated herein by reference to the Registration Statement)

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.

LABORATORY CORPORATION OF
AMERICA HOLDINGS

Date: May 12, 1995

By /s/ Bradford T. Smith

Name: Bradford T. Smith
Title:Executive Vice President,
General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Exhibit
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3.1	Certificate of Incorporation of the Company (amended pursuant to a Certificate of Merger filed on April 28, 1995)
3.2	Amended and Restated By-Laws of the Company
4.1	Warrant Agreement dated as of April 10, 1995 between the Company and American Stock Transfer & Trust Company
4.2	Specimen of the Registrant's Warrant Certificate (included in the exhibit to the Warrant Agreement included as an Exhibit 4.1 hereto)
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21	Subsidiaries of the Registrant
22	Press Release dated April 28, 1995 issued by the Registrant
23.1	Consent of Price Waterhouse LLP
23.2	Consent of David Bernt Skinner, M.D.
23.3	Consent of Andrew G. Wallace, M.D.
99	Consolidated Financial Statements of Roche Biomedical Laboratories, Inc. included under the Heading "Index to Consolidated Financial Statements of RBL" in the Proxy Statement/Prospectus (incorporated herein by reference to the Registration Statement)

CERTIFICATE OF INCORPORATION
OF
LABORATORY CORPORATION OF AMERICA HOLDINGS(*)

FIRST: The name of the corporation is Laboratory Corporation of America Holdings (hereinafter the "Corporation").(*)

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(*) As amended by a Certificate of Merger dated April 28, 1995.

SECOND: The address of the registered office of the Corporation in the State of Delaware is 32 Lockerman Square, Suite L-100, in the City of Dover, County of Kent. The name of its registered agent at that address is The Prentice-Hall Corporation System, Inc.

THIRD: The purposes of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is two hundred thirty million (230,000,000) shares of which two hundred twenty million (220,000,000) shares will be shares of Common Stock each having a par value of $0.01 per share, and ten million (10,000,000) shares will be shares of Preferred Stock each having a par value of $0.10 per share.

The Board of Directors is expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series and as may be permitted by the GCL, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

FIFTH: The name and mailing address of the Sole Incorporator is as follows:

Deborah M. Reusch
P.O. Box 636
Wilmington, DE 19899

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-laws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-laws of the Corporation. Election of directors need not be written ballot unless the By-laws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation and any By-laws adopted by the stockholders; provided, however, that no By-laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have

been valid if such By-laws had not been adopted.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, the undersigned, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 8th day of March, 1994.

/s/ Deborah M. Reusch

Deborah M. Reusch
Sole Incorporator

EXHIBIT.3.2

As of April 28, 1995

AMENDED AND RESTATED BY-LAWS

OF

LABORATORY CORPORATION OF AMERICA HOLDINGS
(hereinafter called the "Corporation")

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors (or the Chairman or Vice Chairman, if any of the Board of Directors in the absence of a designation by the Board of Directors) and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called at any time by the Board of Directors. Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 6. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate under the General Corporation Law, if such action had been voted on by stockholders at a meeting thereof, the Certificate filed shall state, in lieu of any statement concerning any vote of stockholders, that written consent and written notice has been given as provided in this Section 6.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the

meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article I or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

ARTICLE II

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than one nor more than fifteen members, the exact number of which shall be fixed from time to time by the Board of Directors. Except as provided in Section 2 of this Article, directors shall be elected by a plurality of the votes cast at Annual Meetings of Stockholders, and each director so elected shall hold office until the next Annual Meeting and until his successor is duly elected and qualified, or until his earlier resignation or removal. Any director may resign at any time upon notice to the Corporation. Directors need not be stockholders. Nominations for election to the Board of Directors at an annual or special meeting of the stockholders may be made by the Board of Directors or on behalf of the Board of Directors by a nominating committee duly appointed by the Board of Directors, or by a stockholder of the Corporation entitled to vote for the election of directors. All nominations, other than those made by or on behalf of the Board of Directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary and received by the Secretary not less than sixty nor more than one hundred twenty days prior to the anniversary date of the preceding year's annual meeting, in the case of nominations for election at an annual meeting, and not more than ten days after the date of the Corporations notice of a special meeting, in the case of nominations for election at a special meeting. Such stockholder's notice shall set forth as to each proposed nominee who is not an incumbent director, the name, age, business address and, if known, residence address of such nominee, the principal occupation or employment of such nominee during the preceding five years, the number of shares of stock of the Corporation which are beneficially owned by such nominee, any other information relating to such nominee that would be required to be set forth in a definitive proxy statement filed in connection with a proxy solicitation pursuant to Section 14 of the Securities Exchange Act of 1934, and the written consent of such nominee to being named in the Corporation's proxy statement as a nominee and to serving as a director of the Corporation, if elected; and such stockholder's notice shall set forth as to such stockholder the name and address, as they appear on the Corporation's books, of such stockholder, the number of shares of stock of the Corporation which are beneficially owned by such stockholder, and all other information relating to such stockholder that would be required to be filed with the Securities and Exchange Commission if such stockholder were a participant in a proxy solicitation pursuant to said Section 14. A nomination made otherwise than as provided in this Section 1 shall be null and void and shall not be submitted to a vote of stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 4. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the Vice Chairman, if there be one, the President, or any three or more directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone, telegram or telecopy with confirmed receipt on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the entire Board of Directors at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writings or writing are filed with the minutes of proceedings of the Board of Directors or committee.

Section 7. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 7 shall constitute presence in person at such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 9. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a sum, in cash, securities or a combination thereof for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings. Compensation of directors shall be as determined by the Board of Directors.

Section 10. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transactions are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 11. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 12. Vice Chairman. The Vice Chairman of the Board of Directors, if there be one, or the Vice Chairmen, if there be more than one, shall perform such duties and may exercise such other powers as from time to time may be assigned by these By-Laws or the Board of Directors. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the Vice Chairman shall preside at meetings of the stockholders and the Board of Directors.

ARTICLE III

OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President and a Secretary. The Board of directors, in its discretion, may also choose a Treasurer and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the

Corporation nor need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the entire Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name and on behalf of the Corporation by any officer of the Corporation and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. President. The President shall, subject to the control of the Board of Directors, be the Chief Executive Officer of the Corporation and shall have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman and the Vice Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 7. Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors or Vice Chairman of the Board of Directors), the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors, no Vice Chairman of the Board and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 8. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors or President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors, the Chairman or Vice Chairman of the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 9. Treasurer. The Treasurer, if there be one, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman or Vice Chairman of the Board of Directors or to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the

Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 10. Assistant Secretaries. Except as may be otherwise provided in these By-Laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 11. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors, the President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 12. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE IV

STOCK

Section 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman or the Vice Chairman of the Board of Directors, the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 2. Signatures. Where a certificate is countersigned by (i) a transfer agent other than the Corporation or its employee, or (ii) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued.

Section 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books

as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE V

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex, telecopy with confirmed receipt or cable.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 5. Section 203 Election. The Corporation hereby expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE VII

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the

corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VII, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VII, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or 2 of this Article VII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VII, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article VII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Section 1 or 2 of this Article VII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director, officer, employee or agent seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director, officer, employee or agent seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VII.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article VII shall be made to the fullest extent permitted by law. The provisions of this Article VII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or 2 of this Article VII but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VII.

Section 9. Certain Definitions. For purposes of this Article VII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its director, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a directors, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 hereof), the Corporation shall not be obligated to indemnify any director, officer, employee or agent in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

ARTICLE VIII

AMENDMENTS

Section 1. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors, provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors, as the case may be. All such amendments must be approved by either the holders of a majority of the outstanding capital stock entitled to vote thereon or by a majority of the entire Board of Directors then in office.

Section 2. Entire Board of Directors. As used in this Article VIII and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

EXHIBIT 4.1

CONFORMED COPY

WARRANT AGREEMENT

dated as of April 10, 1995

between

National Health Laboratories Holdings Inc.

and

American Stock Transfer & Trust
Company, as Warrant Agent

TABLE OF CONTENTS(1)

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(1) This Table of Contents is not a part of the Agreement.

WARRANT AGREEMENT

THIS WARRANT AGREEMENT (the "Agreement") is dated as of April 10, 1995 between National Health Laboratories Holdings Inc., a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company as warrant agent (the "Warrant Agent").

WHEREAS, as described in the succeeding two recitals, the Company proposes to issue and deliver its warrant certificates (the "Warrant Certificates") evidencing Common Stock Purchase Warrants (the "Warrants") to purchase, under certain circumstances, up to an aggregate of 23,000,000 shares (the "Warrant Shares"), subject to adjustment, of its Common Stock (as defined below);

WHEREAS, the Company currently intends to declare a dividend to holders of record of Common Stock as of April 21, 1995 (the "Warrant Distribution Record Date") of 0.16308 of a Warrant per share of Common Stock which dividend shall be paid April 28, 1995 (the "Warrant Distribution");

WHEREAS, the Company intends to issue and sell on the terms and subject to the conditions set forth in the Merger Agreement (as defined below) and herein to Hoffmann-La Roche Inc. ("Roche") 8,325,000 Warrants (the "Roche Warrants") for an aggregate purchase price of $51,048,900;

WHEREAS, each Warrant shall entitle the registered holder thereof, on the terms and conditions hereof, to acquire from the Company one share of Common Stock, subject to adjustment; and

WHEREAS, the Warrant Agent, at the request of the Company, has agreed to act as the agent of the Company in connection with the issuance, registration, transfer, exchange, exercise and conversion of Warrants.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein set forth, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

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

"Close of Business" means 5:00 P.M. New York City time.

"Closing Price" means, with respect to the Warrants or shares of Common Stock, for any day the last sale price, regular way, or, if no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on such exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Warrants or shares of Common Stock, respectively, are listed or admitted to trading, or if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on any national securities exchange, as reported on NASDAQ/NMS or, if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on NASDAQ/NMS, as reported on NASDAQ.

"Common Stock" means the common stock, par value $0.01 per share, of the Company.

"Company" has the meaning set forth in the preamble to this Warrant Agreement and its successors and assigns.

"Exercise Price" means the purchase price per share of Common Stock to be paid upon the exercise of each Warrant in accordance with the terms hereof, which price shall be $22.00 per share, subject to adjustment from time to time pursuant to Article 4 hereof.

"Expiration Date" means April 28, 2000, or such other date as

may be determined pursuant to Section 2.7 hereof.

"Fractional Warrant" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Holder" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Proceeds" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Share" has the meaning set forth in Section 2.12 hereof.

"Fractional Warrant Share Holder" has the meaning set forth in Section 2.12 hereof.

"Fractional Warrant Share Proceeds" has the meaning set forth in Section 2.12 hereof.

"Holder" means, at any time, a registered holder as shown in the Warrant Register of a Warrant outstanding at such time.

"Market Disruption Event" means one of the following events, circumstances or causes: (i) the suspension of or an imposition of a material limitation on trading in shares generally or (ii) any outbreak or escalation of hostilities or other national or international calamity or crisis.

"Market Price" as at any date of determination means the average of the daily Closing Prices of a share of Common Stock over the Valuation Period applicable to such date of determination.

"Merger Agreement" means the Agreement and Plan of Merger dated as of December 13, 1994, among the Company, HLR Holdings Inc., Roche Biomedical Laboratories, Inc. and, for the purposes stated therein, Roche.

"NASD" means the National Association of Securities Dealers, Inc.

"NASDAQ" means the NASD Automated Quotation System.

"NASDAQ/NMS" means the NASDAQ--National Market System or its successor.

"NHL Stockholder Meeting" shall have the meaning ascribed thereto in the Merger Agreement.

"NYSE" means the New York Stock Exchange, Inc.

"Person" means an individual, a partnership, a corporation, a joint venture, a trust, an incorporated or unincorporated organization, a government or any department or agency thereof.

"Redemption" has the meaning set forth in Section 2.7 hereof.

"Redemption Amount" means, in respect of any Warrant, the amount equal to the excess (if any) of the Market Price for the Valuation Period applicable to the Expiration Date over the Exercise Price.

"Roche" has the meaning set forth in the recitals of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Trading Day" means any day on which either the Warrants or shares of Common Stock, as the case may be, are traded on the applicable securities exchange or in the applicable securities market.

"Transfer Agent" has the meaning set forth in Section 2.6(c) hereof.

"Valuation Period" for any computation of Market Price shall mean the 10 consecutive Trading Days (each, a "Valuation Date") commencing 15 Trading Days and ending five Trading Days before the applicable date as of which the Market Price is being determined.

"Warrant Agent" means the warrant agent named in the preamble of this Agreement or the successor or successors of such Warrant Agent appointed in accordance with the terms hereof.

"Warrant Agent Office" means the office or agency maintained by the Warrant Agent in New York, New York (or such other offices or agencies as may be designated by the Warrant Agent) for the purpose of exchanging, transferring and exercising the Warrants.

"Warrant Certificate" has the meaning set forth in the recitals of this Agreement.

"Warrant Distribution" has the meaning set forth in the recitals of this Agreement

"Warrant Distribution Record Date" has the meaning set forth in the recitals hereof.

"Warrant Register" means the register maintained by the Warrant

Agent in which the issue, transfer and cancellation of the Warrants are registered.

"Warrants" has the meaning set forth in the recitals of this Agreement.

"Warrant Share" has the meaning set forth in the recitals of this Agreement.

All references herein to "days" shall mean calendar days unless otherwise specified. All terms defined in this Agreement in the singular shall have a comparable meaning in the plural and vice versa.

ARTICLE 2

ISSUE, FORM, EXERCISE

SECTION 2.1 Amount Issued. Subject to the other provisions of this Agreement (including Article 4), Warrants to purchase no more than 23,000,000 Warrant Shares may be issued and delivered hereunder.

SECTION 2.2 Initial Issuance. Warrant Certificates representing the Warrants shall be initially issued by the Warrant Agent at the time, in the denominations and to the Persons so directed by the Company. Upon the declaration of the Warrant Distribution, the Company shall execute and deliver to the Warrant Agent for countersignature Warrant Certificates representing a number of Warrants equal to the product of (x) the number of outstanding shares of Common Stock on the Warrant Distribution Record Date and (y) 0.16308. At or prior to the Effective Time (as defined in the Merger Agreement) the Company shall execute and deliver to the Warrant Agent for countersignature Warrant Certificates representing the Roche Warrants.

SECTION 2.3 Form of Warrant Certificate. The Warrant shall be in registered form only. The Warrant Certificates and the forms of election to exercise Warrants and of assignment to be printed on the reverse side thereof shall be in substantially the form set forth in Exhibit A hereto together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Warrants, as evidenced by their execution of the Warrants.

SECTION 2.4 Execution of Warrant Certificates. (a) Warrant Certificates shall be signed on behalf of the Company by the Chairman of its Board of Directors, its Chief Executive Officer, its President, a Vice President or its Treasurer and attested by its Secretary or Assistant Secretary, under its corporate seal. Each such signature upon the Warrant Certificates may be in the form of a facsimile signature of the current or any future Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any person who shall have been Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary, notwithstanding the fact that at the time the Warrant Certificates shall be countersigned and delivered or disposed of such person shall have ceased to hold such office. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Warrant Certificates.

(b) If any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer before the Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company, such Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such person had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Agreement any such person was not such officer.

SECTION 2.5 Notice to Holders with Respect to Exercise and Redemption. Not earlier than 90 days nor later than 60 days prior to the Expiration Date, the Company shall deliver to the Warrant Agent notice in writing, which notice shall be irrevocable, stating whether or not it shall have elected to redeem the Warrants on the Expiration Date in accordance with Section 2.7 Promptly after receipt of the Company's notice, the Warrant Agent shall mail a notice to all Holders at the addresses set forth on the Warrant Register to the effect that (as applicable) each outstanding Warrant shall be redeemed for the Redemption Amount on the Expiration Date or that such Warrants shall not be redeemed and describing the exercise procedure set forth in Section 2.6 (which notice shall include the statement that the Warrants will terminate and become void as of the Close of Business on the Expiration Date and that failure by a Holder to comply with the exercise procedures will result in the forfeiture of such Holder's rights with respect to such Holder's Warrants).

SECTION 2.6 Exercise of Warrants. (a) Subject to the provisions of this Agreement, each Warrant shall be exercisable only prior to the Close of Business on the Expiration Date and only if the Company shall not have duly elected to effect a Redemption pursuant to Section 2.7. The Warrants shall expire at and become null and void and have no value and no Person shall

have any rights thereto as of the Close of Business on the Expiration Date, provided, however, that, notwithstanding such expiration, Holders that have properly exercised Warrants in accordance with this Section 2.6 shall be entitled to receive Warrant Shares with respect to such Holders' Warrants as provided in subsection (b) unless the Company shall have elected to effect a Redemption pursuant to Section 2.7, in which case each Holder shall be entitled to received the Redemption Amount as described in Section 2.7.

(b) Subject to Section 2.7, for each Warrant held, the Holder thereof shall have the right to purchase from the Company (and the Company shall issue and sell to such Holder) one fully paid and non-assessable share of Common Stock at the Exercise Price (in each case subject to adjustment as hereinafter provided) upon (i) surrender to the Warrant Agent, at a Warrant Agent Office of the Warrant Certificate evidencing such Warrant, with the form of election to exercise on the reverse thereof properly completed and signed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, and (ii) payment of the Exercise Price for the number of Warrant Shares in respect of which such Warrant is being exercised. Such surrender and payment (if applicable) may be made and shall be accepted by the Warrant Agent at any time during the 45 day period immediately preceding the Close of Business on the Expiration Date, but any Warrants so surrendered shall not be deemed to be exercised until the Expiration Date. Payment of the Exercise Price shall be made by a certified or official bank check payable to the order of the Warrant Agent for the account of the Company or by wire transfer of funds to an account designated by the Company for such purpose. The Warrants evidenced by a Warrant Certificate shall be exercisable, at the election of the Holder thereof, either in their entirety or in part. Except as expressly provided to the contrary in Article 4, no adjustments shall be made for any cash dividends or other cash distributions on Warrant Shares issuable upon the exercise of a Warrant.

(c) Upon the surrender of each Warrant Certificate in accordance with subsection (b) above and payment of the per share Exercise Price (and an amount representing any transfer taxes payable with respect to the issuance of the relevant Warrant Shares) immediately following the Expiration Date, the Company shall issue and cause its transfer agent for the Common Stock ("Transfer Agent") to deliver with all reasonable dispatch to or upon the written order of the Holder and in such name or names as such Holder may designate, a certificate or certificates for the number of full Warrant Shares so purchased upon the exercise of such Warrant or Warrants together with cash as provided in Section 2.12 in respect of any Fractional Warrant Share (as defined below) otherwise issuable upon such exercise. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the Expiration Date; provided, however, that if, at such date, the transfer books for the Warrant Shares shall be closed, the certificates for the Warrant Shares in respect of which such Warrants are then exercised shall be issuable as of the date on which such books shall next be opened and until such date Holders shall be under no duty to deliver any certificates for such Warrant Shares; provided further, however, that such transfer books, unless otherwise required by law, shall not be closed at any one time for a period longer than 20 calendar days.

SECTION 2.7 Redemption. (a) Notwithstanding Section 2.6, the Company shall have the right to redeem all, but not less than all, of the Warrants on the Expiration Date by payment to each Holder as of the Expiration Date in cash of the Redemption Amount with respect to the Warrants held by such Holder as of the Expiration Date (a "Redemption"), but only if the Company shall have timely delivered to the Warrant Agent the notice of its election to redeem the Warrants referred to in Section 2.5. If the Company has elected to redeem the Warrants as herein provided, at or immediately prior to the Expiration Date, the Company shall cause to be transferred to the Warrant Agent an amount in immediately available funds equal to the aggregate Redemption Amount for all outstanding Warrants for payment by the Warrant Agent to the Holders as of the Expiration Date in respect of the Warrants held as of the Expiration Date. If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

(b) If the Company has duly elected to redeem the Warrants and the Company determines in its sole discretion that a Market Disruption Event has occurred and is continuing on any day that but for the occurrence of a Market Disruption Event would have been a Valuation Date with respect to the determination of the Redemption Amount, then such day shall not be deemed to be a Valuation Date and the Valuation Date shall instead be deemed to be the next Trading Day on which the Company determines that no Market Disruption Event is continuing and the Valuation Period shall be extended accordingly. If the Valuation Period shall have been so extended, then the Expiration Date for purposes of the Redemption shall be deemed to be the fifth Trading Day after the end of the Valuation Period as so extended. In the event that the Company determines that a Market Disruption Event has occurred, the Company shall give telephonic notice (promptly confirmed in writing) of such event to the Warrant Agent.

SECTION 2.8 Certain Action. Before taking any action that would cause an adjustment pursuant to Article 4 reducing the Exercise Price below the then par value (if any) of the Warrant Shares issuable upon exercise of the Warrants, the Company will take any corporate action that may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares at the Exercise Price as so adjusted.

SECTION 2.9 No Voting Rights. Prior to the exercise of the

Warrants and the issuance of Warrant Shares in respect thereof, no Holder, as such, shall be entitled to any rights of a stockholder of the Company including, without limitation, the right to receive dividends or subscription rights, the right to vote, to consent, to exercise any preemptive right, to receive any notice of meetings of stockholders for the election of directors of the Company or any other matter or to receive any notice of any proceedings of the Company, except as may be specifically provided for herein.

SECTION 2.10Warrant Shares to be Fully Paid and Nonassessable. The Company covenants that all Warrant Shares issued upon exercise of the Warrants will, upon payment of the applicable Exercise Price, delivery of properly completed forms of election to exercise and issuance of such Warrant Shares in accordance with the terms of this Agreement, be fully paid and nonassessable and free from all liens, charges and security interests created by or imposed upon the Company with respect to the issuance and holding thereof. The Company shall no less than 50 days prior to the Expiration Date (unless the Company shall have elected to effect a Redemption pursuant to Section 2.7) at all times thereafter until issuance of Warrant Shares in accordance herewith keep reserved out of its authorized shares of Common Stock a number of shares of Common Stock sufficient to provide for the exercise of all outstanding Warrants.

SECTION 2.11No Fractional Warrants. (a) No certificates or scrip representing fractional Warrants shall be issued to any Holder in the Warrant Distribution. As promptly as practicable following the Warrant Distribution Record Date, the Warrant Agent shall determine with respect to each Person entitled to receive Warrants pursuant to the Warrant Distribution the excess of (x) the number of Warrants delivered to the Warrant Agent by the Company pursuant to Section 2.2 with respect to each such Person over (y) the number of whole Warrants to be distributed with respect to such Person (such excess fraction of a Warrant being hereinafter referred to in connection with each such Person as a "Fractional Warrant"). As soon after the Warrant Distribution Record Date as practicable, the Warrant Agent, as agent for Holders otherwise entitled to receive Fractional Warrants (each, a "Fractional Warrant Holder"), shall aggregate and sell in normal transactions the Fractional Warrants for all Fractional Warrant Holders at then available prices on the NYSE. Until the net proceeds of such sale or sales (the "Fractional Warrant Proceeds") have been distributed to the Fractional Warrant Holders, the Warrant Agent shall hold the Fractional Warrant Proceeds in trust for the Fractional Warrant Holders. The Company shall pay, and deduct from the Fractional Warrant Proceeds, all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Warrant Agent, incurred in connection with such sale of the Fractional Warrants. The Warrant Agent shall determine the portion of the net Fractional Warrant Proceeds to which each Fractional Warrant Holder shall be entitled, if any, by multiplying the net Fractional Warrant Proceeds amount by a fraction, the numerator of which is the Fractional Warrant to which such Fractional Warrant Holder would otherwise be entitled and the denominator of which is the aggregate Fractional Warrants to which all Fractional Warrant Holders would otherwise be entitled. As soon as practicable after the determination of the amount of Fractional Warrant Proceeds, if any, to be paid in cash to each Fractional Warrant Holder in lieu of any Fractional Warrants, the Warrant Agent shall make available such amounts, without interest, to each such Fractional Warrant Holder.

(b) If Warrants are to be issued Holders pursuant to Section 4.7(h), the Company and the Warrant Agent shall, prior to such issuance, establish a procedure corresponding to the procedure described in subsection (a) above such that Holders that would otherwise receive Fractional Warrants shall instead receive the appropriate amount of the Fractional Warrant Proceeds thereof.

SECTION 2.12 No Fractional Warrant Shares. Notwithstanding any adjustment pursuant to Article 4 in the number of Warrant Shares purchasable upon the exercise of a Warrant, no certificates or scrip representing fractional Warrant Shares shall be issued upon exercise of a Warrant. As promptly as practicable following the Expiration Date, if the Company shall not have elected to effect a Redemption pursuant to Section 2.7, the Transfer Agent shall determine the excess of (x) the number of Warrant Shares delivered to the Transfer Agent by the Company with respect to each Holder pursuant to Section 2.6 over (y) the aggregate number of whole Warrant Shares to be issued with respect to such Holder (such excess being hereinafter referred to in connection with each such Holder as the "Fractional Warrant Share"). As soon after the Expiration Date as practicable, the Transfer Agent, as agent for Holders otherwise entitled to receive Fractional Warrant Shares (each, a "Fractional Warrant Share Holder"), unless the Company has elected to effect a Redemption pursuant to Section 2.7, shall aggregate and sell in normal transactions the Fractional Warrant Shares for all the Fractional Warrant Share Holders at then available prices on the NYSE or on the principal United States securities exchange on which the Common Stock is listed, if any, or on NASDAQ, if the Common Stock is quoted on NASDAQ. Until the net proceeds of such sale or sales (the "Fractional Warrant Share Proceeds") have been distributed to such Holders, the Transfer Agent will hold the Fractional Warrant Share Proceeds in trust for the Fractional Warrant Share Holders. The Company shall pay, and deduct from the Fractional Warrant Share Proceeds, all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Transfer Agent, incurred in connection with such sale of the Fractional Warrant Shares. The Transfer Agent shall determine the portion of the net Fractional Warrant Share Proceeds to which each Fractional Warrant Share Holder shall be entitled, if any, by multiplying the net Fractional Warrant Share Proceeds amount by a fraction, the numerator of which is the Fractional Warrant Share to which such Fractional Warrant Share Holder would otherwise be entitled and the denominator of which is the aggregate amount of Fractional Warrant Shares to which all such Fractional Warrant Share Holders would otherwise be entitled. As soon as practicable after the determination of the amount of the net

Fractional Warrant Share Proceeds, if any, to be paid in cash to each such Fractional Warrant Share Holder in lieu of its Fractional Warrant Share, the Transfer Agent shall make available such amounts, without interest, to each such Fractional Warrant Share Holder.

ARTICLE 3

TRANSFER, EXCHANGE AND REPLACEMENT OF WARRANTS, LISTING

SECTION 3.1 Ownership of Warrants. The Company and the Warrant Agent may deem and treat any Holder as the absolute owner for all purposes, notwithstanding any notation of ownership or other writing on the relevant Warrant Certificate made by anyone, and shall not be affected by any notice to the contrary until due presentation of such Warrant Certificate for registration and transfer as provided in this Article 3.

SECTION 3.2 Registration and Countersignature. Warrant Certificates shall be countersigned manually or by facsimile and dated the date of countersignature by the Warrant Agent and shall not be valid for any purpose unless so countersigned. The Warrant Certificates shall be numbered and shall be registered in the Warrant Register. The countersignature of the Warrant Agent shall be that of a duly authorized employee of the Warrant Agent.

SECTION 3.3 Registration of Transfers and Exchanges. (a) The Warrant Agent shall from time to time register the transfer of any outstanding Warrant Certificate in the Warrant Register, upon surrender of such Warrant Certificate, duly endorsed, and accompanied by a written instrument or instruments of transfer in a form satisfactory to the Warrant Agent, duly signed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by (i) a bank or trust company, (ii) a broker or dealer that is a member of the NASD or (iii) a member of a national securities exchange, and funds sufficient to pay and transfer taxes payable with respect to such transfer. Upon any such registration or transfer, a new Warrant Certificate shall be issued to the transferee.

(b) Warrant Certificates may be exchanged at the option of the holder or holders thereof, when surrendered to the Warrant Agent at a Warrant Agent Office, or at the offices of any successor Warrant Agent as provided in Section 5.3 hereof, for another Warrant Certificate or other Warrant Certificates of like tenor and representing in the aggregate a like number of Warrants.

(c) Notwithstanding paragraphs (a) and (b) above, the Warrant Agent shall not be required to transfer or exchange any Warrant Certificate from and after the 105th day preceding the scheduled Expiration Date provided that if, in the notice provided by the Company pursuant to Section 2.5, the Company shall not have elected to redeem the Warrants, then the Warrant Agent shall permit transfers or exchanges of Warrant Certificates from and after the mailing of the notice to Holders referred to in Section 2.5 but shall not be required to transfer or exchange any Warrant Certificate from and after the 15th day preceding the Expiration Date.

SECTION 3.4 Cancellation of Warrants. If the Company shall purchase or otherwise acquire Warrants, the Company may deliver the Warrant Certificates representing such Warrants to the Warrant Agent to be canceled by it and retired. The Warrant Agent shall cancel all Warrant Certificates so surrendered.

SECTION 3.5 Payments of Taxes. The Company will pay any documentary stamp taxes attributable to the initial issuance of Warrants and of Warrant Shares upon the exercise of Warrants; provided, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue of any Warrant Certificates or any certificates for Warrant Shares in a name other than the registered holder of Warrant Certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 3.6 Mutilated or Missing Warrant Certificates. (a) If (i) any mutilated Warrant Certificate is surrendered to the Warrant Agent or (ii) the Company and the Warrant Agent receive evidence to their satisfaction of the destruction, loss or theft of any Warrant Certificate, and there is delivered to the Company and the Warrant Agent such security or indemnity as may be reasonably required by them to hold each of them harmless with respect thereto, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Warrant Agent shall countersign and deliver, in exchange for any such mutilated Warrant Certificate or in lieu of any such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and for a like aggregate number of Warrants.

(b) Upon the issuance of any new Warrant Certificate under this Section 3.6 the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses (including the reasonable fees and expenses of the Warrant Agent and of counsel to the Company) in connection therewith.

(c) Every new Warrant Certificate executed and delivered pursuant to this Section 3.6 in lieu of any destroyed, lost or stolen Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate

shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Warrant Agreement equally and proportionately with any and all other Warrant Certificates duly executed and delivered hereunder.

SECTION 3.7 Governmental Approvals and Stock Exchange Listing. The Company from time to time will use its best efforts (a) to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and to file such documents under federal and state securities acts and laws, which may be or become requisite in connection with the issuance, sale, transfer and delivery of the Warrant Certificates, the exercise of the Warrants and the issuance, sale, transfer and delivery of the Warrant Shares issued upon exercise of Warrants (including, without limitation, causing a registration statement under the Securities Act in respect of the Warrant Shares to be filed and declared effect but, subject to the Company's other contractual obligations, not including maintaining an effective registration statement for purposes of resale of Warrant Shares), provided, however, if any such permits, consents, approvals or documents are not so obtained or effective, the Company will immediately notify the Warrant Agent; (b) to have the Warrants listed on the NYSE or on the principal United States securities exchange on which the Common Stock is listed, if any, or quoted on NASDAQ if the Common Stock is so quoted; and (c) immediately upon the issuance of Warrant Shares upon exercise of Warrants, to have such Warrant Shares listed on the NYSE or on the principal United States securities exchange or exchanges on which the Common Stock is listed, if any, or quoted on NASDAQ if the Common Stock is so quoted. The Company shall cause the Warrants to be delisted on the NYSE or cease to be quoted, as the case may be, effective as of the Close of Business on the Expiration Date. Notwithstanding anything in this Agreement to the contrary, in no event shall a Holder be entitled to exercise a Warrant unless a registration statement filed under the Securities Act in respect of the Warrant Shares is then effective (unless in the opinion of counsel to the Company an exemption from the registration requirements is available under the Securities Act at the time of such exercise).

SECTION 3.8 Transfer to Comply with the Securities Laws. Neither the Warrants nor any of the Warrant Shares, nor any interest in either, may be sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of, in whole or in part, except in compliance with applicable United States federal and state securities laws and the terms and conditions hereof and thereof.

SECTION 3.9 Company Option to Repurchase Warrants. The Company and its subsidiaries shall have the option, in their sole discretion, at any time or from time to time, to purchase Warrants (i) in the public market, (ii) by tender or exchange offer available to all Holders at any price or (iii) in private transactions at a price not more than ten percent (10%) over the Market Price of the Warrants as of closing date of each such transaction respectively. Warrants acquired by the Company or its subsidiaries shall be canceled and shall not be available for reissuance or resale.

ARTICLE 4

ANTI-DILUTION PROVISIONS

SECTION 4.1 Adjustment of Exercise Price and Number of Shares Purchasable or Number of Warrants. The Exercise Price, the number of Warrant Shares purchasable upon the exercise of each Warrant and the number of Warrants outstanding are subject to adjustment from time to time upon the occurrence of the events enumerated in this Article 4.

SECTION 4.2 Stock Dividends, Stock Splits, Combinations and Stock Reclassifications. If the Company shall (i) pay a dividend on its shares of capital stock (including Common Stock) in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock or (iv) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), in each case, other than the Merger pursuant to the Merger Agreement, the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that each Holder shall be entitled upon exercise to receive the kind and number of Warrant Shares or other securities of the Company which such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this Section 4.2 shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

SECTION 4.3 Rights, Options and Warrants. If the Company shall issue any rights, options or warrants to holders of its outstanding Common Stock (other than pursuant hereto, pursuant to stock option plans or similar plans approved by the Board of Directors of the Company or pursuant to the Merger Agreement), without payment of additional consideration by such holders, entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share that is lower than the Market Price per share of Common Stock at the record date mentioned below, the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon exercise of each Warrant by a fraction, of which the numerator shall be (i) the number of shares of Common Stock outstanding on the record date for the issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the denominator shall be (ii) the number of shares of Common Stock outstanding on

the record date for the issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Market Price per share of Common Stock at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately on the date of issuance retroactive to the record date for the determination of stockholders entitled to receive such rights, options or warrants.

SECTION 4.4 Certain Distributions. If the Company shall distribute to all holders of its shares of Common Stock evidences of its indebtedness of assets (excluding cash dividends or distributions payable out of consolidated earnings or earned surplus and dividends or distributions referred to Section 4.2) or rights, options or warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock (excluding those referred to in Section 4.3), then in each case the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon the exercise of each Warrant, by a fraction, of which the numerator shall be (i) the then current Market Price per share of Common Stock on the date of such distribution, and of which the denominator shall be (ii) the then current Market Price per share of Common Stock on the date of such distribution, less the then fair value (as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive and shall be evidenced by a resolution filed with the Warrant Agent) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants or convertible or exchangeable securities applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of stockholders entitled to receive such distribution.

SECTION 4.5 Capital Reorganizations and Stock Reclassifications. In the event of any capital reorganization or any reclassification of the Common Stock (except as provided in Section 4.2, 4.3, 4.4 or 4.6), any Holder of Warrants upon exercise thereof shall be entitled to receive, in lieu of the Common Stock to which such Holder would have become entitled upon exercise immediately prior to such reorganization or reclassification, the shares (of any class or classes) or other securities or property of the Company that such Holder would have been entitled to receive at the same aggregate Exercise Price upon such reorganization or reclassification if such Holder's Warrants had been exercised immediately prior thereto; and in any such case, appropriate provision (as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive and shall be evidenced by a resolution filed with the Warrant Agent) shall be made for the application of this Article 4 with respect to the rights and interests thereafter of the Holders (including the allocation of the adjusted Exercise Price between or among shares of classes of capital stock), to the end that this Article 4 (including the adjustments of the number of shares of Common Stock or other securities purchasable and the Exercise Price thereof) shall thereafter be reflected, as nearly as reasonably practicable, in all subsequent exercises of the Warrants for any shares or securities or other property thereafter deliverable upon the exercise of the Warrants.

SECTION 4.6 Consolidations, Mergers, Sales and Conveyances. In case of any consolidation of the Company with or merger of the Company into another corporation or in case of any sale or conveyance to another corporation of the property of the Company as an entirety or substantially as an entirety, the Company or such successor or purchasing corporation, as the case may be, shall execute with the Warrant Agent an agreement that each Holder shall have the right thereafter upon payment of the Exercise Price in effect immediately prior to such action to purchase upon exercise of each Warrant the kind and amount of shares and other securities and property which such holder would have owned or have been entitled to receive after the happening of such consolidation, merger, sale or conveyance had such Warrant been exercised immediately prior to such action. The Company shall mail by first-class mail, postage prepaid, to each Holder, notice of the exception of any such agreement. Such agreement shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 4. The provisions of this Section 4.6 shall similarly apply to successive consolidations, mergers, sales or conveyances. The Warrant Agent shall be under no duty or responsibility to determine the correctness of any provisions contained in any such agreement relating either to the kind or amount of shares of stock or other securities or property receivable upon exercise of Warrants or with respect to the method employed and provided therein for any adjustments and shall be entitled to rely upon the provisions contained in any such agreement.

SECTION 4.7 Adjustment Rules. (a) For the purposes of adjustments required by Section 4.2 and Section 4.3, the shares of Common Stock that the holder of any rights, options, warrants or convertible or exchangeable securities shall be entitled to subscribe for or purchase shall be deemed to be issued and outstanding as of the date of sale, issuance or distribution of such securities and the consideration, if any, received by the Company therefor shall be deemed to be the consideration received by the Company for such securities, plus the consideration or premiums stated in such securities to be paid for the shares of Common Stock covered thereby.

(b) Except for adjustments required by Section 4.6, no adjustment in the number of Warrant Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent in the number of Warrant Shares purchasable upon the exercise of each Warrant; provided, however, that any adjustments which by reason of this Section 4.7(b) are not required to be made shall be carried

forward and taken into account in any subsequent adjustment. All calculations shall be made to the nearest cent and to the nearest one-hundredth of a share, as the case may be.

(c) Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted as herein provided (whether or not the Company then or thereafter elects to issue additional Warrants in substitution for an adjustment in the number of Warrant Shares as provided in Section 4.7(h)), the Exercise Price payable upon exercise of each Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares purchasable upon the exercise of each Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Warrant Shares so purchasable immediately thereafter, provided, however, that the Exercise Price shall not be reduced below par unless the Company has taken action pursuant to Section 2.8.

(d) For the purpose of this Article 4, the term "shares of Common Stock" shall mean (i) the class of stock designated as the Common Stock of the Company at the date of this Agreement, or (ii) any other class of stock resulting from successive changes or reclassification of such shares consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. If at any time, as a result of an adjustment made pursuant to Section 4.2 or Section 4.5 above, the holders of Warrants shall become entitled to purchase any shares of the Company other than shares of Common Stock, thereafter the number of such other shares so purchasable upon exercise of each Warrant and the Exercise Price with respect to such shares shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in Section 4.2 through Section 4.5 and subsections (a), (b) and (c) of this Section 4.7, inclusive, above, and the provisions of Sections 3.2, 3.5, 3.7 and 4.9, with respect to the Warrant Shares, shall apply on like terms to any such other shares.

(e) Except as provided in Sections 4.2, 4.3 and 4.4, no adjustment in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

(f) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

(g) Upon the expiration of any rights, options, warrants or conversion or exchange privileges, if any thereof shall not have been exercised, the Exercise Price and the number of Warrant Shares purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (i) the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights, options, warrants or conversions or exchange rights and (ii) such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all of such rights, options, warrants or conversion or exchange rights whether or not exercised; provided, that no such readjustment shall have the effect of increasing the Exercise Price or decreasing the number of shares by an amount in excess of the amount of the readjustment initially made in respect to the issuance, sale or grant of such rights, options, warrants or conversion or exchange rights.

(h) The Company may elect, on or after the date of any adjustment required by Section 4.2 through Section 4.5, to adjust the number of Warrants in substitution for an adjustment in the number of Warrant Shares purchasable upon the exercise of a Warrant. Each of the Warrants outstanding after such adjustment of the number of Warrants shall be exercisable for the same number of Warrant Shares as immediately prior to such adjustment. Each Warrant held of record prior to such adjustment of the number of Warrants shall become that number of Warrants (calculated to the nearest hundredth) obtained by dividing the Exercise Price in effect prior to adjustment of the Exercise Price by the Exercise Price in effect after adjustment of the Exercise Price. The Company shall notify the Holders in the same manner as provided in Section 4.8, of its election to adjust the number of Warrants, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any date thereafter. Upon each adjustment of the number of Warrants pursuant to this Section 4.7(h) the Company shall, as promptly as practicable, cause to be distributed to Holders as of such record date Warrant Certificates evidencing, subject to Sections 2.8 and 2.11, the additional Warrants to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Warrant Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Warrant Certificates evidencing all the Warrants to be issued, executed and registered in the manner specified in Sections 3.2 and 3.3 (and which may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the Holders on the record date specified in the notice.

SECTION 4.8 Notice to Holders with Respect to Adjustments. Not more than 30 days following the record date or effective date, as the case may be, of any adjustment or readjustment pursuant to this Article 4, the Company shall forthwith file in the custody of its Secretary or an Assistant Secretary at its principal executive office and with the Warrant Agent, an

officers' certificate showing the adjusted number of Warrant Shares purchasable upon exercise of the Warrants, the additional number of Warrants to be issued for each outstanding Warrant or the adjusted Exercise Price, as the case may be, determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment and the manner of computing such adjustment. Each such officers' certificate shall be signed by the Chairman, President or Chief Financial Officer of the Company and by the Secretary or any Assistant Secretary of the Company. Each such officers' certificate shall be made available at the Warrant Agent Office all reasonable times for inspection by the Holder or any Holder of a Warrant and then upon written request of a Holder the Warrant Agent shall mail a copy of such certificate by first-class mail to such Holder.

ARTICLE 5

WARRANT AGENT

SECTION 5.1 Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions hereinafter in this Agreement set forth; and the Warrant Agent hereby accepts such appointment, upon the terms and conditions hereinafter set forth.

SECTION 5.2 Warrant Agent. (a) The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the Holders, by their acceptance of the Warrants, shall be bound:

(i) the statements contained herein and in the Warrant Certificates shall be taken as statements of the Company, and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as describes the Warrant Agent or action taken or be taken by it. Except as herein otherwise provided, the Warrant Agent assumes no responsibility with respect to the execution, delivery or distribution of the Warrant Certificates.

(ii) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrant Certificates to be complied with by the Company nor shall it at any time be under any duty or responsibility to any Holder to make or cause to be made any adjustment in the Exercise Price or in the number of Warrant Shares issuable upon exercise of any Warrant (except as instructed by the Company), or to determine whether any facts exist which may require any such adjustments, or with respect to the nature or extent of or method employed in making any such adjustments when made.

(iii) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company) and the Warrant Agent shall incur no liability or responsibility to the Company or any holder of any Warrant Certificate in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

(iv) The Warrant Agent shall incur no liability or responsibility to the Company or to any Holder for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(v) The Company agrees promptly to pay the Warrant Agent the compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for its reasonable out-of-pocket expenses (including attorneys' fees and expenses) incurred by the Warrant Agent without negligence, bad faith or breach of this Agreement on its part in connection with the services rendered by it hereunder. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred without negligence, bad faith or breach of this Agreement on the part of the Warrant Agent, arising out of or in connection with its acting as such Warrant Agent hereunder, as well as the reasonable costs and expenses of defending against any claim of liability in the premises. The obligations of the Company under this Section 5.2 shall survive the termination of this Agreement.

(vi) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more registered holders of Warrant Certificates shall furnish the Warrant Agent with reasonable security and indemnity for any costs or expenses which may be incurred. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent, and any recovery or judgment shall be for the ratable benefit of the Holders, as their respective rights or interests may appear.

(vii) The Warrant Agent, and any stockholder, director, officer or employee thereof, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested,

or contract with or lend money to the Company or otherwise act as fully and freely as though they were not the Warrant Agent under this Agreement, or a stockholder, director, officer or employee of the Warrant Agent, as the case may be. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(viii) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement except for its own negligence or bad faith.

(ix) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(x) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof), nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warrant as to the authorization or reservation of the Warrant Shares to be issued pursuant to this Agreement or any Warrant Certificate or as to whether the Warrant Shares will when issued be validly issued, fully paid and nonassessable or as to the Exercise Price or the number of Warrant Shares issuable upon exercise of any Warrant.

(xi) The Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or an Assistant Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instruction of any such officer or in good faith reliance upon any statement signed by any one of such officers of the Company with respect to any fact or matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement.

SECTION 5.3 Change of Warrant Agent. If the Warrant Agent shall resign (such resignation to become effective not earlier than 60 days after the giving of written notice thereof to the Company and the Holders) or shall become incapable of acting as Warrant Agent or if the Board of Directors of the Company shall by resolution remove the Warrant Agent (such removal to become effective not earlier than 30 days after the filing of a certified copy of such resolution with the Warrant Agent and the giving of written notice of such removal to the registered holders of Warrant Certificates), the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been so notified in writing of such resignation or incapacity by the Warrant Agent, then any Holder may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to the Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a bank or trust company, in good standing, incorporated under the laws of any state or of the United States of America. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause written notice of the change in the Warrant Agent to be given to each of the Holders at such Holder's address appearing on the Warrant Register. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed. The former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder and execute and deliver, at the expense of the Company, any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 5.3 or any defect therein, shall not affect the legality or validity of the removal of the Warrant Agent or the appointment of a successor Warrant Agent, as the case may be.

SECTION 5.4 Merger, Consolidation or Change of Name of Warrant Agent. (a) Any corporation into which the Warrant Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to the shareholder services business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 5.3. If at the time such successor to the Warrant Agent shall succeed under this Agreement, any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent, and if at that time any of the Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall have the full force

provided in the Warrant Certificates and in this Agreement.

(b) If at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

ARTICLE 6

MISCELLANEOUS

SECTION 6.1 Notices. (a) Except as otherwise provided in Section 6.1(b) any notice, demand or delivery authorized by this Warrant Agreement shall be sufficiently given or made when mailed if sent by first-class mail, postage prepaid, addressed to any Holder of a Warrant at such Holder's address shown on the Warrant Register and to the parties as follows:

If to the Company:

National Health Laboratories Holdings Inc.
4225 Executive Square
Suite 805
La Jolla, CA 92037
Attention: General Counsel

If to the Warrant Agent:

American Stock Transfer & Trust Company
6201 Fifteenth Avenue
Brooklyn, NY 11219
Attention: Joseph Wolf

or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.

(b) Any notice required to be given by the Company to the Holders shall be made by mailing by registered mail, return receipt requested, to the Holders at their respective addresses shown on the Warrant Register. The Company hereby irrevocably authorizes the Warrant Agent, in the name and at the expense of the Company, to mail any such notice upon receipt thereof from the Company. Any notice that is mailed in the manner herein provided shall be presumed to have been duly given when mailed.

SECTION 6.2 Supplements and Amendments. The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any Holders in order to cure any ambiguity, manifest error or other mistake in this Agreement, or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and the Warrant Agent may deem necessary or desirable and that shall not adversely affect, alter or change the interest of the Holders.

SECTION 6.3 Termination. This Agreement shall terminate immediately after (i) the Company has paid the Redemption Amount with respect to all Holders in the case of a Redemption or (ii) all Warrant Shares in respect of properly exercised Warrants have been issued in the case the Company does not elect to effect a Redemption pursuant to Section 2.7, provided, that the provisions of Section 5.2 shall survive such termination until such time that the obligations contemplated thereunder have been performed.

SECTION 6.4 Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the internal laws of such State.

SECTION 6.5 Persons Benefiting. This Warrant Agreement shall be binding upon and inure to the benefit of the Company and the Warrant Agent, and their respective successors, assigns, beneficiaries, executors and administrators, and the Holders of the Warrants. Nothing in this Warrant Agreement is intended or shall be construed to confer upon any person, other than the Company, the Warrant Agent and the Holders of the Warrants, any right, remedy or claim under or by reason of this Warrant Agreement or any part hereof.

SECTION 6.6 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

SECTION 6.7 Headings. The headings of sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed and delivered as of the day and year first above written.

NATIONAL HEALTH LABORATORIES
HOLDINGS INC.

By /s/ David C. Flaugh

Title: David C. Flaugh
Senior Executive Vice President
Chief Operating Officer

ATTEST:

/s/ John F. Markus
- ---
John F. Markus
Executive Vice President
Assistant Secretary

AMERICAN STOCK TRANSFER
& TRUST COMPANY

By /s/ Herbert J. Lemmer

Title: Herbert J. Lemmer
Vice President

ATTEST:
/s/ Susan Silber
- ---
Susan Silber
Assistant Secretary

Exhibit A

WARRANTS TO PURCHASE SHARES OF COMMON STOCK

NUMBER OF WARRANTS

LABORATORY CORPORATION OF AMERICA HOLDINGS

EXPIRING AT 5:00 P.M. NEW YORK CITY TIME ON APRIL 28, 2000

CUSIP 5054OR 11 0

This Warrant Certificate certifies that

or registered assigns,

is the registered holder (the "Holder") of the number of warrants set forth above (each, a "Warrant") issued by Laboratory Corporation of America Holdings, a Delaware corporation (the "Company"), subject to the terms and conditions set forth herein and in the Warrant Agreement referred to on the reverse side hereof. Each Warrant entitles the Holder thereof to purchase from the Company one fully paid and nonassessable share (a "Warrant Share") of common stock, $0.01 par value (the "Common Stock"), of the Company at the initial exercise price per share of $22.00 (the "Exercise Price"), payable in lawful money of the United States of America, subject to adjustment as described below. The Warrants evidenced by this Certificate expire at 5:00 p.m. New York City Time (the "Close of Business") on April 28, 2000 (the "Expiration Date") unless such date is extended at the option of the Company as set forth in the Warrant Agreement referred to on the reverse side hereof.

Subject to the terms and conditions set forth herein and in the Warrant Agreement referred to on the reverse side hereof, a Warrant may be exercised upon proper surrender of this Warrant Certificate and payment of the aggregate Exercise Price to American Stock Transfer & Trust Company (the "Warrant Agent") at 40 Wall Street, 46th Floor, New York, NY 10005 or such other of its offices as may be designated by the Warrant Agent (the "Warrant Agent Office").

The number of Warrants, the Exercise Price and the number of Warrant Shares purchasable upon exercise of a Warrant are subject to adjustment upon the occurrence of certain events as set forth in Article 4 of the Warrant Agreement referred to on the reverse side hereof

Upon notice to the Warrant Agent in accordance with the Warrant Agreement, the Company may at its sole option elect to redeem all but not less than all of the Warrants on the Expiration Date by payment of an amount in cash in respect of each Warrant equal to the Redemption Amount (as defined in the Warrant Agreement). If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

A Warrant may only be exercised prior to the Close of Business on the Expiration Date and only if the Company shall not have elected to redeem the Warrants (provided that the Warrant Agent will accept surrenders of Warrant Certificates and payments of the Exercise Price in respect of Warrants to be exercised during the 45-day period preceding the Expiration Date, but such Warrants will not be deemed to have been exercised until the Expiration Date). As of the Close of Business on the Expiration Date, the Warrants will become wholly void and of no value.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS WARRANT CERTIFICATE SET FORTH ON THE REVERSE SIDE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by the facsimile signature of its duly authorized officer, and the facsimile of the corporate seal hereunto affixed.

Dated:

LABORATORY CORPORATION OF AMERICA HOLDINGS

By /s/ James B. Powell

PRESIDENT

ATTEST

By /s/ Bradford T. Smith

SECRETARY

[facsimile of the seal of the Company]

COUNTERSIGNED AND REGISTERED
AMERICAN STOCK TRANSFER & TRUST COMPANY
NEW YORK, NY AS WARRANT AGENT,

BY

AUTHORIZED OFFICER

LABORATORY CORPORATION OF AMERICA HOLDINGS

THIS WARRANT CERTIFICATE IS ISSUED UNDER AND IN ACCORDANCE WITH A WARRANT AGREEMENT, DATED AS OF APRIL 10, 1995, BETWEEN THE COMPANY AND THE WARRANT AGENT (THE "WARRANT AGREEMENT"), AND IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT. THE WARRANT AGREEMENT IS HEREBY INCORPORATED BY REFERENCE IN AND MADE A PART OF THIS INSTRUMENT AND IS HEREBY REFERRED TO FOR A DESCRIPTION OF THE RIGHTS, LIMITATIONS OF RIGHTS, OBLIGATIONS, DUTIES AND IMMUNITIES THEREUNDER OF THE WARRANT AGENT, THE COMPANY AND THE HOLDERS. A COPY OF THE WARRANT AGREEMENT MAY BE INSPECTED AT THE WARRANT AGENT OFFICE AND WILL BE PROVIDED BY FIRST-CLASS MAIL, WITHOUT CHARGE, TO ANY REGISTERED HOLDER UPON WRITTEN REQUEST ADDRESSED TO THE WARRANT AGENT AT THE WARRANT AGENT OFFICE. ALL TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

Warrants may be exercised to purchase Warrant Shares from the Company on, but prior to the Close of Business on, the Expiration Date, at the Exercise Practice set forth on the face hereof, subject to adjustment as described in the Warrant Agreement, but only if the Company shall not have elected to redeem the Warrants as described below. The registered Holder of the Warrants evidenced by this Warrant Certificate may exercise such Warrants by surrendering to the Warrant Agent this Warrant Certificate, with the form of election to exercise set forth hereon properly completed and executed, together with payment of the aggregate Exercise Price, in lawful money of the United States of America, to the Warrant Agent at the Warrant Agent Office. Although such surrender and payment will be accepted during the 45-day period preceding the Expiration Date, Warrants will not be deemed to have been exercised until the Expiration Date.

No adjustment shall be made for any cash dividends on any Warrant Shares issuable upon exercise of this Warrant.

Upon notice to the Warrant Agent not earlier than 90 days nor later than 60 days prior to the Expiration Date, the Company may at its sole option elect to redeem all but not less than all Warrants on the Expiration Date by payment of an amount in cash in respect of each Warrant equal to the Redemption Amount (as defined in the Warrant Agreement). If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount

is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

Warrants shall expire at and become null and void and have no value and no Person shall have any rights with respect thereto as of the Close of Business on the Expiration Date, provided, however, that, notwithstanding such expiration, Holders who have properly exercised Warrants in accordance herewith and with the Warrant Agreement prior to such Close of Business shall be entitled to receive Warrant Shares with respect to such Holders' Warrants unless the Company shall have elected to redeem the Warrants as described below, in which case each Holder shall be entitled to receive the Redemption Amount.

No certificates or script representing fractional Warrant Shares shall be issued upon exercise of a Warrant. As promptly as practicable following the Expiration Date, if the Company shall not have elected to redeem the Warrants, the Company shall pay to each Holder otherwise entitled to receive fractional Warrant Shares, if any, a cash amount in lieu of such fractional Warrant Shares which shall be equal to the proceeds from the sale of such Holder's fractional Warrant Shares as provided in the Warrant Agreement, without interest thereon and after deduction of all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Warrant Agent, incurred in connection with such sale of the fractional Warrant Shares.

Warrant Certificates, when surrendered at the Warrant Agent office in person or by a legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing a Warrant to purchase in the aggregate a like number of Warrant Shares.

A new Warrant Certificate or Warrant Certificates of like tenor and evidencing a Warrant or Warrants to purchase in the aggregate a like number of Warrant Shares shall be issued to a transferee designated by a Holder upon surrender of a Warrant Certificate, duly endorsed, and accompanied by a written instrument or instruments of transfer in a form satisfactory to the Warrant Agent, duly signed by the Holder or Holders or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by (i) a bank or trust company, (ii) a broker or dealer that is a member of the National Association of Securities Dealers, Inc. or (iii) a member of national securities exchange, and funds sufficient to pay any transfer taxes payable on such transfer.

Notwithstanding the foregoing, the Warrant Agent shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 105th day preceding the scheduled Expiration Date, provided that if, in the notice provided by the Company pursuant to Section 2.5 of the Warrant Agreement, the Company shall not have elected to redeem the Warrants, then the Warrant Agent shall permit transfers or exchanges of Warrant Certificates from and after the mailing of the notice to Holders referred to in Section 2.5 of the Warrant Agreement but shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 15th day preceding the Expiration date.

The Company and its subsidiaries shall have the option, in their sole discretion, at any time or from time to time, to purchase Warrants (i) in the public market, (ii) by tender or exchange offer available to all Holders at any price or (iii) in private transactions at a price not more than ten percent (10%) over the Market Price of the Warrants as of the closing date of each such transaction. Warrants acquired by the Company or its subsidiaries shall be canceled and shall not be available for reissuance or resale.

The Company and the Warrant Agent may deem and treat the registered Holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

FORM OF ELECTION TO EXERCISE
(To Be Executed by Registered Holder Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right represented by this Warrant Certificate to receive shares of Common Stock and herewith tenders payment for such shares to the order of Laboratory Corporation of America Holdings in care of American Stock Transfer & Trust Company, 40 Wall Street, 46th Floor, New York, NY. 10005, in the amount of $ in lawful money of the United States of America by certified or official bank check or by wire transfer in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____
whose address is
_____
and whose Social Security or Taxpayer identification Number is_____ and that such shares be delivered to
_____
whose address is
_____

Dated:_____, 20__ Signature:_____
Note: The above signature must correspond with the name as written upon the face of

the Warrant Certificate in every
particular without alteration or enlargement
of any change whatsoever.

Signature Guaranteed:_____

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as through they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with the right of survivorship and not as tenants in common

UNIF GIFT MIN ACT -- _____ Custodian _____
(custodian) (minor)
under Uniform Gift to Minor Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FORM OF ASSIGNMENT

(To Be Executed by Registered Holder Upon Assignment of the Warrant)

FOR VALUE RECEIVED, the undersigned registered Holder hereby sells, assigns and transfers unto _____
whose address is_____
and whose Social Security or Taxpayer Identification Number is _____
_____
the Warrants represented by this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney, to transfer the within Warrant Certificate on the books of the Warrant Agent, with full power of substitution.

Dated: _____

Signature:_____
Note: The above signature must correspond with the name as written upon the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever

Signature Guaranteed:_____

LABORATORY CORPORATION OF AMERICA HOLDINGS

THIS WARRANT CERTIFICATE IS ISSUED UNDER AND IN ACCORDANCE WITH A WARRANT AGREEMENT, DATED AS OF APRIL 10, 1995, BETWEEN THE COMPANY AND THE WARRANT AGENT (THE "WARRANT AGREEMENT", AND IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT. THE WARRANT AGREEMENT IS HEREBY INCORPORATED BY REFERENCE IN AND MADE A PART OF THIS INSTRUMENT AND IS HEREBY REFERRED TO FOR A DESCRIPTION OF THE RIGHTS, LIMITATIONS OF RIGHTS, OBLIGATIONS, DUTIES AND IMMUNITIES THEREUNDER OF THE WARRANT AGENT, THE COMPANY AND THE HOLDERS. A COPY OF THE WARRANT AGREEMENT MAY BE INSPECTED AT THE WARRANT AGENT OFFICE AND WILL BE PROVIDED BY FIRST-CLASS MAIL, WITHOUT CHARGE, TO ANY REGISTERED HOLDER UPON WRITTEN REQUEST ADDRESSED TO THE WARRANT AGENT AT THE WARRANT AGENT OFFICE. ALL TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

Warrants may be exercised to purchase Warrant Shares from the Company on, but prior to the Close of Business on, the Expiration Date, at the Exercise Practice set forth on the face hereof, subject to adjustment as described in the Warrant Agreement, but only if the Company shall not have elected to redeem the Warrants as described below. The registered Holder of the Warrants evidenced by this Warrant Certificate may exercise such Warrants by surrendering to the Warrant Agent this Warrant Certificate, with the form of election to exercise set forth hereon properly completed and executed, together with payment of the aggregate Exercise Price, in lawful money of the United States of America, to the Warrant Agent at the Warrant Agent Office. Although such surrender and payment will be accepted during the 45-day period preceding the Expiration Date, Warrants will not be deemed to have been exercised until the Expiration Date.

No adjustment shall be made for any cash dividends on any Warrant Shares issuable upon exercise of this Warrant.

Upon notice to the Warrant Agent not earlier than 90 days nor later than 60 days prior to the Expiration Date, the Company may at its sole option elect to redeem all but not less than all Warrants on the Expiration Date by payment of an amount in cash in respect of each Warrant equal to the Redemption Amount (as defined in the Warrant Agreement). If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

Warrants shall expire at and become null and void and have no value and no Person shall have any rights with respect thereto as of the Close of Business on the Expiration Date, provided, however, that, notwithstanding such expiration, Holders who have properly exercised Warrants in accordance herewith and with the Warrant Agreement prior to such Close of Business shall be entitled to receive Warrant Shares with respect to such Holders' Warrants unless the Company shall have elected to redeem the Warrants as described below, in which case each Holder shall be entitled to receive the Redemption Amount.

No certificates or script representing fractional Warrant Shares shall be issued upon exercise of a Warrant. As promptly as practicable following the Expiration Date, if the Company shall not have elected to redeem the Warrants, the Company shall pay to each Holder otherwise entitled to receive fractional Warrant Shares, if any, a cash amount in lieu of such fractional Warrant Shares which shall be equal to the proceeds from the sale of such Holder's fractional Warrant Shares as provided in the Warrant Agreement, without interest thereon and after deduction of all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Warrant Agent, incurred in connection with such sale of the fractional Warrant Shares.

Warrant Certificates, when surrendered at the Warrant Agent office in person or by a legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing a Warrant to purchase in the aggregate a like number of Warrant Shares.

A new Warrant Certificate or Warrant Certificates of like tenor and evidencing a Warrant or Warrants to purchase in the aggregate a like number of Warrant Shares shall be issued to a transferee designated by a Holder upon surrender of a Warrant Certificate, duly endorsed, and accompanied by a written instrument or instruments of transfer in a form satisfactory to the Warrant Agent, duly signed by the Holder or Holders or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by (i) a bank or trust company, (ii) a broker or dealer that is a member of the National Association of Securities Dealers, Inc. or (iii) a member of national securities exchange, and funds sufficient to pay any transfer taxes payable on such transfer.

Notwithstanding the foregoing, the Warrant Agent shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 105th day preceding the scheduled Expiration Date, provided that if, in the notice provided by the Company pursuant to Section 2.5 of the Warrant Agreement, the Company shall not have elected to redeem the Warrants, then the Warrant Agent shall permit transfers or exchanges of Warrant Certificates from and after the mailing of the notice to Holders referred to in Section 2.5 of the Warrant Agreement but shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 15th day preceding the Expiration date.

The Company and its subsidiaries shall have the option, in their sole discretion, at any time or from time to time, to purchase Warrants (i) in the public market, (ii) by tender or exchange offer available to all Holders at any price or (iii) in private transactions at a price not more than ten percent (10%) over the Market Price of the Warrants as of the closing date of each such transaction. Warrants acquired by the Company or its subsidiaries shall be canceled and shall not be available for reissuance or resale.

The Company and the Warrant Agent may deem and treat the registered Holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

FORM OF ELECTION TO EXERCISE
(To Be Executed by Registered Holder Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right represented by this Warrant Certificate to receive shares of Common Stock and herewith tenders payment for such shares to the order of Laboratory Corporation of America Holdings in care of American Stock Transfer & Trust Company, 40 Wall Street, 46th Floor, New York, NY. 10005, in the amount of $ in lawful money of the United States of America by certified or official bank check or by wire transfer in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of_____
whose address is _____
and whose Social Security or Taxpayer identification Number is _____
and that such shares be delivered to _____
whose address is _____

Date:_____, 20__ Signature:_____
Note: The above signature must correspond with the name as written upon the face of the Warrant Certificate in every particular without alteration or enlargement of any change whatsoever.

Signature Guaranteed:_____

EXHIBIT 4.3

NUMBER SPECIMEN STOCK CERTIFICATE

TLH

Shares

LABORATORY CORPORATION OF AMERICA HOLDINGS

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR
CERTAIN DEFINITIONS

CUSIP 50540R 10 2

THIS CERTIFIES THAT

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF
- ----------LABORATORY CORPORATION OF AMERICA HOLDINGS----------
transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Certificate of Incorporation and all amendments thereto, to all of which the holder by acceptance hereof assents.

This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated

CORPORATE SEAL OF
Laboratory Corporation of America Holdings
Delaware 1994

/s/Bradford T. Smith
- ----------
Secretary

/s/James B. Powell

President

The within named Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM--as tenants in common	UNIF GIFT MIN ACT--.....Custodian..... (Cust) (Minor) under Uniform Gifts to Minors Act..... (State)
TEN ENT--as tenants by the entireties	
JT TEN--as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

- ----------
| |
- ----------

- ----------
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

- ----------

- ----------

- ----------

- ----------Shares
of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

- ----------Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated_____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

EXHIBIT 10.1
Conformed Copy

STOCKHOLDER AGREEMENT

dated as of April 28, 1995

among

HLR Holdings Inc.,

Roche Holdings, Inc.,

Hoffmann-La Roche Inc.

National Health Laboratories Holdings Inc.

TABLE OF CONTENTS

STOCKHOLDER AGREEMENT

STOCKHOLDER AGREEMENT dated as of April 28, 1995 among HLR Holdings Inc., a Delaware corporation ("HLR"), Roche Holdings, Inc., a Delaware corporation ("Holdings") (HLR and Holdings are referred to herein collectively as the "Investor"), Hoffmann-La Roche Inc., a New Jersey corporation (the "Roche Holder" and, for purposes of Articles 6 and 8, the Roche Holder shall be deemed to be, together with HLR and Holdings, the "Investor"), and National Health Laboratories Holdings Inc., a Delaware corporation (the "Company").

WHEREAS, the Company, the Investor and Roche Biomedical Laboratories, Inc., a wholly-owned subsidiary of the Investor ("RBL"), entered into an Agreement and Plan of Merger dated as of December 13, 1994 (the "Merger Agreement") pursuant to which among other things (i) RBL is being merged with and into the Company (the "Merger"), (ii) all of the issued and outstanding stock of RBL (except for shares held by RBL in its treasury) is being converted in the Merger into shares of Common Stock (as defined below) of the Company, (iii) Roche Holder is purchasing certain warrants (the "Roche Warrants") from the Company at the Effective Time and (iv) shares of the Company's Common Stock are being converted in the Merger into the Conversion Consideration (as defined in the Merger Agreement), all upon the terms and subject to the conditions set forth in the Merger Agreement; and

WHEREAS, the Investor, the Company, Mafco Holdings Inc., a Delaware corporation ("Mafco") and National Health Care Group, Inc., a Delaware corporation ("NHCG") and a significant stockholder of the Company, have entered into the Sharing and Call Option Agreement dated as of December 13, 1994 providing, among other things, certain rights and obligations with respect to the Company's Common Stock held by NHCG (the "Sharing and Call Option Agreement"); and

WHEREAS, in connection with the Merger, the Investor, Roche Holder and the Company desire to set forth certain agreements and understandings regarding the Investor's and Roche Holder's interests in the Company;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, the Investor, Roche Holder and the Company hereby agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Merger Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, provided that no member of the Investor Group shall be deemed an Affiliate of any other stockholder solely by reason of any investment in the Company. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean 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 or by contract or otherwise.

"Annual Operating Plan" means, for any year, the operating plan of the Company and its Subsidiaries which plan shall provide for an analysis of gross profits, summary of operating expenses, personnel levels, pricing, budgets for niche businesses, cash flows, capital expenditures and return on funds assigned, and shall be consistent with the then applicable Strategic Plan or the Initial Synergy Plan (as applicable) of the Company.

"Anti-dilutive Rights" has the meaning set forth in Section 3.1(a) hereof.

"Associate" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act as in effect on the date hereof.

"Audit Committee" means the Audit Committee of the Board of Directors described in Section 2.3(a)(i) hereof.

"Board" or "Board of Directors" means the Board of Directors of the Company except where the context requires otherwise.

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

"By-laws" means the by-laws of the Company, as amended from time to time in accordance herewith.

"Certificate of Incorporation" means the certificate of incorporation of the Company, as amended from time to time in accordance herewith.

"Common Stock" means the common stock of the Company, par value $.01 per share.

"Company" has the meaning set forth in the recitals of this Agreement.

"Demand Registration" has the meaning described in Section 6.1(a) hereof.

"Director" means a member of the Board of Directors.

"Discriminatory Transaction" means any transaction or other corporate action (other than those imposed pursuant to the express terms of this Agreement and other than those imposed with identical effect on all stockholders) which would (x) impose limitations on the legal rights of the Investor or any of its Affiliates or Associates as a stockholder of the Company, including, without limitation, any action which would impose restrictions based upon the size of security holding, nationality of a securityholder, the business in which a securityholder is engaged or other considerations applicable to the Investor and not to stockholders generally, (y) deny any benefit to the Investor or any of its Affiliates or Associates, proportionately as a holder of any class of Voting Stock, that is made available to other holders of any class of Voting Stock or (z) otherwise materially adversely discriminate against the Investor, its Affiliates or its Associates as stockholders of the Company.

"Effectiveness of this Agreement" means the Effective Time (as defined in the Merger Agreement).

"Employee Benefits Committee" means the Employee Benefits Committee of the Board of Directors described in Section 2.3(a)(iii) hereof.

"Equity Security" means (i) any Common Stock or other Voting Stock, (ii) any debt or equity securities of the Company convertible into or exchangeable for Common Stock or other Voting Stock or (iii) any options, rights or warrants (including the Warrants and any similar securities) issued by the Company to acquire Common Stock or other Voting Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles in effect in the United States.

"HLR" has the meaning set forth in the recitals of this Agreement.

"Holdings" has the meaning set forth in the recitals of this Agreement.

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (iii) all obligations of such Person issued or assumed as the deferred purchase price of property or services, (iv) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (v) all guarantees by such Person of Indebtedness of others, (vi) all obligations of such Person in respect to interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, in each case other than those entered into primarily as a hedge, and (vii) all capital lease obligations of such Person.

"Indemnified Party" has the meaning set forth in Section 6.10 hereof.

"Indemnifying Party" has the meaning set forth in Section 6.10 hereof.

"Independent Director" means a Director of the Company who is none of (i) an officer, employee, Affiliate or Associate of the Company or an officer, employee or director of any Affiliate or Associate of the Company, (ii) an officer, employee, director, Affiliate or Associate of the Investor or (iii) an Investor Director.

"Initial Period" has the meaning set forth in Section 2.1(b) hereof.

"Initial Synergy Plan" means the Strategic Plan applicable to the initial two-year period following the Effectiveness of this Agreement.

"Inspectors" has the meaning set forth in Section 6.6(h) hereof.

"Investor" has the meaning set forth in the recitals of this

Agreement.

"Investor Director" means a Director who has been designated for such position by the Investor in accordance with Section 2.1(b) hereof.

"Investor Group" means the Investor and its Affiliates (other than the Company and its Subsidiaries).

"Investor Group Interest" means the percentage of Total Voting Power, determined on the basis of the number of shares of Voting Stock actually outstanding, that is controlled, directly or indirectly, by the Investor and its Affiliates (other than the Company and its Subsidiaries).

"Maintenance Securities" has the meaning set forth in Section 3.1(a) hereof.

"Management Committee" means the Management Committee of the Company as described in Section 2.4 hereof.

"Market Purchase" means an acquisition of Equity Securities that is within the definition of "Rule 10b-18 purchase" under Rule 10b-18(a)(3) promulgated under the Exchange Act as in effect on the date hereof that satisfies the conditions of Rule 10b-18(b).

"Merger" has the meaning set forth in the recitals of this Agreement.

"Merger Agreement" has the meaning set forth in the recitals of this Agreement.

"Nominating Committee" means the Nominating Committee of the Board of Directors as described in Section 2.3(a)(ii) hereof.

"Other Holders" means holders of Equity Securities other than any member of the Investor Group.

"Person" means an individual, a partnership, a joint venture, a corporation, a trust, an incorporated or unincorporated organization, a government or any department or agency thereof.

"Piggyback Registration" has the meaning set forth in Section 6.4 hereof.

"Public Offering" means an underwritten public offering of Equity Securities pursuant to an effective Registration Statement under the Securities Act.

"RBL" has the meaning set forth in the recitals of this Agreement.

"Records" has the meaning set forth in Section 6.6(h) hereof.

"Registrable Securities" means Equity Securities (including any Common Stock or other Voting Stock issuable upon any conversion or exercise of any Equity Securities which are convertible securities) held by the Investor Group which are Restricted Securities until (i) a registration statement covering such securities has been declared effective by the SEC and such securities have been disposed of pursuant to such effective registration statement, (ii) such securities are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) are met, or such securities may be sold pursuant to Rule 144(k) or (iii) such securities are otherwise transferred, the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a legend restricting transfer of such securities and such securities may be resold without subsequent registration under the Securities Act.

"Registration Expenses" means (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the securities registered), (iii) printing expenses, (iv) internal expenses of the Issuer (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vi) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, (vii) reasonable fees and expenses of one counsel for the Investor selected by the Investor, (viii) fees and expenses in connection with any review of underwriting arrangements by the National Association of Securities Dealers, Inc. including fees and expenses of any "qualified independent underwriter" and (ix) fees and disbursements of underwriters customarily paid by issuers or sellers of securities; but shall not include any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or any out-of-pocket expenses (except as set forth in clause (vii) above) of the Investor (or the agents who manage their accounts) or any fees and expenses of underwriter's counsel.

"Registration Statement" means a registration statement filed by the Company with the SEC in accordance with the Securities Act.

"Restricted Securities" means any Equity Securities which are restricted securities within the meaning of Rule 144(a)(3) (or any successor provision), promulgated under the Securities Act.

"Roche Holder" has the meaning set forth in the recitals of this Agreement.

"Roche Warrants" has the meaning set forth in the recitals of this Agreement.

"Rule 144" and "Rule 144A" means Rule 144 and Rule 144A, as amended, respectively (or any successor provisions), promulgated under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Sharing and Call Option Agreement" has the meaning set forth in the recitals of this Agreement.

"Special Majority Vote of the Board" means approval by a majority of the entire Board of Directors, which majority includes a majority of all Investor Directors and at least one Independent Director.

"Strategic Plan" means the strategic plan of the Company and its Subsidiaries which sets forth the strategic direction for the Company and its Subsidiaries and their businesses (by strategic business units) for a period of five fiscal years and which provides for, among other things: an analysis of the business environment, business objectives and strategies, business revenues, financial forecasts, capital plans, acquisition and divestiture plans, if any, business segment analysis, and niche business plans.

"Strategic Review" means a review and process that determines whether the Strategic Plan is still valid, reviews progress to date, updates key elements of the Strategic Plan, if deemed necessary, and proposes modifications in objectives and strategies if deemed necessary. Such process shall include a review of (i) whether assumptions (including, as to market factors, competition, regulation, patents, etc.) are still valid; (ii) whether objectives are still realistic; (iii) whether strategies and programs are on track; (iv) whether resource assessments are still valid; and (v) and updated outlook (financial and nonfinancial) if material deviations are expected.

"Subsidiary" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act, as in effect on the date hereof.

A "Substantial Part" of any Person means, as of any date of determination, more than 10% of the fair market value of the total assets of such Person and its Subsidiaries as of the end of such Person's most recent fiscal quarter ending prior to such date of determination.

"13D Group" means any group of Persons formed for the purpose of acquiring, holding, voting or disposing of Voting Stock which would be required under, Section 13(d) of the Exchange Act, and the rules and regulations thereunder (as in effect, and based on legal interpretations thereof existing, on the date hereof), to file a statement on Schedule 13D with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding.

"Total Voting Power" means the aggregate number of votes entitled to be voted in an election of Directors of the Company by all of the outstanding Voting Stock.

"Voting Power" means the ability to vote or to control, directly or indirectly, by proxy or otherwise, the voting of any Voting Stock in the election of Directors.

"Voting Stock" means securities having the right to vote generally in any election of Directors of the Company.

"Warrant Agreement" means the agreement between the Company and the warrant agent designated therein pursuant to which, warrants, including the Roche Warrants, are being issued as contemplated by the Merger Agreement.

"Warrant Shares" means Common Stock issued upon exercise of the Warrants.

"Warrants" means the warrants issued pursuant to the Warrant Agreement, including the Roche Warrants.

All terms defined in this Agreement in the singular shall have a comparable meaning when used in the plural, and vice versa. For the purpose of this Agreement, the phrases "to the knowledge of" or "known to" mean, with respect to any Person, (i) known to any officer or senior manager of such Person or any Subsidiary of such Person or (ii) could reasonably be expected to be known to any such officer or senior manager.

ARTICLE 2
CORPORATE GOVERNANCE

SECTION 2.1. Composition of the Board of Directors. In consideration of the Investor's interest in the Company following consummation of the Merger, the composition of the Board of Directors shall be determined as provided in this Article 2. The composition of the Board of Directors and the manner of selecting members thereof shall be as follows:

(a) At and after the Effectiveness of this Agreement, the Board of Directors shall be comprised of seven Directors. The number of Directors comprising the Board may be changed only with the approval of the Board in

accordance with Section 2.7.

(b) Immediately upon the Effectiveness of this Agreement, the Company, through its Board of Directors, shall cause to be duly appointed to its Board three individuals designated prior to the Merger by the Investor to the Company, which individuals shall include Mr. Jean-Luc Belingard, Mr. Thomas P. Mac Mahon and Dr. James Powell (unless any such individual is unable to serve in such capacity, in which event the Board shall duly elect as a Director one or more substitute individuals designated by the Investor prior to the Merger), provided that any individual so designated other than the aforementioned Persons shall be reasonably acceptable to a majority of the Independent Directors in office immediately prior to the Effectiveness of this Agreement. (Each individual designated by the Investor to be a Director pursuant to the terms of this Agreement shall be referred to herein as an "Investor Director" and all such Persons shall be referred to herein as the "Investor Directors".) For a period commencing at the Effectiveness of this Agreement and ending at the first anniversary thereof (the "Initial Period"), Mr. James R. Maher shall (unless he is unwilling or unable to serve) be a Director and shall be elected by the Board of Directors to serve as Chairman of the Board for such Initial Period. During the Initial Period, Mr. Mac Mahon shall be elected by the Board of Directors to serve as Vice Chairman of the Board. Following the Initial Period (or at such earlier time as Mr. Maher shall die, resign, retire or be disqualified or removed from office), (i) Mr. Maher shall resign his positions and not stand for reelection as a Director or as a member of any committee of the Board or of the Management Committee (if he is then serving on any such committee) and (ii) Mr. Mac Mahon shall be elected by the Board of Directors to serve as the Chairman of the Board. The position of Vice Chairman will be eliminated after the Initial Period. During the Initial Period, the remaining three Directors shall be Independent Directors and shall be Persons mutually acceptable to the Investor and a majority of the members of the Board of Directors in office immediately prior to the Effectiveness of this Agreement and may include one or more Persons who were Independent Directors prior to the Effective Time, such Persons to serve in each case until the expiration of the term of his respective election (or any earlier termination, resignation or removal).

(c) Except as otherwise provided in Section 2.1(b) with respect to the Initial Period, at all times from and after the Effectiveness of this Agreement, the Directors shall be nominated as follows (it being understood that such nomination shall include any nomination of any incumbent Director for reelection to the Board of Directors):

(i) the Investor shall have the right to designate three Investor Directors, each of whom shall be nominated for Director by the Nominating Committee; and

(ii) the Nominating Committee shall nominate the remaining Directors, each of whom (A) shall have an outstanding reputation for personal integrity and distinguished achievement in areas relevant to the Company (in applying the foregoing criteria the Nominating Committee shall be guided by the quality of the individuals currently serving as Directors of the Company) and (B) shall be an Independent Director.

The composition of the Board of Directors may be changed only with the approval of the Board in accordance with Section 2.7.

(d) If (i) at any time the Investor Group Interest is less than 30% but at least 20%, the Investor shall have the right to designate for nomination two Investor Directors and (ii) at any time the Investor Group Interest shall be less than 20% but at least 10%, the Investor shall have the right to designate for nomination one Investor Director.

(e) If at any time when Mr. Mac Mahon (or any successor) shall be serving as Chairman of the Board, he (or such successor) dies, resigns, retires, is disqualified or is removed from office, such position shall be filled by the Board in accordance with Section 2.7.

(f) The Investor and the Nominating Committee, respectively, shall have the right to designate any replacement for a Director designated for nomination or nominated in accordance with this Section 2.1 by the Investor or the Nominating Committee, respectively, upon the death, resignation, retirement, disqualification or removal from office for other cause of such Director. Such replacement for any Independent Director shall also be an Independent Director conforming to the standard set forth in Section 2.1(c)(ii). The Board of Directors shall duly appoint as a Director each Person so designated to fill a vacancy on the Board.

(g) Without limiting the generality of Section 2.1(c), in the event that at any time after the Effectiveness of this Agreement the number of Investor Directors on the Board of Directors differs from the number that the Investor has the right (and desire) to designate, (i) if the number of Investor Directors exceeds such number, the Investor shall promptly take all appropriate action to cause to resign that number of the Investor Directors as is required to make the remaining number of such Investor Directors conform to the provisions of this Agreement or (ii) if the number of Investor Directors otherwise is less than such number, the Board shall take all necessary action to create sufficient vacancies on the Board to permit the Investor to designate the full number of Investor Directors which it is entitled (and desires) to designate pursuant to the provisions of this Agreement (such action may include but need not be limited to seeking the resignation or removal of Directors or, at the request of the Investor and/or calling a special meeting of the shareholders of the Company for the purpose of removing Directors to create such vacancies to the extent permitted by applicable law). Upon the creation of any vacancy pursuant to the preceding sentence, the Investor shall designate the Person

to fill any such vacancy in accordance with the provisions of this Agreement and the Board of Directors shall elect each Person so designated.

SECTION 2.2. Solicitation and Voting of Shares. (a) With respect to each meeting of stockholders of the Company at which Directors are to be elected, the Company shall use its best efforts to solicit from the stockholders of the Company eligible to vote in the election of Directors proxies in favor of the nominees selected in accordance with Section 2.1.

(b) In any election of Directors or any meeting of the stockholders of the Company called expressly for the removal of Directors, so long as the Board of Directors includes (and will include after any such election or removal) the number of Investor Directors (and the proportion of the entire Board the Investor is entitled (and desires) to designate as nominees for Investor Directors hereunder) contemplated by Section 2.1, the Investor shall be, and shall use its best efforts to cause its Affiliates to be, present for purposes of establishing a quorum, and shall vote all of their shares of Voting Stock (i) in favor of any nominee or Director selected in accordance with Section 2.1, (ii) in favor of removal of any Director as contemplated by Section 2.1(g), and (iii) against the removal of any Director designated in accordance with Section 2.1 other than (A) for cause and (B) pursuant to Section 2.1(g). In any other matter submitted to a vote of the stockholders of the Company, the Investor Group may vote any or all of its shares of Voting Stock and other Equity Securities in its sole discretion unless such matter was approved by the Investor or a majority of the Investor Directors in accordance with Section 2.7, in which case the Investor shall, and shall use its best efforts to cause its Affiliates to, vote all of their Voting Stock and any other Equity Securities in favor of such matter.

(c) The Investor agrees that it will, and will use its best efforts to cause its Affiliates (other than the Company and its Subsidiaries) to, take all action as a stockholder of the Company or as is otherwise reasonably within its control, as necessary to effect the provisions of this Agreement.

SECTION 2.3. Committees of the Board of Directors. (a) Subject to the general oversight and authority of the full Board of Directors, the Board of Directors shall establish, empower, maintain and elect the members of the following committees of the Board of Directors at all times while this Agreement is in effect:

(i) an Audit Committee, comprised solely of Independent Directors;

(ii) a Nominating Committee which shall, subject to Section 2.1, be responsible for recommending the nomination of Directors and be comprised and conduct itself as follows:

(A) after the Effectiveness of this Agreement, the Nominating Committee shall be composed of two Independent Directors and one Investor Director;

(B) a majority of the Independent Directors shall designate the Independent Directors who shall serve on the Nominating Committee and a majority of the Investor Directors shall designate the Investor Director who shall serve on the Nominating Committee;

(C) a quorum of the Nominating Committee required for any action thereby shall require the attendance of all members thereof; and

(D) the Nominating Committee shall act by majority vote of the entire Nominating Committee;

(iii) an Employee Benefits Committee, responsible, among other things, for (A) recommending to the Board of Directors, for approval by a majority of the Board of Directors (subject to Section 2.7), (I) the adoption and amendment of all employee benefit plans and arrangements and (II) the engagement of, terms of any employment agreements and arrangements with and termination of employment of, all Persons who are or would be designated by the Company as "officers" for purposes of Section 16 of the Exchange Act (such Persons being referred to herein as "Section 16 Officers") and (B) granting under and administering the Company's stock option incentive plans with respect to the participation therein of Section 16 Officers, which committee shall be comprised solely of Investor Director(s) and Independent Directors (with Independent Directors constituting a majority), who constitute "disinterested persons" (as such term is defined in Rule 16b-3(c) under the Exchange Act), and the Chairman of which committee shall, subject to Section 2.1(b), be Mr. Jean-Luc Belingard until his successor is duly elected; and

(iv) such other committees as the Board of Directors deems necessary or desirable to establish, empower and maintain, provided that such committees are approved by a Special Majority Vote of the Board and are established in compliance with the terms of this Agreement.

(b) Except as otherwise provided in this Agreement or as agreed by a majority of the Independent Directors and the Investor Directors, the number of Investor Directors serving on each committee of the Board of Directors shall be the same proportion of the total membership of such committee as the number of Investor Directors is of the entire Board of Directors, with a minimum of one member so long as the Investor is entitled hereunder to designate one Investor Director. Any members of any committee which are Investor Directors shall, in the event of any vacancy in such membership, be replaced by a majority of the Investor Directors.

(c) If the Investor Group Interest shall be less than 30% but more than 20%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) shall be (x) two, if such committee shall have five or more total members, or (y) one, in all other cases. If the Investor Group Interest shall be less than 20% but more than 10%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) shall be one. Any members of any committee which are Investor Directors shall, in the event of any vacancy in such membership, be replaced by a majority of the Investor Directors.

SECTION 2.4. Management Committee. (a) Immediately after the Effectiveness of this Agreement, the Company shall establish a Management Committee, which shall be comprised and conduct itself as follows:

(i) the Management Committee shall be comprised of (A) the President and Chief Executive Officer of the Company, who shall serve as the Chairman of the Management Committee, (B) the Chief Operating Officer of the Company, (C) the Chief Financial Officer of the Company, (D) the Chief Administrative Officer of the Company, (E) the General Counsel for the Company, (F) the Executive Vice President, Sales and Marketing of the Company, (G) the Executive Vice President, Human Resources of the Company, (H) the Chairman of the Board and (I) the Vice Chairman of the Board, if any, and may include other Board members or executive officers of the Company, in each case in accordance with Section 2.7; and

(ii) the Management Committee shall act by a consensus of the members thereof, provided that such consensus includes the approval of the Chairman of the Management Committee.

(b) The Management Committee shall have the following responsibilities, authority and duties, and such other responsibilities, authority and duties as the Board (acting by Special Majority Vote of the Board) may from time to time grant, subject to the other provisions of this Agreement, the Certificate of Incorporation and the By-laws:

(i) review and approval of the Strategic Plan prior to consideration and approval by the Board in accordance with Section 2.7;

(ii) review and approval of the Annual Operating Plan and annual operating budget of the Company prior to consideration and approval of the Board in accordance with Section 2.7; and

(iii) overseeing the implementation of the Initial Synergy Plan, including the attainment of the synergy goals of such Plan and the integration of the businesses of RBL and its Subsidiaries (prior to the Merger) and the Company.

(c) Meetings of the Management Committee shall be conducted at least six times per year, or more often as determined by the Chairman of the Management Committee, in his discretion.

SECTION 2.5. Notice for Board and Committee Meetings. (a) No action by the Board of Directors or any committee of the Board of Directors shall be valid unless taken at a meeting for which seven days prior notice has been duly given or waived by the Directors or the members of such committee, as the case may be. Such notice shall include a description of the general nature of the business to be transacted at the meeting, and no other business may be transacted at such meeting unless all Directors or members of the committee as the case may be, are present and consent to the consideration of such other business.

(b) In the case of committee meetings, any committee member unable to participate in Person at any meeting shall be given the opportunity to participate by telephone.

(c) Each of the committees established by the Board of Directors pursuant to Section 2.3 and the Management Committee established pursuant to Section 2.4 shall establish and adopt such other rules and procedures for its operation and governance (consistent with the terms of this Agreement and the Company's Certificate of Incorporation and By-laws) as it shall determine appropriate and may seek such consultation and advice as to matters within its purview as it shall require.

SECTION 2.6. Vacancies on Board Committees and the Management Committee. In the event that any Investor Director or Independent Director ceases to serve on any committee of the Board of Directors or on the Management Committee, the majority of the Investor Directors and the majority of the Independent Directors shall designate, respectively, a replacement member. If after a reasonable time, no successor to such Director is designated in accordance with the terms hereof to serve on such committee, the number of members of such committee may be reduced if such reduction does not (and no such reduction is intended to) result in a change of the relative authorities within such committee among the Investor Directors (taken as a group) and the Independent Directors (taken as a group).

SECTION 2.7. Approval Required for Certain Actions. (a) So long as the Investor Group Interest shall be 30% or more, no action by the Company or any Subsidiary (including but not limited to any action by their respective boards of directors or any committee thereof) shall be taken with respect to any of the following matters without the approval of the Board which approval shall be by a Special Majority Vote of the Board:

(i) the appointment of any of the Chairman of the Board, Chief Executive Officer, President, Secretary, Treasurer, General Counsel,

Chief Financial Officer, Chief Operating Officer or Chief Administrative Officer or other executive officer in any similar capacity of the Company or any Subsidiary thereof (and the election of any directors to the board of directors of any such Subsidiary);

(ii) the approval of each Strategic Plan and each Annual Operating Plan developed subsequent to the Effectiveness of this Agreement and any material amendment to, modification of, or deviation from, the Initial Synergy Plan or any other Strategic Plan;

(iii) any merger or consolidation of the Company or any of its Subsidiaries with or into any Person other than the Company or any of its Subsidiaries;

(iv) any amendment to the Certificate of Incorporation or By-laws or any adoption of or amendment to the certificate of incorporation or by-laws of any Subsidiary of the Company;

(v) any acquisition of assets, business, operations or securities by the Company or any Subsidiary thereof by merger or otherwise (whether in one transaction or a series of related transactions) which assets, business, operations or securities would constitute a Substantial Part of the Company measured prior to such transaction;

(vi) any sale, asset exchange, lease, exchange, mortgage, pledge, transfer or other disposition by merger or otherwise by the Company or any of its Subsidiaries (in one transaction or a series of related transactions) of any Subsidiary of the Company or assets of the Company or any Subsidiary thereof which constitutes a Substantial Part of the Company;

(vii) the settling of any litigation, investigation or proceeding involving (A) any governmental authority or (B) any amount proposed to be paid in settlement is in excess of $5,000,000;

(viii) any material transaction between (x) the Company or any of its Subsidiaries, on the one hand, and (y) any stockholder or Affiliate of the Company (other than any Subsidiary of the Company and other than the Investor and its Affiliates), on the other hand (other than as specifically contemplated by the Sharing and Call Option Agreement);

(ix) the issuance of any security of the Company or any Subsidiaries of the Company (other than as specifically contemplated by the Merger Agreement or the Warrant Agreement or pursuant to the exercise of existing employee stock options);

(x) capital expenditures individually in excess of $1,000,000 or in the aggregate in excess of $50,000,000 per annum or which represent in the aggregate 110% or more of the total amount provided for in the Annual Operating Plan for such year;

(xi) a reclassification, combination, split, subdivision or redemption, purchase or other acquisition, directly or indirectly, of any debt or equity securities or other capital stock of the Company except as provided in the Merger Agreement and the Warrant Agreement;

(xii) any change in the size or composition of the Board of Directors or any committee thereof or of the Management Committee or the establishment of a new committee of the Board;

(xiii) any incurrence, assumption or issuance by the Company or any of its Subsidiaries of Indebtedness other than (x) Indebtedness existing immediately after the Effective Time) and any refinancings thereof and (y) other Indebtedness in an aggregate principal amount at any one time outstanding not to exceed $25,000,000;

(xiv) the declaration of any dividend or the making of any other distribution with respect to, or the redemption, repurchase or other acquisition of, any class of securities of the Company or any of its Subsidiaries, except as expressly otherwise provided in the Merger Agreement or the Warrant Agreement;

(xv) the proposal or entry into by the Company or any of its Subsidiaries of any Discriminatory Transaction;

(xvi) any relocation of the headquarters of the Company;

(xvii) the determination of compensation, benefits, perquisites and other incentives for executive officers (other than officers whose total compensation including employee stock options and similar incentives does not exceed $150,000 annually) and the approval or amendment of any plans or contracts in connection therewith;

(xviii) the adoption or implementation of any takeover defense measures, including the institution, amendment or redemption by the Company or any of its Subsidiaries of any stockholder rights plan or similar plan or device, or any change of control matters (including change of control provisions in agreements to which the Company or any Subsidiary thereof is a party);

(xix) any transaction involving or any action by the Company or any Subsidiary (A) leading to a circumstance in which any Person or 13D Group (other than the Investor and/or its Affiliates) shall beneficially own Equity Securities representing a percentage of Total Voting Power, or any equity interest in the Company greater than 15% or (B) requiring

the approval of holders of a majority of the Voting Stock or Equity Securities;

(xx) any change in the fiscal year or the accounting or tax principles, or policies with respect to the financial statements, records or affairs of the Company or any Subsidiary, except as required by GAAP or by law; or

(xxi) the dissolution of the Company or any of its Subsidiaries thereof; the adoption of a plan of liquidation of the Company or any Subsidiaries; or any action by the Company or any of its Subsidiaries to commence any suit, case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to the Company or any of its Subsidiaries, or seeking to adjudicate the Company or any of its Subsidiaries a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or any of its Subsidiaries or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Company or any of its Subsidiaries thereof, or for all or any Substantial Part of the Company or any of its Subsidiaries thereof, or making a general assignment for the benefit of the creditors of the Company or any of its Subsidiaries thereof.

SECTION 2.8. Enforcement of this Agreement. A majority of the Independent Directors shall have full and complete authority on behalf of the Company to enforce the terms of this Agreement.

SECTION 2.9. Certificate of Incorporation and By-laws. The Company and the Investor shall take or cause to be taken all lawful action necessary to ensure at all times that the Company's Certificate of Incorporation and By-laws are not at any time inconsistent with the provisions of this Agreement. Not later than the Effectiveness of this Agreement, the Board of Directors shall amend the Company's By-laws to reflect the provisions of this Article 2. At the Investor's request the Board of Directors shall adopt (and if necessary submit and recommend for approval by stockholders) such other amendments to the Company's Certificate of Incorporation or By-laws as may be reasonably necessary to implement the provisions of this Agreement.

SECTION 2.10. Governance of Company Subsidiaries. The governance of each Subsidiary of the Company shall be conducted in a manner consistent with the governance of the Company as provided in this Agreement. In particular, a Subsidiary shall not take or agree to take any action which, if taken by the Company would require approval of the Investor or a Special Majority Vote of the Board pursuant to the terms of this Agreement, unless such action is first approved by the Investor or a Special Majority Vote of the Board, as the case may be. The Board of Directors shall select the Persons who from time to time shall be elected as the directors of the Company's Subsidiaries subject to Section 2.7.

SECTION 2.11. Strategic Planning Process. (a) The parties have cooperated in preparing the Initial Synergy Plan. The President and Chief Executive Officer of the Company shall, on an annual basis, cause to be prepared and proposed to the Management Committee, a Strategic Plan covering a five-year period beginning with the period 1997-2001. Each year the Strategic Plan shall be proposed to the Management Committee not later than May 1st. In connection with the preparation of each Strategic Plan, the President and Chief Executive Officer shall confer on a reasonable basis with the Management Committee and the Board of Directors.

(b) From time to time, at the request of the President and Chief Executive Officer, and at least once a year during the fourth and fifth fiscal years of a Strategic Plan and prior to the budgeting process for the following year, the President and Chief Executive Officer will hold a Strategic Review with the Management Committee of the Company and, in light of such review, the Management Committee of the Company may propose to the Board of Directors revisions or updates to the Strategic Plan in light of changed circumstance.

(c) Any proposed Strategic Plan or any revisions or updates to the current Strategic Plan will require approval of the Board of Directors, subject to Section 2.7.

SECTION 2.12. Operating Planning Processes. The President and Chief Executive Officer will be responsible for the preparation, on an annual basis, of a proposed Annual Operating Plan for each fiscal year which shall be consistent with the then applicable Initial Synergy Plan or Strategic Plan, as the case may be, and shall be submitted to the Management Committee not later than two months before the beginning of such fiscal year. The financial and operating performance goals in each Annual Operating Plan shall be determined by reference to the applicable Strategic Plan, taking into account such factors as the President and Chief Executive Officer determines are appropriate. Any proposed Annual Operating Plan will require approval of the Board of Directors, subject to Section 2.7.

SECTION 2.13. Headquarters of the Company. As of the Effective Time, the headquarters of the Company shall be the location designated by the Management Committee in accordance with Section 2.4(a).

ARTICLE 3
ANTI-DILUTIVE RIGHTS

SECTION 3.1. Anti-dilutive Rights. (a) Except as provided in Section 3.1(c) below, the Company shall not issue, sell or transfer any Equity

Securities to any Person unless the Investor is offered in writing the right to purchase, at the same price and on the same terms proposed to be issued and sold, an amount of such Equity Securities (the "Maintenance Securities") as is necessary for the Investor Group to maintain the Investor Group Interest as it existed immediately prior to such issuance (the "Anti-dilutive Rights"). The Investor shall have the right, during the period specified in Section 3.1(b) to accept the offer for any or all of the Maintenance Securities.

(b) If the Investor does not deliver to the Company written notice of acceptance of any offer made pursuant to Section within 20 Business Days after the Investor's receipt of such offer, the Investor shall be deemed to have waived its right to purchase all or any part of its Maintenance Securities as set forth in such offer but the Investor shall retain its rights under this Article 3 with respect to future offers.

(c) The Anti-dilutive Rights set forth above shall not apply to (i) the grant or exercise of options to purchase Common Stock or the issuance of shares of Common Stock to employees of the Company or any of its Subsidiaries (other than employees who are also employees of a stockholder, their Affiliates or any subsidiary of a stockholder) or otherwise pursuant to a stock option or similar plan in existence on the date hereof or otherwise adopted by the Board of Directors hereafter, (ii) the issuance of Warrant Shares, or of shares of Common Stock issuable upon exercise of any option, warrant, convertible security or other rights to purchase or subscribe for Common Stock which, in each case, had been issued in compliance with Section 3.1(a) or Section 3.1(c)(i), (iii) securities issued pursuant to any stock split, stock dividend or other similar stock recapitalization, or (iv) shares of Common Stock issued pursuant to any Public Offering, provided that the action referred to in clause (i), (iii) or (iv) of this Section as the case may be, shall have been approved (to the extent required) in accordance with the provisions of this Agreement.

(d) A closing for the purchase of Maintenance Securities pursuant to this Section 3.1(d) shall occur on the later of (i) the date on which such public or private issuance occurs and (ii) such date as may be agreed to by the Investor and the Company, at a time and place specified by the Investor in a notice provided to the Company at least ten (10) days prior to such specified closing date. In connection with such closing, the Company and the Investor shall provide such customary closing certificates and opinions as the Investor or the Company, as appropriate, shall reasonably request.

ARTICLE 4
ACQUISITIONS OF ADDITIONAL EQUITY SECURITIES

SECTION 4.1. Limitation on Additional Acquisitions. (a) From the Effectiveness of this Agreement until the first anniversary thereof, the Investor shall not, and shall use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire any Equity Securities of the Company if, after giving effect thereto, the Investor Group Interest would exceed 49.99%. Notwithstanding the foregoing, the Investor Group or one or more members thereof may acquire, directly or indirectly, by purchase or otherwise, Equity Securities resulting in the Investor Group Interest exceeding such limitation in the event (i) any Person or Group makes an Acquisition Proposal (as defined in the Merger Agreement); (ii) Mafco or any Affiliate thereof shall after the Effective Time acquire Equity Securities representing 1% or more of the Total Voting Power; (iii) any Person or Group acquires beneficial ownership of Equity Securities representing 5% or more of Total Voting Power (10% or more in the case of beneficial ownership permitted to be reported on Schedule 13G under the Exchange Act); or (iv) there shall have been a material adverse change in the business, financial condition or operations of the Company for, or which would reasonably be expected to continue for, a sustained period and the Investor shall have determined in good faith that the acquisition of additional Equity Securities is reasonably necessary to protect its investment in the Company.

(b) From the first anniversary of the Effectiveness of this Agreement until the third anniversary of the Effectiveness of this Agreement, the Investor shall not and shall use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire, or propose or offer to purchase or acquire, any Equity Securities of the Company, whether by tender offer, Market Purchase, privately negotiated purchase, merger or otherwise, except that the Investor Group may acquire Equity Securities to the extent that after giving effect thereto, the Investor Group Interest would not exceed 75%.

(c) Anything to the contrary notwithstanding in Section 4.1(a) or (b), the Investor Group may acquire Equity Securities, notwithstanding the fact that, after giving effect thereto, the Investor Group Interest would exceed 75%, if the Investor Group (or a member or Affiliate thereof, as the case may be) offers, prior to consummating such purchase, to purchase all outstanding Equity Securities and holders of Equity Securities representing more than 50% of the outstanding Equity Securities (excluding any Equity Securities held by the Investor Group) accept such offer and the Investor Group (or a member or Affiliate thereof, as the case may be) consummates such purchase.

ARTICLE 5
TRANSFERS OF EQUITY SECURITIES

SECTION 5.1. Transfers of Equity Securities. The Investor agrees not to sell or otherwise transfer any Equity Securities except pursuant to (x) Section 9.5 hereof and (y) (i) a Public Offering in accordance with Article 6, (ii) Rule 144 or Rule 144A, or (iii) any other transaction in compliance with the Securities Act, state securities laws and other applicable laws.

ARTICLE 6
REGISTRATION RIGHTS

SECTION 6.1. Demand Registration. (a) From and after the Effectiveness of this Agreement, the Investor may make a written request to the Company for registration under the Securities Act of Registrable Securities subject to the conditions set forth in Section 6.2 and Section 6.3 hereof (a "Demand Registration"). Such request will specify the number of shares of or warrants constituting Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Following the Investor's request, the Company will use its best efforts to effect, as expeditiously as possible, the registration under the Securities Act of the Registrable Securities which the Company has been so requested to register by the Investor so as to permit the disposition (in accordance with the intended methods thereof as aforesaid) of such Registrable Securities.

(b) If the Investor so elects, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of Public Offering. The Investor shall select the managing underwriters and any additional investment bankers and managers to be used in connection with a Demand Registration pursuant to a Public Offering, provided that such managing underwriters shall be of national standing and any additional investment bankers or managers must be reasonably satisfactory to the Company.

SECTION 6.2. Conditions to Demand Registrations. The obligations of the Company to take the actions contemplated by Section 6.1 with respect to an offering of Registrable Securities shall be subject to the following conditions:

(a) the Registrable Securities requested to be registered shall (unless reduced pursuant to Section 6.5) constitute at least 2% of the equivalent outstanding Equity Securities or at least 5% of the Registrable Securities at such time, whichever amount is smaller;

(b) there shall not have been consummated more than one offering pursuant to a Demand Registration within the preceding 12 month period;

(c)(x) if the Investor Group Interest shall be less than 30% but more than 20%, no more than three other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 30%, (y) if the Investor Group Interest shall be less than 20% but more than 10%, no more than two other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 20% and (z) if the Investor Group Interest shall be less than 10%, no more than one other Demand Registration shall have been effected after the date on which the Investor Group Interest was reduced to less than 10%;

(d) the Investor shall conform to all applicable requirements of the Securities Act and the Exchange Act with respect to the offering and sale of securities and shall advise each underwriter, broker or dealer through which any of the Registrable Securities are offered that the Registrable Securities are part of a distribution that is subject to the prospectus delivery requirements of the Securities Act; and

(e) the Investor shall use all reasonable efforts to effect as wide a distribution of such Registrable Securities as is reasonably practicable, and in no event shall any sale of Registrable Securities be made knowingly to any Person who beneficially owns 5% or more of the Total Voting Power (including such Person's Affiliates and any Person which to the knowledge of the Investor is, or who, after giving effect to such sale, would be part of any 13D Group).

SECTION 6.3. Additional Conditions to Demand Offerings. Notwithstanding the provisions of Sections 6.1 and 6.2, the Company's obligations pursuant to Section 6.1 shall be suspended if (a) the fulfillment of such obligations would require the Company to make a disclosure that would, in the reasonable good faith judgment of the Company's Board of Directors, be materially detrimental to the Company and premature, (b) the Company has filed a Registration Statement with respect to Equity Securities to be distributed in a Public Offering and it is advised by its lead or managing underwriter that an offering by the Investor of the Registrable Securities would materially adversely affect the distribution of such Equity Securities or (c) the fulfillment of such obligations would require the Company to prepare audited financial statements not required to be prepared for the Company to comply with its obligations under the Exchange Act as of any date not coincident with the last day of any fiscal year of the Company. Such obligations of the Company shall be reinstated (x) in the case of clause (a) above, upon the making of such disclosure by the Company (or, if earlier, when such disclosure would either no longer be necessary for the fulfillment of such obligations or no longer be detrimental), (y) in the case of clause (b) above, upon the conclusion of any period during which the Company would not, pursuant to the terms of its underwriting arrangements, be permitted to sell securities of the Company for its own account and (z) in the case of clause (c) above, as soon as it would no longer be necessary to prepare such financial statements to comply with the Exchange Act.

SECTION 6.4. Piggyback Registration. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of any securities of the Company (a) for the Company's own account (other than a Registration Statement on Form S-4 or S-8 (or any substitute form that may be adopted by the SEC) or (b) the account of any Other Holder (other than Mafco or any of its Affiliates), then the Company shall give written notice of such proposed filing to the Investor as soon as practicable (but in no event less than 20 Business Days before the anticipated filing

date), and such notice shall offer the Investor the opportunity to register such number of shares of (or Warrants constituting) Registrable Securities as the Investor may request on the same terms and conditions as those applicable to the Securities of the Company or of the Other Holders in the offering (a "Piggyback Registration"). Upon the written request of the Investor made within ten days after the receipt of notice from the Company (which request shall specify the amount and types of Registrable Securities intended to be issued or disposed of), the Company will use its best efforts to effect the registration under the Securities Act of all such Registrable Securities which the Company has been so requested to register by such Investor, to the extent requisite to permit the disposition of such Registrable Securities to be so registered, provided that (i) if such registration involves a Public Offering, the Investor must sell its Registrable Securities to the underwriters on the same terms and conditions as apply to the Company and (ii) if, at any time after giving written notice of its intention to register any securities of the Company pursuant to this Section 6.4 and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company shall give written notice to the Investor and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (without prejudice, however, to rights of the Investor under Section 6.1 hereof). No registration effected under this Section 6.4 shall relieve the Company of its obligations to effect any Demand Registration to the extent required by Section 6.1 hereof.

SECTION 6.5. Reduction of Offering. Notwithstanding anything contained herein, if the managing underwriter of an offering described in Section 6.1 or Section 6.4 delivers a written opinion to the Company advising that (a) the size of the offering that the Investor, the Company and any Other Holders intend to make or (b) the combination of securities that the Investor, the Company and such Other Holders intend to include in such offering are such that the success of the offering would be materially and adversely affected, then (A) if the size of the offering is the basis of such underwriter's opinion, the amount of Registrable Securities to be offered for the account of the Investor shall be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter, provided that (x) in the case of a Demand Registration, the amount of Registrable Securities to be offered for the account of the Investor shall be reduced only after the amount of securities to be offered for the account of the Company and such Other Holders has been reduced to zero, and (y) in the case of a Piggyback Registration, if securities are being offered for the account of Other Holders, then the proportion by which the amount of such Registrable Securities intended to be offered for the account of the Investor is reduced shall not exceed the proportion by which the amount of such securities intended to be offered for the account of such Other Holders is reduced; and (B) if the combination of securities to be offered is the basis of such underwriter's opinion, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the proviso in clause (A)), and (y) in the case of a Piggyback Registration, if the actions described in sub-clause (x) of this clause (B) would, in the judgment of the managing underwriter, be insufficient substantially to eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering.

SECTION 6.6. Filings; Registration Procedures. Whenever the Investor requests that any Registrable Securities be registered pursuant to Section 6.1 hereof, the Company will use its reasonable efforts to effect the registration of such Registrable Securities as promptly as is practicable, and in connection with any such request:

(a) The Company will as expeditiously as possible prepare and file with the SEC a Registration Statement on any form for which the Company then qualifies and which counsel for the Company shall deem appropriate and available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof. A registration will not count as a Demand Registration until a Registration Statement shall have become effective under the Securities Act and remained effective for at least 270 days (or such shorter period in which all Registrable Securities of the Investor included in such registration have actually been sold thereunder), provided that, if after any Registration Statement requested pursuant to Section 6.1 becomes effective, such Registration Statement is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court solely due to the actions or omissions to act of the Company, such registration shall not be considered a Demand Registration.

(b) The Company will, if requested, prior to filing such Registration Statement or any amendment or supplement thereto, furnish to the Investor and each applicable managing underwriter, if any, copies thereof, and thereafter furnish to the Investor and each such underwriter such number of copies of such Registration Statement, amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and the prospectus included in such Registration Statement (including each preliminary prospectus) as the Investor or each such underwriter may reasonably request in order to facilitate the sale of the Registrable Securities.

(c) The Company will use all reasonable efforts to cause the Registerable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Investor to consummate the disposition of such Registrable Securities.

(d) After the filing of the Registration Statement, the Company will

(i) prepare and file with the SEC such amendments and post-effective amendments to the registration statement as may be necessary to keep such registration statement effective for a reasonable period not to exceed 270 days; cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and (ii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement or supplement to such prospectus and promptly notify the Investor of any stop order issued or, to the Company's knowledge, threatened to be issued by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(e) The Company will endeavor to qualify the Registrable Securities for offer and sale under such other securities or blue sky laws of such jurisdictions in the United States as the Investor reasonably requests, provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6.6(e), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction.

(f) The Company will as promptly as is practicable notify the Investor, at any time when a prospectus relating to the sale of the Registrable Securities is required by law to be delivered in connection with sales by an underwriter or dealer, of the occurrence of any event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and promptly make available to the Investor and to the underwriters, if any such supplement or amendment. The Investor agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in the preceding sentence, the Investor will forthwith discontinue the offer and sale of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until receipt by the Investor and the underwriters, if any, of the copies of such supplemented or amended prospectus and, if so directed by the Company, the Investor will deliver to the Company all copies, other than permanent file copies then in the Investor's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective as provided in Section 6.6(a) hereof by the number of days during the period from and including the date of the giving of such notice to the date when the Company shall make available to the Investor such supplemented or amended prospectus.

(g) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the sale of the Registrable Securities covered by a Registration Statement in accordance herewith.

(h) The Company shall make available for inspection by the Investor, any underwriter participating in any disposition pursuant to such registration, and any attorney, accountant or other agent retained by the Investor or any such underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the officers, directors and employees of the Company to supply all information reasonably requested by any such Inspector in connection with such registration, provided that (i) records and information obtained hereunder shall be used by such Persons only to exercise their due diligence responsibility and (ii) records or information which the Company determines, in good faith, to be confidential shall not be disclosed by the Inspectors unless (x) the disclosure of such Records or information is necessary to avoid or correct a misstatement or omission in the Registration Statement or (y) the release of such Records or information is ordered pursuant to a subpoena or other order from a court or governmental authority of competent jurisdiction. The Investor shall use reasonable efforts, prior to any such disclosure, to inform the Company that such disclosure is necessary to avoid or correct a misstatement or omission in the Registration Statement. The Investor further agrees that it will, upon learning that disclosure of such Records or information is sought in a court or governmental authority, give notice to the Company and allow the Company, at the expense of the Company, to undertake appropriate action to prevent disclosure of the Records or information deemed confidential; the Investor agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its Affiliates unless and until such information is made generally available to the public.

(i) The Company will furnish to the Investor and to each underwriter, if any, a signed counterpart, addressed to the Investor or such underwriter, if any, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Investor or the managing underwriter reasonably requests.

(j) The Company will make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of

12 months, beginning within three months after the effective date of the Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(k) The Company will use its reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(l) The Company may require the Investor promptly to furnish in writing to the Company such information regarding the Investor, the plan of distribution of the Registrable Securities and other information as the Company may from time to time reasonably request or as may be legally required in connection with such registration.

SECTION 6.7. Registration Expenses. In connection with any Demand Registration or any Piggyback Registration, the Company shall pay the Registration Expenses.

SECTION 6.8. Indemnification by the Company. The Company agrees to indemnify, to the fullest extent permitted by law, the Investor and directors, officers and controlling Persons of the Investor (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) against any and all losses, claims, damages, liabilities and expenses (including attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement or prospectus (each as amended and or supplemented, if the Company shall have furnished any amendments or supplements thereto) or preliminary prospectus relating to the Registrable Securities, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading, provided that the Company shall not be required to indemnify the Investor or the officers, directors or controlling Persons of the Investor for any losses, claims, damages, liabilities or expenses resulting from any such untrue statement or omission if such untrue statement or omission is made in reliance on and conformity with any information with respect to the Investor furnished to the Company by the Investor expressly for use therein, and further provided that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of the Investor if a copy of the most current at the time of the delivery of the Registrable Securities prospectus was not provided to purchaser and such current prospectus would have cured the defect giving rise to such loss, claim, damage or liability. In connection with an underwritten offering, the Company will indemnify any underwriter thereof, the officers and directors of such underwriter, and each Person who controls such underwriter (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) to the same extent as provided above with respect to the indemnification of the Investor, provided that such underwriter agrees to indemnify the Company to the same extent as provided below with respect to the indemnification of the Company by the Investor.

SECTION 6.9. Indemnification by the Investor. In connection with any registration in which the Investor is participating, the Investor will furnish to the Company in writing such information and affidavits with respect to the Investor as the Company reasonably requests for use in connection with any such registration, prospectus, or preliminary prospectus and agrees to indemnify the Company, its directors, its officers who sign the Registration Statement and each Person, if any, who controls the Company (within the meaning of either Section 15 of the Securities Act or of Section 20 of the Exchange Act) to the same extent as the foregoing indemnity from the Company to the Investor, but only with respect to information relating to the Investor furnished to the Company in writing by the Investor expressly for use in the Registration Statement, the prospectus, any amendment or supplement thereto, or any preliminary prospectus.

SECTION 6.10. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 6.8 or Section 6.9, such Person (the "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and the Indemnified Party shall have been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an

Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the third sentence of this Section 6.10, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (A) such settlement is entered into more than 30 days after receipt by such Indemnifying Party of the aforesaid request and (B) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request or reasonably objected in writing, on the basis of the standards set forth herein, to the propriety of such reimbursement prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

SECTION 6.11. Contribution. (a) If the indemnification provided for in this Article 6 from the Indemnifying Party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to in this Article 6, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, the Investor and the underwriters from the offering of the securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, the Investor and the underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Investor and the underwriters shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by each of the Company and the Investor Group and the total underwriting discounts and commissions received by the underwriters, in each case as set forth in the table on the cover of the prospectus, bear to the aggregate public offering price of the securities. The relative fault of the Company, the Investor and the underwriters shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, each such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 6.10, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(b) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.11 were determined by pro rata allocation (even if the underwriters were treated as one entity for such purpose or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding Section 6.11(a). Notwithstanding the provisions of this Article 6, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Equity Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and the Investor shall not be required to contribute any amount in excess of the amount by which the net proceeds of the offering (before deducting expenses) received by the Investor Group exceeds the amount of any damages which the Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(c) If indemnification is available under this Article 6, the Indemnifying Party shall indemnify each Indemnified Party to the full extent provided in Sections 6.8 and 6.9 without regard to the relative fault of said Indemnifying Party or Indemnified Party or any other equitable consideration provided for in this Section 6.11.

ARTICLE 7
FURNISHING OF INFORMATION

SECTION 7.1. Furnishing of Information. (a) The Company will furnish or make available to the Investor any documents filed by the Company pursuant to each of Section 13, 14 and 15(d) of the Exchange Act (or successor provisions) and all annual, quarterly or other reports furnished to the Company's public security holders and all such other information concerning the Company and its Subsidiaries as the Investor may reasonably request.

(b) From and after the Effectiveness of this Agreement, the Company shall furnish to the Investor:

(i) within 60 days after the end of each fiscal year, its consolidated balance sheet and related statements of income and changes in financial position, showing the financial condition of the Company and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries

during such year, all audited by the Company's independent public accountants of recognized international standing and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present the financial condition and results of operations of the Company on a consolidated basis in accordance with GAAP consistently applied; and

(ii) within 30 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheet and related statements of income and changes in financial position, showing the financial condition of the Company and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by one of the senior financial officers as fairly presenting the financial condition and results of operations of the Company on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments.

(c) At the request of the Investor, at such time as the Investor is required to include the financial results of the Company in the Investor's financial statements, the Company shall cooperate with and assist the Investor in the translation of the financial statements referred to in Subsection (a) above in order to conform such financial statements to international accounting standards.

(d) The Company shall deliver to the Investor, within a reasonable period of time after receipt of a request from the Investor, the statement required by Treasury Department Regulation Section 1.897-2(h)(1) (relating to the Company's and each of its Subsidiaries' status as a United States Real Property Holding Corporation) without regard to whether the Company's Equity Securities are publicly traded at the time such statement is requested.

ARTICLE 8
COVENANTS

SECTION 8.1. Rule 144 and Rule 144A. (a) The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, and it will take such further action as the Investor may reasonably request, all to the extent required from time to time to enable the Investor to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of the Investor, the Company will deliver to the Investor a written statement as to whether it has complied with such reporting requirements.

(b) If the Investor desires to transfer any of its securities of the Company pursuant to Rule 144A, the Company will promptly, upon request by the Investor, use its best efforts to facilitate the consummation of such Rule 144A transaction in accordance with the requirements of such Rule and with such request and shall take all necessary or appropriate actions in connection therewith, including but not limited to (i) preparing of an offering memorandum with respect to such transaction containing information customarily included in connection with Rule 144A transactions of the type contemplated by the request, (ii) taking the actions, to the extent requested by the Investor, referred to in Section 6.6(e), (h) and (i) and (iii) conducting "road show" presentations as reasonably requested by such Investor. Notwithstanding the previous sentence, if the Investor Group Interest shall be less than 30%, the Company will only be required to facilitate the consummation of such Rule 144A transaction as follows: (x) if the Investor Group Interest shall be less than 30% but more than 20%, no more than three other Rule 144A transactions shall have been effected after the date on which the Investor Group Interest was reduced to less than 30%, (y) if the Investor Group Interest shall be less than 20% but more than 10%, no more than two other Rule 144A transactions shall have been effected after the date on which the Investor Group Interest was reduced to less than 20% and (z) if the Investor Group Interest shall be less than 10%, no more than one other Rule 144A transaction shall have been effected after the date on which the Investor Group Interest was reduced to less than 10%. The Company shall pay all expenses in connection with any Rule 144A transaction pursuant hereto to the same extent the Company would be obligated to pay Registration Expenses in connection with a Demand or Piggyback Registration pursuant to Section 6.7.

SECTION 8.2. No Inconsistent Agreements. The Company is not bound by any agreement and will not hereafter enter into any agreement, with respect to its securities which conflicts or is inconsistent with the rights granted to the Investor, the Investor Group or Investor Directors.

ARTICLE 9
MISCELLANEOUS

SECTION 9.1. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including by telecopy or similar writing) and shall be given:

if to the Investor, to: HLR Holdings Inc.
1403 Foulk Road
Suite 102
P.O. Box 8985
Wilmington, Delaware 19899
Attention: William D. Johnston

Telecopy: (302) 571-1253

Roche Holdings, Inc.
c/o Peter Schiller
Hoffstots Lane
Sands Point, NY 11050
Telecopy: (516) 944-9730

if to the Roche Holder, to: Hoffmann-La Roche Inc.
340 Kingsland Street
Nutley, New Jersey 07110
Attention: General Counsel
Telecopy: (201) 235-2800

if to the Company, to: National Health Laboratories Holdings Inc.
(to be renamed Laboratory Corportion
of America Holdings)
358 South Main Street
Burlington, North Carolina 27215
Attention: General Counsel

in each case,
with a copy to: Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Peter R. Douglas, Esq.
Telecopy: (212) 450-4800

if to Directors, to their respective business addresses with a copy to the Investor and to the Company,

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to each the other party hereto. Each such notice, request or other communication shall be effective (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate confirmation is received or (b) if given by any other means, when delivered at the address specified in this Section.

SECTION 9.2. Amendments; Waivers. (a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Investor and the Company, or in the case of a waiver, by the party against whom the waiver is to be effective, provided that no such amendment or waiver by the Company shall be effective without the approval of a majority of the Independent Directors.

(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. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.3. Severability. If any provision of this Agreement or the application thereof to either party or set of circumstances shall, in any jurisdiction and to any extent, be finally held invalid or unenforceable, such term or provision shall only be ineffective as to such jurisdiction, and only to the extent of such invalidity or unenforceability, without invalidating or rendering unenforceable any other terms or provisions of this Agreement or under any other circumstances, and the parties shall negotiate in good faith a substitute provision which comes as close as possible to the invalidated or unenforceable term or provision, and which puts each party in a position as nearly comparable as possible to the position it would have been in but for the finding of invalidity or unenforceability, while remaining valid and enforceable.

SECTION 9.4. Entire Agreement. The Merger Agreement, this Agreement, and the agreements contemplated hereby and thereby constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the parties with respect to the subject matter hereof.

SECTION 9.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party may assign, delegate or otherwise transfer all or any of its rights or obligations under this Agreement without the consent of the other party hereto, except that the Investor may assign, delegate or otherwise transfer all or any of its rights or obligations under this Agreement to any other member of the Investor Group without the consent of the Company, provided that such member agrees in writing to be bound by the provisions hereof. The Investor shall cause any Person who shall have acquired 30% of the Total Voting Power from the Investor to agree in writing to assume the obligations of the Investor hereunder and to be bound by the provisions hereof whereupon such Person shall become entitled to all of the rights and benefits accruing to the Investor hereunder.

SECTION 9.6. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and each Person who becomes a party hereto or bound by the terms of this Agreement, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person, other than the parties hereto and their respective permitted successors and assigns, any right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

SECTION 9.7. 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 hereto were upon the same instrument. This Agreement shall become effective upon the Effectiveness of this Agreement.

SECTION 9.8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed and to be fully performed in that State. All actions and proceedings arising out of or relating to this Agreement shall be brought by the parties and heard and determined only in a Delaware state court or a federal court sitting in that State and the parties hereto consent to jurisdiction before and waive any objections of venue to the Delaware Chancery Court.

SECTION 9.9. Specific Performance. The Company and the Investor each acknowledge and agree that the Investor's and the Company's respective remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of that fact, each agrees that, in the event of a breach or threatened breach by the Company or the Investor of the provisions of this Agreement, in addition to any remedies at law, the Investor and the Company, respectively, without posting any bond shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

SECTION 9.10. Termination. Except as provided below, the provisions of this Agreement shall terminate if the Investor Group Interest shall be less than 30%, provided, however, that (x) the provisions of Sections 2.1(a), 2.1(d), 2.1(f) (insofar as it relates to the replacement of an Investor Director), 2.1(g), 2.2, 2.3(b), 2.3(c), 2.6 (insofar as it relates to the replacement of an Investor Director) and 2.9 (insofar as the first sentence thereof) shall not terminate unless the Investor Group Interest shall be less than 10%, (y) the provisions of Articles 6 and 8 shall not terminate until such time as the Investor Group does not own any Registrable Securities (except for Section 6.4, which shall terminate if the Investor Group Interest shall be less than 20%) and (z) Article shall not terminate unless the Investor Group Interest shall be less than 20%. Article 1 and Article 9 shall not terminate unless as set forth above all other provisions of this Agreement shall have terminated. In the event that the Investor Group Interest shall be greater than 50%, then the provisions of Article 2 shall terminate but shall be reinstated, at the request of the Investor, if the Investor Group Interest shall later be 50% or lower.

SECTION 9.11. Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of any of them in the negotiation, administration, performance and enforcement thereof.

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.

HLR HOLDINGS INC.

By: /s/ Bradford T. Smith

Name: Bradford T. Smith
Title: Assistant Secretary

ROCHE HOLDINGS, INC.

By: /s/ Henri B. Meier

Name: Henri B. Meier
Title: Vice President & Treasurer

HOFFMANN-LA ROCHE INC.

By: /s/ Thomas P. Mac Mahon

Name: Thomas P. Mac Mahon
Title: Senior Vice President

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By: /s/ James R. Maher

Name: James R. Maher
Title: President & Chief Executive Officer

EXHIBIT 10.2
CONFORMED COPY

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

April 27, 1995

Exchange Agent Agreement

Dear Sirs:

Pursuant to an Agreement and Plan of Merger dated as of December 13, 1994 (the "Merger Agreement"), a copy of which is included with this letter (the "Letter Agreement"), among National Health Laboratories Holdings Inc., a Delaware corporation ("NHL"), HLR Holdings Inc., a Delaware corporation ("HLR"), Roche Biomedical Laboratories, Inc., a New Jersey corporation ("RBL"), and (for the purposes specified therein) Hoffmann-La Roche Inc., a New Jersey corporation ("Roche"), providing for, among other things, the merger of RBL with and into NHL with NHL as the surviving corporation (the "Merger"), upon the effectiveness of the Merger (the "Effective Time"), each share of common stock, par value $0.01 per share, of NHL ("NHL Common Stock") then outstanding (other than shares of NHL Common Stock owned by HLR or RBL or any subsidiary of HLR or RBL and other than shares held by stockholders who exercise their appraisal rights) will be converted into (i) 0.72 of a share of common stock, par value $0.01 per share, of the surviving corporation in the Merger ("Surviving Corporation Common Stock") and (ii) $5.60 in cash, without interest (the "NHL Share Conversion").

In addition, all shares of common stock, no par value, of RBL issued and outstanding immediately prior to the Effective Time (other than treasury shares, which will be canceled) will be converted into, and become, that number of newly issued shares of Surviving Corporation Common Stock as would, in the aggregate and after giving effect to the Merger and the NHL Common Stock owned by HLR, RBL and their subsidiaries immediately prior to the Effective Time, equal 49.9% of the total number of shares of Surviving Corporation Common Stock outstanding immediately after the Effective Time (after giving effect to the issuance of Surviving Corporation Common Stock in respect of the NHL employee stock options as provided in the Merger Agreement) (the "RBL Share Conversion").

In addition, NHL has declared a dividend (the "Warrant Distribution") payable to holders of record of NHL Common Stock as of April 21, 1995, consisting of 0.16308 of a warrant per share of NHL Common Stock, each such warrant (a "Dividend Warrant", and together with the Roche Warrants (as defined below), the "Warrants") representing the right to purchase one newly issued share of Surviving Corporation Common Stock for $22.00 (subject to adjustments) on April 28, 2000 on the terms and conditions set forth in the Warrant Agreement dated as of April 10, 1995 (the "Warrant Agreement"), a copy of which has been provided to you, between NHL and American Stock Transfer & Trust Company ("AST&T Co."). In addition, the Merger Agreement provides for the issuance to and purchase by Roche at the Effective Time, for a purchase price of $51,048,900, of 8,325,000 Warrants (the "Roche Warrants"), which Roche Warrants will have the terms described in the preceding sentence.

This Letter Agreement is to confirm that, in addition to serving as the warrant agent (the "Warrant Agent") as provided in the Warrant Agreement, AST&T Co. shall serve as the exchange agent (the "Exchange Agent") in connection with the NHL Share Conversion and the RBL Share Conversion, and, in such capacity, shall have the authority to act as (i) agent for holders of NHL Common Stock, other than HLR or RBL or any subsidiary of HLR or RBL and other than individuals who acquire shares of Surviving Corporation Common Stock through the issuance of such stock in respect of the NHL employee stock options as provided in the Merger Agreement ("NHL Stockholders"), for the purpose of receiving from NHL the shares of Surviving Corporation Common Stock and cash to be distributed in the NHL Share Conversion and distributing the same to the NHL Stockholders and (ii) agent for HLR for the purpose of receiving from NHL the shares of Surviving Corporation Common Stock to be issued in RBL Share Conversion and distributing the same to HLR, all upon satisfaction of the conditions set forth herein. NHL hereby appoints AST&T Co. to act as the Exchange Agent in accordance with the terms of the Merger Agreement and the terms and instructions hereinafter set forth, as may be supplemented from time to time to give effect to the parties' intentions and agreements, and AST&T Co. hereby accepts such appointment. In acting as Exchange Agent, AST&T Co. shall not be acting as agent for NHL, although NHL shall pay AST&T Co.'s fees and expenses.

Duties and Obligations of NHL

1. Delivery of Materials to Exchange Agent. At or prior to the Effective Time (or as soon thereafter as may be practicable), which will be the date and time indicated on the Certificate of Merger filed with the Secretary of State of the State of Delaware, which is expected to be April 28, 1995 at or prior to 11:00 a.m. New York City Time, provided that a Certificate of Merger is filed with the Secretary of State of the State of New Jersey on the same date, NHL shall deliver or cause to be delivered to the Exchange Agent (i) a sufficient supply of certificates for shares of Surviving Corporation Common Stock to permit the issuance of the shares of Surviving Corporation Common Stock issuable in the NHL Share Conversion and the RBL Share Conversion, (ii) a sufficient supply of copies of the letter of transmittal to be mailed to the NHL Stockholders in connection with the NHL Share Conversion (the "Letter of Transmittal"), (iii) a sufficient supply of copies of all other documents or materials to be forwarded to NHL Stockholders and (iv) a

schedule showing the number of shares of Surviving Corporation Common Stock to be issued to HLR in the RBL Share Conversion.

2. Delivery of Materials to NHL Stockholders. As soon as practicable after the Effective Time, the Exchange Agent shall cause to be mailed to each NHL Stockholder of record as of the close of business on the date on which the Effective Time occurs (i) a notice advising such stockholder of the effectiveness of the Merger and the terms of the NHL Share Conversion, (ii) a Letter of Transmittal with instructions for completion and (iii) a pre-addressed envelope for the return of the completed and executed Letter of Transmittal and certificates for shares of NHL Common Stock.

3. Compensation of Exchange Agent. NHL agrees to promptly pay the Exchange Agent the compensation separately agreed to between NHL and the Exchange Agent for the services to be rendered by the Exchange Agent hereunder and to reimburse the Exchange Agent for reasonable out-of-pocket expenses (including attorneys' fees and expenses) incurred by the Exchange Agent without negligence, bad faith or breach of this Letter Agreement on the part of the Exchange Agent in connection with the services rendered by the Exchange Agent as provided in this Letter Agreement.

4. Indemnification of Exchange Agent. NHL agrees to indemnify the Exchange Agent for, and to hold the Exchange Agent harmless against, any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by the Exchange Agent without negligence, bad faith or breach of this Letter Agreement on the part of the Exchange Agent, arising out of or in connection with actions taken as Exchange Agent as provided in this Letter Agreement; provided that in no case shall NHL be liable with respect to any action, proceeding, suit or claim against the Exchange Agent unless the Exchange Agent shall have notified NHL, by letter, or by tested telex or confirmed facsimile transmission, in either case confirmed by letter, of the written assertion of an action, proceeding, suit or claim commenced against the Exchange Agent promptly after the Exchange Agent shall have received notice of any such assertion of an action, proceeding, suit or claim or the Exchange Agent shall have been served with the summons or other first legal process providing information as to the nature and basis of the action, proceeding, suit or claim; and provided that NHL shall be entitled to participate, at the expense of NHL, in the defense of any suit brought to enforce any such action, proceeding, suit or claim, and, should NHL so elect, NHL shall assume the defense of any such suit and shall not thereafter be liable for the fees and expenses of any additional legal counsel retained by the Exchange Agent, so long as NHL retains counsel satisfactory to the Exchange Agent, in the exercise of the Exchange Agent's reasonable judgement, to defend such suit; and provided further that the Exchange Agent shall not agree to settle any liability or action, proceeding, suit or claim, or any suit brought to enforce any such liability, action, proceeding, suit or claim, with respect to which the Exchange Agent may seek indemnification from NHL without the prior written consent of NHL.

5. Further Assurances. NHL agrees to perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Exchange Agent for the carrying out or performing of the provisions of this Letter Agreement.

Duties and Obligations of Exchange Agent

6. Stockholder List; Receipt of Materials from NHL Stockholders; Examination of Materials Received from NHL Stockholders. (a) As soon as practicable after the Effective Time, the Exchange Agent shall furnish to NHL a list showing the names and addresses of all NHL Stockholders as of the close of business on the date on which the Effective Time occurs, the number of shares of NHL Common Stock held by each NHL Stockholder as of such time and the certificates (identified by certificate number) representing shares of NHL Common Stock that have been or are, as of such time, lost, stolen, destroyed or restricted as to transfer (such list to include notations of the text of the restrictive legends attached thereto) or with respect to which an order to stop transfer has been noted (such list being referred to herein as the "NHL Stockholder List").

(b) The Exchange Agent shall make arrangements to facilitate the receipt from NHL Stockholders in accordance with the instructions set forth in the Letter of Transmittal certificates for shares of NHL Common Stock, accompanied by Letters of Transmittal (or facsimiles thereof), properly executed in accordance with the instructions therein.

(c) The Exchange Agent shall examine each Letter of Transmittal, certificate representing shares of NHL Common Stock and any other document delivered or mailed to the Exchange Agent by or on behalf of any NHL Stockholder to ascertain, to the extent reasonably determined by the Exchange Agent, whether or not (i) the Letter of Transmittal appears to be properly completed and duly executed in accordance with the instructions set forth therein, (ii) the certificate representing shares of NHL Common Stock appears to be properly surrendered and, if appropriate, endorsed for transfer, (iii) the certificate representing shares of NHL Common Stock is free of all restrictions and stop orders, except as set forth on the NHL Stockholder List and (iv) any other document used in the NHL Share Conversion appears to be in the correct form, properly completed and duly executed.

(d) In the event that the Exchange Agent ascertains that any Letter of Transmittal is not properly completed or duly executed, any certificate representing shares of NHL Common Stock is not properly surrendered or is subject to some other irregularity or any other document used in the NHL Share Conversion is not in the correct form, properly completed or duly executed, the Exchange Agent shall use its best efforts to

contact the appropriate NHL Stockholder (at the expense of NHL) by the most expedient means of communication (as determined by the Exchange Agent) to correct the defect, and, upon consultation with NHL, the Exchange Agent shall endeavor to take such other action as may reasonably be required to cause such defect to be corrected; provided that any response to any question pertaining to the completion and execution of any Letter of Transmittal, surrender or irregularity of any certificate representing shares of NHL Common Stock or form, completion or execution of any other document used in the NHL Share Conversion received from NHL on account of the referral of such question to NHL by the Exchange Agent shall be final and binding, and the Exchange Agent may rely upon such response.

7. The NHL Share Conversion. (a) Prior to the Effective Time, the Exchange Agent shall establish an account (the "Credit Suisse Account") at the New York Branch of Credit Suisse, which bank is located at 12 East 49th Street, New York, New York 10017, to facilitate the receipt and disbursement of the funds to be transferred in connection with the NHL Share Conversion as provided herein and in the Merger Agreement. At the Effective Time, the Exchange Agent shall deposit in the Credit Suisse Account the funds received from or on behalf of NHL, as described in clauses (i), (ii) and (iii) of the next succeeding paragraph, to be distributed in connection with the NHL Share Conversion prior to the close of business on the date on which the Effective Time occurs. On the first business day following the date on which the Effective Time occurs, the Exchange Agent shall transfer any and all funds remaining in the Credit Suisse Account to an account (the "Chemical Bank Account") previously established by the Exchange Agent at the Water Street Branch of Chemical Bank, which bank is located at 55 Water Street, New York, New York 10004, to facilitate the receipt and disbursement of the funds to be transferred in the NHL Share Conversion as provided herein and in the Merger Agreement until such time as the termination of this Letter Agreement as provided in Section 18(a) hereof.

The Exchange Agent shall deposit in the Credit Suisse Account all funds received from or on behalf of NHL, including (i) cash received from NHL in an amount equal to the product of the number of shares of NHL Common Stock shown as outstanding on the NHL Stockholder List multiplied by $5.60, minus the amounts received pursuant to clause (ii) and (iii) below, (ii) cash received from HLR in the amount of $135,651,100 as the HLR Cash Consideration (as defined in the Merger Agreement) and (iii) cash received from Roche in the amount of $51,048,900 for purchase of the Roche Warrants. In addition, as soon as practicable after the Effective Time, the Exchange Agent shall determine the aggregate number of fractional shares of Surviving Corporation Common Stock that would (if the Merger Agreement had permitted the issuance of fractional shares) have been issuable in the NHL Share Conversion and shall sell such number of shares in open market transactions on the New York Stock Exchange on behalf of the NHL Stockholders and shall immediately deposit the proceeds from such transactions in the Credit Suisse Account or the Chemical Bank Account, as the case may be.

At all times, all funds received by the Exchange Agent as described in this Section 7(a) and deposited in the Credit Suisse Account or the Chemical Bank Account, as the case may be, shall be held by the Exchange Agent in escrow and shall only be used for the purposes stated herein. All interest accrued on such funds shall be paid to the surviving corporation in the Merger as provided in Section 18(b) hereof.

(b) Upon the delivery to the Exchange Agent by an NHL Stockholder of record as of the close of business on the date on which the Effective Time occurs of (i) the certificates representing the shares of NHL Common Stock registered to such NHL Stockholder, (ii) the related Letter of Transmittal, properly completed and duly endorsed, and (iii) any other documents required by the Letter of Transmittal, the Exchange Agent shall cause to be issued and distributed (in accordance with the procedures described in the succeeding three paragraphs) to such NHL Stockholder, in exchange for each such share of NHL Common Stock validly presented (1) 0.72 of a share of Surviving Corporation Common Stock and (2) $5.60 in cash (without interest). In all cases, issuance of shares of Surviving Corporation Common Stock and payment of the cash to be distributed in the NHL Share Conversion and in lieu of fractional shares of Surviving Corporation Common Stock (as described below) will be made only after receipt by the Exchange Agent of the certificates, Letter of Transmittal and other documents (if any) described in the preceding sentence.

Since the Merger Agreement provides that no certificates representing less than one share of Surviving Corporation Common Stock shall be issued in the NHL Share Conversion, the Exchange Agent shall only distribute certificates representing whole shares of Surviving Corporation Common Stock pursuant to the preceding paragraph. In lieu of any fractional shares of Surviving Corporation Common Stock, the Exchange Agent shall distribute to each NHL Stockholder who would otherwise have been entitled to receive a fraction of a share of Surviving Corporation Common Stock cash in an amount equal to such holder's proportionate interest in the net proceeds from the sale or sales in the open market by the Exchange Agent, on behalf of all such holders, of the aggregate number of fractional shares of Surviving Corporation Common Stock that would otherwise have been issued in the NHL Share Conversion, as described in Section 7(a) above.

The Exchange Agent shall forward certificates representing whole shares of Surviving Corporation Common Stock to any NHL Stockholder entitled to receive such certificates via first class mail under a blanket surety bond of the Exchange Agent protecting NHL and the Exchange Agent from loss or liability arising by virtue of the nondelivery or nonreceipt of such certificates; provided that the market value of the securities to be sent in any such shipment shall not exceed $500,000. In the event any NHL Stockholder is entitled to receive certificates representing shares of Surviving Corporation Common Stock with a market value in excess of $500,000, the

Exchange Agent shall make arrangements for such shipment to be sent via registered mail and to be insured for the full amount of such market value as of the date of such mailing.

The Exchange Agent shall make payment of any cash to be received by any NHL Stockholder from the Credit Suisse Account via confirmed wire transfer from the Credit Suisse Account to the bank account identified by each such holder set forth in a completed Letter of Transmittal not less than one business day prior to the date on which the Effective Time occurs. The Exchange Agent shall make payment of any cash to be received by any NHL Stockholder from the Chemical Bank Account by forwarding checks drawn on such account by first class mail to such holder; provided, however, that in the event any NHL Stockholder is entitled to receive an aggregate amount in cash from the Chemical Bank Account in excess of $100,000, the Exchange Agent shall make arrangements for such distribution to be made via confirmed wire transfer from the Chemical Bank Account to the bank account identified by such holder in a written notice provided to the Exchange Agent not less than one business day prior to the date of such transfer.

(c) Until such time as any certificate representing shares of NHL Common Stock registered to any NHL Stockholder of record as of the close of business on the date on which the Effective Time occurs is surrendered, each certificate, which immediately prior to the Effective Time represented outstanding shares of NHL Common Stock, shall, at and after the Effective Time, entitle the holder thereof to receive, upon such surrender, only the shares of Surviving Corporation Common Stock and the amount in cash described in Section 7(b) above.

(d) No dividends or other distributions otherwise payable after the Effective Time to any NHL Stockholder of record as of the close of business on the date on which the Effective Time occurs shall be paid to such holder unless and until such holder shall have surrendered all certificates representing shares of NHL Common Stock registered to such holder. The Exchange Agent shall hold, without interest, any such dividends or other distributions not paid to such NHL Stockholder pursuant to the requirements of the preceding sentence and shall (subject to applicable escheat laws) pay such dividends and other distributions to such holder after such holder shall have surrendered all certificates representing shares of NHL Common Stock registered to such holder.

(e) If any certificate representing shares of Surviving Corporation Common Stock is to be issued in, or any distribution of cash is to be paid to, a name other than that in which any certificate representing shares of NHL Common Stock surrendered in connection with the NHL Share Conversion is registered, the Exchange Agent shall not issue any such certificate or make any such distribution of cash unless the certificate so surrendered shall be in the proper form and properly endorsed for such transfer and the NHL Stockholder requesting such transfer shall pay to the Exchange Agent any transfer or other taxes to be incurred in connection with such transfer or establish to the satisfaction of the Exchange Agent that any such tax has been previously paid or is otherwise not payable.

8. Lost, Stolen or Destroyed Certificates. In the event that the holder of any certificate representing shares of NHL Common Stock claims that such certificate has been lost, stolen or destroyed, the Exchange Agent shall mail to such holder an affidavit of loss and an indemnity bond. The Exchange Agent shall make the distribution of shares of Surviving Corporation Common Stock and cash described in Section 7(b) above only upon the receipt of a properly completed and duly executed affidavit of loss and indemnity bond.

9. Delivery of Shares in RBL Share Conversion. At the Effective Time, in accordance with the written directions of NHL, which directions shall be irrevocable and shall be provided to the Exchange Agent prior to the Effective Time, the Exchange Agent shall deliver to HLR, or to one of more of HLR's designees, certificates in the denominations specified in the written directions of HLR representing the number of newly issued shares of Surviving Corporation Common Stock equal to 49.9% of the total number of shares of Surviving Corporation Common Stock outstanding immediately after the Effective Time (after giving effect to the Merger, the NHL Common Stock owned by HLR, RBL and their subsidiaries immediately prior to the Effective Time and the issuance of the Surviving Corporation Common Stock in respect of the NHL employee stock options as provided in the Merger Agreement).

10. Preparation and Delivery of Reports. (a) In connection with the NHL Share Conversion, the Exchange Agent shall prepare and furnish, until otherwise notified in writing by NHL, bi-monthly reports delivered to NHL showing (i) the number of shares of NHL Common Stock surrendered to the Exchange Agent and the number of shares of Surviving Corporation Common Stock issued in exchange therefor (including the number of shares exchanged as reported in the immediately preceding report, the current number of shares exchanged and the total number of shares exchanged to date), (ii) the amount of cash distributed in connection therewith (including the amount of cash distributed as reported in the immediately preceding report, the current amount of cash distributed and the total amount of cash distributed to date) and (iii) the net proceeds of any sale or sales of any fractional shares (including the net proceeds from the sale or sales of any fractional shares as reported in the immediately preceding report, the net proceeds from the current sale or sales of any fractional shares and the total net proceeds from all sales of fractional shares to date).

(b) In addition, the Exchange Agent shall comply with all applicable requirements, including without limitation, withholding and certification requirements, of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, and shall file all appropriate reports with the Internal Revenue Service, including, but not limited to, reports relating

to missing Taxpayer Identification Numbers and reports to be filed on any of the various versions of Form 1099.

11. Preservation of Materials and Maintenance of Records. (a) The Exchange Agent shall keep and preserve all Letters of Transmittal, telexes, facsimile transmissions, telegrams and other documents delivered or mailed to the Exchange Agent in connection with the NHL Share Conversion until such time as all such materials are delivered to NHL or disposed of in accordance with the instructions of NHL, in either case at or prior to the termination of this Letter Agreement as provided in Section 18(a) hereof. In addition, prior to such time as such materials are delivered to NHL or disposed of in accordance with the instructions of NHL, the Exchange Agent shall take such action (at the expense of NHL) as may from time to time be reasonably requested by NHL to furnish copies of the Letter of Transmittal and other documents to persons designated by NHL.

(b) The Exchange Agent shall keep and preserve all certificates representing shares of NHL Common Stock surrendered to the Exchange Agent in connection with the NHL Share Conversion and, following payment therefor, shall deliver such certificates to NHL at the address specified in Section 19 hereof or at any other location designated in writing by NHL.

(c) The Exchange Agent shall keep and maintain a complete and accurate ledger showing all certificates representing shares of NHL Common Stock exchanged by the Exchange Agent in connection with the NHL Share Conversion, all distributions of cash made by the Exchange Agent in connection with the NHL Share Conversion and the net proceeds from the sale or sales of any fractional shares. The Exchange Agent shall furnish any information to any organization or any legal representative of such organization designated in writing from time to time by NHL to receive such information as specified in writing by NHL in any manner reasonably requested by such designated organization in connection with the Merger or the NHL Share Conversion.

12. Reliance on Instructions and Instruments. (a) The Exchange Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President and Chief Executive Officer, any Vice President, the Treasurer, the Secretary or an Assistant Secretary of NHL, and to apply to such officers for advice or instruction in connection with its duties. The Exchange Agent shall not be liable for any action taken or suffered to be taken by it or in good faith in accordance with instruction of any such officer in good faith reliance upon any statement signed by any one of such officers of NHL with respect to any fact or matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement.

(b) The Exchange Agent shall incur no liability or responsibility to NHL or to any NHL Stockholder for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument reasonably believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

13. Retention of Advisors and Agents. (a) The Exchange Agent may consult at any time with counsel satisfactory to it (who may be counsel for NHL), and the Exchange Agent shall incur no liability or responsibility to NHL or to any NHL Stockholder in respect of any action taken, suffered or omitted by it hereunder in good faith in accordance with the advice or the opinion of such counsel.

(b) The Exchange Agent may retain at any time an agent or agents satisfactory to it to assist in the performance of the duties and obligations of the Exchange Agent hereunder, at the cost of the Exchange Agent and without relieving the Exchange Agent of any liability hereunder.

14. Other Actions. The Exchange Agent, and any stockholder, director, officer or employee thereof, may buy, sell or deal in NHL Common Stock or Surviving Corporation Common Stock or any other securities of NHL or the surviving corporation in the Merger or become pecuniarily interested in any transaction in which NHL or the surviving corporation may be interested or contract with or lend money to NHL or the surviving corporation or otherwise act as fully and freely as though it were not the Exchange Agent under this Letter Agreement, or a stockholder, director, officer or employee of the Exchange Agent, as the case may be. Nothing herein shall preclude the Exchange Agent from acting in any other capacity for NHL, the surviving corporation in the Merger or any other legal entity.

15. Limitations on Duties and Obligations. (a) The Exchange Agent shall not be liable for anything which it may do or refrain from doing in connection with this Letter Agreement except for its own negligence or bad faith.

(b) The Exchange Agent shall be regarded as not having made any representations or warranties and not having any responsibilities regarding the validity, sufficiency, value or genuineness of any certificate representing shares of NHL Common Stock surrendered to it, and the Exchange Agent shall not be requested or required to make any representations or warranties or to assume any responsibilities as to the validity, sufficiency, value or genuineness of any such certificate or shares of NHL Common Stock.

(c) The Exchange Agent shall not be responsible for the accuracy or correctness of any statement made in the Merger Agreement or herein or in any other document furnished to it by NHL.

(d) The Exchange Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action

likely to involve expense unless NHL shall furnish the Exchange Agent with reasonable security and indemnity for any costs or expenses which may be incurred. All rights of action under this Letter Agreement may be enforced by the Exchange Agent without the possession of any certificates representing shares of NHL Common Stock or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Exchange Agent shall be brought in its name as Exchange Agent, and any recovery or judgement shall be or the ratable benefit of the NHL Stockholders, as their respective rights or interests may appear.

(f) Any provision of this Letter Agreement to the contrary not withstanding, in no event shall the Exchange Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including lost profits), even if the Exchange Agent shall have been advised of the likelihood of such loss or damage.

Miscellaneous Provisions

16. Successors and Assigns. The terms of this Letter Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon, the successors and assigns of NHL. The Exchange Agent, however, shall assign neither the benefits nor the obligations created by this Letter Agreement.

17. Supplements and Amendments. Any inconsistency between the terms of the applicable provisions of the Merger Agreement and the terms and instructions set forth herein shall be resolved in accordance with the terms of the applicable provision of the Merger Agreement. The terms and instructions set forth herein may be modified or supplemented only upon written notice provided by NHL.

18. Termination. (a) This Letter Agreement shall terminate at the earlier of (i) the date on which all shares of Surviving Corporation Common Stock to be issued in connection with the NHL Share Conversion and the RBL Share Conversion shall have been delivered and all cash to be paid in the NHL Share Conversion and in lieu of any fractional shares and all dividends and other distributions held pursuant to Section 7(d) hereof shall have been paid by the Exchange Agent or (ii) the date on which written notice from NHL stating that this Letter Agreement has been terminated is received by the Exchange Agent.

(b) Upon the termination of this Letter Agreement as provided in Section 18(a) above, the Exchange Agent shall deliver to the surviving corporation in the Merger any remaining balance in the funds paid to the Exchange Agent pursuant to Section 7(a) hereof, together with interest earned but not previously paid thereon to the surviving corporation, and thereafter the holder of certificates representing shares of NHL Common Stock shall look only to the surviving corporation for any payment otherwise due pursuant to Section 7(b) hereof; provided, however, that the Exchange Agent may retain for a period of up to 180 days following the date on which this Letter Agreement is terminated an amount equal to the aggregate amount payable in checks drawn on the Chemical Bank Account hereunder through the date on which this Letter Agreement is terminated which have not yet been presented for payment.

19. Notices. Except as otherwise provided herein, no notice, instruction or other communication by one party shall be binding upon the other party unless delivered by hand or sent via first class mail for which receipt is acknowledged in writing or via certified mail, return receipt requested. Notice shall be delivered to the parties as follows:

if to NHL:

National Health Laboratories Holdings Inc.
4225 Executive Square, Suite 805
La Jolla, California 92037
Attention: James G. Richmond, Esq.,

and/or if to the surviving corporation in the merger, with copies to:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
Attention: Bradford T. Smith, Esq.

and

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Peter R. Douglas, Esq.

and if to the Exchange Agent:

American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, New York 10005
Attention: Joseph Wolf

or to such other address as shall be stated in written notice to the other party.

20. Governing Law. This Letter Agreement shall be deemed a contract made under the laws of the State of New York and for all purposes

shall be governed by and construed in accordance with the internal laws of the State of New York.

21. Waiver of Liens. It is understood and agreed that any cash, securities or property deposited with or received by the Exchange Agent (the "Property") constitute a special, segregated account, held solely for the benefit of the NHL Stockholders and HLR, as their interests may appear, and the Property shall not be commingled with the cash, assets or properties of the Exchange Agent or any other person, firm or corporation. The Exchange Agent hereby waives any and all rights of lien, attachment or set-off whatsoever, if any, against the Property so to be deposited, whether such rights arise by reason of the statutory or common law of New York, by contract or otherwise.

22. Headings. The headings of the sections of this Letter Agreement have been inserted for convenience of reference only, are not to be construed a part hereof and in no way modify or restrict any of the terms of or provisions hereof.

23. Counterparts. This Exchange Agreement may be executed in one or more counterparts, each on of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Please confirm your acceptance of and agreement to the arrangements described herein by signing and returning the enclosed duplicate of this letter.

Very Truly Yours,
NATIONAL HEALTH
LABORATORIES
HOLDINGS INC.

by /s/ David C. Flaugh

Name: David C. Flaugh
Title: Senior Executive
Vice President and
Chief Operating Officer

Accepted and Agreed,

AMERICAN STOCK TRANSFER
& TRUST CO.

by /s/ Herbert J. Lemmer

Name: Herber J. Lemmer
Title: Vice President

$1,250,000,000

CREDIT AGREEMENT

Dated as of April 28, 1995

Among

NATIONAL HEALTH LABORATORIES HOLDINGS INC.
(to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS),
as Borrower,

THE BANKS NAMED HEREIN,
as Banks, and

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

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CREDIT AGREEMENT dated as of April 28, 1995 among NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Banks") listed on the signature pages hereof, and CREDIT SUISSE (NEW YORK BRANCH) ("CS"), as administrative agent (the "Administrative Agent") for the Lenders hereunder.

PRELIMINARY STATEMENT

The Borrower has requested that the Lenders lend to it up to $1,250,000,000 (i) to refinance existing debt of the Borrower and its Subsidiaries (defined below), (ii) to refinance certain existing debt of RBLI (defined below), (iii) to finance the NHL Cash Consideration (defined below), (iv) to pay transaction costs and expenses associated with the Merger (defined below) and (v) for general corporate purposes of the Borrower and its Subsidiaries. The Lenders have indicated their willingness to agree to lend such amounts on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

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

"Acquisitions" has the meaning set forth in Section 5.02(h).

"Adjusted EBITDA" means, with respect to any specified period, EBITDA plus, to the extent deducted in determining Net Income, Restructuring Costs for such period in an amount that, together with Restructuring Costs for all prior periods, does not exceed the maximum amounts specified in the definition of "Restructuring Costs".

"Adjusted Net Income" means, with respect to any specified period, Net Income plus, to the extent deducted in determining Net Income, Restructuring Costs for such period.

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

"Administrative Agent's Account" means the account of the Administrative Agent maintained by the Administrative Agent at 12 East 49th Street, New York, New York 10017, Account No. 368822-05.

"Advance" means a Revolving Credit Advance, a Term Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the terms "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person include (except, with respect to the Borrower, in the case of Genentech, Inc.) the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"After-Tax Restructuring Costs" means, for any specified period in which Restructuring Costs are deducted in determining Net Income, the amount by which Net Income for such period is less than it would have been but for such deduction.

"Allied" means Allied Clinical Laboratories, Inc., a Delaware corporation and an indirect wholly-owned subsidiary of the Borrower, and its successors.

"Annualized Adjusted EBITDA" means, with respect to any specified period, Adjusted EBITDA for such period, divided by the actual number of days in such period, multiplied by 365.

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

"Applicable Margin" means, with respect to Eurodollar Rate Advances or Base Rate Advances, as the case may be:

(a) for all times during which the Investor Group Interest equals or exceeds 25%, the applicable percentage set forth in the chart immediately below:

	Revolving Credit Advances	Term Advances
Eurodollar Rate Margin	0.25%	0.375%
Base Rate Margin	0.0%	0.0%;

and (b) for all times during which the Investor Group Interest is less than 25%, the applicable percentage set forth in the chart immediately below based on the Performance Level of the Borrower determined by reference to the most recent financial statements delivered to the Administrative Agent pursuant to Section 5.01(l)(i) or (ii), as applicable (any change in the Applicable Margin based on Performance Levels shall be effective upon the earlier of (i) the date of delivery of financial statements to the Administrative Agent pursuant to Section 5.01(l)(i) or (ii), as applicable, which financial statements evidence a Performance Level requiring such change, and (ii) the latest date permitted for such delivery pursuant to Section 5.01(l)(i) or (ii), as applicable):

Term Advances:

Performance Level	Base Rate Margin	Eurodollar Rate Margin

Level I	0.50%	1.50%
Level II	0.25%	1.25%
Level III	0.0%	1.00%
Level IV	0.0%	0.75%;

Revolving Credit Advances:

Performance Level	Base Rate Margin	Eurodollar Rate Margin
Level I	0.0%	1.00%
Level II	0.0%	0.875%
Level III	0.0%	0.75%
Level IV	0.0%	0.625%

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee of such Lender, and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto.

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

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of (a) the rate of interest announced publicly by CS in New York, New York, from time to time, as CS's base lending rate for commercial loans in dollars; and (b) 1/2 of 1% per annum above the Federal Funds Rate. The base lending rate is not the lowest rate of interest charged by CS in connection with extensions of credit.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.06(a)(i).

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

"Borrower Common Stock" means the common stock, par value $0.01 per share, of the Borrower.

"Borrower's Account" means the account of the Borrower maintained by the Borrower with CS at 12 East 49th Street, New York, New York 10017, Account No. 36882201.

"Borrowing" means a Revolving Credit Borrowing, a Term Borrowing or a Competitive Bid Borrowing.

"Business Day" means (a) a day of the year on which banks are not required or authorized to close in New York City and (b) if the applicable Business Day relates to an Advance bearing interest based on the Eurodollar Rate, a day of the year that is also a day on which dealings are carried on in the London interbank market and banks are open for business in London.

"Capital Expenditures" means, for any period, the sum, without duplication, of (a) gross additions to property, plant and equipment and other capital expenditures of the Borrower and its Consolidated Subsidiaries for such period plus (b) the aggregate principal amount of all Debt assumed or incurred by the Borrower and its Consolidated Subsidiaries in order to finance such additions to property, plant and equipment and other capital expenditures. Capital Expenditures shall not include additions to property, plant and equipment that constitute Acquisitions subject to Section 5.02(h).

"Capital Ratio" means, with respect to any fiscal quarter, the ratio (expressed as a percentage) calculated by dividing (a) the total Consolidated Debt of the Borrower and its Subsidiaries as of the last day of such fiscal quarter by (b) the sum of (i) the total Consolidated Debt of the Borrower and its Subsidiaries as of such day plus (ii) Stockholders' Equity as of such day.

"Capitalized Leases" has the meaning specified in clause (e) of the definition of Debt.

"Cash Equivalents" means any of the following, to the extent owned by the Borrower or its Subsidiaries free and clear of all Liens and having a maturity not greater than 180 days from the date of acquisition thereof: (a) direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, and repurchase agreements with respect thereto entered into with a commercial bank or trust company meeting the criteria specified in clause (c) below, (b) certificates of deposit of or time deposits with any Lender, (c) insured certificates of deposit of or time deposits with any commercial bank or trust company that is a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (d), is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1 billion, (d) commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P or (e) shares of money market mutual or similar funds having assets in excess of $100,000,000 and substantially all of the assets of which satisfy the requirements of clauses (a) through (d) of this definition.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"Change of Control" means any acquisition of Control of the Borrower after the date hereof by any Person or two or more Persons acting in concert who would constitute a "group" within the meaning of Section 13(d)(3) of the Exchange Act (other than Roche Holdings, so long as it is under the Control of Roche, or any other Person under the Control of Roche, or a group consisting of such Persons).

"Closing Date" means the date of the initial Borrowing.

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

"Commitment" means a Revolving Credit Commitment or a Term Commitment.

"Committed Advance" means a Revolving Credit Advance or a Term Advance.

"Committed Borrowing" means a Term Borrowing or a Revolving Credit Borrowing.

"Competitive Bid Advance" means an advance by a Lender to the Borrower as part of a Competitive Bid Borrowing resulting from the auction bidding procedure described in Section 2.02(b) and refers to a Fixed Rate Advance or a LIBO CB Advance.

"Competitive Bid Borrowing" means a borrowing consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the auction bidding procedure described in Section 2.02(b).

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

"Competitive Bid Reduction" has the meaning specified in Section 2.01(b).

"Competitive Bid Register" has the meaning specified in Section 2.02(b)(vi).

"Consolidated" for any Person refers to the consolidation of the financial statements of such Person and its Subsidiaries in accordance with GAAP.

"Control" by any Person or Persons of any other Person means (a) beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Exchange Act) by such Person or Persons, directly or indirectly, of Voting Stock of such other Person (or other securities convertible into such Voting Stock) representing 51% or more of the combined voting power of all Voting Stock of such other Person, (b) control by such Person or Persons, by contract or otherwise, or entry by such Person or Persons into a contract or agreement that, upon consummation, will result in the acquisition by such Person or Persons of control, over Voting Stock of such other Person (or other securities convertible into such securities) representing 51% or more of the combined voting power of all Voting Stock of such other Person, or (c) the possession, directly or indirectly, by such Person or Persons of the power to direct or cause the direction of the management and policies of such other Person.

"Conversion", "Convert" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.07, 2.10 or 2.15.

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

"Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all Obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business); (c) all Obligations of such Person evidenced by notes, bonds, debentures or other similar instruments; (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all Obligations of such Person as lessees under (i) Tax Finance Leases and (ii) leases that have been or should be, in accordance with GAAP, recorded as capital leases ("Capitalized Leases"); (f) all Obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities; (g) all Obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of such Person or any warrants, rights or options to acquire such capital stock; (h) all Debt of others referred to in clauses (a) through (g) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (ii) to purchase, sell or lease

(as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (iii) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (iv) otherwise to maintain a balance sheet condition or to assure a creditor against loss; and (i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

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

"Defaulted Advance" means, with respect to any Lender at any time, the amount of any Committed Advance required to be made by such Lender to the Borrower pursuant to Section 2.01 at or prior to such time which has not been so made as of such time; provided, however, any Committed Advance made by the Administrative Agent for the account of such Lender pursuant to Section 2.02(a)(iii) shall not be considered a Defaulted Advance even if, at such time, such Lender shall not have reimbursed the Administrative Agent therefor as provided in Section 2.02(a)(iii). In the event that a portion of a Defaulted Advance shall be deemed made pursuant to Section 2.16(a), the remaining portion of such Defaulted Advance shall be considered a Defaulted Advance originally required to be made pursuant to Section 2.01 on the same date as the Defaulted Advance so deemed made in part.

"Defaulted Amount" means, with respect to any Lender at any time, any amount required to be paid by such Lender to the Administrative Agent or any other Lender hereunder or under any other Loan Document at or prior to such time which has not been so paid as of such time, including, without limitation, any amount required to be paid by such Lender to (a) the Administrative Agent pursuant to Section 2.02(a)(iii) to reimburse the Administrative Agent for the amount of any Committed Advance made by the Administrative Agent for the account of such Lender, (b) any other Lender pursuant to Section 2.13 to purchase any participation in Advances owing to such other Lender and (c) the Administrative Agent pursuant to Section 7.05 to reimburse the Administrative Agent for such Lender's ratable share of any amount required to be paid by the Lenders to the Administrative Agent as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.16(b), the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be made hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

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

"Designated Acquisitions" means two Acquisitions designated in advance by written agreement (executed prior to the Closing Date) of the Administrative Agent and the Borrower.

"dollars" and the sign "$" each means lawful money of the United States.

"Disposition" means the sale, lease, transfer or other disposition of any assets of the Borrower or any of its Subsidiaries (including, without limitation, shares of capital stock or other equity interests of any Person owned by the Borrower or any such Subsidiary) (other than sales, leases, transfers or other dispositions permitted by Section 5.02(d) (other than Section 5.02(d)(vii)).

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

"EBIT" means, for any fiscal period of the Borrower, Net Income plus, to the extent deducted in determining Net Income, the sum of (a) interest expense net of interest income, (b) income tax expense and (c) extraordinary losses included in Net Income, less extraordinary gains included in Net Income, in each case determined for such period without duplication on a Consolidated basis for the Borrower and its Subsidiaries and in accordance with GAAP.

"EBITDA" means, for any fiscal period of the Borrower, EBIT plus, to the extent deducted in determining Net Income, (a) depreciation expense, (b) amortization expense and (c) non-cash write-offs and write-downs of amortizable and depreciable items, in each case determined for such period without duplication on a Consolidated basis for the Borrower and its Subsidiaries and in accordance with GAAP.

"Eligible Assignee" means (a) any commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $1,000,000,000; (b) any savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having a net worth determined in accordance with GAAP in excess of $250,000,000; (c) any commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development ("OECD") or has concluded special lending arrangements with the

International Monetary Fund Associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, so long as such bank is acting through a branch or agency located in the United States, in the Cayman Islands or in the country in which it is organized or another country that is described in this clause (c); (d) the central bank of any country that is a member of the OECD; (e) any finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that (i) is not affiliated with the Borrower, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) has total assets in excess of $250,000,000; and (f) any other Person (other than an Affiliate of the Borrower) approved by the Administrative Agent and the Borrower, such approval not to be unreasonably withheld if such Person is a commercial bank.

"Environmental Action" means any administrative, regulatory or judicial action, suit, demand, demand letter, claim, notice of non-compliance or violation, investigation, proceeding, consent order or consent agreement based upon or arising out of any Environmental Law or any Environmental Permit, including, without limitation (a) any claim by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law and (b) any claim by any third party seeking damages, contribution, or injunctive relief arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Law" means any federal, state or local law, rule, regulation, order, writ, judgment, injunction, decree, determination or award relating to the environment, health or safety including, without limitation, CERCLA, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide and Rodenticide Act and the Occupational Safety and Health Act.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

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

"ERISA Affiliate" of any Person means any other Person that for purposes of Title IV of ERISA is a member of such Person's controlled group, or under common control with such Person, within the meaning of Section 414 of the Code.

"ERISA Event" with respect to any Person means (a) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan of such Person or any of its ERISA Affiliates unless the 30-day notice requirement with respect to such event has been waived by the PBGC; (b) the provision by the administrator of any Plan of such Person or any of its ERISA Affiliates of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (c) the cessation of operations at a facility of such Person or any of its ERISA Affiliates in the circumstances described in Section 4062(e) of ERISA; (d) the withdrawal by such Person or any of its ERISA Affiliates from a Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (e) the failure by such Person or any of its ERISA Affiliates to make a payment to a Plan described in Section 302(f)(1) of ERISA; (f) the adoption of an amendment to a Plan of such Person or any of its ERISA Affiliates requiring the provision of security to such Plan, pursuant to Section 307 of ERISA; or (g) the institution by the PBGC of proceedings to terminate a Plan of such Person or any of its ERISA Affiliates, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that would constitute grounds for the termination of, or the appointment of a trustee to administer, such Plan; provided, however, that an event described in clause (a), (c) or (d) of this definition, or in clause (b) of this definition solely with respect to a standard termination under Section 4041(b) of ERISA, shall be an ERISA Event only if such event is reasonably likely to result in a material liability of such Person or any of its ERISA Affiliates.

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

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

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Committed Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) either (i) the rate of interest at which deposits in U.S. dollars are offered in the London interbank market as quoted on Reuters Screen page "LIBO" at or about 11:00 A.M. (London time) two Business Days before the first day of such Interest Period, or if such page on such screen ceases to display such information, such other page as may replace it on that screen for the purpose of displaying such information (the "LIBO Screen Rate") or (ii) if the LIBO Screen Rate is unavailable for any reason, the rate of interest at which

deposits in U.S. dollars are offered in the London interbank market as quoted on Telerate page 3750 at or about 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period, or if such page on such service ceases to display such information, such other page as may replace it on that service for the purposes of displaying such information (the "Telerate Rate") by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If at least two such offered rates appear on the Reuters Screen page "LIBO" or Telerate page 3750, as applicable, the Eurodollar Rate shall be determined using the arithmetic mean of such offered rates (rounded upward, if necessary, to the nearest whole multiple of 1/16 of 1%). The Eurodollar Rate for each Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing shall be determined by the Administrative Agent on the basis of applicable rates obtained by the Administrative Agent two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.07.

"Eurodollar Rate Advance" means a Term Advance or a Revolving Credit Advance that bears interest as provided in Section 2.06(a)(ii).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

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

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

"Facility" means the Revolving Credit Facility or the Term Facility.

"Facility Fee Percentage" means (a) 0.125% for all times during which the Investor Group Interest equals or exceeds 25% and (b) for all times during which the Investor Group Interest is less than 25%, the applicable percentage set forth in the chart immediately below based on the Performance Level of the Borrower determined by reference to the most recent financial statements delivered to the Administrative Agent pursuant to Section 5.01(l)(i) and (ii) (any change in the Facility Fee Percentage based on Performance Levels shall be effective upon the earlier of (i) the date of delivery of financial statements to the Administrative Agent pursuant to Section 5.01(l)(i) and (ii), which financial statements evidence a Performance Level requiring such change, and (ii) the latest date permitted for such delivery pursuant to Section 5.01(l)(i) and (ii)):

Performance Level	Facility Fee Percentage
Level I	0.50%
Level II	0.375%
Level III	0.25%
Level IV	0.125%

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

"Fixed Rate Advances" has the meaning specified in Section 2.02(b)(i).

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Hazardous Materials" means (a) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and radon gas, (b) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any Environmental Law and (c) any other substance exposure to which is regulated under any Environmental Law.

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

"HLR" means HLR Holdings Inc., a Delaware corporation and a direct wholly-owned subsidiary of Hoffmann-La Roche.

"HLR Stockholder Agreement" means the Stockholder Agreement dated as of the Closing Date among HLR, Roche Holdings, Hoffmann-La Roche and the Borrower, substantially in the form of Annex III to the NHL Proxy Statement, as the same, subject to Section 5.02(k), may be amended, supplemented or otherwise modified from time to time.

"Hoffmann-La Roche" means Hoffmann-La Roche Inc., a New Jersey corporation.

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

"Initial Date" means, for purposes of Section 2.12, in the case of the Administrative Agent and each Bank, the date of its execution and delivery of this Agreement and, in the case of each Lender other than a Bank, the date of the Assignment and Acceptance pursuant to which it becomes a Lender.

"Interest Coverage Ratio" means (a) with respect to (i) each of the periods commencing on the Closing Date and ending on (A) June 30, 1995, (B) September 30, 1995, (C) December 31, 1995 and (D) March 31, 1996, and (ii) the four fiscal quarter period ending on June 30, 1996, the ratio of (x) Consolidated Adjusted EBITDA of the Borrower and its Subsidiaries for such period to (y) Consolidated Interest Expense of the Borrower and its Subsidiaries for such period, (b) with respect to each of the four fiscal quarter periods ending on September 30, 1996, December 31, 1996 and March 31, 1997, the ratio of (x) the sum of (1) Consolidated Adjusted EBITDA of the Borrower and its Subsidiaries for each fiscal quarter ending prior to September 30, 1996 included in such period plus (2) Consolidated EBITDA of the Borrower and its Subsidiaries for each fiscal quarter ending on or after September 30, 1996 included in such period to (y) Consolidated Interest Expense of the Borrower and its Subsidiaries for such period and (c) with respect to each subsequent four fiscal quarter period, commencing with the four fiscal quarter period ending on June 30, 1997, the ratio of (x) Consolidated EBITDA of the Borrower and its Subsidiaries for such period to (y) Consolidated Interest Expense of the Borrower and its Subsidiaries for such period.

"Interest Expense" means, with respect to any specified period, the sum of interest expense on all Debt of the Borrower and its Subsidiaries on a Consolidated basis in accordance with GAAP and including, without limitation, to the extent not otherwise included in accordance with GAAP (a) the interest component of obligations under Tax Finance Leases and Capitalized Leases, (b) commissions, discounts and other fees and charges payable in connection with letters of credit, (c) the net payment, if any, payable in connection with Hedge Agreements, (d) fees paid pursuant to Section 2.08(a), (e) amortization of original issue discount and (f) the interest portion of any deferred payment obligation.

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

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

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

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

"Investment" in any Person means any loan or advance to such Person, any purchase or other acquisition of any capital stock, warrants, rights, options, debt obligations or other securities of such Person, any capital contribution to such Person or any other investment in such Person, including, without limitation, any arrangement pursuant to which the investor incurs Debt of the type referred to in clause (h) or (i) of the definition of "Debt" in respect of such Person.

"Investor Group Interest" has the meaning set forth in the

HLR Stockholder Agreement, as in effect on the date hereof.

"Junior Obligations" means unsecured indebtedness of the Borrower for borrowed money in favor of non-Affiliates of the Borrower: (i) payment or prepayment (mandatory or optional) of which (whether at maturity, upon acceleration, pursuant to scheduled amortization or otherwise) is not permitted or required until after the prior payment in full of the Obligations under the Loan Documents, (ii) incurred pursuant to loan agreements or other evidence of indebtedness providing for interest rates, fees and other returns to the obligee thereof, and for affirmative, negative and financial covenants and other terms and conditions, not more favorable, in the judgment of the Required Lenders, than those set forth in the Loan Documents, and (iii) otherwise subordinated to the prior payment in full of the Obligations under the Loan Documents on terms and conditions satisfactory to the Required Lenders.

"Lenders" means the Banks listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07 and each assignee that shall become a party hereto pursuant to Section 2.14.

"Level I" means, as of any date of determination, that the performance of the Borrower does not meet the requirements of Level II, Level III or Level IV.

"Level II" means, as of any date of determination, that (a) the performance of the Borrower does not meet the requirements of Level III or Level IV and (b) the Borrower maintained for any specified period ended at the end of the last fiscal quarter for which financial statements have been delivered to the Administrative Agent (i) an Interest Coverage Ratio of greater than or equal to 5.0:1.0 and (ii) a Leverage Ratio of less than or equal to 2.50:1.0.

"Level III" means, as of any date of determination, that (a) the performance of the Borrower does not meet the requirements of Level IV and (b) the Borrower maintained for any specified period ended at the end of the last fiscal quarter for which financial statements have been delivered to the Administrative Agent (i) an Interest Coverage Ratio of greater than or equal to 6.0:1.0 and (ii) a Leverage Ratio of less than or equal to 2.0:1.0.

"Level IV" means, as of any date of determination, that the Borrower maintained for any specified period ended at the end of the last fiscal quarter for which financial statements have been delivered to the Administrative Agent (a) an Interest Coverage Ratio greater than or equal to 7.0:1.0 and (b) a Leverage Ratio of less than or equal to 1.50:1.0.

"Leverage Ratio" means (a) with respect to each of the periods commencing on the Closing Date and ending on (i) June 30, 1995, (ii) September 30, 1995, (iii) December 31, 1995 and (iv) March 31, 1996, the ratio of (x) the total Consolidated Debt of the Borrower and its Subsidiaries as of the last day of such period to (y) Consolidated Annualized Adjusted EBITDA of the Borrower and its Subsidiaries for such period, (b) with respect to the four fiscal quarter period ending on June 30, 1996, the ratio of (x) the total Consolidated Debt of the Borrower and its Subsidiaries as of the last day of such period to (y) Consolidated Adjusted EBITDA of the Borrower and its Subsidiaries for such period, (c) with respect to each of the four fiscal quarter periods ending on September 30, 1996, December 31, 1996 and March 31, 1997, the ratio of (x) the total Consolidated Debt of the Borrower and its Subsidiaries as of the last day of such period to (y) the sum of (1) Consolidated Adjusted EBITDA of the Borrower and its Subsidiaries for each fiscal quarter ending on or before June 30, 1996 included in such period plus (2) Consolidated EBITDA of the Borrower and its Subsidiaries for each fiscal quarter ending on or after September 30, 1996 included in such period and (d) with respect to each subsequent four fiscal quarter period, commencing with the four fiscal quarter period ending June 30, 1997, the ratio of (x) the total Consolidated Debt of the Borrower and its Subsidiaries as of the last day of such fiscal quarter to (y) Consolidated EBITDA of the Borrower and its Subsidiaries for the four fiscal quarter period ended at the end of such fiscal quarter.

"LIBO CB Advance" has the meaning specified in Section 2.02(b)(i).

"LIBO Screen Rate" has the meaning set forth in the definition of Eurodollar Rate.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Loan Documents" means this Agreement, the Notes and the Subsidiary Guaranty.

"Loan Parties" means the Borrower and the Subsidiary Guarantors.

"Margin Stock" has the meaning specified in Regulation U of the Board of Governors of the Federal Reserve System and any successor regulations thereto, as in effect from time to time.

"Material Adverse Change" means, with respect to any Person, a material adverse change in the financial condition, results of operations or business of such Person and its Subsidiaries, taken as a whole.

"Material Adverse Effect" means a material adverse effect upon (a) the financial condition, results of operations or business of any applicable Person and its Subsidiaries, taken as a whole, or (b) the ability of a Loan Party to perform its Obligations under any Loan Document or (c) the binding nature, validity or enforceability of any Loan Document as an obligation of any Loan Party.

"Material Subsidiary" means (a) as to any Person, each "Subsidiary" (as defined in Rule 1-02 of Regulation S-X (17 CFR Part 210) ("Rule 1-02")) that qualifies as a "Significant Subsidiary" (as defined in Rule 1-02) of such Person, (b) NHL, (c) Allied and (d) each Subsidiary of the Borrower that is a direct or indirect beneficial owner of any shares of capital stock of NHL or Allied.

"Materially Different Business" means a business or line of business that is materially different from that described for the Borrower and its Subsidiaries and RBLI and its Subsidiaries in the NHL Proxy Statement.

"Merger" means the merger of the Borrower and RBLI under the applicable laws of the States of Delaware and New Jersey, as contemplated by the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Merger dated as of December 13, 1994 among the Borrower, HLR and RBLI, as amended from time to time to and including the date hereof, in the form (including amendments) previously delivered to the Administrative Agent.

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

"Multiemployer Plan" of any Person means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, which is subject to Title IV of ERISA, and to which such Person or any of its ERISA Affiliates is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Net Cash Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset or the sale or issuance by any Person of any Debt or capital stock or other equity interest, any securities convertible into or exchangeable for any capital stock or other equity interest or any warrants, rights or options to acquire any capital stock or other equity interest, the aggregate amount of cash received from time to time by or on behalf of such Person in connection with such transaction after deducting therefrom only (a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees and expenses, finder's fees, accountants' fees and expenses and other similar fees, expenses and commissions, (b) the amount of taxes payable or estimated in good faith to be payable in connection with or as a result of such transaction and (c) the amount of any Debt that, by the terms of such transaction or the terms of such Debt, is required to be repaid upon such disposition, in each case to the extent, but only to the extent, that the amounts so deducted are payable to a Person that is not an Affiliate and are properly attributable to such transaction or to the asset that is the subject thereof.

"Net Income" means, for any Person in any period, the net income of such Person and its Subsidiaries on a Consolidated basis for such period, as determined in accordance with GAAP.

"Net Tangible Assets" means, for any Person, total assets of such Person less all intangible assets of such Person, in each case determined in accordance with GAAP.

"NHL" means National Health Laboratories Incorporated, a Delaware corporation and an indirect wholly-owned Subsidiary of the Borrower, and its successors.

"NHL Cash Consideration" has the meaning set forth in the Merger Agreement.

"NHL Holdings I" means NHL Intermediate Holdings Corp. I, a Delaware corporation and a direct wholly-owned Subsidiary of the Borrower, and its successors.

"NHL Holdings II" means NHL Intermediate Holdings Corp. II, a Delaware corporation and an indirect wholly-owned Subsidiary of the Borrower, and its successors.

"NHL Proxy Statement" has the meaning set forth in the Merger Agreement.

"1994 Credit Agreement" means the $750,000,000 Credit Agreement dated as of June 21, 1994 between NHL Holdings II and Citicorp USA, Inc., as the same may be amended, supplemented or otherwise modified from time to time.

"1994 Credit Agreement Liens" has the meaning specified in Section 3.01(b).

"Note" means a Revolving Credit Note, a Term Note or a Competitive Bid Note.

"Notice of Borrowing" means a Notice of Committed Borrowing or a Notice of Competitive Bid Borrowing.

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

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.02(b).

"Obligation" means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including, without limitation, any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 6.01(e). Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents include (a) the obligation to pay principal, interest, charges, expenses, fees, attorneys' fees and disbursements, guarantees, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

"Other Taxes" has the meaning specified in Section 2.12(b).

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

"Performance Level" means Level I, Level II, Level III or Level IV.

"Permitted Acquisition" means any Acquisition permitted under Section 5.02(h).

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

"Plan" means an employee pension benefit plan (other than a Multiemployer Plan) which is subject to Title IV of ERISA, and (a) in the case of the Borrower, either (i) is maintained or contributed to by the Borrower or any of its ERISA Affiliates, or to which the Borrower or any of its ERISA Affiliates has an obligation to contribute, for employees of the Borrower or any of its ERISA Affiliates or (ii) has at any time within the preceding five years been maintained or contributed to by Borrower or any Person which was at such time an ERISA Affiliate of the Borrower for employees of Borrower or any Person which was at such time an ERISA Affiliate of the Borrower or (b) in the case of RBLI, either (x) is maintained or contributed to by RBLI, or to which RBLI has an obligation to contribute, for employees of RBLI or (y) has at any time within the preceding five years been maintained or contributed to by RBLI, or to which RBLI had an obligation to contribute, for employees for RBLI.

"Purchase Price" means, with respect to any Acquisition or proposed Acquisition, the consideration paid or to be paid for such Acquisition in cash and property (including, without limitation, all purchase price installments and all liabilities assumed, Debt incurred and equity issued by the Borrower or any of its Subsidiaries in connection with such Acquisition).

"RBLI" means Roche Biomedical Laboratories, Inc., a New Jersey corporation and a direct wholly-owned subsidiary of HLR, as such corporation existed immediately prior to the effectiveness of the Merger.

"Register" has the meaning specified in Section 8.07(b).

"Required Lenders" means at any time Lenders holding at least 51% of the sum of (a) the aggregate principal amount of the Committed Advances outstanding at such time and (b) the aggregate unused Term Commitments plus the aggregate Unused Revolving Credit Commitments at such time (provided that, for purposes hereof, neither the Borrower, nor any of its Affiliates, if a Lender, shall be included in (x) the Lenders holding such amount of the Committed Advances or having such amount of the Commitments or (y) determining the aggregate unpaid principal amount of the Committed Advances or the total Commitments); provided, however, if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required Lenders at such time (i) the aggregate principal amount of the Committed Advances made by such Lender and outstanding at such time and (ii) the aggregate Commitments of such Lender under both of the Facilities at such time.

"Restructuring Costs" means, to the extent actually incurred, a maximum of up to (a) $90,000,000 in the aggregate charged in respect of the five fiscal quarters ended June 30, 1996, for restructuring costs of the Borrower of the kind described in footnote 5 to the Pro Forma Condensed Combined Consolidated Balance Sheet for the year ended December 31, 1994 set forth in the NHL Proxy Statement, plus (b) $9,000,000 in the aggregate charged in respect of the four fiscal quarters ended June 30, 1996 for restructuring costs incurred in connection with the Designated Acquisition for which estimated restructuring costs in such amount are specified in the written agreement of the Borrower and the Administrative Agent with respect to Designated Acquisitions.

"Revolving Credit Advance" has the meaning specified in Section 2.01(b).

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

"Revolving Credit Commitment" means, with respect to any Revolving Credit Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Revolving Credit Commitment" or, if such Lender has entered into one or more Assignments and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(b) as such Lender's "Revolving Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.04.

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

"Revolving Credit Lender" means any Lender that has a Revolving Credit Commitment.

"Revolving Credit Note" means a promissory note of the Borrower payable to the order of any Lender having a Revolving Credit Commitment or a Revolving Credit Advance, in substantially the form of Exhibit A-2 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Credit Advances made or held by such Lender.

"Revolving Credit Termination Date" means the earlier of (a) the fifth anniversary of the Closing Date or (b) the date of termination in whole of the Revolving Credit Commitments pursuant to Section 2.04 or 6.01.

"Roche" means Roche Holding Ltd, a corporation organized and existing under the laws of Switzerland.

"Roche Holdings" means Roche Holdings, Inc., a Delaware corporation.

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

"Solvent" and "Solvency" mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Stockholders' Equity" means stockholders equity of the Borrower and its Subsidiaries on a Consolidated basis, as determined in accordance with GAAP.

"Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or estate of which (or in which) more than 50% of (a) the Voting Stock of such corporation, (b) the interest in the capital or profits of such partnership, limited liability company or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Subsidiary Guarantors" means each Material Subsidiary of the Borrower, from time to time, that is organized under the laws of a state of the United States.

"Subsidiary Guaranty" has the meaning specified in Section 3.01(e)(viii).

"Surviving Debt" has the meaning specified in Section 4.01(w).

"Taxes" has the meaning specified in Section 2.12(a).

"Tax Finance Lease" means a lease not required, in accordance with GAAP, to be recorded as a Capitalized Lease, but which is treated as a financing lease for federal income tax purposes.

"Telerate Rate" has the meaning set forth in the definition of Eurodollar Rate.

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

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

"Term Commitment" means, with respect to any Term Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term Commitment" or, if such Lender has entered into one or more Assignments and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(b) as such Lender's "Term Commitment", as such amount may be reduced pursuant to Section 2.04.

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

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

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

"Termination Date" means the sixth anniversary of the Closing Date.

"Transaction Documents" means, collectively, the Merger Agreement and the HLR Stockholder Agreement.

"Type" refers to the distinction between Term Advances and Revolving Credit Advances bearing interest at a rate based upon the Base Rate and Term Advances and Revolving Credit Advances bearing interest at a rate based upon the Eurodollar Rate.

"Unfunded Pension Liabilities" with respect to any Plan means the excess, if any, of its accumulated benefit obligation, as determined in accordance with Statement of Financial Accounting Standards No. 87 or any successor thereto (based on interest, mortality and other relevant actuarial assumptions used to fund such Plan as of its most recent actuarial valuation), over the fair market value of its assets (as of such date).

"Unused Revolving Credit Commitment" means, with respect to any Revolving Credit Lender at any time, (a) such Lender's Revolving Credit Commitment at such time, minus (b) the aggregate principal amount of all Revolving Credit Advances made by such Lender under the Revolving Credit Facility and outstanding at such time, and minus (c) the Competitive Bid Reduction applicable to such Lender pursuant to Section 2.01(b).

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Welfare Plan" means a welfare plan, as defined in Section 3(1) of ERISA.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of Part IV of ERISA.

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

SECTION 1.03. Accounting Terms 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 GAAP, 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 Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article V to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article V for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances. (a) The Term Advances. Each Term Lender severally agrees, on the terms and conditions hereinafter set forth, to make one advance (a "Term Advance") on the Closing Date in an aggregate amount not to exceed such Lender's Term Commitment. Amounts borrowed under this Section 2.01(a) and repaid or prepaid may not be reborrowed.

(b) The Revolving Credit Advances. Each Revolving Credit Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each a "Revolving Credit Advance") to the Borrower from time to time on any Business Day during the period from the date hereof until the Revolving Credit Termination Date in an aggregate amount not to exceed at any time outstanding such Lender's Revolving Credit Commitment on such Business Day; provided that the aggregate amount of the Revolving Credit Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Revolving Credit Commitments shall be allocated among the Lenders ratably according to their respective Revolving

Credit Commitments (such deemed use of the aggregate amount of the Revolving Credit Commitments being a "Competitive Bid Reduction"). Each Revolving Credit Borrowing shall be in an aggregate amount not less than $10,000,000 or an integral multiple of $1,000,000 in excess thereof (or, if less, an aggregate amount equal to the amount by which the aggregate amount of a proposed Competitive Bid Borrowing requested by the Borrower exceeds the aggregate amount of Competitive Bid Advances offered to be made by the Lenders and accepted by the Borrower in respect of such Competitive Bid Borrowing, if such Competitive Bid Borrowing is made on the same date as such Revolving Credit Borrowing) and shall consist of Advances made on the same day by the Revolving Credit Lenders ratably according to their respective Revolving Credit Commitments. Within the limits of each Revolving Credit Lender's Unused Revolving Credit Commitment in effect from time to time, the Borrower may borrow, prepay pursuant to Section 2.05(a) and reborrow under this Section 2.01(b).

(c) The Competitive Bid Advances. Each Lender severally agrees that the Borrower may make Competitive Bid Borrowings from time to time on any Business Day during the period from the date hereof until the date occurring seven days prior to the Revolving Credit Termination Date in the manner set forth in Section 2.02(b); provided that, following the making of each Competitive Bid Borrowing, the aggregate amount of the Revolving Credit Advances and Competitive Bid Advances then outstanding shall not exceed the aggregate amount of the Revolving Credit Commitments of the Lenders (calculated without regard to any Competitive Bid Reduction). Each Competitive Bid Borrowing shall be in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof, subject to the immediately preceding proviso. Within the limits and on the conditions set forth in this Article II, the Borrower may from time to time borrow under this Section 2.01(c), repay and reborrow under this Section 2.01(c), provided that a Competitive Bid Borrowing shall not be made within seven Business Days (or such other period as the Borrower and the Administrative Agent may agree) of the date of any other Competitive Bid Borrowing.

SECTION 2.02. Making the Advances. (a) Committed Advances. (i) Each Committed Borrowing shall be made on notice given not later than 11:00 A.M. (New York City time) on the date of a proposed Base Rate Borrowing or the third Business Day prior to the date of a proposed Eurodollar Rate Borrowing, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier, telex or cable. Each such notice of a Committed Borrowing (a "Notice of Committed Borrowing") shall be by telecopier, telex or cable, and, with respect to a Notice of Committed Borrowing by telex or cable, confirmed immediately thereafter in writing, in substantially the form of Exhibit C-1 hereto, specifying therein the requested (A) date of such Committed Borrowing, (B) Facility under which such Committed Borrowing is to be made, (C) Type of Advances comprising such Committed Borrowing, (D) aggregate amount of such Committed Borrowing and (E) Interest Period for each Eurodollar Rate Advance included in such Committed Borrowing. In the case of any such proposed Committed Borrowing comprised of Eurodollar Rate Advances, the Administrative Agent shall promptly notify the Borrower and each Lender of the applicable interest rate under Section 2.06(a)(ii). Each Lender shall, before 1:00 P.M. (New York City time) on the date of such Committed Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of such Committed Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available by crediting the Borrower's Account. Each Notice of Committed Borrowing shall be irrevocable and binding on the Borrower.

(ii) The Borrower may not request a Committed Borrowing comprised of Eurodollar Rate Advances or, pursuant to Section 2.15, convert Base Rate Advances into Eurodollar Rate Advances or select a new Interest Period for existing Eurodollar Rate Advances if, after the making or Conversion of such Advances or the selection of such Interest Period, the number of outstanding Committed Borrowings comprised of Eurodollar Rate Advances and having different Interest Periods (whether of different duration or commencing on different dates) would exceed ten.

(iii) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Committed Borrowing under a Facility under which such Lender has a Commitment that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Committed Borrowing, the Administrative Agent may assume, or at its option request confirmation from such Lender, that such Lender has made such portion available to the Administrative Agent on the date of such Committed Borrowing in accordance with Section 2.02(a)(i) and the Administrative Agent may, in reliance upon such assumption or confirmation (as the case may be), make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (A) in the case of the Borrower, the interest rate applicable at such time under Section 2.06 to Advances comprising such Committed Borrowing and (B) in the case of such Lender, the cost (expressed as a rate per annum) to the Administrative Agent of funding such Lender's ratable portion; provided that, upon the request of such Lender, the Administrative Agent shall provide such Lender with a certificate as to the calculation of such amount. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Committed Borrowing for purposes of this Agreement.

(b) Competitive Bid Advances. (i) The Borrower may

request a Competitive Bid Borrowing by delivering to the Administrative Agent, by telecopier or telex, confirmed immediately in writing, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in substantially the form of Exhibit C-2 hereto, specifying therein (A) the date of such proposed Competitive Bid Borrowing, (B) the aggregate amount of such proposed Competitive Bid Borrowing, (C) the maturity date for repayment of each Competitive Bid Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring seven days after the date of such Competitive Bid Borrowing or later than the Revolving Credit Termination Date), (D) the interest payment date or dates relating thereto and (E) any other terms to be applicable to such Competitive Bid Borrowing, not later than 11:00 A.M. (New York City time) (x) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Competitive Bid Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (y) at least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall instead specify in the Notice of Competitive Bid Borrowing the basis to be used by the Lenders in determining the rates of interest to be offered by them (the Competitive Bid Advances comprising any such Competitive Bid Borrowing being referred to herein as "LIBO CB Advances"). The Administrative Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender, in its sole discretion, by submitting a notice, in the form of Exhibit C-3, to the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 9:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO CB Advances, specifying (A) the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts may, subject to the first proviso set forth in Section 2.01(c), exceed such Lender's Revolving Credit Commitment, if any), (B) the rate or rates of interest per annum therefor and (C) such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Administrative Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer before 9:15 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Lenders.

(iii) The Borrower shall, in turn, before 10:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, and before 10:30 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO CB Advances, either:

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

(B) accept one or more of the offers made by any Lender or Lenders pursuant to Section 2.02(b)(ii), in its sole discretion, by giving notice to the Administrative Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such Competitive Bid Advance pursuant to Section 2.02(b)(ii)) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to Section 2.02(b)(ii) by giving the Administrative Agent notice to that effect. If the Borrower accepts any offers made by Lenders pursuant to Section 2.02(b)(ii), such offers shall be accepted in the order of the lowest to highest interest rates or, if two or more Lenders offer to make Competitive Bid Advances at the same interest rate, such offers, if any, shall be accepted in proportion to the amount offered by each such Lender at such interest rate.

(iv) If the Borrower notifies the Administrative Agent that such Competitive Bid Borrowing is cancelled pursuant to Section 2.02(b)(iii)(A), the Administrative Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to Section 2.02(b)(iii)(B), the Administrative Agent shall in turn promptly notify (A) each Lender that has made an offer pursuant to Section 2.02(b)(ii) of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to Section 2.02(b)(ii) have been accepted by the Borrower and (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 1:00 P.M. (New York City time) on the date of such Competitive Bid Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in

Article III and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower by crediting the Borrower's Account. Promptly after each Competitive Bid Borrowing the Administrative Agent will notify each Lender of the amount of the Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(vi) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Notice of Competitive Bid Borrowing delivered by the Borrower and a register for the recordation of the date, amount, maturity, interest rate, interest payment dates, other terms and Lender of each Competitive Bid Advance accepted by the Borrower from time to time pursuant to this Section 2.02(b) (the "Competitive Bid Register"). The entries in the Competitive Bid Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat the entries recorded in the Competitive Bid Register as evidence of Competitive Bid Advances made pursuant to this Section 2.02(b). The Competitive Bid Register shall be available for inspection by the Borrower or any Lender making a Competitive Bid Advance at any reasonable time and from time to time upon reasonable prior notice.

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

(c) Funding Losses. The Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure by the Borrower to fulfill on or before the date specified in any Notice of Borrowing for the applicable Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

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

SECTION 2.03. Repayment. (a) Term Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders having Term Advances the outstanding principal amount of the Term Advances on the following dates in the amounts indicated; provided that the last such installment shall be in an amount sufficient to repay all amounts owed by the Borrower under the Term Advances:

Date	Amount
October 31, 1995	$16,666,000
January 31, 1996	16,667,000
April 30, 1996	16,667,000
July 31, 1996	18,750,000
October 31, 1996	18,750,000
January 31, 1997	18,750,000
April 30, 1997	18,750,000
July 31, 1997	37,500,000
October 31, 1997	37,500,000
January 31, 1998	37,500,000
April 30, 1998	37,500,000
July 31, 1998	37,500,000
October 31, 1998	37,500,000
January 31, 1999	37,500,000
April 30, 1999	37,500,000
July 31, 1999	43,750,000
October 31, 1999	43,750,000
January 31, 2000	43,750,000
April 30, 2000	43,750,000
July 31, 2000	50,000,000
October 31, 2000	50,000,000
January 31, 2001	50,000,000
April 30, 2001	50,000,000
Total	$800,000,000

(b) Revolving Credit Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders having Revolving Credit Advances the aggregate principal amount of the Revolving Credit Advances on the Revolving Credit Termination Date.

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

such Competitive Bid Advance.

SECTION 2.04. Reduction of the Commitments. (a) Optional. The Borrower shall have the right, upon at least three Business Days' prior notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Term Commitments or the Unused Revolving Credit Commitments; provided that each partial reduction shall be in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof, and each reduction of the Term Commitment shall be applied pro rata to reduce the amounts of each installment due pursuant to Section 2.03(a). No Commitment amount so terminated shall be reinstated.

(b) Mandatory. (i) Dispositions, Etc. The Revolving Credit Commitments shall be reduced, on a pro rata basis for each Lender, by an amount equal to the amounts required to be applied to reduce the Revolving Credit Facility pursuant to Section 2.05(b).

(ii) Revolving Credit Termination Date. The Revolving Credit Commitments shall terminate in whole on the Revolving Credit Termination Date.

(iii) Term Commitments. The Term Commitments shall terminate in whole at the close of business on the Closing Date.

SECTION 2.05. Prepayments. (a) Optional. The Borrower may, upon at least one Business Day's notice to the Administrative Agent, in the case of Base Rate Advances, and three Business Days' notice to the Administrative Agent, in the case of Eurodollar Rate Advances, stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given, the Borrower shall, prepay the outstanding principal amounts of the Committed Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount so prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than $10,000,000 or an integral multiple of $1,000,000 in excess thereof (or, if the aggregate principal amount of all Committed Advances that constitute part of such Borrowing is less, such aggregate principal amount) and (y) in the event any such prepayment of Eurodollar Rate Advances is not made on the last day of an Interest Period, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(b). Each such prepayment of any Term Advances shall be applied to the installments thereof in inverse order of maturity. The Borrower shall have no optional right to prepay any principal amount of any Competitive Bid Advance unless, and then only on the terms, specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered by the Borrower and set forth in the Competitive Bid Register with respect to such Competitive Bid Advance.

(b) Mandatory. (i) Dispositions. The Borrower shall, as promptly as practicable after the date of receipt by the Borrower or any of its Subsidiaries of Net Cash Proceeds from any Disposition, which Net Cash Proceeds (A) exceed $1,000,000 for any single transaction or series of related transactions, and (B) when aggregated with all other Net Cash Proceeds from Dispositions with Net Cash Proceeds in excess of $1,000,000 for any single transaction or series of related transactions received during the term of this Agreement, exceed $25,000,000, apply an amount equal to 100% of the amount of Net Cash Proceeds of such Disposition, if the Borrower or such Subsidiary does not reinvest, within one year of such Disposition, such Net Cash Proceeds in productive assets of a kind used or usable in the business of the Borrower or such Subsidiary, as follows: First, to the Term Advances, in prepayment of the installments thereof pro rata, and second, to the Revolving Credit Facility, as a reduction in the Revolving Credit Commitments.

(ii) Debt Issuance. The Borrower shall, on the date of receipt of the Net Cash Proceeds from the sale and issuance by the Borrower or any of its Subsidiaries of any Debt (other than Debt permitted pursuant to Section 5.02(j) (other than Section 5.02(j)(ii)), apply an amount equal to 100% of such Net Cash Proceeds as follows: (A) First, to the Term Advances, in prepayment of the installments thereof, (1) first, 50% of such prepayment to be applied to such installments in inverse order of maturity and (2) second, 50% of such prepayment to be applied to such installments pro rata, and (B) Second, to the Revolving Credit Facility, as a reduction in the Revolving Credit Commitments.

(iii) Deferral. If any application of Net Cash Proceeds required by clause (i) or (ii) above would otherwise require prepayment of Eurodollar Rate Advances or portions thereof prior to the last day of a then current Interest Period relating thereto, such reduction shall, unless the Administrative Agent otherwise notifies the Borrower upon the instructions of the Required Lenders, be deferred to the last day of the related Interest Period.

(iv) Overadvance. The Borrower shall, on each Business Day, prepay an aggregate principal amount of the Revolving Credit Advances (and any Competitive Bid Advances) equal to the amount by which the aggregate principal amount of the Revolving Credit Advances (and any Competitive Bid Advances) exceeds the Revolving Credit Facility on such Business Day.

(v) Accrued Interest. All prepayments under this Section 2.05(b) shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

SECTION 2.06. Interest. (a) Ordinary Interest on Committed Advances. The Borrower shall pay interest on the unpaid principal amount of each Committed Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following

rates per annum:

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

(ii) Eurodollar Rate Advances. During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin in effect from time to time, payable in arrears on (A) the last day of such Interest Period and (B) if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period (clause (iii) of the definition of "Interest Period" set forth in Section 1.01 shall apply to payments required by this clause (B), as if the three-month period referred to herein constitutes an "Interest Period").

(b) Ordinary Interest on Competitive Bid Advances. The Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to Section 2.02(b)(ii), payable on the interest payment date or dates specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered by the Borrower, as recorded in the Competitive Bid Register with respect to such Competitive Bid Advance.

(c) Default Interest. The Borrower shall pay on demand interest on the unpaid principal amount of each Advance that is not paid when due and on the unpaid amount of all interest, fees and other amounts then due and payable hereunder that is not paid when due from the due date thereof to the date paid, at a rate per annum equal at such time to (i) in the case of any amount of principal, 2% per annum above the rate of interest per annum required to be paid on such Advance immediately prior to the date on which such amount became due and payable and (ii) in the case of all other amounts, 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.06(a)(i).

SECTION 2.07. Interest Rate Determination. (a) The Administrative Agent shall give prompt notice to the Borrower and each Lender of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.06(a), and the LIBO Screen Rate or Telerate Rate obtained by the Administrative Agent for the purpose of determining the applicable interest rate under Section 2.06(a).

(b) If neither the LIBO Screen Rate nor the Telerate Rate is timely available to the Administrative Agent for determining the Eurodollar Rate, the Administrative Agent shall forthwith notify the Borrower and each Lender that the interest rate cannot be determined for such Eurodollar Rate Advances, whereupon (i) each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that the Administrative Agent has determined that the circumstances causing such suspension no longer exist.

(c) If the Required Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Eurodollar Rate Advances will not adequately and fairly reflect the cost to such Lenders of making, funding or maintaining their pro rata shares of such Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and the Interest Period for such Eurodollar Rate Advances will be one month.

SECTION 2.08. Fees. (a) Agency and Facility Fees. The Borrower agrees (i) to pay to the Administrative Agent, for its own account, an agency fee at the rate specified in the fee letter dated December 13, 1994 between the Borrower and CS, as the same may be amended or otherwise modified from time to time, for the period from and including the Closing Date to the Termination Date, such agency fee to be payable in advance on the Closing Date and on each anniversary of the Closing Date and (ii) to pay to the Administrative Agent, for distribution to the Lenders in proportion to their Revolving Credit Commitments (without giving effect to any Competitive Bid Reduction), a facility fee for the period from and including the Closing Date to the Revolving Credit Termination Date, equal to the applicable Facility Fee Percentage per annum on the average daily Revolving Credit Commitments in

effect (without reduction for any Advances that may be outstanding at any time or from time to time), such facility fee to be payable quarterly in arrears on the last Business Day of each January, April, July and October of each year and on the Revolving Credit Termination Date, commencing on the first such date to occur after the Closing Date.

(b) Other Fees. Without duplication of any amount specified in Section 2.08(a), the Borrower shall pay to the Administrative Agent such fees as are due to the Administrative Agent for its own account as set forth in the fee letter dated December 13, 1994 between the Borrower and CS, as the same may be amended or otherwise modified from time to time.

SECTION 2.09. Increased Costs. (a) Except as to taxes, levies, imposts, deductions, charges, withholdings or liabilities with respect thereto (it being understood that the Borrower shall not have any liability for any taxes, levies, imposts, deductions, charges, withholdings or liabilities with respect thereto, except as provided in Section 2.12), if, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance by any Lender with any guideline or request from any central bank or other governmental authority in any case introduced, changed, interpreted or requested after the date hereof (whether or not having the force of law), there shall be (x) imposed, modified or deemed applicable any reserve, special deposit or similar requirement against assets held by, or deposits in or for the account of, any Lender or (y) imposed on any Lender any other condition relating to this Agreement or the Advances made by it, and the result of any event referred to in clause (x) or (y) shall be to increase the cost to such Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO CB Advances, then the Borrower shall from time to time, within 15 days after demand by such Lender (with a copy of such demand to the Administrative Agent) made within 60 days after the first date on which such Lender has actual knowledge that it is entitled to make demand for payment under this Section 2.09(a), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that if such Lender fails to so notify the Borrower within such 60-day period, such increased cost shall commence accruing on such later date on which the Lender notifies the Borrower; provided further that such Lender agrees to use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental or monetary authority in regard to capital adequacy (whether or not having the force of law), in any case in which such law, regulation, guideline or request became effective or was made after the date hereof, has or would have the effect of reducing the rate of return on the capital of, or maintained by, such Lender or any corporation controlling such Lender as a consequence of such Lender's Advances or Commitments hereunder and other commitments of this type, by increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender, to a level below that which such Lender or any corporation controlling such Lender could have achieved but for such adoption, effectiveness, change or compliance (taking into account such Lender's or such corporation's policies with respect to capital adequacy), by an amount deemed by such Lender to be material, then the Borrower shall, from time to time, pay such Lender, within 15 days after demand by such Lender (with a copy of such demand to the Administrative Agent) made within 60 days after the first date on which such Lender has actual knowledge that it is entitled to make demand for payment under this Section 2.09(b) of such reduction in return, such additional amount as may be specified by such Lender as being sufficient to compensate such Lender for such reduction in return, to the extent that such Lender reasonably determines such reduction to be attributable to the existence of such Lender's commitment to lend hereunder; provided, however, that if such Lender fails to so notify the Borrower within such 60-day period, such amounts shall commence accruing on such later date on which the Lender notifies the Borrower. A certificate as to such amounts submitted to the Borrower and the Administrative Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.10. Illegality. Notwithstanding any other provision of this Agreement, if on or after the date hereof the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or LIBO CB Advances or to fund or maintain Eurodollar Rate Advances or LIBO CB Advances hereunder, then, upon written notice by such Lender to the Borrower (with a copy to the Administrative Agent), (i) each Eurodollar Rate Advance and LIBO CB Advance of such Lender will automatically Convert into a Base Rate Advance and (ii) the obligation of such Lender to make, or to Convert Base Rate Advances into, Eurodollar Rate Advances shall be suspended until such Lender shall notify the Borrower (with a copy to the Administrative Agent) that the circumstances causing such suspension no longer exist; provided, however, that such Lender shall designate a different Eurodollar Lending Office if the making of such a designation would avoid the need for giving such notice and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

For purposes of this Section 2.10, a notice to the Borrower

by a Lender shall be effective with respect to any Advance on the last day of the then current Interest Period for such Advance; provided, however, that, if it is not lawful for such Lender to maintain such Advance until the end of the Interest Period applicable thereto, then the notice to the Borrower shall be effective upon receipt by the Borrower.

SECTION 2.11. Payments and Computations. (a) The Borrower shall make each payment hereunder and under the Notes not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at the Administrative Agent's Account in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable with respect to Competitive Bid Advances or pursuant to Section 2.09 or 2.12) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount (including Competitive Bid Advances) payable to any applicable Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment of principal, interest or fees owed to such Lender is not made when due hereunder or under the Note or Notes held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of facility fees shall be made by the Administrative Agent on the basis of a year of 360 days, and all computations of interest based on CS's base lending rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under any Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fees, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances or LIBO CB Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

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

(f) If the Administrative Agent receives funds for application to the Obligations under the Loan Documents under circumstances for which the Loan Documents do not specify the Advances or the Facility to which, or the manner in which, such funds are to be applied, the Administrative Agent may, but shall not be obligated to, elect to distribute such funds to each Lender ratably in accordance with such Lender's proportionate share of the principal amount of all outstanding Advances then outstanding, in repayment or prepayment of such of the outstanding Advances or other Obligations owed to such Lender, and for application to such principal installments, as the Administrative Agent shall direct.

SECTION 2.12. Taxes. (a) Any and all payments by the Borrower hereunder or under the Notes shall be made, in accordance with Section 2.11, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, (i) taxes imposed on its income, and franchise taxes imposed on it, by the United States (other than United States withholding taxes) or the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision or taxing authority thereof or therein, (ii) taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's or the Administrative Agent's principal office or Applicable Lending Office, or in the case of any foreign jurisdiction that imposes taxes on the basis of management and control or other concept of principal residence, by the jurisdiction in which such Lender or the Administrative Agent is so resident, or any political subdivision or taxing authority thereof or therein and (iii) United States withholding tax payable with respect to payments hereunder under

laws (including, without limitation, any statute, treaty, ruling, determination or regulation) in effect on the Initial Date with respect to such Lender or the Administrative Agent, but not excluding any United States withholding tax (including backup withholding taxes) payable as a result of any change in such laws occurring after the Initial Date (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions of Taxes (including deductions of Taxes applicable to additional sums payable under this Section 2.12) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions of Taxes been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law; provided, however, that any such Lender shall designate a different Eurodollar Lending Office if, in the judgment of such Lender, such designation would avoid the need for, or reduce the amount of, any Taxes required to be deducted from or in respect of any sum payable hereunder to such Lender or the Administrative Agent and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.12) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, additions to tax, interest and costs and expenses (including reasonable attorneys' fees and expenses)) arising therefrom or with respect thereto; provided that, in the event such Lender or the Administrative Agent, as the case may be, successfully contests the assessment of such Taxes or Other Taxes or any liability arising therefrom or with respect thereto, such Lender or the Administrative Agent shall refund, to the extent of any refund or credit thereof made to such Lender or the Administrative Agent, any amounts paid by the Borrower under this Section 2.12 in respect of such Taxes, Other Taxes or liabilities arising therefrom or with respect thereto. Each Lender and the Administrative Agent agrees that it will contest such Taxes, Other Taxes or liabilities if (i) the Borrower furnishes to it an opinion of reputable tax counsel (such opinion and such counsel to be acceptable to such Lender or the Administrative Agent) to the effect that such Taxes or Other Taxes were wrongfully or illegally imposed and (ii) such Lender or the Administrative Agent determines, in its sole discretion, that it would not be materially disadvantaged or prejudiced as a result of such contest. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 8.02, appropriate evidence of payment thereof. If no Taxes are payable in respect of any payment hereunder or under the Notes by the Borrower from an account or branch outside the United States or on behalf of the Borrower by a payor that is not a United States person, the Borrower will furnish to the Administrative Agent, at such address, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Administrative Agent, in either case stating that such payment is exempt from or not subject to Taxes. For purposes of this Section 2.12, the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States and the Administrative Agent, if organized under the laws of a jurisdiction outside the United States, shall, on or prior to the Initial Date and from time to time thereafter if requested in writing by the Borrower or the Administrative Agent (but only so long thereafter as such Lender or the Administrative Agent remains lawfully able to do so), provide the Borrower and (in the case of any such Lender other than the Administrative Agent) the Administrative Agent with two duly completed copies of Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender or the Administrative Agent is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of withholding tax on payments under this Agreement or the Notes or certifying that the income receivable pursuant to this Agreement or the Notes is effectively connected with the conduct of a trade or business in the United States. To the extent permitted by law, as an alternative to form 1001 or 4224, each such Lender or the Administrative Agent shall so provide the Borrower and (in the case of any such Lender other than the Administrative Agent) the Administrative Agent with two duly completed copies of Internal Revenue Service form W-8, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender or the Administrative Agent is exempt from United States federal withholding tax pursuant to Sections 871(h) or 881(c) of the Code, together with an annual certificate stating that such Lender is not a Person described in Sections 871(h)(3) or 881(c)(3) of the Code.

(f) For any period with respect to which the Administrative Agent or a Lender has failed to provide the Borrower with the appropriate forms described in subsection (e) above (other than if such failure is due to a change in law occurring after the date on which such person was originally

required to provide such forms, or if such forms are otherwise not required under subsection (e) above), the Administrative Agent or such Lender shall not be entitled to increased payments or indemnification under subsection (a) or (c) above with respect to Taxes imposed by the United States; provided, however, that should the Administrative Agent or a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Administrative Agent or such Lender shall reasonably request to assist the Lender to recover such Taxes if, in the judgment of the Borrower such steps would avoid the need for, or reduce the amount of, any Taxes required to be deducted from or in respect of any sum payable hereunder to the Administrative Agent or such Lender and would not, in the judgment of the Borrower, be disadvantageous or prejudicial to the Borrower.

(g) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.12 shall survive the payment in full of principal and interest hereunder and under the Notes.

(h) If a Lender shall change its Applicable Lending Office other than (i) at the request of the Borrower or (ii) at a time when such change would not result in this Section 2.12 requiring the Borrower to make a greater payment than if such change had not been made, such Lender shall not be entitled to receive any greater payment under this Section 2.12 than such Lender would have been entitled to receive had it not changed its Applicable Lending Office.

SECTION 2.13. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.09 or 2.12) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.14. Removal of Lender. In the event that any Lender demands payment of costs or additional amounts pursuant to Section 2.09 or Section 2.12 or asserts pursuant to Section 2.10 that it is unlawful for such Lender to make Eurodollar Rate Advances, then (subject to such Lender's right to rescind such demand or assertion within ten days after the notice from the Borrower referred to below) the Borrower may, upon 20 days' prior written notice to such Lender and the Administrative Agent, elect to cause such Lender to assign its Advances and Commitments in full to an assignee institution selected by the Borrower that meets the criteria of an Eligible Assignee and is reasonably satisfactory to the Administrative Agent, so long as such Lender receives payment in full of the outstanding principal amount of all Advances made by it and all accrued and unpaid interest thereon and all other amounts due and payable to such Lender as of the date of such assignment (including without limitation amounts owing pursuant to Section 2.09 or 2.12), and in such case such Lender agrees to make such assignment, and such assignee shall agree to accept such assignment and assume all obligations of such Lender hereunder, in accordance with Section 8.07.

SECTION 2.15. Conversion of Advances. (a) Optional. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than noon (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.07 and 2.09, Convert all or any portion of the Committed Advances of one Type comprising the same Borrowing into Committed Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances, and any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be subject to the limitation set forth in Section 2.02(a)(ii) and in an amount not less than $10,000,000. Each such notice of Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Committed Advances to be Converted and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for such Committed Advances. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Mandatory. (i) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Committed Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(ii) Upon the occurrence and during the continuance of any Event of Default (or, in the case of any involuntary proceeding described in Section 6.01(e), a Default), (A) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (B) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

SECTION 2.16. Defaulting Lenders. (a) In the event that, at any one time, (i) any Lender shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Advance to the Borrower and (iii) the Borrower shall be required to make any payment hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower may, so long as no Default shall occur or be continuing at such time and to the fullest extent permitted by applicable law, set off and otherwise apply the Obligation of the Borrower to make such payment to or for the account of such Defaulting Lender against the Obligation of such Defaulting Lender to make such Defaulted Advance. In the event that the Borrower shall so set off and otherwise apply the Obligation of the Borrower to make any such payment against the Obligation of such Defaulting Lender to make any such Defaulted Advance on any date, the amount so set off and otherwise applied by the Borrower shall constitute for all purposes of this Agreement and the other Loan Documents a Committed Advance by such Defaulting Lender made on such date under the Facility pursuant to which such Defaulted Advance was originally required to have been made pursuant to Section 2.01. Such Committed Advance shall be a Base Rate Advance and shall be considered, for all purposes of this Agreement, to comprise part of the Committed Borrowing in connection with which such Defaulted Advance was originally required to have been made pursuant to Section 2.01, even if the other Committed Advances comprising such Committed Borrowing shall be Eurodollar Advances on the date such Committed Advance is deemed to be made pursuant to this subsection (a). The Borrower shall notify the Administrative Agent at any time the Borrower reduces the amount of the Obligation of the Borrower to make any payment otherwise required to be made by it hereunder or under any other Loan Document as a result of the exercise by the Borrower of its right set forth in this subsection (a) and shall set forth in such notice (A) the name of the Defaulting Lender and the Defaulted Advance required to be made by such Defaulting Lender and (B) the amount set off and otherwise applied in respect of such Defaulted Advance pursuant to this subsection (a). Any portion of such payment otherwise required to be made by the Borrower to or for the account of such Defaulting Lender which is paid by the Borrower, after giving effect to the amount set off and otherwise applied by the Borrower pursuant to this subsection (a), shall be applied by the Administrative Agent as specified in subsection (b) or (c) of this Section 2.16.

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

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

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

Any portion of such amount paid by the Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Administrative Agent pursuant to this subsection (b), shall be applied by the Administrative Agent as specified in subsection (c) of this Section 2.16.

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

Administrative Agent or any other Lender, as and when such Committed Advances or amounts are required to be made or paid and, if the amount so held in escrow shall at any time be insufficient to make and pay all such Committed Advances and amounts required to be made or paid at such time, in the following order of priority:

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

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

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

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

(d) The rights and remedies against a Defaulting Lender under this Section 2.16 are in addition to other rights and remedies which the Borrower may have against such Defaulting Lender with respect to any Defaulted Advance and which the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Defaulted Amount.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to Initial Borrowing. The obligation of each Lender to make an Advance on the occasion of the initial Borrowing is subject to the following conditions precedent:

(a) On the Closing Date, the Administrative Agent shall have received (in a quantity sufficient for all Lenders) (i) a certificate from the president or any vice president of each of the Borrower, RBLI, Roche Holdings and HLR to the effect that each Transaction Document to which such party is a party is in full force and effect in the form previously delivered to the Lenders and no term or condition thereof has been amended, modified or waived after the execution thereof without the consent of (x) the Administrative Agent or (y) if in the judgment of the Administrative Agent such amendment, modification or waiver is material, the Required Lenders, and that all conditions precedent to the consummation of the transactions contemplated by the Merger Agreement (other than those related to the initial Borrowing hereunder and the use of the proceeds thereof) have been satisfied or, if consented to by the Administrative Agent and, if material (in the judgment of the Administrative Agent), the Required Lenders, waived as of the Closing Date and (ii) evidence that the Merger will become effective under the laws of the States of Delaware and New Jersey on the Closing Date substantially in accordance with the terms of the Merger Agreement.

(b) The Lenders shall be satisfied that all Debt under the 1994 Credit Agreement has been prepaid, the commitments under the 1994 Credit Agreement have been terminated and all mortgages, pledges, security interests and other charges or encumbrances created or purported to be created in favor of the Administrative Agent or the Lenders under (and as defined in) the 1994 Credit Agreement (the "1994 Credit Agreement Liens") shall have been released in full (or such prepayment, termination and release shall have been duly provided for in a manner satisfactory to the Lenders).

(c) There shall have occurred no Material Adverse Change since December 31, 1994 relating to the Borrower or RBLI.

(d) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent and the Lenders (including the reasonable fees and expenses of special counsel to the Administrative Agent).

(e) The Administrative Agent shall have received on or before the date of the initial Borrowing the following, each dated as of the date of the initial Borrowing (unless otherwise specified), in form and substance satisfactory to the Administrative Agent (unless otherwise specified) and (except for the Notes) in sufficient copies for each Lender and the Administrative Agent:

(i) the Term Notes and the Revolving Credit Notes to the order of the Lenders, and the Competitive Bid Note to the order of the Administrative Agent;

(ii) certified copies of the resolutions of the board of directors of each Loan Party and RBLI approving the Merger, each Loan Document and each Transaction Document to which it is or is to be a party, as appropriate, and, if requested by the Administrative Agent, of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the Merger, each Loan Document and each Transaction Document to which it is or is to be a party, as appropriate;

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

(iv) a copy of the certificate of incorporation (or equivalent charter document) of each Loan Party and each amendment thereto, certified (as of a date reasonably near the date of the initial Borrowing) by the secretary of state of the jurisdiction of its incorporation as being a true and correct copy thereof;

(v) a copy of a certificate of the secretary of state of the relevant jurisdiction of incorporation, dated reasonably near the date of the initial Borrowing, listing the certificate of incorporation (or equivalent charter document) of each Loan Party, as the case may be, and each amendment thereto on file in his office and certifying that (A) such amendments are the only amendments to the charter documents of such Person on file in his office, (B) such Person has paid all franchise taxes to the date of such certificate and (C) such Person is duly incorporated and in good standing under the laws of the jurisdiction of its incorporation;

(vi) (A) a certificate of each Loan Party signed on behalf of such Person by its President or a Vice President and its Secretary or any Assistant Secretary, dated as of the date of the initial Borrowing (the statements made in such certificate shall be true on and as of the date of the initial Borrowing), certifying as to (1) the absence of any amendments to the certificate of incorporation (or equivalent charter document) of such Person since the date of the secretary of state's certificate referred to in subclause (v) above, except as provided for under the Merger Agreement, as described in the NHL Proxy Statement, as necessary to change the name of the Borrower to Laboratory Corporation of America Holdings or, with respect to NHL Holdings I and NHL Holdings II, as consented to by the Administrative Agent, (2) a true and correct copy of the by-laws of such Person as in effect on the date of the initial Borrowing and (3) the absence of any proceeding for the dissolution or liquidation of such Person and (B) a certificate of each Loan Party, RBLI, Roche Holdings and HLR signed on behalf of such Person by its President or a Vice President and its Secretary or any Assistant Secretary, dated as of the date of the initial Borrowing (the statements made in such certificate shall be true on and as of the date of the initial Borrowing), certifying as to the truth in all material respects of the representations and warranties made by such Person in each Loan Document and the Merger Agreement, as appropriate, as though made on and as of the date of the initial Borrowing;

(vii) a certificate of the Borrower certifying as to the absence of any event occurring and continuing, or resulting from the initial Borrowing or the Merger, that constitutes a Default;

(viii) a guaranty in substantially the form of Exhibit D (as amended from time to time in accordance with its terms, the "Subsidiary Guaranty"), duly executed by the Subsidiary Guarantors;

(ix) such financial and business information regarding each Loan Party, RBLI and their respective Subsidiaries as the Lenders shall have reasonably requested, and all documents the Administrative Agent may reasonably request relating to the existence of the Loan Parties and RBLI, the corporate authority for and the validity of the Loan Documents and the Transaction Documents and any other matters relevant thereto, all in form and substance satisfactory to the Administrative Agent;

(x) audited annual financial statements of both the Borrower and RBLI dated December 31, 1994, unaudited interim financial statements of both the Borrower and RBLI dated the end of the most recent fiscal quarter ended after December 31, 1994 (if available), pro forma financial statements as to the Borrower and financial models prepared by management of the Borrower and NHL, in form and substance satisfactory to the Lenders, of balance sheets, income statements and cash flow statements on a quarterly basis for the first year

following the day of the initial Borrowing and on an annual basis for each year thereafter until the Termination Date;

(xi) a letter, in form and substance satisfactory to the Administrative Agent, from the Borrower to KPMG Peat Marwick, its independent certified public accountants, advising such accountants that the Administrative Agent and the Lenders have been authorized to exercise all rights of the Borrower to require such accountants to disclose any and all financial statements and any other information of any kind that they may have with respect to the Borrower and its Subsidiaries and directing such accountants to comply with any reasonable request of the Administrative Agent or any Lender for such information;

(xii) a letter, in form and substance satisfactory to the Administrative Agent, from KPMG Peat Marwick, the Borrower's independent certified public accountants, to the Administrative Agent, acknowledging that the Lenders have relied and will rely upon the financial statements of the Borrower examined by such accountants in determining whether to enter into, and to take action or refrain from taking action under, the Loan Documents; and

(xiii) a favorable opinion of James G. Richmond Esq., Executive Vice President and General Counsel of the Borrower, and of Davis Polk & Wardwell, special New York counsel for the Borrower, substantially in the forms of Exhibits E-1 and E-2 hereto, respectively, and as to such other matters as the Administrative Agent may reasonably request.

(f) The initial Borrowing shall have occurred on or before June 1, 1995.

SECTION 3.02. Conditions Precedent to Each Borrowing. The obligation of each Lender to make an Advance on the occasion of each Borrowing (including the initial Borrowing) resulting in an increase in the aggregate amount of outstanding Advances shall be subject to the further conditions precedent that on the date of such Borrowing the following statements shall be true (and the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

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

(ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes a Default.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing. The obligation of each Lender that is to make a Competitive Bid Advance to make such Competitive Bid Advance as part of a Competitive Bid Borrowing is subject to the further conditions precedent that (a) the Administrative Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto and (b) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Administrative Agent shall have received for recordation in the Competitive Bid Register information as to each of the one or more Competitive Bid Advances to be made by the Lenders as part of such Competitive Bid Borrowing, the principal amount of each such Competitive Bid Advance and such other terms agreed to for each such Competitive Bid Advance in accordance with Section 2.02.

SECTION 3.04. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the initial Borrowing specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of such Borrowing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants (with respect to RBLI, Roche Holdings and HLR, in each case, to the best of its knowledge and, with respect to RBLI, immediately prior to the consummation of the Merger) as follows:

(a) Each Loan Party and RBLI (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) is duly qualified and in good standing as a foreign corporation in each other

jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean each of the Borrower and RBLI) and (iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. All of the outstanding capital stock of the Borrower has been validly issued, is fully paid and non-assessable.

(b) Set forth on Schedule II hereto is a complete and accurate list of all Material Subsidiaries of the Borrower and RBLI, showing as of the date hereof (as to each such Subsidiary) the jurisdiction of its incorporation, the number of shares of each class of capital stock authorized, and the number outstanding and the percentage of the outstanding shares of each such class owned (directly or indirectly) by the Borrower or RBLI, as the case may be, and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the date hereof. All of the outstanding capital stock of all of such Subsidiaries has been validly issued, is fully paid and non-assessable and is owned by the Borrower, RBLI or one or more of their respective Subsidiaries free and clear of all Liens. Each such Subsidiary (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean each of the Borrower and RBLI) and (iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

(c) The execution, delivery and performance by each Loan Party, RBLI, Roche Holdings and HLR of each Loan Document and each Transaction Document to which it is or is to be a party, as appropriate, and the consummation of the Merger and the other transactions contemplated hereby, are within such Person's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Person's charter or by-laws, (ii) violate any law (including, without limitation, the Exchange Act), rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any loan agreement, contract, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting the Borrower, RBLI, any of their respective Subsidiaries or any of their respective properties, the effect of which conflict, breach or default is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean each of the Borrower and RBLI) or (iv) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of the Borrower, RBLI or any of their respective Subsidiaries. None of the Borrower, RBLI, any of their respective Subsidiaries, Roche Holdings or HLR is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which would be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean each of the Borrower and RBLI).

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (i) the due execution, delivery and performance by any Loan Party, RBLI, Roche Holdings or HLR of any Loan Document or Transaction Document to which it is or is to be a party or for the consummation of the Merger or the other transactions contemplated hereby or (ii) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents, except for authorizations, approvals, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect. All applicable waiting periods in connection with the Merger and the other transactions contemplated hereby have expired without any action having been taken by any competent authority restraining, preventing or imposing materially adverse conditions upon the Merger or the rights of the Borrower or any of its Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them.

(e) This Agreement has been, and each other Loan Document and each Transaction Document when delivered hereunder will have been, duly executed and delivered by each Loan Party, RBLI, Roche Holdings and HLR (in each case, if such Person is a party thereto). This Agreement is, and each other Loan Document and each Transaction Document when delivered will be, the legal, valid and binding obligations of each Loan Party, RBLI, Roche Holdings and

HLR (in each case, if such Person is a party thereto), enforceable against such Person, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and by general principles of equity.

(f) Each of the audited Consolidated balance sheet of the Borrower as at December 31, 1994 and the related audited Consolidated statements of earnings, cash flows and stockholders' equity of the Borrower for the fiscal year then ended, copies of all of which have been furnished to each Lender, fairly present the financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, all in accordance with GAAP. Since December 31, 1994, there has been no Material Adverse Change relating to the Borrower.

(g) Each of the audited Consolidated balance sheet of RBLI as at December 31, 1994 and the related audited Consolidated statements of earnings, cash flows and stockholders' equity of RBLI for the fiscal year then ended, copies of all of which have been furnished to each Lender, fairly present the financial condition of RBLI and its Subsidiaries as at such date and the results of the operations of RBLI and its Subsidiaries for the period ended on such date, all in accordance with GAAP. Since December 31, 1994, there has been no Material Adverse Change relating to RBLI.

(h) The Consolidated pro forma balance sheet of the Borrower and its Subsidiaries as at December 31, 1994, and the related Consolidated pro forma statement of income of the Borrower and its Subsidiaries for the fiscal year then ended, certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present the Consolidated pro forma financial condition of the Borrower and its Subsidiaries as at such date and the Consolidated pro forma results of operations of the Borrower and its Subsidiaries for the period ended on such date, in each case giving effect to the Merger and the other transactions contemplated hereby, all in accordance with GAAP.

(i) The Consolidated modeled balance sheets, income statements and cash flows statements of the Borrower and its Subsidiaries, copies of which have been furnished to each Lender prior to the date hereof, were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in the light of conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's best estimate of its future financial performance.

(j) There is no pending or threatened action, proceeding, governmental investigation or arbitration affecting any Loan Party, RBLI, Roche Holdings or HLR or any of their Subsidiaries before any court, governmental agency or arbitrator, which is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean each of the Borrower and RBLI) or that purports to affect the legality, validity or enforceability of the Merger, any Loan Document or any Transaction Document or the consummation of the transactions contemplated hereby or thereby.

(k) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock and no proceeds of any Advance will be used (i) to purchase or carry any Margin Stock, except in connection with Permitted Acquisitions and the repurchase by the Borrower of its capital stock, or (ii) to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

(l) Except as set forth on Schedule III hereto, the Borrower, RBLI and each ERISA Affiliate of the Borrower are in compliance in all material respects with the applicable provisions of ERISA and the Code with respect to each Plan. No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan. The amount of all Unfunded Pension Liabilities (other than Unfunded Pension Liabilities relating to employees of an ERISA Affiliate of RBLI) under all current Plans does not exceed $25,000,000. None of the Borrower, RBLI or any of their respective ERISA Affiliates has incurred any Withdrawal Liability to any Multiemployer Plan within the past five years, and it is not reasonably expected that contributions shall be made or required or that such liability shall be incurred in any case in amounts or under circumstances that would be reasonably likely to result in a material liability to the Borrower, RBLI or any ERISA Affiliate of the Borrower. The consolidated financial statements of the Borrower, RBLI and their respective Subsidiaries fully reflect any material liability with respect to "expected postretirement benefit obligations" within the meaning of Statement of Financial Accounting Standards No. 106. Neither the Borrower nor any of its ERISA Affiliates would reasonably be expected to incur a material liability relating to the funding status of any plan covered or previously covered by Title IV of ERISA, maintained or previously maintained by any ERISA Affiliate of RBLI or which has at any time within the preceding five years been maintained or contributed to by any Person which was at such time an ERISA Affiliate of RBLI for employees of any Person which was at such time an ERISA Affiliate of RBLI, or to which any ERISA

Affiliate of RBLI contributes or has had an obligation to contribute (an "RBLI ERISA Affiliate Plan") other than liability relating solely to employees of RBLI. No ERISA Affiliate of RBLI has incurred any liability under Title IV of ERISA arising in connection with the termination of, or complete or partial withdrawal from, any RBLI ERISA Affiliate Plan that would reasonably be expected to become a material liability of the Borrower or any of its ERISA Affiliates.

(m) Except as set forth on Schedule III hereto, neither the Borrower, RBLI nor any of their respective Subsidiaries currently maintains or contributes to any Welfare Plan which provides post-retirement medical or life insurance benefits other than pursuant to Section 4980B of the Code or Section 601 through 608 of ERISA.

(n) The operations and properties of the Borrower, RBLI and each of their respective Subsidiaries comply with all Environmental Laws, all necessary Environmental Permits have been obtained and are in effect for the operations and properties of the Borrower, RBLI and their respective Subsidiaries and the Borrower, RBLI and each of their respective Subsidiaries are in compliance with all such Environmental Permits, except, as to all of the above, where the failure to do so would not be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall mean each of the Borrower and RBLI); and no circumstances exist that are reasonably likely to (i) form the basis of an Environmental Action against the Borrower, RBLI or any of their respective Subsidiaries or any of their respective properties or (ii) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law that would, in the case of either (i) or (ii) above, be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall mean each of the Borrower and RBLI).

(o) The Borrower and each of its Subsidiaries has filed, has caused to be filed or has been included in all tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties.

(p) RBLI and each of its Subsidiaries has filed, has caused to be filed or has been included in all tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties.

(q) The Merger will constitute a reorganization under Section 368 of the Code. The Merger will not result in any income tax liability to RBLI or any of its Subsidiaries, or the Borrower or any of its Subsidiaries.

(r) None of the Borrower, RBLI or any of their Subsidiaries is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Advances, nor the application of the proceeds or repayment thereof by the Borrower, nor the consummation of the other transactions contemplated hereby, will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(s) Each of the Borrower, RBLI and each Subsidiary Guarantor is, individually and together with its Subsidiaries, Solvent.

(t) Neither (i) any representation or warranty of the Borrower, RBLI or any of their Subsidiaries contained in any Loan Document or Transaction Document, (ii) any information provided by or on behalf of the Borrower, RBLI or any of their Subsidiaries to the Administrative Agent or any Lender nor (iii) the NHL Proxy Statement, contained or contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading except that, as to the financial model provided to the Lenders, such model was prepared in good faith by the Borrower's and NHL's management based on assumptions believed to be reasonable when made and because assumptions as to future results are inherently subject to uncertainty and contingencies beyond the Borrower's control, actual results of the Borrower may be higher or lower.

(u) Schedule IV hereto sets forth the name, amount and percent of class of each security of the Borrower beneficially owned on the date hereof by Roche Holdings and its Affiliates, giving effect to the Merger and the other transactions contemplated to be effective on the Closing Date pursuant to the Transaction Documents.

(v) Set forth in part I of Schedule V hereto is a complete and accurate list of all secured Debt of the Borrower and its Subsidiaries and RBLI and its Subsidiaries with a principal or face amount in excess of $5,000,000 (other than Surviving Debt),

showing as of the date hereof the principal amount outstanding thereunder and the obligor and obligee thereof.

(w) Set forth in part II of Schedule V hereto is a complete and accurate list of all Debt of the Borrower in a principal or face amount of $5,000,000 or more which will be outstanding after the Merger (the "Surviving Debt"), showing as of the date hereof the principal amount outstanding thereunder, the obligor and obligee thereof, the interest rate applicable thereto, the maturity dates thereof and a description of the security interests (if any) granted in respect thereof.

(x) On the Closing Date, giving effect to the Merger, the Borrower and each of its Material Subsidiaries own, lease or otherwise have sufficient rights in all tangible and intangible assets and properties, and all licenses and permits, material to their respective businesses as conducted, and proposed to be conducted, on the Closing Date.

(y) On the Closing Date, no single customer contract accounts for greater than 1.5% of the gross revenues of the Borrower and its Subsidiaries, taken as a whole.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid, or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations and orders (such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith), the failure to comply with which would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall mean the Borrower).

(b) Compliance with Environmental Laws. Comply and cause each of its Subsidiaries and all lessees and all other Persons occupying its properties to comply, in all material respects, with all Environmental Laws and Environmental Permits applicable to its operations and properties; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

(c) Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises, except for any merger or consolidation permitted under Section 5.02(c); provided that, neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lenders.

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

(f) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each

such Subsidiary to the extent necessary to permit the preparation of the financial statements required to be delivered hereunder.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that in its judgment are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(h) Interest Rate Hedging. Not later than 180 days immediately after the Closing Date, enter into, and maintain for a period of three years thereafter, interest rate Hedge Agreements having terms and conditions reasonably satisfactory to the Administrative Agent, with Persons having a public debt rating of at least A (or the then equivalent grade) by each of Moody's and S&P, covering a notional amount of not less than 50% of the outstanding Term Advances at such time and providing for such Persons to make payments thereunder during such three year period to the extent of increases in interest rates based on LIBOR; provided, that up to $50 million notional amount of such interest rate Hedge Agreements may be entered into with Persons having a public debt rating of at least A- by Moody's and A3 by S&P (or their equivalent grades by Moody's and S&P).

(i) Leverage Ratio. Maintain at the end of each period specified below a Leverage Ratio of not more than (i) for each of the periods commencing on the Closing Date and ending on the date set forth below, the ratio set forth below:

Period Commencing on the Closing Date and Ending on	Ratio
June 30, 1995	4.75:1.0
September 30, 1995	4.50:1.0
December 31, 1995	4.50:1.0
March 31, 1996	4.30:1.0;

and (ii) for each four fiscal quarter period ending thereafter, commencing with the four fiscal quarter period ending in June 1996, the ratio set forth below:

Four Fiscal Quarters Ending in	Ratio
June 1996	4.00:1.0
September 1996	4.00:1.0
December 1996	3.40:1.0

Four Fiscal Quarters Ending in	Ratio
March 1997	3.40:1.0
June 1997	3.25:1.0
September 1997	3.25:1.0
December 1997	2.90:1.0
March 1998	2.90:1.0
June 1998	2.70:1.0
September 1998	2.70:1.0
December 1998	2.40:1.0
March 1999	2.40:1.0
June 1999	2.25:1.0
September 1999	2.25:1.0
December 1999	2.00:1.0
March 2000	2.00:1.0
June 2000	2.00:1.0
September 2000	1.75:1.0
December 2000	1.50:1.0
March 2001	1.50:1.0

(j) Interest Coverage Ratio. Maintain at the end of each period specified below an Interest Coverage Ratio of not less than (i) 3.0:1.0 for each of the periods commencing on the Closing Date and ending on (A) June 30, 1995, (B) September 30, 1995, (C) December 31, 1995 and (D) March 31, 1996 and (ii) for each subsequent four fiscal quarter period, commencing with the four fiscal quarter period ending in June 1996, the ratio set forth below:

Four Fiscal Quarters Ending in	Ratio
June 1996	3.30:1.0
September 1996	3.30:1.0
December 1996	3.80:1.0
March 1997	3.80:1.0
June 1997	4.10:1.0
September 1997	4.10:1.0

Four Fiscal Quarters Ending in	Ratio
December 1997	4.40:1.0
March 1998	4.40:1.0
June 1998	4.60:1.0

September 1998	4.60:1.0
December 1998	5.00:1.0
March 1999	5.00:1.0
June 1999	5.40:1.0
September 1999	5.40:1.0
December 1999	5.90:1.0
March 2000	5.90:1.0
June 2000	6.00:1.0
September 2000	6.00:1.0
December 2000	6.50:1.0
March 2001	7.00:1.0

(k) Minimum Stockholders' Equity. Maintain Stockholders' Equity, after giving effect to the Merger, of not less than (i) on the Closing Date, $405,000,000, (ii) on June 30, 1995, a dollar amount equal to (A) the greater of (1) $324,000,000 and (2) 80% of actual Stockholders' Equity on the Closing Date, minus (B) After-Tax Restructuring Costs for the period commencing on the Closing Date and ending on June 30, 1995 plus (C) if positive, 75% of Adjusted Net Income for such period, (iii) on September 30, 1995, December 31, 1995, March 31, 1996 and June 30, 1996, a dollar amount equal to (A) the minimum amount of Stockholders' Equity required on the last day of the immediately preceding fiscal quarter, minus (B) After-Tax Restructuring Costs for the fiscal quarter ending on such date plus (C) if positive, 75% of Adjusted Net Income for the fiscal quarter ending on such date and (iv) on the last day of each subsequent fiscal quarter, commencing with the fiscal quarter ending in September 1996, a dollar amount equal to (A) if positive, 75% of Adjusted Net Income for such fiscal quarter plus (B) the minimum amount of Stockholders' Equity required on the last day of the immediately preceding fiscal quarter.

(l) Reporting Requirements. Furnish to the Lenders through the Administrative Agent (in a quantity sufficient for all Lenders and the Administrative Agent):

(i) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, Consolidated balance sheets of the Borrower as of the end of such quarter, Consolidated statements of earnings and stockholders' equity of the Borrower for such quarter and Consolidated statements of earnings, cash flows and stockholders' equity of the Borrower for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified (subject to normal year-end audit adjustment and the absence of footnotes) on behalf of the Borrower by the chief financial officer of the Borrower;

(ii) as soon as available and in any event within 105 days after the end of each fiscal year of the Borrower, a copy of the annual report on Form 10-K for such year for the Borrower and its Subsidiaries, containing financial statements for such year certified in a manner reasonably acceptable to the Required Lenders by KPMG Peat Marwick or other independent public accountants reasonably acceptable to the Required Lenders;

(iii) together with each delivery of financial statements pursuant to clauses (i) and (ii) above, (A) a certificate executed on behalf of the Borrower by the chief financial officer of the Borrower (1) stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto, (2) setting forth the aggregate amount of all Net Cash Proceeds of all Dispositions in excess of $1,000,000 received during (x) the period covered by such financial statements and (y) the period commencing on the Closing Date and ending on the last day of the period covered by such financial statements and (3) setting forth, to the best knowledge of the Borrower, the Investor Group Interest and (B) a schedule in form reasonably satisfactory to the Administrative Agent of the computations (including computations of After-Tax Restructuring Costs) used by the Borrower in determining (1) compliance with the covenants contained in Sections 5.01(i), (j) and (k) and (2) the Performance Level in effect at the end of the applicable fiscal quarter or fiscal year;

(iv) as soon as possible and in any event within five days after knowledge by an executive officer of the Borrower of the occurrence of each Default continuing on the date of such statement, a statement executed on behalf of the Borrower by the chief financial officer of the Borrower setting forth details of such Default and the action which the Borrower has taken and proposes to take with respect thereto;

(v) as soon as available and in any event no later than the end of each fiscal year of the Borrower, financial models prepared by management of the Borrower, in form satisfactory to the Administrative Agent, of balance sheets, income statements and cash flow statements (including a

narrative description of all assumptions made) on an annual basis for each fiscal year thereafter until the Termination Date (and, in the case of the first two financial models, on a quarterly basis for the fiscal year following such fiscal year then ending);

(vi) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to any of its public security holders, and copies of all Forms 10-K, 10-Q and 8-K, Schedules l3E4 (including in the case of such Schedules all exhibits filed therewith) and registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) that the Borrower or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(vii) promptly and in any event within (A) ten days after the filing or receipt thereof, copies of all reports and notices with respect to each Plan of the Borrower or any of its ERISA Affiliates which the Borrower or any of its ERISA Affiliates files under ERISA with the Internal Revenue Service or the PBGC or the U.S. Department of Labor or which the Borrower or any of its ERISA Affiliates receives from the PBGC, other than a notice described in clause (D) of this Section 5.01(l)(vii), (B) ten days after the Borrower or any of its ERISA Affiliates knows or has reason to know that any ERISA Event with respect to the Borrower or any of its ERISA Affiliates has occurred, a statement of the chief financial officer of the Borrower describing such ERISA Event and the action, if any, that the Borrower or such ERISA Affiliate proposes to take with respect thereto, (C) ten days after receipt thereof by the Borrower or any of its ERISA Affiliates from the sponsor of a Multiemployer Plan of the Borrower or any of its ERISA Affiliates, a copy of each notice received by any such Person concerning the imposition of Withdrawal Liability upon such Person, the reorganization or termination of such Multiemployer Plan, or the amount of the liability incurred, or that may be incurred, by the Borrower or any of its ERISA Affiliates in connection with any such event and (D) five Business Days after receipt thereof by the Borrower or any of its ERISA Affiliates, copies of each notice from the PBGC stating its intention to terminate any Plan of the Borrower or any of its ERISA Affiliates or to have a trustee appointed to administer any such Plan;

(viii) as promptly as practicable after any change in GAAP from the date of the financial statements referred to in Section 4.01(f), notice to the Administrative Agent describing the Borrower's adoption of such change in reasonable detail and, if requested by the Administrative Agent (A) as promptly as practicable following the Administrative Agent's receipt of such notice and (B) upon delivery of any financial statement required to be furnished under clauses (i) or (ii) of this Section 5.01(l), a statement of reconciliation conforming any information contained in such financial statement with GAAP as in effect on the date of the financial statements referred to in Section 4.01(f);

(ix) promptly upon any executive officer of the Borrower obtaining knowledge thereof, written notice of (A) the institution or non-frivolous threat of any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower or any of its Subsidiaries or any property of the Borrower or any of its Subsidiaries (any such action, suit, proceeding, investigation or arbitration being a "Proceeding") or (B) any material development in any Proceeding that is already pending, in each case where such Proceeding or development has not previously been disclosed by the Borrower hereunder and would be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean the Borrower);

(x) as promptly as practicable after request by the Administrative Agent, such information regarding the HLR Stockholder Agreement as the Administrative Agent may reasonably request;

(xi) promptly after the occurrence thereof, notice of any condition or occurrence on any property of the Borrower or any of its Subsidiaries that results in a material noncompliance by the Borrower or any of its Subsidiaries with any Environmental Law or Environmental Permit or would be reasonably likely to (i) form the basis of an Environmental Action against the Borrower or any of its Subsidiaries or any such property that would be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean the Borrower) or (ii) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law or Environmental Permit;

(xii) (A) promptly upon any executive officer of the

Borrower obtaining knowledge thereof, written notice of the effective date of any reduction of the Investor Group Interest to less than 25% and (B) as promptly as practicable, and in any event at least 15 days prior to the effectiveness of any amendment, supplement or other modification of the HLR Stockholder Agreement that would require the consent of the Required Lenders in accordance with Section 5.02(k), written notice thereof;

(xiii) as promptly as practicable, notice of any Disposition the Net Cash Proceeds of which would, if not reinvested, be applied to prepay Term Advances and reduce the Revolving Credit Commitments in accordance with Section 2.05(b); and

(xiv) such other information respecting the condition (financial or otherwise), operations, assets or business of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

(m) Monthly Summary Financial Reports. During the period from the Closing Date through the first anniversary of the Closing Date, furnish to the Administrative Agent (in a quantity sufficient for all Lenders and the Administrative Agent) as soon as available, and in any event within 50 days after the end of each calendar month, a summary financial report as to the Borrower and its Subsidiaries, in the form of Exhibit F, for the period commencing at the end of the previous month and ending with the end of such month, signed on behalf of the Borrower by its chief financial officer.

(n) Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates (other than the Borrower or any of its Subsidiaries) on terms that are fair and reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate.

(o) Use of Proceeds. Use the proceeds of the Advances as follows: (i) to refinance existing debt of the Borrower and its Subsidiaries, including by prepayment of all amounts outstanding under the 1994 Credit Agreement on the date of the initial Borrowing hereunder, (ii) to refinance certain existing debt of RBLI, (iii) to finance the NHL Cash Consideration, (iv) to pay transaction costs and expenses associated with the Merger and (v) for general corporate purposes of the Borrower and its Subsidiaries.

(p) Subsidiary Guaranty. Cause each Person that becomes a Material Subsidiary of the Borrower to become party to the Subsidiary Guaranty as promptly as practicable after becoming a Material Subsidiary.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid, or any Lender shall have any Commitment hereunder, the Borrower will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien, upon or with respect to any of its properties (other than treasury stock and Margin Stock), whether now owned or hereafter acquired, or sign or file, or permit its Subsidiaries to sign or file, under the Uniform Commercial Code of any jurisdiction, a financing statement that names the Borrower or any of its Subsidiaries as debtor, or sign, or permit any of its Subsidiaries to sign, any security agreement authorizing any secured party thereunder to file such financing statement, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than the following Liens with respect to the Borrower and its Subsidiaries: (i) Liens existing on the date of this Agreement securing Debt outstanding at the close of business on the Closing Date in an aggregate principal or face amount not exceeding $15,000,000 in the aggregate for the Borrower and its Subsidiaries; (ii) Liens existing on such property at the time of its acquisition (directly or indirectly) (other than any such Lien created in contemplation of such acquisition); (iii) Liens on such property securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property or improvements thereto, provided that such Liens attach to such property or improvements concurrently with or within 90 days after the acquisition thereof or completion of improvements thereon; (iv) Liens securing Debt incurred to refinance Debt referred to in clause (ii) or (iii) above, provided that such Liens are limited to the same property securing the Debt so refinanced, the principal amount of such Debt shall not be greater than the principal amount of the Debt so refinanced, and any direct or contingent obligor of the Debt secured thereby has not been changed; (v) mechanics', materialmen's, carriers' and similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 60 days or which are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained; (vi) deposits or Liens to secure the performance of letters of credit, statutory obligations, surety and appeal bonds, performance bonds and other obligations

of like nature incurred in the ordinary course of business; (vii) Liens securing Capitalized Leases permitted by this Agreement; (viii) Liens for taxes, assessments and governmental charges or levies not yet due and payable or which are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained; (ix) judgment or other similar Liens, provided that there shall be no period of more than 30 consecutive days during which a stay of enforcement of the related judgment shall not be in effect; (x) at any time prior to the 45th day after the Closing Date, 1994 Credit Agreement Liens, provided that all loans, advances, commitments and other obligations under the 1994 Credit Agreement have been satisfied in full in accordance with Section 3.01(b); (xi) Liens on cash and Cash Equivalents securing Obligations under Hedge Agreements, provided that the aggregate amount of cash and Cash Equivalents subject to such Liens may at no time exceed $20,000,000 in the aggregate for the Borrower and its Subsidiaries; and (xii) Liens not otherwise permitted by the foregoing clauses of this subsection (a) securing Debt otherwise permitted by this Agreement in an aggregate principal or face amount at any date not to exceed 5% of Consolidated Net Tangible Assets of the Borrower.

(b) Lease Obligations. Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any obligations as lessee (i) for the rental or hire of real or personal property in connection with any sale and leaseback transaction, or (ii) for the rental or hire of other real or personal property of any kind under leases or agreements to lease having an original term of one year or more that would cause the direct and contingent liabilities of the Borrower and its Subsidiaries, on a Consolidated basis, in respect of all such obligations in any period set forth below to exceed the amount set forth below for such period:

Year Ending in	Amount
December 1995	$55,000,000
December 1996	$60,000,000
December 1997	$65,000,000
December 1998	$70,000,000
December 1999	$75,000,000
December 2000	$80,000,000
December 2001	$85,000,000

(c) Mergers, Etc. Merge or liquidate into or consolidate with any Person or permit any Person to merge or liquidate into it, or permit any of its Subsidiaries to do so, except that (i) the Borrower may consummate the Merger, (ii) solely if required to effect a Permitted Acquisition, the Borrower may merge with another corporation organized under the laws of a State of the United States, if the Borrower is the corporation surviving such merger, and (iii) any wholly-owned Subsidiary of the Borrower may merge or liquidate into or consolidate with the Borrower or any other Subsidiary of the Borrower provided that, in the case of any such consolidation, the Person formed by such consolidation shall be the Borrower or a wholly-owned Subsidiary of the Borrower and provided that if any Subsidiary Guarantor is a party to any such merger or consolidation, the Person surviving such merger or formed by such consolidation shall be a Subsidiary Guarantor; provided, however, that in each case, immediately after giving effect thereto, no event shall occur and be continuing that constitutes a Default.

(d) Sales, Etc. of Assets. Sell, lease, transfer or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) dispositions of obsolete, worn out or surplus property disposed of in the ordinary course of business, (iii) sales, leases, transfers or other dispositions of assets by a wholly-owned Subsidiary of the Borrower with any other wholly-owned Subsidiary of the Borrower (provided that if such disposition is by a Subsidiary Guarantor, the recipient of such assets is also a Subsidiary Guarantor), (iv) in a transaction authorized by subsection (c) of this Section, (v) the disposition of Margin Stock for cash in an amount equal to the fair value of such Margin Stock on the date of such disposition, (vi) sales of assets for cash and for fair value in an aggregate amount not to exceed $1,000,000 in any year, (vii) the sale of any asset not otherwise permitted by this subsection (d) by any Subsidiary of the Borrower (other than a bulk sale of inventory and a sale of receivables other than delinquent accounts for collection purposes only) so long as (A) the purchase price paid to the Borrower or such Subsidiary for such asset shall be no less than the fair market value of such asset at the time of such sale, (B) the purchase price for such asset shall be paid to the Borrower or such Subsidiary solely in cash payable at closing or instruments obligating the obligors with respect thereto to make cash payments within one year of closing, in the aggregate amount of all such instruments at any one time held by the Borrower and its Subsidiaries for all such sales not to exceed $10,000,000 and (C) the Borrower shall prepay the Advances to the extent required by, and in the order of priority set forth in, Section 2.05(b)(i) and

(viii) so long as no Default shall occur and be continuing, the grant of any option or other right to purchase any asset in a transaction which would be permitted under the provisions of the next preceding clause (vii).

(e) Dividends, Repurchases, Etc. Declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock or any warrants, rights or options to acquire such capital stock, now or hereafter outstanding, return any capital to its stockholders as such, make any distribution of assets, capital stock, warrants, rights, options, obligations or securities to its stockholders as such or issue or sell any capital stock or warrants, rights or options to acquire such capital stock, or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of the Borrower or any warrants, rights or options to acquire such capital stock or to issue or sell any capital stock or any warrants, rights or options to acquire such capital stock (other than to the Borrower), except that:

(i) the Borrower may declare and deliver dividends and distributions payable only in Borrower Common Stock or warrants, rights or options to acquire Borrower Common Stock;

(ii) after the first anniversary of the Closing Date:

(A) if the Borrower's Capital Ratio is greater than 60% and equal to or less than 67% on the last day of the most recently ended fiscal quarter, the Borrower may, during any single fiscal year, declare and pay cash dividends to holders of Borrower Common Stock in an amount not to exceed (x) ten percent of the Borrower's Net Income for the period from the Closing Date to and including the date of declaration of such dividend less (y) the aggregate of all other dividends previously declared or paid pursuant to this Section 5.02(e)(ii)(A) for the period from the Closing Date to and including the date of declaration of such dividend; provided that after giving effect to the declaration and payment of such dividend the Borrower's Capital Ratio does not exceed 67%; and

(B) if the Borrower's Capital Ratio is equal to or less than 60% on the last day of the most recently ended fiscal quarter (1) the Borrower may, during any single fiscal year, declare and pay cash dividends to holders of Borrower Common Stock in an amount not to exceed (x) 25% of the Borrower's Net Income for the fiscal year immediately preceding the fiscal year in which such dividend is declared or paid less (y) the amount paid by the Borrower for repurchases of Borrower Common Stock during the fiscal year in which such dividend is declared or paid, and (2) the Borrower may, during any single fiscal year, repurchase for cash shares of Borrower Common Stock the aggregate purchase price for which does not exceed (x) 25% of the Borrower's Net Income for the fiscal year immediately preceding the fiscal year in which such repurchase is made, less (y) the amount paid by the Borrower for cash dividends on Borrower Common Stock during the fiscal year in which such repurchase is made; provided that immediately after giving effect to such repurchase, the Borrower's Capital Ratio does not exceed 60%; and

(iii) the Borrower may purchase options or warrants to purchase shares of Borrower Common Stock granted by the Borrower to employees of the Borrower or any of its Subsidiaries, for an aggregate purchase price, for all such purchases during any single fiscal year, of not more than $1,000,000;

provided, however, that, at the time of any payment or repurchase referred to above and after giving effect to such payment or repurchase, no Default shall have occurred and be continuing.

(f) Investments. Make or hold, or permit any of its Subsidiaries to make or hold, any Investment in any Person, other than Investments (i) by the Borrower in any of its respective wholly-owned Subsidiaries or by any wholly-owned Subsidiary of the Borrower in any other wholly-owned Subsidiary of the Borrower, (ii) that are Permitted Acquisitions, (iii) Investments by the Borrower and its Subsidiaries in Cash Equivalents and in Hedge Agreements in an aggregate notional amount not to exceed at any time outstanding an amount equal to 100% of the aggregate outstanding Advances at such time, (iv) Investments permitted by Section 5.02(d)(vii)(B) and (v) other Investments in an aggregate amount invested at any one time outstanding not to exceed $25,000,000.

(g) Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of the business carried on at the date hereof by the Borrower, RBLI and

their Subsidiaries taken as a whole, except that, subject to the limitations set forth in Sections 5.02(f) and 5.02(h), the Borrower and its Subsidiaries may acquire (i) Control of any Person, or all or substantially all of the assets of any Person, substantially all the business of which consists of businesses that are not Materially Different Businesses, (ii) any other assets which the Borrower or such Subsidiary would not use in a Materially Different Business, or (iii) Control of any Person, substantially all the business of which consists of Materially Different Businesses, or other assets which constitute or would be used by the Borrower or such Subsidiary in a Materially Different Business, as long as (x) the consideration paid by the Borrower for any such acquisition pursuant to this clause (iii), together with the aggregate consideration paid for all previous acquisitions pursuant to this clause (iii) during the term of this Agreement, does not exceed 20% of Consolidated Net Tangible Assets of the Borrower as of the last day of the fiscal quarter next preceding the date of such acquisition and (y) after giving effect thereto, no Default shall have occurred and be continuing.

(h) Acquisitions. Make or permit any of its Subsidiaries to make acquisitions outside the ordinary course of business of assets of or equity in any Person ("Acquisitions") other than the following: (i) Investments permitted by the terms of Section 5.02(f) (other than clause (ii) thereof); (ii) other Acquisitions if the sum of the Purchase Price for such Acquisitions plus the aggregate Purchase Price for all other Acquisitions (x) made in the immediately preceding 12 calendar months period, does not exceed (1) $50,000,000, plus (2) during calendar year 1995 only, $110,000,000 used solely as the aggregate Purchase Price for Designated Acquisitions and (y) made during the term of this Agreement, does not exceed $260,000,000; provided that if the Purchase Price for any such Acquisition is more than $10,000,000 and less than $25,000,000, then the Borrower shall give the Administrative Agent and the Lenders at least five Business Days' notice thereof, and if the Purchase Price is $25,000,000 or more, the following conditions must be met: (A) at least ten Business Days prior to such proposed Acquisition, the Borrower shall have delivered to the Administrative Agent and the Lenders Consolidated modeled financial statements of the Borrower (including a balance sheet and statements of earnings, cash flows and stockholders' equity) as at the end of and for the most recent period of four fiscal quarters ending at least 45 days prior to the delivery of such financial statements, which financial statements shall (a) be certified (subject to normal year-end audit adjustments and the absence of footnotes) on behalf of the Borrower by the chief financial officer of the Borrower, (b) give effect to all Acquisitions (including such proposed Acquisition) made or proposed to be made since the end of such period and (c) show the Borrower would be in compliance with the Interest Coverage Ratio for such period; provided further that, at the time of the making of any Acquisition and after giving effect to such Acquisition, no Default shall have occurred and be continuing.

(i) Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies affecting (i) the presentation of financial statements or (ii) reporting practices, except in either case as required or permitted by GAAP.

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

(i) Debt under the Loan Documents;

(ii) in the case of (A) the Borrower, Debt, not exceeding at any one time $400,000,000 in aggregate principal amount, in respect of Junior Obligations, the proceeds of which are applied to prepay the Obligations of the Borrower under the Loan Documents in accordance with Section 2.05(b)(ii) and (B) the Borrower and its Subsidiaries, Debt, not exceeding at any one time $20,000,000 in the aggregate, in respect of Obligations incurred pursuant to credit card services agreements providing for processing services in connection with credit card transactions by customers of the Borrower and its Subsidiaries;

(iii) the Surviving Debt;

(iv) unsecured contingent obligations arising in connection with Permitted Acquisitions in an aggregate principal amount not to exceed $75,000,000 at any time outstanding in the aggregate for the Borrower and its Subsidiaries, provided that no such contingent obligation shall exceed an amount equal to 75% of the Purchase Price of the related Permitted Acquisition;

(v) Debt owed by a Subsidiary to the Borrower or to a wholly-owned Subsidiary of the Borrower, or by the Borrower to a Subsidiary in connection with the Borrower's cash management program;

(vi) Debt secured by Liens permitted by Section 5.02(a)(ii) and (iv) not to exceed $20,000,000 in the

aggregate for the Borrower and its Subsidiaries;

(vii) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(viii) unsecured trade payables of the kind included in clause (b) of the definition of Debt; and

(ix) Debt not otherwise permitted pursuant to this Section 5.02(j), in an aggregate principal amount not to exceed $50,000,000 at any time outstanding in the aggregate for the Borrower and its Subsidiaries.

(k) HLR Stockholder Agreement Amendments. Amend, supplement or otherwise modify, or consent to the amendment, supplement or other modification of, Sections 2.1 through 2.10, Article 3 or Section 8.2, 9.2(a), 9.4, 9.5 or 9.10 of the HLR Stockholder Agreement, or any definition related to the foregoing set forth in Article 1 of the HLR Stockholder Agreement, if such amendment, supplement or other modification would materially adversely affect the rights of Roche Holdings thereunder, taken as a whole, unless the Required Lenders have consented to such amendment, supplement or other modification, which consent shall not be unreasonably withheld; provided that if the Borrower has provided the Administrative Agent and the Lenders with copies of a proposed amendment, supplement or other modification (together with written notice referencing this Section 5.02(k) and the 15-day consent period required immediately below) and has not been notified by the Administrative Agent within 15 days of receipt by the Lenders thereof that the Required Lenders have disapproved such amendment, supplement or other modification in writing, the Lenders shall be deemed to have consented thereto.

(l) Prepayments, Etc. of Debt. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, other than (i) the prepayment of the Advances in accordance with the terms of this Agreement and (ii) regularly scheduled or required repayments or redemptions of Debt permitted pursuant to subsection (j) of this Section, or amend, modify or change in any manner any term or condition of any such Debt, or permit any of its Subsidiaries to do any of the foregoing other than to prepay any Debt payable to the Borrower.

(m) No Negative Pledge. Enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement prohibiting or conditioning the creation or assumption of any Lien upon any of its property or assets or, in the case of a Subsidiary, any agreement limiting or preventing any payments by such Subsidiary to the Borrower, other than (i) in favor of the Administrative Agent and the Lenders or (ii) in connection with (A) with respect to the Borrower any Surviving Debt or (B) any Debt permitted by Section 5.02(j) secured by a Lien on specific property so long as such prohibition or conditions relates solely to the specific property securing such Debt.

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

Year Ending In	Amount
December 1995	$111,700,000
December 1996	$78,000,000
December 1997	$70,000,000
December 1998	$70,000,000
December 1999	$70,000,000
December 2000	$70,000,000
December 2001	$70,000,000

; provided, however, that if in any period specified above the amount of Capital Expenditures set forth above for such period exceeds the amount of Capital Expenditures actually made by the Borrower and its Subsidiaries in such period, the Borrower and its Subsidiaries shall be entitled to make additional Capital Expenditures in the next period specified above in an amount of up to the lesser of (x) the amount of such excess or (y) $20,000,000.

ARTICLE VI

EVENTS OF DEFAULT

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

(a) The Borrower shall fail to pay any (i) principal of any Advance when the same becomes due and payable, or (ii) interest on any Advance, or any fees payable to the Administrative Agent or

any Lender hereunder within five Business Days after the same becomes due and payable; or any Loan Party shall fail to make any other payment hereunder within five Business Days after the same becomes due and payable; or

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

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in 5.01(i) [Leverage Ratio], 5.01(j) [Interest Coverage Ratio], 5.01(k) [Minimum Stockholders' Equity], 5.01(l) [Reporting Requirements], 5.01(m) [Monthly Summary Financial Reports] or 5.02, or (ii) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt which is outstanding in a principal amount of at least $25,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof and not at the option of the Borrower or such Subsidiary; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this Section 6.01(e); or

(f) Any judgment or order for the payment of money in excess of (x) $25,000,000 in any individual case, or (y) $50,000,000 in the aggregate at any one time, shall be rendered against the Borrower or any of its Subsidiaries and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect unless such judgment or order shall have been vacated, satisfied or dismissed or bonded pending appeal; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the entire amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of the amount of such judgment or order; or

(g) Any non-monetary judgment or order shall be rendered against the Borrower or any of its Subsidiaries that is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean the Borrower) and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect unless such judgment or order shall have been vacated, satisfied, discharged or bonded pending appeal; or

(h) A Change of Control shall occur or the Borrower shall fail (i) to own, directly or indirectly (A) through one or more Subsidiary Guarantors, 100% of the capital stock (by vote and value) of NHL and Allied or (B) subject to transactions permitted

pursuant to Section 5.02(c), 100% of the capital stock (by vote and value) of each other Material Subsidiary of the Borrower existing on the date hereof or (ii) subject to transactions permitted pursuant to Section 5.02(c), to maintain Control of each other Person that shall qualify as a Material Subsidiary of the Borrower from time to time; or

(i) Any ERISA Event shall have occurred with respect to the Borrower or any of its ERISA Affiliates and such ERISA Event, together with any and all other ERISA Events that shall have occurred with respect to the Borrower or any of its ERISA Affiliates, is reasonably likely to result in a liability of the Borrower and its ERISA Affiliates with respect to any Plan of the Borrower or any of its ERISA Affiliates in excess of $25,000,000; or

(j) The Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan of the Borrower or any of its ERISA Affiliates that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Borrower and its ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds $25,000,000 or requires payments exceeding $5,000,000 per annum; or

(k) The Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan of the Borrower or any of its ERISA Affiliates that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount exceeding $5,000,000; or

(l) Any material provision of any Loan Document shall be determined by any court, administrative agency or arbitrator to be invalid, not binding or unenforceable, or any Loan Party or any Affiliate thereof shall so assert in writing;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Notes, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that, in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII

THE ADMINISTRATIVE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice and other report given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees, shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel,

accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with the Loan Documents; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of the Loan Documents on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with the Loan Documents or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of the Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

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

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

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Administrative Agent and its affiliates (to the extent not reimbursed by or on behalf of the Borrower), ratably according to the respective principal amounts of the Advances then owing to each of them (or if no Advances are at the time outstanding or if any Advances are then owing to Persons which are not Lenders, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent or any such affiliate in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Administrative Agent under the Loan Documents, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or any such affiliate's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of unpaid fees owing to the Administrative Agent, and any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent and any such affiliate, in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, any Loan Document, to the extent that the Administrative Agent is not paid such fees, or the Administrative Agent or any such affiliate is not reimbursed for such expenses, by the Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, with the consent of the Borrower, a successor Administrative Agent which shall be a Lender, or if no Lender consents to act as Administrative Agent hereunder, a commercial bank organized or licensed under the laws of the United States or of any State thereof and having a combined capital and surplus of at least $500,000,000 (a "Qualified Bank"). If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a Qualified Bank that is acceptable to the Borrower (which shall not unreasonably withhold its approval). Upon the acceptance of any appointment as Administrative Agent thereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Term Notes or the Revolving Credit Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (a) no amendment, waiver or consent shall, unless in writing and signed by each of the Lenders affected thereby (other than any Lender which is, at such time, a Defaulting Lender), do any of the following: (i) waive any of the conditions specified in Section 3.01 or, in the case of the initial Borrowing, Section 3.02, (ii) change the definition of the term "Required Lenders" or (iii) amend this Section 8.01 and (b) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and each Lender that has an Advance or Commitment affected by such amendment, waiver or consent, (i) increase the Commitment of such Lender or subject such Lender to any additional obligations, (ii) reduce the principal of, or interest on, the Term Notes or the Revolving Credit Notes held by such Lender or any fees or other amounts payable hereunder to such Lender, (iii) release any Subsidiary Guarantor or any rights under the Subsidiary Guaranty (except, in the case of this clause (iii), by operation of law as a consequence of a transaction permitted by Section 5.02(c)) or (iv) postpone the Revolving Credit Termination Date or the Termination Date or any date fixed for any payment of principal of or interest on the Term Notes or the Revolving Credit Notes held by such Lender or any fees or other amounts payable hereunder to such Lender; provided, further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to the Borrower, at its address at 358 South Main Street, Burlington, North Carolina 27215, Attention: each of Chief Financial Officer (fax no. (910) 222-1568) and General Counsel (fax no. (910) 226-3835), with a copy to the Borrower at its address at 4225 Executive Square, Suite 800, La Jolla, California 92037, Attention: Chief Operating Officer (fax no. (619) 658-6693); if to any Bank at its Domestic Lending Office on Schedule I hereto; if to any other Lender, at the address specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Administrative Agent, at its address at 12 East 49th Street, New York, New York 10017, Attention: Syndication/Agency (fax no. (212) 238-5073); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective (i) when received, if mailed or delivered or telecopied (if telecopied, only when non-machine confirmation of receipt is received), or (ii) when confirmed by telex answerback, except that notices and communications to the Administrative Agent pursuant to Article II or VII shall not be effective until received by the Administrative Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender, or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs; Expenses. (a) The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent and its affiliates in connection with the preparation, execution, delivery, administration, modification and amendment of, or waiver under, the Loan Documents and the other documents to be delivered hereunder (including, without limitation, (A) all reasonable due diligence, transportation, computer, duplication, appraisal, audit and insurance expenses and fees and expenses of consultants engaged with the prior consent of the Borrower (which consent shall not be unreasonably withheld) and (B) the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto, with respect to advising the Administrative Agent as to its rights and responsibilities, or the protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with the Borrower or with other creditors of the Borrower arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in, monitoring or otherwise participating in any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally and any proceeding ancillary thereto). The Borrower further agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent and the Lenders in connection with the enforcement of the Loan Documents and the other documents to be delivered hereunder, whether in action, suit, litigation, any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally or otherwise (including, without limitation, the reasonable fees and reasonable expenses of counsel for the Administrative Agent and each Lender with respect thereto) and expenses in connection with the enforcement of rights under this Section 8.04(a).

(b) If any payment of principal of any Eurodollar Rate Advance or LIBO CB Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.05, 2.11 or 2.15, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or if for any reason any Advance to be Converted to a Eurodollar

Rate Advance on the date specified in the notice of conversion with respect thereto is not so Converted, the Borrower shall, within ten days after demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment or failure to Convert, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance; provided that such Lender shall have delivered to the Borrower a written notice setting forth the amount and calculation of such loss or expense.

(c) The Borrower agrees to indemnify and hold harmless the Administrative Agent and each Lender and each of their affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (or in connection with the preparation for a defense of) any investigation, litigation or proceeding arising out of, related to or in connection with the Loan Documents and the transactions contemplated thereby, whether or not an Indemnified Party is a party thereto, whether or not the transactions contemplated hereby are consummated and whether or not any such claim, investigation, litigation or proceeding is brought by the Borrower or any other person, except (i) to the extent such claim, damage, loss, liability or expense (x) is found in a final, non-appealable judgment by a court of competent jurisdiction (a "Final Judgment") to have resulted from such Indemnified Party's gross negligence or willful misconduct or (y) arises from any legal proceedings commenced against any Lender by any other Lender (in its capacity as such and not as Administrative Agent), and (ii) in the case of any litigation brought by the Borrower (A) seeking a judgment against any Indemnified Party for any wrongful act or omission of such Indemnified Party and (B) in which a Final Judgment is rendered in the Borrower's favor against such Indemnified Party, the provisions of this paragraph will not be available to provide indemnification for any damage, loss, liability or expense incurred by such Indemnified Party in connection with such litigation.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request, or the granting of the consent, of the Required Lenders specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower to such Lender now or hereafter existing under this Agreement and the Note or Notes held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note or Notes and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application shall be made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 8.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lender may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have received written confirmation, in a form satisfactory to the Administrative Agent, by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and permitted assigns.

SECTION 8.07. Assignments and Participations. (a) The Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Administrative Agent and each Lender. Each Lender may and, if demanded by the Borrower pursuant to Section 2.14, will assign to one or more banks or other entities all or a proportionate part of all of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, the Committed Advances owing to it and the Term Notes or the Revolving Credit Notes held by it, but excluding such Lender's Competitive Bid Advances); provided, however, that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations under and in respect of the Facilities, (ii) the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $20,000,000 and shall be an integral multiple of $1,000,000 in excess thereof, or shall be an assignment to another Lender or an assignment of all of the assigning Lender's rights and obligations hereunder and under the Notes, (iii) each such assignment shall be to another Lender, an Affiliate of the assigning Lender or, subject to the consent of the Borrower (such consent not to be unreasonably withheld), to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to Section 2.14 shall be arranged by the Borrower after consultation with the Administrative Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to Section 2.14 unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible

Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement and (vi) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Term Notes or Revolving Credit Notes subject to such assignment and a processing and recordation fee of $3,500 from the assignee. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) The Administrative Agent will maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Committed Advances owing under each Facility to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Term Notes or Revolving Credit Notes subject to such assignment if the assigning Lender is assigning all of its rights and obligations under this Agreement, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent a new Term Note or Revolving Credit Note to the order of such Eligible Assignee if it is not already a Lender. Such new Term Note or Revolving Credit Note shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 or Exhibit A-2, as the case may be. No assignment shall be effective unless the Assignment and Acceptance has been registered in the Register as provided in this Section 8.07(c).

(d) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Committed Advances and the Competitive Bid Advances owing to it, the Term Notes or Revolving Credit Notes held by it and its interests in the Competitive Bid Note); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Term Note or Revolving Credit Note, and a beneficiary of the Competitive Bid Note, for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce or postpone any date fixed for payment of principal of, or interest on, the Term Notes, Revolving Credit Notes or Competitive Bid Note or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(e) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree pursuant to an agreement substantially in the form of Exhibit G to preserve the confidentiality of any confidential information relating to the Borrower received by it from such Lender.

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

SECTION 8.08. Governing Law; Submission to Jurisdiction. (a) This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Subject to the foregoing and to paragraph (c) below, nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement against any other party hereto in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) The Borrower agrees that service of process may be made on the Borrower by personal service of a copy of the summons and complaint or other legal process in any such suit, action or proceeding, or by registered or certified mail (postage prepaid) to the address of the Borrower specified in Section 8.02, or by any other method of service provided for under the applicable laws in effect in the State of New York.

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

SECTION 8.10. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE ADVANCES OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, THE BORROWER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 8.11. Confidentiality. Each Lender acknowledges that it has been and will be furnished non-public information concerning the Borrower, RBLI and their Subsidiaries in connection with the Loan Documents (all such non-public information, whether furnished before or after the date of this Agreement, collectively the "Transaction Information"). Each Lender agrees to keep confidential (and to cause its affiliates, officers, directors, employees, agents and representatives to keep confidential) all Transaction Information, except that each Lender shall be permitted to disclose details of the Transaction Information (a) to such of its affiliates, officers, directors, employees, agents and representatives (which agents and representatives shall not include any non-affiliated financial institutions) and legal or other advisors who need to know such information in connection with its role as a Lender (or as Administrative Agent) hereunder and who receive such information with the understanding that it is confidential; (b) to the extent required by applicable laws and regulations or by any subpoena or similar legal process (provided that, to the extent permitted by applicable law, such Lender will promptly notify the Borrower of such requirement as far in advance of its disclosure as is practicable to enable the Borrower to seek a protective order and, to the extent practicable, such Lender will cooperate with the Borrower in seeking any such order), or requested by any governmental agency or authority having jurisdiction over such Lender (provided that, to the extent permitted by applicable law, such Lender will first inform the Borrower of any such request) other than those from bank regulatory authorities or examiners; (c) to the extent the Borrower shall have consented to such disclosure in writing; and (d) to the extent that a public announcement or dissemination of such Transaction Information shall have been made other than as a result of a breach of this Section 8.11. Each Lender will use the Transaction Information only in connection with its role as a Lender (or as Administrative Agent) hereunder.

SECTION 8.12. Severability. The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Agreement or any other Loan Document shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Agreement, the Notes or any other Loan Document or of such provision or obligation in any other jurisdiction.

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

BORROWER: NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By: /s/ David C. Flaugh

Name: David C. Flaugh
Title: Senior Executive Vice President

ADMINISTRATIVE AGENT:

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

By: /s/ Heather Riekenberg

Name: Heather Riekenberg
Title: Associate

and

By: /s/ Ira Lubinsky

Name: Ira Lubinsky
Title: Associate

CREDIT SUISSE (NEW YORK BRANCH)

By: /s/ Karl M. Studer

Title: Member of Senior Management

By: /s/ Daniela Hess

Title: Associate

BANK OF AMERICA ILLINOIS

By: /s/ Wendy L. Loring

Title: Authorized Officer

BANQUE NATIONALE DE PARIS

By: /s/ Richard L. Sted

Title: Senior Vice President

By: /s/ Bonnie G. Eisenstat

Title: Vice President

BAYERISCHE LANDESBANK GIROZENTRALE

By: /s/ W. Freudenberger

Title: Executive Vice President
and General Manager

By: /s/ P. Obermann

Title: Senior Vice President
Manager Lending Division

CHASE MANHATTAN BANK

By: /s/ Roger Lieblich

Title: Managing Director

CREDIT LYONNAIS
CAYMAN ISLAND BRANCH

By: /s/ Farboud Tavangar

Title: Authorized Signature

DEUTSCHE BANK AG
NEW YORK BRANCH AND/OR
CAYMAN ISLANDS BRANCH

By: /s/ Annette Schoenrock

Title: Vice President

By: /s/ Richard A.W. McClary

Title: Assistant Vice President

FIRST FIDELITY BANK, N.A.

By: /s/ Grace Vallacchi

Title: Vice President

THE FUJI BANK, LTD.
(NEW YORK BRANCH)

By: /s/ Gina M. Kearns

Title: Vice President and Manager

NATIONSBANK, N.A.
(CAROLINAS)

By: /s/ Michael A. Crabb III

Title: Assistant Vice President

SOCIETE GENERALE

By: /s/ Kirk Vogel

Title: Vice President

THE SUMITOMO BANK, LIMITED

By: /s/ Yoshinori Kawamura

Title: Joint General Manager

SWISS BANK CORPORATION

By: /s/ Guido W. Schuler

Title: Executive Director
International Banking

By: /s/ Hanno Huber

Title: Associate Director
International Banking

WACHOVIA BANK OF GEORGIA, N.A.

By: /s/ James C. Ratcliffe, Jr.

Title: Vice President

WESTDEUTSCHE LANDESBANK

By: /s/ Donald Wolf

Title: Vice President

By: /s/ Catherine Ruhland

Title: Associate

SCHEDULE I

Commitments and Applicable Lending Offices

Lender	Term Commitment	Revolving Commitment	Domestic Lending Office		Eurodollar Lending Office
Bank of America Illinois	$40,320,000	$22,680,000	Address:	200 West Jackson Blvd. Chicago, Illinois 60697	Same
			Telephone:	(312) 828-3808	
			Fax:	(312) 974-9626	
			ABA No:	0710-0003-9	
			Account:	National Health Lab. Holdings Inc.	
			Further Credit:	Laboratory Corp. of America Holding	
Banque Nationale de Paris, New York	$65,920,000	$37,080,000	Address:	499 Park Avenue New York, New York 10022-1278	Same
			Telephone:	(212) 415-9708	
			Fax:	(212) 415-9606	

			ABA No:	0260-0768-9	
			Account:	700153-701-50	
			Reference:	National Health Laboratories, Inc.	
Bayerische Landesbank Girozentrale	$65,920,000	$37,080,000	Address:	560 Lexington Avenue 22nd Floor New York, New York 10022	Same
			Telephone:	(212) 310-9833	
			Fax:	(212) 310-9868	
			ABA No:	021000128 (Chemical Bank)	
			Account:	544-7-07960 Bayerische Landesbank Cayman Islands	
The Chase Manhattan Bank, N.A.	$40,320,000	$22,680,000	Address:	1 Chase Manhattan Plaza 7th Floor New York, New York 10081	Same
			Telephone:	(212) 552-7529	
			Fax:	(212) 552-1477	
			ABA No:	021000021	
			Account:	9009000036	
			Reference:	Lab. Corp. of America	
Credit Lyonnais Cayman Island Branch	$40,320,000	$22,680,000	Address:	1301 Avenue of the Americas, 20th Floor New York, New York 10019	Same
			Telephone:	(212) 261-7748	
			Fax:	(212) 261-3440	
			ABA No:	0260-0807-3	
			Account:	01-00882000100	
			Reference:	National Health Labs	
Credit Suisse (New York Branch)	$65,920,000	$37,080,000	Address:	12 East 49th Street New York, New York 10017	Same
			Telephone:	(212) 238-5421	
			Fax:	(212) 238-5439	
			ABA No:	026 009 179	
			Account:	368822-01	
Deutsche Bank AG, New York Branch	$65,920,000	$37,080,000	Address:	31 West 52nd Street 25th Floor, CFI2 New York, New York 10019	Same
			Telephone:	(212) 474-8149	
			Fax:	(212) 474-7879	
			ABA No:	026 003 780	
			Account:	10 479857 0008	
			Reference:	Laboratory Corporation of America Holdings	
First Fidelity Bank, N.A.	$30,720,000	$17,280,000	Address:	550 Broad Street 5th Floor Newark, New Jersey 07102	Same
			Telephone:	(201) 565-5941	
			Fax:	(201) 565-5948	
			ABA No:	031201467	
			Account:	6112499100	
The Fuji Bank, Ltd. (New York Branch)	$40,320,000	$22,680,000	Address:	Two World Trade Center 79th Floor New York, New York 10048	Same
			Telephone:	(212) 898-2067	
			Fax:	(212) 488-8216	
			CHIPS ABA No:	970	
			UID No:	279368	
			Account:	515011UII	
			Further Credit:	USCF	
NationsBank, N.A. (Carolinas)	$40,320,000	$22,680,000	Address:	100 North Tryon Street 8th Floor Charlotte, North Carolina 28255	Same
			Telephone:	(704) 388-1111	
			Fax:	(704) 386-8694	
			ABA No:	053000196	
			Account:	136621-22506	
			Reference:	National Health Laboratories	
Societe Generale, New York Branch	$65,920,000	$37,080,000	Address:	1221 Avenue of the Americas New York, New York 10020	Same
			Telephone:	(212) 278-7091	

			Fax:	(212) 278-7462	
			ABA No:	026004226	
			Account:	LSA #9031081	
			Further Credit:	LAB CORP.	
The Sumitomo Bank, Limited, New York Branch	$40,320,000	$22,680,000	Address:	277 Park Avenue New York, New York 10172	Same
			Telephone:	(212) 224-4134	
			Fax:	(212) 224-5188	
			ABA No:	021000238 (Morgan Guaranty)	
			Account:	631-28-256	
			Attention:	Loan Operations	
Swiss Bank Corporation	$65,920,000	$37,080,000	Address:	222 Broadway P.O. Box 395, Church Street Station New York, New York 10008	Same
			Telephone:	(212) 574-3177	
			Fax:	(212) 574-3551	
			ABA No:	026007993	
			Account:	101-WA-111473-000	
			Further Credit:	Newco	
Wachovia Bank of Georgia, N.A.	$65,920,000	$37,080,000	Address:	191 Peachtree Street, N.E. Atlanta, Georgia 30303	Same
			Telephone:	(404) 332-1114	
			Fax:	(404) 332-6898	
			ABA No:	061000010	
			Account:	18171498	
			Further Credit:	Laboratory Corp. of America	
Westdeutsche Landesbank	$65,920,000	$37,080,000	Address:	1211 Avenue of the Americas New York, New York 10040	Same
			Telephone:	(212) 852-6152	
			Fax:	(212) 302-7946	
			ABA No:	021-000021	
			Account:	(Chase) 920-1-060663	

SCHEDULE II

MATERIAL SUBSIDIARIES

Name and Jurisdiction of Incorporation	Authorized Capital Stock	Shares Outstanding	Owner of Shares	Options, Warrants and Similar Rights
NHL Intermediate Holdings Corporation I* (Delaware)	1,000	1,000	National Health Laboratories Holdings Inc.	None
NHL Intermediate Holdings Corp. II* (Delaware)	1,000	1,000	NHL Intermediate Holdings Corp. I*	None
National Health Laboratories Incorporated (Delaware)	1,000	1,000	NHL Intermediate Holdings Corp. II*	None
La Jolla Management Corp. (Delaware)	1,000	1,000	National Health Laboratories Incorporated	None
Quality Assurance Group, Inc. (Delaware)	1,000	1,000	La Jolla Management Corp.	None
Allied Clinical Laboratories, Inc., A Delaware Corporation (Delaware)	20,000,000 (common) 10,000,000 (preferred)	8,399,758	National Health Laboratories Incorporated	None
Allied Clinical Laboratories, Inc., An Oregon Corporation (Oregon)	5,000	345	Allied Clinical Laboratories, Inc., A Delaware Corporation	None

* To be merged into the Borrower

SCHEDULE III

ERISA

SCHEDULE III(1)

RBLI is currently negotiating with the IRS in connection with the CompuChem Corporation Retirement Investment Plan, an inactive defined contribution plan. A proposal is pending whereby the plan's participants would be made whole for the plan sponsor's failure to take into account certain compensation in calculating the employer's matching contribution obligation in previous years. The amount currently proposed to be contributed in this regard is approximately $50,000.

Schedule III(m)

Medical Plan of Roche Biomedical Laboratories, Inc.
(including post-retirement medical benefits)

Prescription Plan of Hoffmann-La Roche Inc. (including post-retirement prescription benefits)

Basic Life Insurance Plan of Hoffmann-La Roche Inc.
(including post-retirement death benefits)

With respect to retiree medical and dental benefits, RBLI retirees participate in the Roche Retiree Welfare-Benefits Trust which is a Section 501(c)(9) trust ("VEBA").

SCHEDULE IV

Roche Holdings Share Ownership
(Giving effect to the Merger)

	Roche Holdings Beneficial Ownership	
Name	Number of Shares	Percent
Preferred stock, $0.10 par value; 10,000,000 shares authorized; none issued.	0	0.0%
Common Stock, $0.01 par value; 220,000,000 shares authorized 122,904,322 shares issued.	61,329,256	49.9%

SCHEDULE V

CERTAIN DEBT

Part I - all secured Debt of the Borrower and its Subsidiaries and RBLI and its Subsidiaries with a principal or face amount in excess of $5,000,000 (other than Surviving Debt):

None

Part II - all Debt of the Borrower in a principal or face amount excess of $5,000,000 or more which will be outstanding after the Merger (the "Surviving Debt"):

Principal	Obligor	Obligee	Interest Rate	Maturity Date	Security Interest Granted
$7,000,000	National Health Laboratories Incorporated	United States of America	6.95%	6/30/95 ($4,000,000) 9/30/95 ($3,000,000)	None
$9,000,000	National Health Laboratories Incorporated	Swiss Bank Corp.	N/A	11/30/07	*
$9,783,829	National Health Laboratories Incorporated	Frequency Properties Corp.	14.19%	11/30/07	None

* Secured by a pledge of assets held in a cash collateral account at Swiss Bank Corp. with a market value equal to the outstanding balance plus the applicable margin required thereunder.

EXHIBIT A-1 TO CREDIT AGREEMENT

FORM OF TERM NOTE

Dated: April 28, 1995

FOR VALUE RECEIVED, the undersigned, NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [ ] (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Term Advances (as defined below) owing to the Lender by the Borrower pursuant to the Credit Agreement (as defined below) on the dates and in the amounts specified in the Credit Agreement, but in no event later than April 30, 2001.

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

Both principal and interest are payable in lawful money of the United States of America to Credit Suisse (New York Branch), as Administrative Agent, at its offices at 12 East 49th Street, New York, New York 10017, Account No. 368822-05, in same day funds. Each Term Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note; provided, that the failure of the Lender to make such recordation or endorsement, or any error therein, shall not affect the obligations of the Loan Parties with respect to this Promissory Note or any other Loan Document.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement dated as of April 28, 1995 (such agreement, as it may hereafter be amended or modified, being the "Credit Agreement") among the Borrower, the Lender and certain other lenders parties thereto and Credit Suisse (New York Branch), as Administrative Agent for the Lender and such other lenders. The Credit Agreement, among other things, (i) provides for the making of term advances (the "Term Advances") by the Lender to the Borrower from time to time, the indebtedness of the Borrower resulting from such Term Advances being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

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

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By: _____

Title: _____

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid, Prepaid or Assigned	Unpaid Principal Balance	Notation Made by

EXHIBIT A-2 TO CREDIT AGREEMENT

FORM OF REVOLVING CREDIT NOTE

Dated: April 28, 1995

FOR VALUE RECEIVED, the undersigned, NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [ ] (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Revolving Credit Advances (as defined below) owing to the Lender by the Borrower pursuant to the Credit Agreement (as defined below) on April 30, 2000.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Credit Advance from the date of such Revolving Credit Advance until such principal amount is paid in full, at such

interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Credit Suisse (New York Branch), as Administrative Agent, at its offices at 12 East 49th Street, New York, New York 10017, Account No. 368822-05, in same day funds. Each Revolving Credit Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note; provided, that the failure of the Lender to make such recordation or endorsement, or any error therein, shall not affect the obligations of the Loan Parties with respect to this Promissory Note or any other Loan Document.

This Promissory Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, the Credit Agreement dated as of April 28, 1995 (such agreement, as it may hereafter be amended or modified, being the "Credit Agreement") among the Borrower, the Lender and certain other lenders parties thereto and Credit Suisse (New York Branch), as Administrative Agent for the Lender and such other Lenders. The Credit Agreement, among other things, (i) provides for the making of revolving credit advances (the "Revolving Credit Advances") by the Lender to the Borrower from time to time, the indebtedness of the Borrower resulting from each such Revolving Credit Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

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

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By: _____

Title: _____

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Assigned	Unpaid Principal Balance	Notation Made by

EXHIBIT A-3 TO CREDIT AGREEMENT

FORM OF COMPETITIVE BID NOTE

U.S. $450,000,000 Dated: April 28, 1995

FOR VALUE RECEIVED, the undersigned, NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of CREDIT SUISSE (NEW YORK BRANCH), as Administrative Agent (as defined in the Credit Agreement referred to below; the terms defined therein being used herein as therein defined), for the account of each Lender making a Competitive Bid Advance, the principal amount set forth above or, if less, the aggregate principal amount of the Competitive Bid Advances made by the Lenders to the Borrower pursuant to the Credit Agreement outstanding on the Revolving Credit Termination Date or such earlier dates as are specified in the Competitive Bid Register.

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

Both principal and interest are payable in lawful money of the United States of America to Credit Suisse (New York Branch), as Administrative Agent, at 12 East 49th Street, New York, New York 10017, Account No. 368822-05, in same day funds. Each Competitive Bid Advance owing to a Lender by the Borrower pursuant to the Credit Agreement and the applicable Notice of Competitive Bid Borrowing, and all payments made on account of principal thereof, shall be recorded by the Administrative Agent and endorsed on the grid attached hereto, which is a part of this Promissory Note; provided, that the failure of the Administrative Agent to make such recordation or endorsement, or any error therein, shall not affect the obligations of the Loan Parties with respect to this Promissory Note or any

other Loan Document.

This Promissory Note is the Competitive Bid Note referred to in, and is entitled to the benefits of, the Credit Agreement dated as of April 28, 1995 (such agreement, as it may hereafter be amended or modified, being the "Credit Agreement") among the Borrower, the Lenders parties thereto and the Administrative Agent. The Credit Agreement, among other things, (i) provides for the making of Competitive Bid Advances by the Lenders to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Competitive Bid Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

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

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By:_____
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made by

EXHIBIT B TO CREDIT AGREEMENT

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated: [ ]

Reference is made to the Credit Agreement dated as of April 28, 1995 (the "Credit Agreement") among NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement) and CREDIT SUISSE (NEW YORK BRANCH), as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

[ ] (the "Assignor") and [ ] (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Annex 1 of all outstanding rights and obligations of the Assignor thereunder. After giving effect to such sale and assignment, the Assignee's Commitments and the amount of the Advances owing to the Assignee will be as set forth in Annex 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Loan Documents or any other instrument or document furnished pursuant thereto; and (iv) shall record on each Note held by it appropriate reductions in principal amount as a result of the assignment being made by it hereunder, and requests that the Administrative Agent issue a new Note or Notes payable to the order of the Assignee if the Assignee is not already a Lender.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are

delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Eurodollar Lending Office (and address for notices) the office set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].(*)

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(*) Include clause (vii) if the Assignee is organized under the laws of a jurisdiction outside the United States.

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to [the Borrower for its consent and to] the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent [after consent thereto by the Borrower], unless otherwise specified on Annex 1 hereto (the "Effective Date").

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

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

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law provisions thereof.

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

IN WITNESS WHEREOF, the parties hereto have caused Annex 1 to this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Annex 1 hereto.

Annex 1
to
Assignment and Acceptance
Dated: [ ]

1. As to each Facility in respect of which an interest is being assigned:
   Percentage Interest assigned (Term Facility): _____%
   Percentage Interest assigned (Revolving Credit Facility): _____%

2. Assignee's Term Commitment: $_____
   Aggregate outstanding principal amount of Term Advances assigned: $_____

3. Assignee's Revolving Credit Commitment:
   Aggregate outstanding principal amount of Revolving Credit Advances assigned: $_____

Effective Date(*)(*): [ ]

- --------

(*)(*) This date should be no earlier than the date of acceptance by the Administrative Agent.

[NAME OF ASSIGNOR, as Assignor]

By:_____
Title:

[NAME OF ASSIGNEE, as Assignee]

By:_____
Title:

Domestic Lending Office
(and address for notices):
[Address]
Eurodollar Lending Office:
[Address]

Accepted this [ ] day
of [ ]

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

By:_____
Title:

Consented to this [ ] day
of [ ]

[NATIONAL HEALTH LABORATORIES HOLDINGS INC.]
[LABORATORY CORPORATION OF AMERICA HOLDINGS]

By:_____
Title:

EXHIBIT C-1 TO CREDIT AGREEMENT

FORM OF NOTICE OF COMMITTED BORROWING

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent for the
Lenders parties to
the Credit Agreement [Date]
referred to below
12 East 49th Street
New York, New York 10017
Attention: Syndication/Agency
Ladies and Gentlemen:

The undersigned, [NATIONAL HEALTH LABORATORIES HOLDINGS INC.] [LABORATORY CORPORATION OF AMERICA HOLDINGS], refers to the Credit Agreement, dated as of April 28, 1995 (the "Credit Agreement"; the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and CREDIT SUISSE (NEW YORK BRANCH), as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Committed Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Committed Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Committed Borrowing is _____, [199] [200_];

(ii) The Facility under which the Proposed Committed Borrowing is the [Term] [Revolving Credit] Facility.

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

(iv) The aggregate amount of the Proposed Committed Borrowing is $[ ]; and

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

Very truly yours,

[NATIONAL HEALTH LABORATORIES
HOLDINGS INC.]

[LABORATORY CORPORATION OF
AMERICA HOLDINGS]

By:_____
Title:

EXHIBIT C-2 TO CREDIT AGREEMENT

FORM OF NOTICE OF COMPETITIVE BID BORROWING

CREDIT SUISSE (NEW YORK BRANCH)
as Administrative Agent for the
Lenders parties to
the Credit Agreement [Date]
referred to below
12 East 49th Street
New York, New York 10017
Attention: Syndication/Agency

Ladies and Gentlemen:

The undersigned, [NATIONAL HEALTH LABORATORIES HOLDINGS INC.] [LABORATORY CORPORATION OF AMERICA HOLDINGS], refers to the Credit Agreement, dated as of April 28, 1995 (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and CREDIT SUISSE (NEW YORK BRANCH), as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(b) of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be made:

(i) Business Day of Proposed Competitive Bid Borrowing: _____;
(ii) Amount of Proposed Competitive Bid Borrowing:_____;
(iii) Maturity Date:_____;
(iv) Interest Rate Basis:_____;
(v) Interest Payment Date(s):_____;
(vi) [Describe Additional Terms]:_____;

Very truly yours,

[NATIONAL HEALTH LABORATORIES HOLDINGS INC.]

[LABORATORY CORPORATION OF AMERICA HOLDINGS]

By:_____
Title:

EXHIBIT C-3 TO CREDIT AGREEMENT

FORM OF COMPETITIVE BID

To: Credit Suisse (New York Branch)
Fax #: (212) 238-5073

Telephone #: (212) 238-5056

From: [Lender]

Re: National Health Laboratories Holdings Inc. Credit Agreement dated as of April 28, 1995

Reference is made to the Notice of Competitive Bid Borrowing by [National Health Laboratories Holdings Inc.] [Laboratory Corporation of America Holdings] forwarded to us by a notice dated [ ]. Set forth below are our bids with respect to the Competitive Bid Borrowing requested in such notice.

Requested Date of Competitive Bid Borrowing	Duration of Rate Period	Maturity Date	Interest Rate	Minimum and Maximum Principal Amount of Competitive Bid Borrowing

The maximum aggregate principal amount of Competitive Bid Borrowings to be made by the undersigned with respect to Competitive Bid Borrowings requested in such notice is $[ ].

[Lender]

By: _____
Name: _____
Title: _____

EXHIBIT D TO CREDIT AGREEMENT

SUBSIDIARY GUARANTY
Dated April 28, 1995
From

NATIONAL HEALTH LABORATORIES INCORPORATED,
ALLIED CLINICAL LABORATORIES, INC. (DE),
ALLIED CLINICAL LABORATORIES, INC. (OR),
LA JOLLA MANAGEMENT CORP. and
QUALITY ASSURANCE GROUP, INC.
as Guarantors,

in favor of

THE LENDERS PARTY TO THE CREDIT AGREEMENT
REFERRED TO HEREIN

and

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

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SUBSIDIARY GUARANTY

SUBSIDIARY GUARANTY dated April 28, 1995, made by each of the Persons listed on the signature pages hereof and the Additional Guarantors (as defined in Section 7) (such Persons so listed and the Additional Guarantors being, collectively, the "Guarantors"), in favor of the Lenders (the "Lenders") party to the Credit Agreement (as defined below) and Credit Suisse (New York Branch), as administrative agent (the "Administrative Agent") for the Lenders.

PRELIMINARY STATEMENT

The Lenders and the Administrative Agent are parties to a Credit Agreement dated as of April 28, 1995 (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Credit Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined) with National Health Laboratories Holdings Inc. (to be renamed Laboratory Corporation of America Holdings), a Delaware corporation (the "Borrower"). It is a condition precedent to the making of Advances by the Lenders under the Credit Agreement that each of the Guarantors shall have executed and delivered this Guaranty.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make Advances, each Guarantor hereby agrees as follows:

Section 1. Guaranty; Limitation of Liability. (a) Each Guarantor hereby unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of the Borrower now or hereafter existing under the Loan Documents, whether for principal, interest (including, without limitation, interest after the filing of a petition initiating a proceeding referred to in Section 6.01(e) of the Credit Agreement, whether or not such interest constitutes an allowed claim for purposes of such proceeding), fees, expenses or otherwise (such Obligations being the "Guaranteed Obligations"), and agrees to pay any and all reasonable expenses (including reasonable counsel fees and expenses) incurred by the Administrative Agent or the Lenders in enforcing any rights under this Guaranty. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrower to the Administrative Agent or the Lenders under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

(b) The obligations of each of the Guarantors under this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations under this Guaranty subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

Section 2. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent or the Lenders with respect thereto. The Obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against such Guarantor to enforce this Guaranty, irrespective of whether any action is brought against the Borrower or whether the Borrower is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any and all of the following:

(a) any lack of validity or enforceability of any Loan

Document or any agreement or instrument relating thereto;

(b) to the fullest extent permitted by law, any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower or any of its Subsidiaries or otherwise;

(c) any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) any change, restructuring or termination of the corporate structure or existence of the Borrower or any of its Subsidiaries; or

(e) any other circumstance (including, without limitation, any statute of limitations or any existence of or reliance on any representation by the Administrative Agent or any Lender) that might otherwise constitute a defense available to, or a discharge of, the Borrower, such Guarantor or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

Section 3. Waivers; Subrogation. (a) Each Guarantor hereby, to the extent permitted by applicable law, waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Administrative Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person.

(b) Each Guarantor hereby further irrevocably waives any defense or benefits that may be derived from California Civil Code Sections 2808, 2809, 2810, 2815, 2819, 2845, 2849 or 2850 and comparable provisions of the laws of any other jurisdiction and all other suretyship defenses it would otherwise have under the laws of California or any other jurisdiction.

(c) Each Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(d) Upon making any payment with respect to the Borrower under this Guaranty, a Guarantor shall be subrogated to the rights of the payee against the Borrower with respect to such payment; provided that such Guarantor shall not enforce any payment by way of subrogation until all Guaranteed Obligations have been paid in full.

Section 4. Payments Free and Clear of Taxes, Etc. (a) Any and all payments made by any Guarantor hereunder shall be made, in accordance with Section 2.12 of the Credit Agreement, free and clear of and without deduction for any and all present or future Taxes. If a Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Guarantor shall make such deductions and (iii) such Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Guarantor agrees to pay any present or future Other Taxes.

(c) Subject to the qualifications and conditions set forth in Section 2.12(c) of the Credit Agreement, all of which apply to each Guarantor hereunder to the same extent they apply to the Borrower thereunder, the Guarantors agree jointly and severally to indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, each Guarantor will furnish to the Administrative Agent, at its address referred to in the Credit Agreement, appropriate evidence of payment thereof. If no Taxes are payable in respect of any payment hereunder by such Guarantor through an account or branch outside the United States or on behalf of such Guarantor by a payor that is not a United States person, such Guarantor will furnish, or will cause such payor to furnish, to the Administrative Agent a certificate from each appropriate taxing authority or authorities, or an opinion of counsel acceptable to the Administrative Agent, in either case stating that such payment is exempt from or not subject to Taxes.

(e) Without prejudice to the survival of any other agreement of the Guarantors hereunder, the agreements and obligations of each

Guarantor contained in this Section 4 shall survive the payment in full of the Guaranteed Obligations and all other amounts payable under this Guaranty.

Section 5. Representations and Warranties. Each Guarantor hereby represents and warrants as follows:

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

(b) The execution, delivery and performance by such Guarantor of this Guaranty are within such Guarantor's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Guarantor's charter or by-laws, (ii) violate any law (including, without limitation, the Exchange Act), rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any loan agreement, contract, indenture, mortgage, deed of trust, lease or other instrument binding or affecting such Guarantor, any of its Subsidiaries or any of its or their properties, the effect of which conflict, breach or default is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean the Borrower) or (iv) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of the Borrower or any of its Subsidiaries. Such Guarantor is not in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which would be reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition of Material Adverse Effect, the term "Person" shall mean the Borrower).

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (i) the due execution, delivery and performance by such Guarantor of this Guaranty and (ii) the exercise by the Administrative Agent or any Lender of its rights under this Guaranty; provided, however, that no representation or warranty is made as to any authorization, approval or other action by, or notice to or filing with, any banking agency or regulatory body applicable to the Administrative Agent or any Lender.

(d) This Guaranty has been duly executed and delivered by such Guarantor. This Guaranty is the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditor's rights generally and by general principles of equity.

(e) There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(f) Such Guarantor has, independently and without reliance upon the Administrative Agent or any Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty.

(g) Such Guarantor is, individually and together with its Subsidiaries, Solvent.

Section 6. Covenants. Each Guarantor covenants and agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid or any Lender shall have any Commitment, such Guarantor will, unless the Required Lenders shall otherwise consent in writing, perform or observe all of the terms, covenants and agreements that the Loan Documents state that the Borrower is to cause such Guarantor or any of its Subsidiaries to perform or observe.

Section 7. Amendments, Etc. (a) No amendment or waiver of any provision of this Guaranty and no consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders (other than any Lender that is, at such time, a Defaulting Lender), (a) release or limit the liability of the Guarantor hereunder, (b) postpone any date fixed for payment hereunder or (c) change the number of Lenders required to take any action hereunder.

(b) Upon the execution and delivery by any Person of a supplemental guaranty in substantially the form of Exhibit A hereto (each a "Guaranty Supplement"), such Person shall be referred to as an "Additional Guarantor" and shall be and become a Guarantor hereunder and each reference in this Guaranty to a "Guarantor" shall also mean and be a reference to such Additional Guarantor and each reference in any other Loan Document to a "Subsidiary Guarantor" shall also mean and be a reference to such Additional Guarantor.

Section 8. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered to it, if to a Guarantor, addressed to it at the address listed for such Guarantor on the signature pages hereof or in the applicable Guaranty Supplement, if to the Administrative Agent or a Lender, at its address specified in the Credit Agreement, or as to any party at such other address as shall be designated by such party in a written notice to each other party. All such notices and other communications shall be effective (i) when received, if mailed or delivered or telecopied (if telecopied, only when non-machine confirmation of receipt is received), or (ii) when confirmed by telex answerback.

Section 9. No Waiver; Remedies. No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 10. Right of Set-off. Upon (a) the occurrence and during the continuance of any Event of Default and (b) the making of the request, or the granting of the consent, of the Required Lenders specified by Section 6.01 of the Credit Agreement to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of said Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of any Guarantor against any and all of the Obligations of such Guarantor now or hereafter existing under this Guaranty, whether or not such Lender shall have made any demand under this Guaranty and although such Obligations may be unmatured. Each Lender agrees promptly to notify such Guarantor after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

Section 11. Indemnification. Without limitation of any other Obligations of any Guarantor or remedies of the Lenders under this Guaranty, each Guarantor shall, to the fullest extent permitted by law, indemnify, defend and save and hold harmless the Lenders from and against, and shall pay on demand, any and all losses, liabilities, damages, costs, expenses and charges (including the reasonable and documented fees and disbursements of the legal counsel of the Lenders and the reasonable and documented charges of the internal legal counsel of the Lenders) suffered or incurred by the Lenders as a result of (a) any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally, or (b) any failure of the Borrower to pay and perform any Guaranteed Obligations in accordance with the terms of such Guaranteed Obligations.

Section 12. Continuing Guaranty; Assignments under the Credit Agreement. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of the cash payment in full of the Guaranteed Obligations and all other amounts payable under this Guaranty and the Termination Date, (b) be binding upon each Guarantor, its successors and permitted assigns and (c) inure to the benefit of and be enforceable by the Lenders, the Administrative Agent and their successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including, without limitation, all or any portion of its Commitment, the Advances owing to it and the Note or Notes held by it to any other Person), and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, in each case as provided in Section 8.07 of the Credit Agreement. This Guaranty may not be assigned by any Guarantor except by operation of law in accordance with Section 5.02(c) of the Credit Agreement.

Section 13. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. (a) This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

(b) Each Guarantor hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty or any of the other Loan Documents to which it is or is to be a party, or for recognition or enforcement of any judgment, and each Guarantor hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State or, to the extent permitted by law, in such federal court. Each Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Guaranty or any of the other Loan Documents to which it is or is to be a party in the courts of any jurisdiction.

(c) Each Guarantor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty or any of the other Loan Documents to which it is or is to be a party in any New York State or federal court. Each Guarantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action proceeding in any such court.

(d) EACH GUARANTOR HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE TRANSACTIONS CONTEMPLATED THEREBY OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, THE BORROWER, ANY GUARANTOR OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

NATIONAL HEALTH LABORATORIES
INCORPORATED

By_____
Title:
Address: 4225 Executive Square
Suite 800
La Jolla, CA 92037

ALLIED CLINICAL LABORATORIES, INC.,
a Delaware corporation

By_____
Title:
Address: 4225 Executive Square
Suite 800
La Jolla, CA 92037

ALLIED CLINICAL LABORATORIES, INC.,
an Oregon corporation

By_____
Title:
Address: 4225 Executive Square
Suite 800
La Jolla, CA 92037

LA JOLLA MANAGEMENT CORP.

By_____
Title:
Address: 4225 Executive Square
Suite 800
La Jolla, CA 92037

QUALITY ASSURANCE GROUP, INC.

By_____
Title:
Address: 4225 Executive Square
Suite 800
La Jolla, CA 92037

Exhibit A to Subsidiary Guaranty

FORM OF GUARANTY SUPPLEMENT

Dated: [ ]

Credit Suisse (New York Branch),
as Administrative Agent

12 East 49th Street
New York, New York 10017
Attention: Syndication/Agency

Re: Credit Agreement dated as of April 28, 1995 among NATIONAL HEALTH LABORATORIES HOLDINGS INC. (to be renamed LABORATORY CORPORATION OF AMERICA HOLDINGS), a Delaware corporation, the banks, financial institutions and other institutional lenders listed on the signature pages thereof and CREDIT SUISSE (NEW YORK BRANCH), as administrative agent (the "Administrative Agent") for the Lenders thereunder

Ladies and Gentlemen:

Reference is made to the above-captioned Credit Agreement and to the Subsidiary Guaranty referred to therein (such Subsidiary Guaranty, as in effect on the date hereof and as it may hereafter be amended, modified or supplemented from time to time, being the "Subsidiary Guaranty"). The terms defined in the Subsidiary Guaranty and not otherwise defined herein are used herein as therein defined.

The undersigned hereby unconditionally guarantees the punctual payment when due, whether at stated maturity by acceleration or otherwise, of all of the Guaranteed Obligations and agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Administrative Agent or the Lenders, on the terms and subject to the limitations set forth in the Subsidiary Guaranty as if it were an original party thereto. On and after the date hereof, each reference in the Subsidiary Guaranty to "Guarantor" shall also mean and be a reference to the undersigned.

The undersigned hereby agrees to be bound as a Guarantor by all of the terms and provisions of the Guaranty to the same extent as each other Guarantor.

This Guaranty Supplement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF THE LOAN DOCUMENTS, THE TRANSACTIONS CONTEMPLATED THEREBY OR THE ACTIONS OF THE ADMINISTRATIVE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

Very truly yours,

[NAME OF ADDITIONAL GUARANTOR]

By _____
Title:
[Address of chief executive office]

EXHIBIT E-1 TO CREDIT AGREEMENT

National Health Laboratories Holdings Inc.

April 28, 1995

TO: (i) the Lenders party to the Credit Agreement referred to below and (ii) Credit Suisse (New York Branch), as Administrative Agent

Ladies and Gentlemen:

I am Executive Vice President and General Counsel of National Health Laboratories Holdings Inc., a Delaware corporation (the "Borrower"), and am rendering this opinion in connection with the Credit Agreement dated as of April 28, 1995 (the "Credit Agreement"; all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement) among the Borrower, the banks, financial institutions and other institutional lenders listed on the signature pages thereof (the "Banks") and Credit Suisse (New York Branch), as administrative agent (the "Administrative Agent") for the Lenders thereunder. This opinion is being furnished to you pursuant to Section 3.01(e)(xiii) of the Credit Agreement.

In connection with this opinion, I have examined originals, or copies certified or otherwise identified to my satisfaction, of the following documents, each dated as of the date hereof (collectively, the "Loan Documents"):

1. the Credit Agreement;
2. the Notes; and
3. the Subsidiary Guaranty.

In addition, I have examined: (i) such corporate records of the Borrower and the other Loan Parties as I have considered appropriate, including copies of the charter and by-laws of each Loan Party certified as in effect on the date hereof (collectively, the "Charter Documents") and certified copies of resolutions of the board of directors of each Loan Party; and (ii) such other certificates, agreements and documents as I deemed relevant and necessary as a basis for the opinions hereinafter expressed.

In my examination of the aforesaid documents, I have assumed, without independent investigation, the genuineness of all signatures, the due authorization, execution and delivery of the Loan Documents by each party thereto other than the Loan Parties, the enforceability of the Loan Documents against each party thereto, the legal capacity of all individuals who have executed any of the Loan Documents, the authenticity of all documents submitted to me as originals, the conformity to the original documents of all documents submitted to me as certified, photostatic, reproduced or conformed copies of validly existing agreements or other documents and the authenticity of all such latter documents.

In expressing the opinions set forth herein, I have relied upon the factual matters contained in the representations and warranties of the Loan Parties to the extent they solely address matters of fact and upon certificates of public officials and officers of the Loan Parties.

I understand that you have considered the applicability to the transactions contemplated by the Loan Documents of fraudulent transfer laws, as to which I express no opinion, and have satisfied yourself with respect thereto.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, I am of the opinion that:

1. Each Loan Party is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Each Loan Party is duly qualified and in good standing as a foreign corporation in each other jurisdiction

in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed would not have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall refer to the Borrower).

2. The execution, delivery and performance by each Loan Party of each of the Loan Documents and each of the Transaction Documents to which it is a party, as appropriate, and the consummation of the Merger and the other transactions contemplated thereby are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, including, without limitation, any required consent or approval of stockholders of such Loan Party, and do not (i) contravene such Loan Party's Charter Documents, any existing applicable law or regulation of the United States or the General Corporation Law of the State of Delaware (the "GCL") or any order, writ, judgment, injunction, decree, determination or award of any court, governmental authority or agency binding upon such Loan Party or to which such Loan Party is subject, (ii) to the best of my knowledge, conflict with or result in the breach of, or constitute a default under, any loan agreement, contract, indenture, mortgage, deed of trust, material lease or other material written instrument binding on or affecting such Loan Party, or any of its properties, the effect of which conflict, breach or default is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall refer to the Borrower), (iii) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party.

3. No authorization, approval or other action by, and no notice to, consent of, order of or filing with, any United States Federal or, to the extent required under the GCL, Delaware governmental authority or regulatory body is required for the due execution, delivery and performance by any Loan Party of the Loan Documents to which it is a party.

4. To the best of my knowledge, there is no pending or threatened action, proceeding, governmental investigation or arbitration affecting any Loan Party before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect (in the case of clause (a) of the definition thereof, the term "Person" shall refer to the Borrower) or (ii) purports to affect the legality, validity, binding effect or enforceability of the Merger, the Loan Documents, any Transaction Document or the consummation of the transactions contemplated by Loan Documents or the Transaction Documents.

5. All of the outstanding capital stock of each Subsidiary Guarantor listed on Schedule 1 hereto is owned, beneficially and of record, by the person indicated on Schedule 1 hereto.

6. None of the Loan Parties is (i) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (ii) subject to regulation under the Public Utility Holding Company Act of 1935 or the Federal Power Act, each as amended, or (iii) subject to any Federal or State law or regulation limiting its ability to incur Debt.

I am a member of the bars of the States of Illinois and Indiana and do not express any opinion as to matters governed by any other laws other than the Federal laws of the United States of America and the GCL. This opinion is rendered only with respect to laws, and rules, regulations and orders thereunder, which are currently in effect.

This opinion is furnished by me solely for your benefit in connection with the Credit Agreement and the transactions contemplated thereby and may not be circulated to, or relied upon by, any other Person, except that this letter may be circulated to any prospective Lender and may be relied upon by any Person who, in the future, becomes a Lender.

Very truly yours,

/s/ James G. Richmond

James G. Richmond
Executive Vice President
and General Counsel

Schedule 1

Subsidiary Guarantors

Name	Jurisdiction of Incorporation	100% of Capital Stock Owned by:
National Health Laboratories Incorporated	Delaware	NHL Intermediate Holdings Corp II (to be merged into the Borrower)
Allied Clinical Laboratories, Inc.	Delaware	National Health Laboratories Incorporated
Allied Clinical Laboratories, Inc.	Oregon	Allied Clinical Laboratories, Inc. (DE)
La Jolla Management Corp.	Delaware	National Health Laboratories Incorporated
Quality Assurance Group, Inc.	Delaware	La Jolla Management Corp.

EXHIBIT E-2 TO CREDIT AGREEMENT

[Davis Polk & Wardwell letterhead]

April 28, 1995

To: (i)the Banks party to the Credit Agreement referred to below and (ii) Credit Suisse (New York Branch), as Administrative Agent

Ladies and Gentlemen:

We have participated in the preparation of the Credit Agreement dated as of April 28, 1995 (the "Credit Agreement") among National Health Laboratories Holdings Inc., a Delaware corporation (the "Borrower"), the banks listed on the signature pages thereof (the "Banks") and Credit Suisse (New York Branch), as administrative agent (the "Administrative Agent") for the Lenders thereunder. Capitalized terms not otherwise defined herein shall have the meanings given them in the Credit Agreement. This opinion is being furnished to you at the request of the Borrower pursuant to Section 3.01(e)(xiii) of the Credit Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents, each dated as of the date hereof (collectively, the "Loan Documents"):

1. the Credit Agreement;
2. the Notes; and
3. the Subsidiary Guaranty.

In addition, we have examined such other certificates, agreements and documents as we deemed relevant and necessary as a basis for the opinions hereinafter expressed.

We understand that you have considered the applicability to the transactions contemplated by the Loan Documents of Section 548 of the United States Bankruptcy Code or any comparable provisions of applicable state law, as to which we express no opinion, and have satisfied yourselves with respect thereto.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. Each of the Credit Agreement and the Subsidiary Guaranty constitutes a valid and binding agreement of each Loan Party which is a party thereto, and the Notes constitute valid and binding obligations of the Borrower, in each case enforceable against such Loan Party in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and equitable principles of general applicability.

2. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party do not violate any provision of United States Federal or New York State law or regulation that in our experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the Loan Documents.

3. To the best of our knowledge, no authorization, approval or other action by, and no notice to, consent of, order of or filing with, any United States Federal or New York governmental authority or regulatory body is required for the due execution, delivery and performance by any Loan Party of the Loan Documents to which it is a party.

In giving the foregoing opinion, (i) we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located which limits the rate of interest that such Lender may charge or collect, (ii) we express no opinion as to any regulatory scheme applicable to, or any license or permit required in connection with, the businesses conducted by the Loan Parties and their Subsidiaries, (iii) we have relied, without independent investigation, as to all factual matters, upon the representations and warranties of the Loan Parties in the Loan Documents, and (iv) we have relied, without independent investigation, as to all matters governed by laws other than the laws of the State of New York and, to the extent referred to in paragraphs 2 and 3 above, the Federal laws of the United States of America, upon the opinion of James G. Richmond, Executive Vice President and General Counsel of the Borrower, copies of which have been delivered to you.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York. Our opinions are rendered only with respect to laws, and rules, regulations and orders thereunder, as currently in effect.

This opinion is rendered solely to you in connection with the Credit Agreement and the transactions contemplated thereby and may not be circulated to, or relied upon by, any other Person without our prior written consent, except that this letter may be circulated to any prospective Lender and may be relied upon by any Lender.

Very truly yours,

EXHIBIT F

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands, except per share data)

	Actual Xxx. xx, 1995	Actual Xxx. xx, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$0	$0
Accounts receivable, net	0	0
Inventories	0	0
Prepaid expenses and other	0	0
Deferred income taxes	0	0
Income taxes receivable	0	0
Total current assets	0	0
Property, plant and equipment, net	0	0
Intangible assets, net	0	0
Deferred income taxes	0	0
Other assets, net	0	0
	$0	$0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$0	$0
Accrued expenses and other	0	0
Current portion of long-term debt	0	0

Current portion of accrued settlement expenses.....	0	0
Total current liabilities.....	0	0
Revolving credit facility.....	0	0
Long-term debt, less current portion.....	0	0
Capital lease obligation.....	0	0
Deferred income taxes.....	0	0
Other liabilities.....	0	0
Stockholders' equity:		
Preferred stock, $0.10 par value; 10,000,000 shares authorized; none issued and outstanding.....	0	0
Common stock, $0.01 par value; 220,000,000 shares authorized; xx,xxx,xxx and xx,xxx,xxx shares issued at Xxxxxxx xx, 1995 and Xxxxxxx xx, 1994, respectively.....	0	0
Additional paid-in capital.....	0	0
Retained earnings.....	0	0
Total stockholders' equity.....	0	0
	$0	$0

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in Thousands, except per share data)
(Unaudited)

	For the Month Ended Xxxxxxxxxx xx,		Xxx Months Ended Xxxxxxxxxx xx,	
	Actual 1995	Actual 1994	Actual 1995	Actual 1994
Net sales.....	$0	$0	$0	$0
Cost of sales.....	0	0	0	0
Gross profit.....	0	0	0	0
Selling, general and administrative expenses.....	0	0	0	0
Amortization of intangibles and other assets.....	0	0	0	0
Operating income.....	0	0	0	0
Investment income.....	0	0	0	0
Interest expense.....	0	0	0	0
Earnings before income taxes.....	0	0	0	0
Provision for income taxes.....	0	0	0	0
Net earnings.....	$0	$0	$0	$0
Earnings per common share.....	$0.00	$0.00	$0.00	$0.00
Dividends declared per common share..	$0.00	$0.00	$0.00	$0.00

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	For the Month Ended Xxxxxxxxxx xx,		Xxx Months Ended Xxxxxxxxxx xx,	
	Actual 1995	Actual 1994	Actual 1995	Actual 1994
Supplemental schedule of cash flow information:				
Cash paid during the period for:				
Interest.....	$0	$0	$0	$0
Income taxes.....	0	0	0	0
Disclosure of non-cash financing and investing activities:				
Dividends declared and unpaid on common stock.....	$0	$0	$0	$0

In connection with business

acquisitions, liabilities were assumed as follows:				
Fair value of assets acquired.....	$0	$0	$0	$0
Cash paid.....	0	0	0	0
Liabilities assumed.....	$0	$0	$0	$0

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	For the Month Ended Xxxxxxxxxx xx,		Xxx Months Ended Xxxxxxxxxx xx,	
	Actual 1995	Actual 1994	Actual 1995	Actual 1994
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net earnings.....	$0	$0	$0	$0
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:				
Depreciation and amortization....	0	0	0	0
Provision for doubtful accounts, net.....	0	0	0	0
Change in assets and liabilities, net of effects of acquisition:.	0	0	0	0
Decrease (increase) in accounts receivable.....	0	0	0	0
Decrease (increase) in inventories.....	0	0	0	0
Decrease (increase) in prepaid expenses and other.	0	0	0	0
Decrease (increase) in deferred income taxes, net.	0	0	0	0
Change in income taxes receivable/payable, net....	0	0	0	0
Increase (Decrease) in accounts payable and other.	0	0	0	0
Payments for settlement and related expenses.....	0	0	0	0
Other, net.....	0	0	0	0
	0	0	0	0
Net cash provided by (used for) operating activities.....	0	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures.....	0	0	0	0
Acquisition of businesses.....	0	0	0	0
Restricted investments.....	0	0	0	0
Net cash used for investing activities.....	0	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends paid on common stock.....	0	0	0	0
Proceeds from exercise of stock options.....	0	0	0	0
Proceeds from revolving credit facility.....	0	0	0	0
Payments on revolving credit facility.....	0	0	0	0
Proceeds from long-term debt.....	0	0	0	0
Payments on long-term debt.....	0	0	0	0
Deferred payments on acquisitions....	0	0	0	0
Purchase of treasury stock.....	0	0	0	0
Net change in due to/from affiliates.	0	0	0	0
Other.....	0	0	0	0
Net cash provided by (used for) financing activities.....	0	0	0	0
Net increase (decrease) in cash and cash equivalents.....	0	0	0	0
Cash and cash equivalents at beginning of period.....	0	0	0	0
Cash and cash equivalents at end of period.....	$0	$0	$0	$0

EXHIBIT G TO CREDIT AGREEMENT

FORM OF CONFIDENTIALITY LETTER

[LENDER LETTERHEAD]

[Date]

Credit Suisse (New York Branch),
as Administrative Agent
12 East 49th Street
New York, NY 10017
Attention: Syndication/Agency
[Name and address of Lender
selling a participation or
making an assignment under
the Credit Agreement referred
to below]

Ladies and Gentlemen:

We understand that Credit Suisse (New York Branch) is acting as Administrative Agent (the "Administrative Agent") under the Credit Agreement dated as of April 28, 1995 (as amended or modified from time to time, the "Credit Agreement"; terms used herein and not otherwise defined are used as defined therein) among National Health Laboratories Holdings Inc. (to be renamed Laboratory Corporation of America Holdings) (the "Borrower"), certain Lenders parties thereto (the "Lenders") and the Administrative Agent. In connection with our evaluation of a proposed purchase of a participation in, or acceptance of an assignment of, a portion of the Advances and Commitments, the Administrative Agent (or an affiliate thereof) and/or a Lender (or an affiliate thereof) has furnished, and will furnish, us with a copy of the Credit Agreement and non-public information concerning the Borrower and its Subsidiaries (all such non-public information, whether furnished before or after the date of this letter, and including, without limitation, the financial model referred to below, collectively the "Transaction Information").

We agree to keep confidential (and to cause our affiliates, officers, directors, employees, agents and representatives to keep confidential) all Transaction Information and, in the event we do not participate or accept an assignment under the Credit Agreement, at the Administrative Agent's, such Lender's or the Borrower's request, to return (and to cause such other person to return) to the Administrative Agent, such Lender or the Borrower, as the case may be, all written Transaction Information and all copies thereof, extracts therefrom and analyses and other materials based thereon, except that we shall be permitted to disclose details of the Transaction Information (i) to such of our affiliates, officers, directors, employees, agents and representatives (which agents and representatives shall not include any non-affiliated financial institutions) and legal or other advisors who need to know such information in connection with our evaluation of a possible participation in, or possible acceptance of an assignment of, Advances and Commitments thereunder and who receive the Transaction Information with the understanding that it is confidential; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process (provided that, to the extent permitted by applicable law, we will promptly notify the Borrower of such requirement as far in advance of its disclosure as is practicable to enable the Borrower to seek a protective order and, to the extent practicable, we will cooperate with the Borrower (at the sole expense of the Borrower) in seeking any such order), or requested by any governmental agency or authority having jurisdiction over us (provided that, to the extent permitted by applicable law, we will first inform the Borrower of any such request) other than those from bank regulatory authorities examiners; (iii) to the extent the Administrative Agent and the Borrower shall have consented to such disclosure in writing; and (iv) to the extent that a public announcement or dissemination of such Transaction Information shall have been made other than as a result of a breach of this Confidentiality Letter.

We further agree that we will use the Transaction Information only in connection with our evaluation of becoming a possible participant or Eligible Assignee under the Credit Agreement.

The undertakings contained herein are for your benefit and the benefit of the Borrower.

Upon its receipt of this confidentiality letter signed by us, we understand that the Administrative Agent or a Lender may forward to us a financial model for the periods through 2001 pertaining to the Borrower. Such information will subsequently form part of the Transaction Information for all purposes hereunder.

We understand that the financial model was prepared in good faith by the Borrower's management based on assumptions believed to be reasonable when made. However, because assumptions as to future results are inherently subject to uncertainty and contingencies beyond the Borrower's control, actual results of the Borrower may be higher or lower.

[Name of Institution]

By:_____
Title:

EXHIBIT 10.5

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT dated as of April 28, 1995 with respect to the Employment Agreement (the "Employment Agreement") dated as of January 1, 1991, as amended on April 1, 1991, June 6, 1991, January 1, 1993 and April 1, 1994, by and between La Jolla Management Corp., a Delaware corporation ("La Jolla"), and David C. Flaugh ("Executive").

In connection with the merger (the "Merger") of National Health Laboratories Holdings Inc. ("NHL") and Roche Biomedical Laboratories, Inc., into a combined company (the surviving corporation of the Merger being referred to as the "Company") pursuant to the Merger Agreement dated as of December 13, 1994 among National Health Laboratories Holdings, Inc., HLR Holdings Inc., Hoffmann-La Roche Inc. and Roche Biomedical Laboratories, Inc., Executive and the Company have agreed to enter into this Amendment to be effective at the time (the "Effective Time") of the Merger.

1. At the Effective Time, Executive shall be employed as Executive Vice President and Chief Operating Officer of the Company. Both La Jolla and Executive agree that, as of Effective Time, the duties assigned to Executive are materially inconsistent with his status prior to the Merger as Senior Executive Vice President and Chief Operating Officer of NHL, and that there has been an adverse alteration in the nature of the Executive's responsibilities as Senior Executive Vice President, which would entitle Executive to terminate his employment for "Good Reason" pursuant to Section 6(b) of the Employment Agreement. Notwithstanding the foregoing, both La Jolla and Executive agree that Executive's right to so terminate his employment pursuant to Section 6(b) shall be exercisable only on December 31, 1995, and if such date is not a business day, the closest business day thereto and any earlier termination of employment by Executive shall be deemed a material breach of the Employment Agreement, provided that, notwithstanding the foregoing, if after the date of the Merger and before December 31, 1995, duties are assigned to Executive which are materially inconsistent with his new status as Executive Vice President and Chief Operating Officer of the Company after the Merger or there is an adverse alteration in the nature of Executive's new responsibilities as Executive Vice President of the Company after the Merger, then Executive may terminate his employment for Good Reason pursuant to Section 6(b).

2. In the event Executive elects to terminate his employment for Good Reason pursuant to Section 1 above, as of January 1, 1996 or such earlier date of termination, Executive shall be entitled to the payments and benefits described in Section 7(b), 8 and 11(a) of the Employment Agreement.

3. In the event Executive does not elect to terminate his employment for Good Reason pursuant to Section 1 above, then without any further action by any party, effective as of January 1, 1996:

(a) The last sentence of Section 2 of the Employment Agreement shall be automatically amended in its entirety to read as follows:

"The duties to be performed by the Executive shall be performed primarily at the offices of the Company in La Jolla, California, subject to reasonable travel requirements on behalf of the Company."

(b) Clause (i) of Section 6(b) shall be automatically amended in its entirety to read as follows:

"(ii) the assignment to Executive of duties materially inconsistent with his status as Executive Vice President and Chief Operating Officer of the Company or an adverse alteration in the nature of Executive's responsibilities as Executive Vice President, as such duties and responsibilities exist on the six month anniversary of the Effective Time."

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written.

LA JOLLA MANAGEMENT CORP.

By: /s/ Bradford T. Smith

Name: Bradford T. Smith
Title: Executive Vice President, General Counsel and Secretary

EXECUTIVE

/s/ David C. Flaugh

Name: David C. Flaugh

EXHIBIT 21

Laboratory Corporation of America Holdings
Listing of Subsidiaries
April 28, 1995

Subsidiary	State of Incorporation
Laboratory Corporation of America (formerly known as National Health Laboratories Inc.)	Delaware
La Jolla Management Corp.	Delaware
Quality Assurance Group, Inc.	Delaware
Executive Tower Travel Inc.	Delaware
Allied Clinical Laboratories, Inc. A Delaware Corporation	Delaware
Allied Clinical Laboratories, Inc. An Oregon Corporation	Oregon
CompuChem Corporation	Massachusetts
Tower Collection Center Inc.	Delaware
ChemWest Analytical Laboratories, Inc.	Delaware
CompuChem Laboratories, Incorporated	Delaware

EXHIBIT 22

[LabCorp Logo]

Laboratory Corporation of America
Holdings
358 South Main Street
Burlington, North Carolina 27215
910-584-5171

FOR IMMEDIATE RELEASE

Contacts: Pam Mason
Laboratory Corporation of America
212-484-7700 (4/28 only)
619-550-0600 (5/1 and thereafter)
Mary Ann Dunnell
Laboratory Corporation of America
212-484-7797

LABORATORY CORPORATION OF AMERICA(TM) HOLDINGS FORMED BY MERGER OF NATIONAL HEALTH LABORATORIES HOLDINGS AND ROCHE BIOMEDICAL LABORATORIES

New Company Is World's Largest Clinical Laboratory

La Jolla, CA, and Burlington, NC, April 28, 1995 -- Shareholders of National Health Laboratories Holdings Inc. (NHL), La Jolla, CA, voted today to approve a merger of NHL and Roche Biomedical Laboratories, Inc. (RBL), Burlington, N.C. The merger became effective today.

The new company, Laboratory Corporation of America Holdings (LabCorp(TM)), will be the world's largest clinical laboratory in terms of revenues. Shares of the company will begin trading on the New York Stock Exchange Monday, May 1, under the symbol LH, with approximately 123 million shares outstanding. Annualized revenues for the new company are expected to be in excess of $1.7 billion for 1995. James Maher, previously chief executive officer of NHL, will become chairman of the Board of Directors. Dr. James Powell, formerly president of RBL, will serve as president and chief executive officer of the new company.

The company has entered into a credit agreement which will provide a $1.25 billion credit facility with a group of banks led by Credit Suisse to refinance existing debt, to provide funds to facilitate this transaction and to support future growth.

Company Positioned to Address Changes Within the Health Care Industry

The synergies anticipated to be created by this merger of companies with complementary strengths and market positions are expected to result in substantial savings for the new company. "Through this merger, we believe we can achieve significant economies of scale and deliver what this industry so critically needs -- unprecedented efficiency," said Dr. Powell. "In serving a swiftly changing health care marketplace, LabCorp believes that, through its exceptionally broad and well directed resources, it is poised for industry leadership. We will be uniquely positioned to deliver quality to a broad range of customers -- including managed care providers, doctor alliances and hospital affiliations -- offering services in critical testing niches."

"LabCorp's breadth in geographic presence is matched only by its depth in professional experience," Mr. Maher said. "Going forward, our seasoned management team will ensure LabCorp's continuing commitment to the highest standards of service quality and regulatory compliance in today's highly competitive health care environment."

First Quarter Results

National Health Laboratories Holdings Inc. results for the first quarter ended March 31, 1995 included a 32% gain in net sales to $243.8 million, versus $185.0 million in the first quarter of 1994, and operating income of $36.7 million versus $18.6 million in the prior year, a gain of 97%. Net income was $12.8 million, versus $8.1 million in 1994, and earnings per share were $0.15 compared to $0.10 in the prior period.

Roche Biomedical Laboratories, Inc., formerly the clinical laboratory operation of Hoffmann-La Roche Inc., a wholly owned subsidiary of Roche Holding Ltd, Basel, Switzerland, also enjoyed an excellent first quarter ended March 31, 1995, with revenues increasing 5 percent to $185.5 million compared to $176.5 million in last year's first quarter. Operating income on a stand-alone basis without various parent company charges increased substantially to $19.4 million through March 31, 1995 compared to $15.0 million in last year's first quarter, an increase of 29%.

The combined pro forma results of National Health and Roche Biomedical in the first quarter reflect a solid base from which the newly merged organization can grow. Pro forma net sales were $429 million in the first quarter, with operating income of $57 million. Including the increased amortization and interest expense associated with the merger, pro forma net income was $22 million and earnings per share were $0.18. These pro forma results do not include the cost savings expected from the synergies of the combined companies.

Terms of the Transaction

In accordance with the terms of the merger agreement, shareholders of NHL received a 50.1 percent interest in the company and approximately $475 million in cash. In exchange for each National Health Laboratories share, each shareholder will receive 0.72 shares of Laboratory Corporation of America Holdings common stock and a payment of $5.60 in cash. In addition, NHL declared a dividend, payable to holders of record of NHL common stock on April 21, consisting of warrants to purchase shares of the new company's stock at $22 per share, subject to adjustments. These warrants, which will be exercisable on April 28, 2000, were distributed at a rate of approximately 0.163 warrant per share of NHL Common Stock, or an aggregate of 13.8 million warrants.

Roche contributed its laboratory business -- Roche Biomedical Laboratories -- and $186.7 million in cash to the new company. In return, Roche received a 49.9 percent interest in Laboratory Corporation of America Holdings and approximately 8.3 million warrants to purchase additional shares, under terms identical to those for NHL shareholders.

Laboratory Corporation of America Holdings is a national clinical laboratory organization with estimated annualized revenues in excess of $1.7 billion for 1995. Its 40 full-service laboratories nationwide perform diagnostic tests for physicians, managed care organizations, hospitals, clinics, long-term care facilities, industrial companies and other clinical laboratories.

# # #

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the current report on Form 8-K of Laboratory Corporation of America Holdings (formerly named National Health Laboratories Holdings Inc.) filed with the Securities and Exchange Commission as of the date hereof of our report dated February 15, 1995 with respect to the consolidated financial statements of Roche Biomedical Laboratories, Inc. which report was included in the Registration Statement on Forms S-4/S-3 (Registration No. 33-58307) and the related Prospectuses for the registration of shares of common stock and warrants of National Health Laboratories Holdings Inc.

/s/ PRICE WATERHOUSE LLP
PRICE WATERHOUSE LLP

Morristown, New Jersey
May 12, 1995

EXHIBIT 23.2

CONSENT

I, David Bernt Skinner, M.D., hereby consent to being named as a person who has become a director of Laboratory Corporation of America Holdings in the current report on Form 8-K to which this consent is an exhibit and which is incorporated by reference into the Prospectus included in the Registration Statement on Forms S-4/S-3 (Registration Statement No. 33-58307) filed with the Securities and Exchange Commission on March 31, 1995.

Dated: May 12, 1995

/s/ David Bernt Skinner, M.D.
David Bernt Skinner, M.D.

EXHIBIT 23.3

CONSENT

I, Andrew G. Wallace, M.D., hereby consent to being named as a person who has been appointed to become a director of Laboratory Corporation of America Holdings in the current report on Form 8-K to which this consent is an exhibit and which is incorporated by reference into the Prospectus included in the Registration Statement on Forms S-4/S-3 (Registration No. 33-58307) filed with the Securities and Exchange Commission on March 31, 1995.

Dated: May 12, 1995

/s/ Andrew G. Wallace, M.D.
Andrew G. Wallace, M.D.